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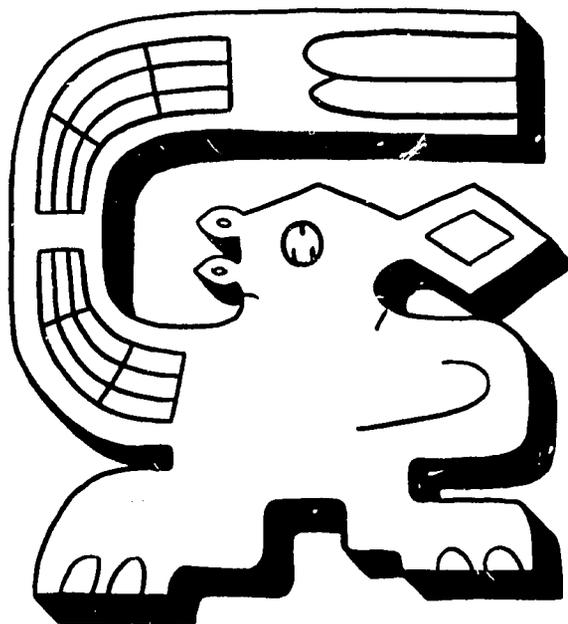
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## FAO RESEARCH IN CONTEMPORARY CHANGES IN AGRARIAN STRUCTURE

Kenneth H. Parsons

LAND TENURE CENTER  
University of Wisconsin—Madison  
53706

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FAO RESEARCH IN CONTEMPORARY CHANGES  
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by

Kenneth H. Parsons\*

This is a statement of the issues to be investigated by, and the methodology appropriate for, a research programme in agrarian reform to be carried out by FAO in accordance with the responsibility placed upon FAO by its governing bodies and the ECOSOC and other organs of the United Nations system. Taking note of this responsibility, the FAO Special Committee on Agrarian Reform in its Report of 1971 emphasized, in interpreting its terms of reference, that the UN Declaration on Social Progress and Development had stated as an ideal "the participation of all members of society in a productive and socially useful task and the establishment of patterns of land ownership and of means of production that exclude any forms of exploitation of human beings and create conditions of true equality among them."<sup>1</sup>

In accordance with the recommendations of the Report of the Special Committee, approved by the Sixteenth Session of the FAO Conference (Rome, 6-25 November 1971), the Agrarian Reform and Rural Sociology Service of FAO is undertaking a comprehensive research programme in current changes or reforms in agrarian structures. Agrarian structure, in this context, embraces the inter-related structures of tenure relations, production organization and supporting agricultural services.

I. THE GENERAL PROBLEM

The basic purpose of this proposed research programme is to achieve an understanding of the rapid changes in agrarian structure which are now occurring in world agriculture, in ways which will enable the technical staff of FAO, and in particular the staff of the Agrarian Reform and Rural Sociology Service, to meet their professional obligations to the United Nations Agencies and to member Governments.

Essentially this proposed research programme is directed to an understanding of what is going on in world agriculture in the reformation of agrarian struc-

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\* Text prepared by Prof. K.H. Parsons, University of Wisconsin, Madison, Wisconsin, as an FAO Consultant, in collaboration with the staff of the Agrarian Reform and Rural Sociology Service, Rural Institutions Division

tures, as an integral part of agricultural development. Furthermore, it is understanding sought for the purpose of helping to advise officials and administrators regarding ways to reconstruct or develop the agriculture of their own countries, taking into consideration the ideals or principles upon which the United Nations is founded.

The research will be based upon case studies of particular situations-- such situations being selected for study where there are particularly significant programmes directed at the reconstruction or reformation of agrarian structures.

By making case studies of situations "where the action is," it should be possible for a comprehensive research effort, over time, to identify and subsequently strengthen, the creative and constructive influences at work in the reconstruction and reformation of agrarian structures. Such achievements, however, will be possible only if the truly strategic issues are identified and used as guidelines in the formulation of the approach to each particular case study.

II. THE GENERAL CONTEXT OF AGRARIAN REFORM POLICIES

Land reform and agrarian reform policies have taken on renewed significance since World War II, due to several different influences. During this time reform programmes have become both more comprehensive and more constructive in purpose.

In the early 1950s there was a surge of land reform programmes, stimulated in part by the active interest of the United Nations. Some of these programmes confined themselves to breaking the economic and political power of landlords. Others had a more comprehensive and positive content.

Land reforms under socialist auspices opened the way for the collectivization of agriculture. Others were followed by distribution of land to cultivators. In Japan the land reform programme, although allocating land in small farms, was an integral part of a comprehensive reconstruction of the institutional aspects of agriculture.

Within the decade of the 1950s, however, the discussions of reform became more inclusive and more constructive in intent, with consideration of land reform embraced within the more inclusive idea of agrarian reform. These broader terms of reference, which were adopted by the Special Committee

on Agrarian Reform, recognize implicitly that a task of reconstruction is encountered regardless of the kind of reform undertaken. Where the reform programmes allotted land to cultivators in small farms--as one to three hectares--subsequent reforms are directed to ways of increasing the scale of operations; where socialist reform programmes created collective farms, these too are being reorganized--in some instances into larger units, in others into individual farming units within an overall cooperative framework.

Although the mitigation of rural poverty remains the central purpose of agrarian reforms, with improvement of land tenure systems having a primary and basic emphasis, it is essential that contemporary programmes for the reform of agrarian structures give positive support to both the adoption of modern technology and the effective participation of farm people.

Everywhere the current technological revolution in agriculture has impinged upon the land tenure systems. In the socialist countries the way was opened for the technological revolution by political revolutions which swept away the old order, including both the power structure based upon the ownership of land and the traditional agricultural systems which had developed over centuries. In the Western industrialized world, the technological revolution in agriculture has been achieved by the more gradual process of displacing labour and increasing the size of farms. The agricultural economies of these latter countries have been able to assimilate the new technology by gradual means partly because a significant proportion of the farmers were able and experienced manager-entrepreneurs, partly because of the wide horizons of employment opportunities in non-agricultural industries, and partly because the structure of their political-economic systems was relatively flexible, implicitly designed to adjust to change.

The greatest technical change to date has occurred in the agriculture of the temperate zones--with dramatic increases in the size of farms--the whole readjustment having been facilitated by a shortage of labour in non-agricultural industries. In the remainder of the world--in the warmer latitudes, in the developing and less developed countries, in the regions where new nation states are being formed in old societies--the organizational problems in the introduction of modern technology are quite different

from those encountered in the presently industrialized countries. Here the land tenure and land reform aspects of agricultural development take on new dimensions.

Most of the people working in agriculture in these regions are engaged in traditional ways of farming. Customary tenure systems, where they do not prevail, have been transformed or transmuted much less than in the industrialized countries; the market orientation of agriculture is low, especially in the domestic food crop economies. Where a market orientation has been achieved, agriculture is, technically, mostly at a pre-scientific and pre-capitalistic (i.e. pre-investment) stage. And most important of all, these national economies are predominantly agricultural, some of them densely peopled, many with population growth rates of two to three percent per annum. In this vast area, the dynamic role in agricultural development of energizing tenure relations and the possibilities of agrarian reform need intensive study--especially in those countries lacking strong universities and a general acceptance of social science research.

Nevertheless, it is in these less developed countries that most of the institutional innovations in tenure systems have been attempted in the last two or three decades. These innovations reflect a will to develop. Such a will is one of the more precious assets of our time. Through careful objective research it should be possible to make this willingness to innovate for development more productive and more constructive.

Although the current tenure situation in each country, and indeed for each region within individual countries, is unique in important ways, the key to a general understanding of the significant tenure situations in the less developed world is through the consideration of the major genetic characteristics of the customary or traditional tenure systems--that is, as they have developed or changed over time.

The implicit public purpose of these customary tenure systems has long been to ensure group survival of the people in agriculture. Since the customary tenure systems are much older than modern States, the organizing rules for tenure arrangement were customary, sanctioned by the authority of groups--by clans, tribes and families. Wherever a sedentary rain-watered type of cultivation predominated, it was the

general rule that individuals (or families) who engaged in continuous cultivation or use of land, acquired equitable interests in particular tracts of land. No doubt this process of equitable attachment to particular pieces of land was stimulated by both the growth in the population with potential claims to land, and by the expanding economic opportunities for the sale of the products of the land. Thus, over much of Asia, Europe, tropical Africa, and Latin America, the millions of people of the land acquired rightful claims to land by having "mixed their labour with the soil."

In the nomadic cultures of this vast area, individual survival was more to be assured by attachment to the tribe than to particular tracts of land. Here, group forms of tenure prevailed, resting basically upon conquests of territory and control of the sources of water. In areas where irrigation farming developed, either as a supplement to or as a substitute for a grazing economy, the survival attachment of the people was to water rights as well as land. The water rights and the derivative irrigation farming were both subject to group control. With the advent of market opportunities for the sale of the products of the land within the last century, the effective ownership of cultivated land passed, particularly in the Middle East area, to the head-man or the strong men of the group, with lesser folk becoming tenants or sharecroppers of the stronger. This concentration of ownership in a number of countries was facilitated by policies based upon the partial adoption of Western conceptions of land ownership.

The social and economic status of individuals in traditional rural societies was largely dependent upon their rights in land, which rights in turn prescribed the conditions of participation in the economic system. Consequently in order to understand the actual problems of the reform and reconstruction of tenure relations so that they may serve as an equitable and energizing influence in agricultural development, it seems useful to discuss more fully the nature and role of traditional tenure systems.

The rights in land accruing to individuals under the customary rules of land tenure were a form of property, in which the rights of individuals had the correlative support of duties enforced by group authority. As a general rule, such customary rights

were usufructuary rights, subject to inheritance but not sale. What may be called the sovereign rights of ultimate ownership remained in the group--which group had the authority characteristically both to allocate unused land to members needing more land for self-subsistence, and to re-allocate land already in use among members of the group--from those with use and occupancy rights, to the landless members of the group. Such re-allocation procedures are a means of honouring a birth-right privilege of having land to use for one's own subsistence cultivation as a part of the social security system of the extended family. Although this pattern of customary use of, and control over land, has been drifted over by the currents of history in Asia, in tropical Africa today, the system still prevails.

Where feudal systems of authoritative Government developed, as in Japan and Western Europe, the sovereign control over land use was assimilated to the Governments--"to the Crown." This paved the way for the distinctions between the public powers over land use and occupancy--eminent domain, the regulatory police powers, and the taxation of land--retained by the Government, and the individual ownership of the opportunities to occupy, use, and transfer land, vested in private individuals. These distinctions between public and private interests in land are basic to the Western type of property in land. Correlatively within these systems, the original limited use and occupancy rights of cultivators became assimilated to the liberties of citizens and generalized into negotiable depersonalized interests in land.

In the presently less developed parts of the world a similar evolution from customary to legally sanctioned systems of tenure relations did not occur. Just why this should be may not be well understood. But one may hazard some explanations, which could have significance for the design of agrarian reform programmes.

It seems important that over vast areas, especially in the Middle East and Africa, the basic unit of survival was the tribe or clan, persons were "members" rather than individual citizens. Now that national citizenship is coming to people all over the undeveloped world, a new dynamic is being introduced into the tenure system. The traditional status within the group was reflected in the customary tenure systems, as already noted. Colonial administration over much, or most, of Africa and Asia was

implemented by the introduction of European systems of law, adjudication, and administration. These European systems, for the most part, were operative in the urban realm of business, marketing, and finance. A major exception to this was in the areas of European agricultural settlement; here the State assumed proprietary control by the ancient right of conquest and created islands of modern legally sanctioned negotiable property in land.

In the Americas, the common rule was that the native tenures were pushed aside, with the conquering powers establishing a European type of land law and administration for their own people. Where large numbers of the descendants of the original inhabitants survive, as in the mountainous areas of Latin America, there is an institutional dualism in the systems of tenure rights to the land--one validated historically by right of conquest, the other by the Lockean principle of establishing ownership rights to land use and occupancy--by having mixed one's labour with the soil. The tension and conflict in Latin America between these two systems is currently the source of much of the recent contention over land.

This highly generalized, and even impressionistic, sketch of the diverse ways by which the tenure situations in various parts of the world have come to be what they are, is intended only to suggest something of the characteristics and situations that need to be taken into account if case studies of emerging tenure situations are to be understood in relation to each other. Stated differently, case studies which are intended to be useful to Statesmen and administrators who have a will to modify tenure systems in their own countries, need to be concerned with the whole historical situation of a country, while directing attention to the strategic issues. Tenure relations in this statement have been emphasized because they constitute the basic institutional structure of non-industrialized countries.

### III. INTERRELATIONS BETWEEN AGRARIAN REFORMS AND AGRICULTURAL DEVELOPMENT

The driving inspiration for agrarian reform is in the effort and will to eradicate the degrading poverty of hundreds of millions of people on the land. The concern is not only to get rid of poverty, but to do so in ways which reduce inequality and enhance the

dignity and self respect of the cultivators. An equality of poverty would no doubt be more acceptable to the poor and less degrading than poverty amidst wealth and affluence.

When viewed as a problem in agricultural development, degrading poverty can be overcome only by an increased production of goods and services which is so shared as to mitigate poverty; that is, the problem can be viewed as a problem first of production and then distribution. One great limitation of this emphasis is that redistribution of income and wealth is not likely to occur in societies with extensive poverty. The poor lack power. In consequence, the rich get richer and the poor poorer; for economic development has an inner logic which makes inequality cumulative.

When approached as a problem in reform, the same degrading poverty requires an improvement in the status of the poor, which requires not only increased production, but also an enhancement in human dignity and human equality. Although the status of peasant cultivators can be, and has been, enhanced remarkably by reform programmes which were directed primarily to a redistribution of land, i.e., of wealth and income, there are distinct limits to what can be accomplished in most societies by such redistribution alone.

It is these sets of dilemmas which led the Special Committee on Agrarian Reform to emphasize the need for reform, not only of tenure, but also of production relations and supporting services as well. The basic question for this research, then, is how these different aspects of structural reforms inter-relate. Once these inter-relations are categorized, it should then be possible to understand the significant similarities and differences in the varied situations in which the case studies may be made.

Since the reform of agrarian structures must, if adequate or satisfactory, support and promote development as well as reform, it seems useful to consider analytically the manner in which these two kinds of public achievement are reciprocally involved.

To characterize development first, agricultural development, particularly in the less developed parts of the world, needs to be viewed as a process of transformation. If the transformation of agriculture viewed historically or genetically can be conceptualized as a multi-dimensional process by which the antecedent traditional or subsistence

agriculture is transformed into a modern system of agricultural economy, the categories should have broad existential relevance, since traditional-subsistence systems of agriculture are remarkably similar in all parts of the world.

In a genuinely subsistence agriculture, the system of economy is ecologically based. That is, the system of economy reflects adaptations to natural requirements and limitations. These elementary systems of economy were devised by ordinary people guided by customs and conventional wisdom, without benefit of modern science and technology, with economic interdependence confined to small groups--the whole system having been achieved with a minimum of public order. Viewed from the perspective of a modern system of state and economy, these early subsistence economies were pre-market, pre-scientific, pre-capitalistic (i.e., pre-investment, with capital viewed in physical terms), and pre-state systems of economy, in which the participants had the abilities appropriate to the functioning of the system. Although there are virtually no truly primitive subsistence systems of agricultural economy surviving, the successor systems in many parts of the world remain customary and traditional in orientation; many of the systems have stagnated at an elementary or common-sense level of capital intensification, for example, using home-made tools and oxen rather than hand labour in seed-bed preparation.

This characterization of development is intended also to suggest the principal avenues of modernizing development or sources of growth. Admittedly these avenues of development and growth have been identified from the historical experience of more modern agricultural economies--as being means of modernization. It is also to be noted, however, that this mode of characterization is not teleological, except in the provisional or instrumental sense--of intermediate and partial ends in view. How these sources or powers of growth are drawn upon and utilized is a function of the prevailing and dominant ideology. Stated differently, balanced growth in agriculture can be achieved only by the concerted use of all these sources. If the labour and other resources used in agriculture are to be used in an optimum manner, then there must be a specialization and division of labour as suggested by the term "market orientation." Also, man's increased powers over nature must be utilized. But it is the development of the abilities of a people and the appropriate use of the powers of the State which present the most contro-

versial aspects of agricultural development policy.

Yet there can be little doubt that the growth in abilities and the energetic participation of a people in the development process is one of the key resources for agricultural development. A system which releases the energy of a people and induces their willingness to participate, can be achieved only by the deliberate use of the powers of the State to shape and sustain such an energizing system.

However, agricultural development is a never-ending achievement, so that national agricultural development policies need to be reviewed periodically, if not continuously. Also failure to use all such development powers in concert, can only result in less than an optimum rate of agricultural development. Furthermore, when such powers are used in a partial or grossly inequitable manner, development becomes distorted and even pathological.

Agrarian reforms modify the form or the structure of a rural society and economy. If the social and economic systems of agriculture are to be reformed and not merely deformed, it is essential that reform programmes be constructive in intent and be guided by conceptions of the kind of system which is being sought. Stated negatively, the mere destruction of antecedent systems, no matter how inefficient or inequitable, cannot be adequate.

Although the reconstruction of tenure relations is, in most instances, the key or strategic initial point for reform, the need for reform is more inclusive than tenure alone. The nature of the tenure system stipulates the dimensions of opportunity for the use of land; such stipulations in turn define strategic characteristics of farms as firms--including the elementary rules for the ownership of the crop, the manner of participation by workers, and the privileges and immunities of the participants in the farm as a going concern. Since agricultural development involves the farm concern in new orders of interdependence and responsibilities, especially for the acquisition of management and capital and the adoption of new technology and market (or equivalent external) relations, the reform of structure to be productive must include the initiation or renovation of public services for agricultural and rural life.

Thus the central problem of agrarian reform differs from place to place, depending upon the history and manner of achieving such economic development as has occurred.

(1) There are numerous situations in which little progress has been made in the modernization of agriculture. Here agriculture is predominantly traditional, with customary systems of tenure. Where the resource is not overburdened already by an increase in population, a reform of institutions can open the way for the modernization of agriculture. Where a traditional agriculture is under heavy population pressure, much less can be achieved by reform programmes which would reconstruct tenure relations. To be effective in development, reconstruction must be more comprehensive than land reform alone, basic as such reform is.

(2) In a number of countries, particularly in Western Europe and more recently in Japan, the agricultural systems have become modernized through relatively small scale farms; here the eventual farm income of farmers and their families is limited by the potential efficiency of production and marketing of the small scale of operations. In such situations, where farm people are to a very large extent already a self-willed and self-directed people, they are turning to reforms of structure to achieve more of the benefits of modern technology and orderly marketing. Many new developments lead to vertical integration which implies that farm management and marketing are linked to the requirements of processing and distribution with attendant loss of freedom of action by the farm people, but with an increase in their income and modernization of their operations. In some instances arrangements are being worked out to pool the land for farming operations; in others, group efforts are directed to the establishment of cooperative or group services for heavy farm work, such as tractor-plowing, for the purchase of production requisites, or for the marketing of crops.

(3) There are situations evoking recent agrarian reform programmes in which the functioning of the agricultural economy has been handicapped, and even partially paralyzed by an irresponsible inequality of wealth and power. Such situations are seemingly to be explained by the historical facts that agricultural development processes have been directed to the benefit of the few. We may refer to such

happenings as reporting the pathology of agricultural development.

Although we are concerned in this latter characterization with situations in which reforms occur to offset the consequences of pathological growth, we note that such situations are scarcely distinguishable from those in which provisions are inadequate to counterbalance the cumulative inequality which is endemic to economic development.

In the absence of active measures to redistribute opportunities, income, and wealth, there is a cumulative inequality in national economic development. Redistribution is achieved in modern public service states by national tax systems and expenditures for public education and other welfare services. As a matter of historical fact, in ancient Biblical times, as well as in ancient China at least, both the forgiveness of debt and some redistribution of land was undertaken periodically. As economies develop, debts and credits become deeply integrated into the business structure, and the opportunity to use land for sale of products adds market dimensions to the value of the natural-opportunity of land for subsistence survival. Under these modern conditions the national capacity to redistribute opportunities depends upon the development of less direct means, such as taxation and expenditures for schools and other public services.

Further comments here will be limited principally to the characterization of situations and reforms: (a) those needed to loosen the constraints inherent in a traditional-subsistence agriculture and release the energies of development; and (b) those in which reforms are undertaken to offset the consequences of pathological agricultural growth.

Much of tropical Africa represents the first of these situations in need of reform. In a sense the problem is not so much one of reform as of form--since the big task is in the design and institution of systems of economy which open the way for investment and provide new procedures for a more creative reconciliation of conflicts, particularly over land rights and the willing participation of the people by commensurate rewards for effort.

The basic issue in such situations is whether the traditional systems of agriculture are to be transformed or be displaced. It is a question of (a) how and whether the experience, the

customs, and the conventional wisdom of the cultivators is to be honoured and moulded in an evolutionary manner or (b) whether alien systems of tenure and farming are to be imported to displace the traditional systems on an ad hoc basis. Both approaches are currently being tried in tropical Africa, with some attempts to combine the traditional and the new in a creative way to form new kinds of concerns such as cooperative farms. But the task is more comprehensive than the establishment of improved types of firms. The whole matrix of property rights, or equivalent substitute forms of public administration, and an appropriate system of supporting services are also needed. This type of reconstruction can only be achieved by the appropriate use of the powers of the State.

But predominantly agrarian reform in the latter decades of this Twentieth Century is concerned not with setting the stage for agricultural development *de novo*, but with the correction of the pathology of distorted agricultural development already achieved. Comment on this issue requires reference to the several sources or powers of agricultural growth discussed above.

Much of the inequality and lack of function in agricultural situations in which land reforms have occurred in this century have their roots in the use of the powers of the Government for private purposes. Both colonial administrators of the past several centuries and many of the indigenous Governments which replaced them in the past 150 years used the ancient principle of rewarding the faithful with grants of land--some of them of enormous size. Such procedures established both the Latifundia of Latin America and Zamindari systems on the Indian subcontinent. Once established, these large owners not only wielded great power over the plain people on their domains, but the concentration of property and power in the hands of a few people or families led to the use of the public powers of the State for the private purposes of these groups. Such control over Government, amounting virtually to the private ownership of Government, led to the adoption of public programmes for credit, taxation, irrigation development, etc., which perpetuated and even accentuated the disparity of wealth and income in agriculture. The actual cultivators of the land in such situations were not only poor, they were servile.

A somewhat similar distortion in agricultural development can come from

a partial market orientation of agriculture. Where export crops are grown on plantations, and especially where the crops are exotic to the area, the market orientation is to a demand external to the country. Not only is the income generated in this fashion likely to have a lower multiplier effect than national income generated within an interdependent national economy with domestic demands, the plain people of the country are likely to be hired labourers, many of them casually employed; in some cases even people from outside have been imported as indenture labour.

Such outcomes are avoided, or at least the consequences modified, where export crops are produced in peasant-export farming systems such as those by which cocoa was introduced into Western Nigeria.

We know of no instances in which the organization of large scale commercial agriculture through modern technology and forms of capital by citizens of the country has as yet led to agitation for reform. However, the potential is there, since this type of modernization most readily takes place in situations where labour is plentiful and cheap, particularly where large farms are established upon newly reclaimed irrigated lands. In consequence, the status of the workers may be no better than on the Latifundia or export plantations.

These comments may be sufficient to suggest that the most difficult aspect to achieve in a balanced programme of agricultural development is that of the able and effective participation of the workers. It is relatively easy for a country to build irrigation systems, mechanize agricultural production on a large scale, and develop marketing and credit facilities: all of this fits in neatly with the use of modern agricultural technology to enhance output or GNP. But agricultural development by such methods, even when they succeed, is likely to leave unanswered the question of how the plain people are to participate effectively in national economic development, or even to survive.

This question of the fate of the common people who are now, or were, poor and relatively unproductive workers in agriculture does not arise, or at least is not acute, in national situations in which there is a ready, or even an early incipient, demand for non-agricultural workers. However, national policies for agriculture simply cannot ignore the fate of the peasants.

There are really two separable but interrelated aspects to this "peasant" question. One is that they cannot be ignored in development policy because they are human beings with wills and aspirations of their own. If they are ignored, they will find a spokesman in due time--as witness the effectiveness of peasant movements as a political force in Latin America today.

The other is that their skills and accumulated wisdom are major assets which no country can afford to lose. In fact peasants have an ideology of their own centering on family and land. They cherish the land and characteristically labour endlessly on land which is their own. Where the peasant economy was energized and adapted to market opportunities, as in Western Europe, the greater part of the high quality fruits and vegetables is produced by peasant farmers. This sort of farmer knows every inch of his land. Agriculture remains personalized; even the cattle have names.

The question of what to do with the "surplus" farm population if agriculture is modernized by the methods in general use in the industrialized economies of the West is an acute one in all countries which are principally agricultural, or have growth rates of population which exceed the rates at which non-farm employment opportunities can be created.

In technical terms, this leads to the consideration of the use of labour intensive technologies in agricultural development. In terms of agrarian reform it raises the question of the establishment of small scale, or family scale farms. The issues are well known and need not be argued here in detail. But it seems vastly significant that in her current revolution, China chose the policy of full employment for all persons, with an apparent correlative policy of equality of poverty. It is also of significance that the Japanese land reform completely distributed the land in small ownership units, without impairing the will to develop agriculture. In Japan they now face a different problem than 25 or 30 years ago. The problem now is how to make labour sufficiently productive in agriculture to be competitive with non-agricultural employment. This they are doing by custom work and new methods of group endeavour.

#### IV. THE STRATEGY OF RESEARCH: Issues to be honoured

The proposed primary emphasis in the research on case studies is appropriate; obviously the case studies will need to be made in numerous type situations and cannot all be undertaken at once. But an effective beginning can be made almost anywhere and in any number, provided that the total study has been thought together.

It would seem better to choose the situations for study primarily upon the basis of the problems of structural reform or innovation as they relate to agricultural development, rather than on the basis of geography, noting particularly the guiding ideas at work in the reformation and reconstruction. Geographical distribution of the case studies is an important, but a secondary, consideration.

The concept of a case study itself needs to be clear. A case study would be about a particular situation; but the case study need not be, in fact should not be, wholly an original field interview type of research. Much research has been done on rural development problems and it is quite possible that some situations can be studied sufficiently by drawing upon already completed research. Also, the understanding of any situation cannot be achieved except by reference to antecedent arrangements.

It would seem both appropriate and productive that the choice of situations for case study types of research be made on the joint basis of reform and development criteria; in effect this would mean avoiding situations where agriculture is virtually stagnant and making the concentration of the case studies in areas where the institutional structure is being modified, or needs to be reformed further, to facilitate the development which is being attempted. The basic conceptualization of agricultural development can be considered a (long-term) process of transformation from a (sometime) subsistence traditional system of rural economy, to any one of a variety of modernized economies of agriculture. The listing of a few general type situations appropriate for case studies is not intended to be indicative of rank or priority.

##### 1. Situations where agricultural development moves from a base in traditional agriculture

Situations in which the basic agricultural economy remains traditional

with tenure relations predominantly a matter of custom: There are two sub-type situations that merit a case study type of enquiry:

a. Where the strategic problem is the evolution of institutions

The study of the kind of institutional innovations which are occurring gradually or by processes of evolution under the economic pressure of increased population upon the opportunity-capacity of the land. Some of the strategic questions are:

Is the community control over the basic and sovereign ownership of land being relinquished to permit some degree of alienation of land by individuals with equitable interests in the land? Have the traditional bailor-bailee relations (in which the identical pledged or owned object is recovered by the borrower upon repayment of the debt) in the community been depersonalized to the point where land mortgages are used for collateral; have landlord-tenant relationships replaced the more intimate arrangements for "borrowing" land and paying personal tribute therefor? Is formal collateral used in credit transactions? Has group liability been used in any way to secure commercial loans? (This type of institutional adjustment is mostly found today in Africa.)

b. Situations where exogenous new systems of farming displace traditional agriculture

Situations in which completely new forms of land tenure and farming systems are being tried: in cooperative farms, planned settlements, public or semi-public corporation or plantation farms. By such arrangements, new and modern systems of farming are instituted: sometimes by simply pushing the traditional agriculture aside (with the land acquired under some sort of public domain authority); sometimes by establishing farming on hitherto wild land--as has been done particularly for the production of exogenous export crops. There are some experiments underway in cooperative farming which are designed to incorporate traditional agriculture, embracing within the new firm both the customary tenure arrangements and the resident population of the traditional farming system of the areas (as in Tanzania).

2. Situations where established small farmers are forming production cooperatives or forms of group associations

This is an attempt to achieve collectively economies of scale which

they have been unable to exploit individually. This type of situation could usefully be studied both where (i) small owner-farms have been established for a long time as in Western Europe, or (ii) where small owner-farms were allotted to cultivators by recent land reform programmes as in Japan or Egypt. The range of variation here is very wide:

a. There may be instances in which the land is actually pooled by the owners into an encompassing firm, in which the ownership of the crop is with the overall firm, divorced completely from the ownership of the land, in which case compensation to participants may be on the basis of labour and land contributed. One influence toward the pooling of land now operating in Western Europe is that of owners of land, wishing to retire from active farming, who turn their lands over to a group farm enterprise to become "sleeping partners" in the concern, continuing to receive an investment return on their lands. Such would be instances of the separation of ownership from the control of land use. (This idea is essentially the one proposed in India some 20 years ago under the title of Joint Village Management.)

b. There are numerous instances of cooperatives, or other group forms of association in which land is not pooled, but where farmers retain ownership of their tracts of land and the crops grown thereon, thus undertaking some production processes collectively--particularly those in which heavy machinery can be used advantageously (which machinery may be owned publicly). The consolidation of ownership of scattered tracts into blocks is a likely precondition of this type of concerted farming. There are additional reasons for a concert of production efforts where cultivation is dependent upon irrigation, and especially where there is one premium crop such as cotton in Egypt.

3. Situations in Socialist countries where private ownership of land was abolished through land reforms

Within this general region there are numerous combinations of State farms, collective farms, and "combinats," some with home garden plots; and in a few countries, there has been partial reversion to a form of private farming.

4. Situations in which absentee owned land was requisitioned in land reform, with the use of the land assigned to a group of nearby small owner-farms

Such an arrangement was attempted approximately a decade ago in Tunisia

by forming cooperative farms out of the combined former "colon-lands" (mostly used for wheat grains) and the adjacent small units (mostly used for tree crops and vegetables).

5. Situations in which land reform programmes fall short of the requisitioning of land

These emphasize instead the regulation of rental rates, including the reduction of share rent paid by tenants--as in the Philippines and in India. Also attempts have been made, especially in India, to abolish absentee-ownership by limiting the rightful ownership of farm land to self-cultivators. The basic theoretical distinction of this regulatory approach to tenure reform is the reliance upon the police powers of the State rather than that of requisition by public rights of eminent domain.

6. Situations in which new systems of farming were instituted on reclaimed lands, particularly for irrigation farming

Here, some of the most dramatic innovations have occurred--particularly where the technological requirements of irrigation were given pride of place, with the tenure arrangements subsidiary. One prominent feature of this kind of development can be a checker-board pattern of field layout--with crop rotations running cross-ways to the ownership pattern.

V. FOCAL POINTS OF FIELD ENQUIRY

These critical issues can be understood concretely only if they can be brought to a focus at a few strategic points or conjunctions, where the reciprocal interrelations between the reform of structure and the development of agriculture can be observed. It is suggested that one such reference point is the farm as a firm or a going concern, in which the production organization is understood in relation to both the structure of tenure relations and the nature of the participation of workers and managers as well as the nature of the external relations of significance to the functioning of the firm as a going concern.

The other reference point is the structure of the encompassing social and economic system, which both provides the matrix within which farm concerns operate, and specifies the general ways in which the functions within the firms are performed. The characteristics of both farm firms as going concerns, and of the embracing system, can best be

understood in particular situations to be significant cases in terms of genetic or historical references. Furthermore, the general features can likely be characterized in this research undertaking only in profile or general terms.

The innovations in the organization of large scale forms of cooperatives, particularly those with many participants, report a search for some new middle-way to organize farming at the level of the firm. In Africa and South Asia these efforts are undertaken in the name of socialism--but which is to be understood mostly as an attempted middle-way between more doctrinaire forms of socialism and laissez faire capitalism. In Latin America there are scores of experiments with group farming of some sort--surrounded by more conventional forms of individualized holdings. In Western Europe small farmers are consolidating scattered holdings and forming cooperatives to undertake some production functions. In Eastern Europe a few countries have largely abandoned collective farming in favour of more individualized enterprises within an overall cooperative and State intervention system; in others, the collectivized farms continue, sometimes with individualized home plots, sometimes not. Thus, we have here a vast array of experiments in systems of farming, of which the ultimate test of survival must be one of performance, not of ideology.

Such are the more evident points of innovation in the structure of agricultural concerns; but these various kinds of concerns, both large scale and the small scale family farms which they would replace or supersede, can be understood only in the context of the encompassing systems of which they are integral parts.

It is the general philosophy of the system which provides both the rationale of the matrix for the individual concerns and specifies whether returns to labour are by the ownership of the crop on a particular tract of land, by compensation for labour power performed, or by some other method of sharing.

Also, the question of whether the farm-firms are connected to the other sectors of the national economy by markets or by direct administration is a matter of principle. Where group farms or cooperative farms function within a market context, the responsibilities of management rest within the firm; where markets are superseded by public administrative procedures, which both provide production resources and distribution of

the product, much of this responsibility of management is external to the firm. This in turn specifies the character of supporting public services needed.

The following are some of the key points or insights sought, which if secured should provide a general interpretation of the situation in respect to the reform of agriculture.

VI. INSIGHTS AND MEANINGS NEEDED FROM STUDY OF EXPERIENCES WITH DEVELOPMENTAL RECONSTRUCTION OF AGRICULTURE

1. Taking instances of agrarian reform in which large scale ownership of units of land were taken over by the State and allotted to previous tenants, sharecroppers, or labourers, what has been the relative productivity of land and labour by comparison with previous ownership and management? What difference did it make, according to whether land was allotted in small farms for individual enterprises, whether land was assigned to a cooperative organization for the recipient, or whether land was operated as a State farm? What happened to the people as participants in these various kinds of concerns? Are they self-willed energetic participants--or passive participants?

2. How important is it as an incentive to effort by farmers associated together in group farming that each cultivator should own the crop grown on his own allotment or tract of land, with compensation for effort being based upon the product, in comparison with schemes where the product is owned by the groups and compensation is based upon the labour or land contributed by each participant?

3. Under what conditions have small family-sized farms--the size which a family could manage and cultivate by the family labour force--been made sufficiently productive and remunerative (through appropriately specialized technology, improved management, and purchased inputs, including services, etc.), so that the income attributable to management and labour exceeded the opportunity value of labour for alternative employment? How does the productivity per unit for land and labour under such conditions compare with large scale farms in the vicinity?

4. Under what conditions for non-farm employment, including the availability of transport, have once subsistence type farms become part-time farms where the head (or other members) of the family commutes (daily or weekly) to non-farm wage employment--with the

achievement of higher incomes than offered by either full-time farming under local conditions or non-farm employment? And for how long and under what conditions did the possibility for such a differential return persist?

5. Where group farming has been undertaken by the pooled efforts and resources (including land) of previously established farmers, or where individual farms have been linked by vertical integration to processing and marketing firms, what has been the source of differential gains or losses over the previous arrangements for separate farms?

6. Where large scale collectivized farms have been established, using modern machines and technology, and participants rewarded according to the quantity and quality of contributed labour time, what have been the differential returns to labour by type of farming, size of farm, quality of soil, and antecedent histories of the participants?

7. Where group farming has been undertaken on farm land previously used in traditional farming but not differentiated into private ownership, particularly group farming by previously established kinship or communal groups, what has been the role of managers supplied by the State; how has a division of labour amongst participants been achieved; what is the basis for sharing the rewards, for distributing gains and losses? How do such roles and allocation procedures vary according to types of farming? How have the participants and other persons directly affected responded to such changes? Does this sort of group enterprise strengthen or weaken the social solidarity of the group?

8. What is the standard of living of the participants? Correlative questions here are those pertaining to housing, water supply, electricity, schools, and other amenities. Who provides them? At what cost to whom? The utter lack of such amenities is basic to the miserable poverty of millions of people on the land.

9. What happens to the children? What kind of careers do they pursue? There is a point here which is important in the thinking of country people. Farmers tend to think of time in terms of lifetime careers, not in terms of the hour or the day. This is in effect a way of thinking of succeeding generations which has loomed large in a "love of the land" by farm people.

10. Who was the prime mover in the reform? Any major innovation in institu-

tional arrangements is achieved by active leadership. Always someone or some few people are the "activists." It would be especially important, as a basis for drawing inferences from widely dispersed case studies, to know both who the leaders are and the ideas which have inspired and sustained them. More particularly, were the leaders intellectuals, priests, politicians, or planners? Or did the leadership come from the farmers themselves--as through peasant organizations? Where did they get their ideas, from church or political doctrine? From the past experience of the people? Or by the demonstration effect of observing conditions of other people?

#### VII. SOME GUIDELINES FOR SPECIFIC POINTS OF ENQUIRY IN CASE STUDIES

The needed insights suggested by the type of questions discussed in the preceding section cannot be realized, usually at least, by reliance upon direct answers in interviews to simple questions. Such meanings can be discovered and articulated only from the overall interpretation and understanding of the particular situation used as a case study. Furthermore, each situation studied will have unique and limited potentialities as a source of such meaningful insights. It is for such reasons that a specific statement of the problem and a particularly designed schedule is necessary for each case study. Nevertheless, the general argument of this statement does imply some criteria and other general considerations for the design of particular case study enquiries.

1. Since the basic purpose of the whole research effort is to produce interpretations of sufficient integrity so that they may be used dependably as guides to policy decisions by statesmen and administrators, it is necessary that meanings be sought in the research --as meanings of the particular facts derived by discriminating enquiry into particular case study situations. In simple non-technical terms, such an achievement would produce a profile statement or characterization of a situation.

The key idea in all situations is simply this: How are the changes in agrarian structure reciprocally involved with the development of agriculture in that place? In this context, development is defined to include the welfare and status of the people and the effectiveness of their participation, as well as the changes in the productivity of non-human resources.

2. It is anticipated that situations will be chosen for case studies with changes in agrarian structure as the primary index of selection. The effectiveness of changes in agrarian structures is to be ascertained by enquiry into the kind of performances which are evoked. This idea of viewing performance as a function of structure was pioneered in agricultural economic research by students of market structure. Again, this point can be stated in simple terms as recognizing that the performance of any sensible individual is dependent upon the alternatives open to him, as a person with a mind of his own.

3. Estimates of performance of an individual cultivator, or of a group of cultivators, need to be made in the context of the farm firm within which the individual, or groups, function. For purposes of this general research, and particularly in the early stages of the enquiry, an understanding in general terms of the performance of participants, as well as the productivity of other associated resources, should be adequate--such as the output per man hour of labour, per hectare of land, or unit of capital. Was the performance and productivity improved by the changes in agrarian structure? In this context the good is that which is better.

4. The most difficult aspect of this structural approach to the study of progress in agricultural development is likely to come in attempts to compare the findings of research among or between different kinds of economic systems. The general principle to be followed would seem to be that the analysis should be articulated in terms of categories which are sufficiently elemental so that they have relevance to, and comparability in, all systems. This problem of relevance is, or at least partially is, resolved, in economic or social studies which emphasize function--such as investment, management decisions, capital formation, etc. But where the basic problem is one of form, and especially where the form takes pride of place in policy considerations (as in the differences between strivings for socialist or free-enterprise economies), there is a basic problem of how different forms of economy can be analyzed in terms of the same basic set of categories. Stated differently, we need sets of categories which have intrinsic relevance to alternative ways of organizing an agricultural economy--as different as those where (a) independent entrepreneurs

organize and operate farms in a market content, at one extreme; and at the other (b) where a manager organizes and operates a State farm in a centrally organized socialist State.

One general approach to the comparative study of economic systems--in fact to systems of political economy--emphasized the transaction as the elemental unit of analysis.<sup>2</sup> Here, three kinds of transactions were distinguished: (a) bargaining transactions, which are characteristic of market dealing--and are authorized transactions where the parties deal with each other on the basis of negotiations; (b) managerial transactions by which the management of a concern directs the performance of the participants in an authoritative manner--as the foreman-worker relationship in an industrial concern; and (c) rationing transactions by which production quotas, delivery prices, or other rewards are authoritatively allotted and imposed. It is notable that both managerial transactions and rationing transactions are authoritative, with performance within these contexts a matter of command and obedience rather than negotiation.

A case study approach in research to the reconstruction and development of agriculture, as in this programme, which analyzed performance in transactional terms, would have a logical foundation for comparing the structure of farming systems across ideological lines. It is suggested, therefore, that the activities or performance of the participants be analyzed in relation to the kinds of transactions in which they engage. To what degree and at what conjunction do the participating farmers make decisions and engage in negotiations and transactions on the basis of their own wills? What is the scope of these negotiated transactions in relation to the authoritative rationing or managerial transactions--in which the participant takes orders, acting in effect upon the basis of the will of other persons?

The character of the transactions, in turn, specifies the form for the supporting agricultural services. An educational advisory service, for example, is directed to the basic decision maker. If the cultivator is not this person, he cannot use an advisory service. Similarly, credit is to be extended or injected into the agricultural economy at the point where decisions on the use of credit are made.

In fact, the differing kinds of economic systems can be distinguished

one from the other by the relative proportions of the three types of transactions. The managerial transactions are a function of the number of persons working in individual firms. The relative importance of bargaining transactions reports the degree to which resource allocation and product differentiation are made by market arrangements; whereas rationing transactions report the authoritative allocation of resources for production and the specification of the product-mix in production. In these transactional terms, the Western and the socialist economic systems are moving toward common ground, with an increase in authorized or bargaining transactions in the latter and an increase in authoritative transactions, especially rationing, in Western economies.

#### VIII. PRESENT AGENDA FOR CASE STUDIES

A specific project statement, including an appropriate field schedule if required, will be necessary for each case study undertaken in this general research programme. It is expected that the general design and emphasis of each case study will be fitted into the above general pattern of enquiry.

The number of each type to be undertaken will depend necessarily upon the scope of the research programme which can be undertaken. However, this research programme is projected as one which should be expected to be undertaken over a period of years, at a rate permitted by the resources devoted to it.

The following types of case studies are currently envisaged:

A. Study of programmes in the densely populated areas of Asia, intended to improve the status of tenants, sharecroppers, and landless labourers.

B. Analysis of the emergence of modern systems of farming and tenure in Africa. These studies, provisionally scheduled, include the selective study of both (a) new systems of group farming which have been instituted, such as farm settlement schemes, State farms, and cooperative farming; and (b) study of the gradual evolution of legally sanctioned tenure arrangements, such as those which provide security of expectations for enterprising "strangers."

C. Study of new systems of farming that have been instituted in the Middle East and North African countries through land reform programmes.

D. Studies of new systems of farming, particularly of group farming, instituted by Latin American Reform Programmes.

E. It is proposed that an evaluation of research already undertaken in Europe on the structures of farming will be made prior to the inauguration of further research. The principal exception to this is the case of Spain, where a research programme is now in progress on the current development of systems of group farming.

This comprehensive research effort will be coordinated by, and under the general supervision of, the Agrarian Reform and Rural Sociology Service of FAO Headquarters. Within regions, the research programmes will characteristically be the responsibility of FAO field officers and cooperating institutions.

Expert counsel of outside consultants will be sought to advise FAO staff as needed.

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<sup>1</sup>FAO, 1971. Report of the Special Committee on Agrarian Reform. Rome, p. 4.

<sup>2</sup>This is by the late John R. Commons, particularly in two books, The Legal Foundations of Capitalism and Institutional Economics.