AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

BIBLIOGRAPHIC INPUT SHEET

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Batch #20

1. SUBJECT CLASSIFICATION

A. PRIMARY: Agriculture — AE10-0000-0000

B. SECONDARY: Agricultural economics

2. TITLE AND SUBTITLE

Land Tenure Center seminar discussion,FAO Committee on Agrarian Reform

3. AUTHOR(S)

Dorner,Peter

4. DOCUMENT DATE	5. NUMBER OF PAGES	6. ARC NUMBER
1971	40p.	ARC

7. REFERENCE ORGANIZATION NAME AND ADDRESS

Wis.

8. SUPPLEMENTARY NOTES *(Sponsoring Organization, Publishers, Availability)*

9. ABSTRACT

10. CONTROL NUMBER

PN-RAB-238

11. PRICE OF DOCUMENT

12. DESCRIPTORS

Agrarian reform
FAO
Land tenure
Meetings
Surveys

13. PROJECT NUMBER

14. CONTRACT NUMBER

CSD-2263 211(d)

15. TYPE OF DOCUMENT

AID 590-1 (4-74)

LAND TENURE CENTER SEMINAR DISCUSSION

FAO COMMITTEE ON AGRARIAN REFORM

Peter Dorner

February 26, 1971

I might give a few words of background on this committee and why it was formed, although I can't speak for all the details as to the rationale behind it. There has been a feeling among some of the country representatives at the FAO General Conference that land reform was an important issue, that not enough was being done, that some programs of industrialization and especially the Green Revolution were capturing all the imagination and the funds, and that insufficient attention was being given to agrarian reform. So this committee was authorized by the General Conference of FAO and its members were then appointed by the FAO in Rome. Two of its members were appointed by the ILO and the UN. The committee is charged with looking at agrarian reform during the first development decade--so designated by the UN--to see what has been done, to see what its role has been, and to see what its role might be looking to the future and to the decade of the '70s.

The committee is composed of six members and a chairman. The chairman is Dr. Carlos Lleras Restrepo from Colombia, who just finished a term as President of Colombia last August. Three members of the committee are ministers of agriculture and/or land reform who have not traveled with the committee but have attended the Rome meetings. They are the ministers from Egypt, Poland, and Iran. The other member appointed by the FAO is Professor Samuel Sey from Ghana who was until

recently professor of agricultural economics and Dean of the Faculty of Science and Technology at Kumasi in Ghana. As of January 1, 1971, he has taken a position as Vice President of the Central Bank in Accra. The man appointed by the ILO is Mr. Tom Bavin. Bavin is the Secretary General of the International Federation of Plantation, Agricultural and Allied Workers with headquarters in Geneva and with affiliate agricultural unions in many countries of the world, probably having a membership of around 150 thousand people. I was appointed by the UN to serve on this committee. The ILO has special interests, particularly in the labor field, employment, and in rural organization. The UN has a broad interest in social and economic development not confined to the agricultural sector. So each of these two agencies was asked to designate one member.

This committee had the task of trying to figure out how to proceed. The international agencies have regional offices in Thailand for the Far East, in Egypt for the Near East, in Ghana for the rest of Africa, and in Chile for Latin America. These regional offices were one point of contact where visits were made and discussions held with various people from these agencies.

Additionally, 16 countries were visited. I participated in 8 of those. I'm not sure on what grounds they were selected, but I assume there were certain political factors weighed and balanced against each other in trying to select them.

These countries were in Latin America: Chile, Peru, and Mexico; in Asia: the Philippines, Thailand, Ceylon, India and Iran; in the Near East and Africa: Egypt, the Sudan, Ethiopia, Tanzania, Ghana and Dahomey; and in Eastern Europe: Yugoslavia and Romania.

in each of these countries we met with people from the international agencies and with government people in a variety of ministries involved in agricultural development. (This task of agricultural development and land reform is usually not concentrated in one ministry, but is spread in three or four of them, frequently leading to serious problems of coordination and conflict between the ministries.) In all cases where it was possible we met with rural workers and farmers' organizations. In most places we met with university groups, and sometimes, as in Ghana, we met with two university groups, one in Kumasi and one in Accra. We also visited the countryside, some co-ops, some agrarian reform projects, etc. In Eastern Europe we visited state farms, collectives, and private holdings.

So we gathered a tremendous amount of information. A lot of documentation had been prepared by the FAO people as well as by some of the country people. And I must say it was the most tightly organized schedule that I have ever participated in.

Maybe this is not the way to do it. There were serious doubts expressed as to what a committee of this kind could do in a period of two months visiting this many countries on such a complex issue. On the other hand, it was also felt that this would not be a committee that would just meet in Rome and write another report. It was concluded that there would be some advantage to getting out and getting some feel for the issues by visiting with and talking to a wide variety of people in each country.

Unfortunately, there was no good data on some of the key questions that we asked and on which we wanted information. When you

ask what's happening to the employment situation--is it getting worse?--you get a lot of theorizing about it, but there's no solid information. The same is true on income distribution. What is happening to income distribution as a result of the development that is taking place? Because actually, development, conceived in the narrower sense of simply increasing output, both agricultural as well as industrial, is taking place and in some countries at a fairly fast rate. The consequences of this for distribution are not well known. The production results are much more easily available. I found only one publication dealing with income distribution on this entire trip. I was always pressing this question to try and find out if there was any information. But most of the international agencies and the UN economic commissions for these various regions haven't much information on it. Sometimes we didn't make ourselves too popular by saying that we thought they were not really performing their functions by not getting at this kind of very important data in addition to the rather conventional production information. In any event, this is one of the gaps--there's just not much known. There is a lot of speculation on what is happening to employment and income distribution as a result of the investments and development efforts that are being made.

Today I would like to give some general impressions from some of these visits. And they are general, sometimes not even country-specific, or even region-specific, but just a kind of a feeling that you get. On the other hand they are impressions based more or less on the frequency with which certain ideas and facts were mentioned and called to our attention.

First of all, I had never been to Asia, to Africa, or to Eastern Europe. So these are first impressions. And one can't help but make comparisons with situations that you think you know something about, and I thought I knew a little bit about Latin America and, of course, about the United States.

Asia is a big place and we were in two small countries and in a big one. But when I speak of Asia, I'm usually referring to India. One cannot help but get a sense of the magnitude of this country, its resources, and its very substantial industrial base. But the sheer enormity of the population is overwhelming, as are the narrow margins within which they have to operate (people as individuals as well as public officials trying to make policy in a situation like that). I couldn't help but feel that Latin America had much more leeway, more elbow room, much more room for maneuver, much greater options and much more to be accomplished as a result of agrarian reform than a country like India.

But again, in India as in Southeast Asian countries, there's such a wide variability among regions and states. One can't generalize very well. Some states in India and some areas within states (or some of the smaller countries in the region) are much more densely populated than others. There is tremendous variability, a fact which can't help but impress one moving rapidly from one country to another as we did on this trip.

In comparison to India, I was very much impressed with the kind of relationship that exists in Africa in terms of people and

physical resources. To be sure there are some overcrowded areas within nations, and if one includes Egypt within Africa, the way it is not included as the UN has the world divided, here is another one of those very densely populated countries with very narrow margins within which to operate. But generally the African situation that I saw was tremendously impressive in terms of the wealth, the resources, the way the Africans have taken hold of their situation, the very openness and willingness to experiment and the real changes that are taking place.

The visits to East Europe were, in a sense, the most fascinating of all. But I was very happy to have the opportunity to visit Yugoslavia and Romania. One of the main impressions and of great surprise to me was the very great difference between Yugoslavia and Romania. Of course, every nation that is truly a nation is unique in many respects. But it just seemed to me that Yugoslavia was so very surprisingly unique. It simply doesn't correspond at all with the socialist model or any of the stereotypes that I suppose I and many of us might have of that model. It is a system all of its own and there is a great contrast between Yugoslavia and Romania. Romania seems to me much closer to the Westerner's conception of the socialist state and the discussions that we had with officials and non-officials in Romania seemed to confirm this.

I expect Poland would be very interesting also from this standpoint of contrast. I mentioned to the minister from Poland my reaction to the two East European states that we visited and I told him how surprised I was at the great differences between them. He

said he had hoped that the committee would have visited Poland, also. "You should have come to Poland; you would have been equally surprised," was his comment. They again have quite a unique situation with respect to their agricultural sector and have worked out a solution that for many of us, in reading about it, seems somewhat similar to the Yugoslavian situation. But I gather from talking with him, that it's quite different also.

Another impression--or rather confirmation of previous ideas--is the impossibility of generalizing on policy measures related to land tenure and reform under the very widely differing circumstances that one finds around the world. The land/man ratios and population growth rates and pressures are so different among countries that the problems and possibilities are altogether different. To refer again to India, their last census was in 1961. I don't remember how many farm units they had at the time, but it runs into the 60 to 70 millions. At that time they recorded 32 million landless workers. That was 10 years ago. Everyone believes that these numbers have increased greatly, exacerbating the magnitude of this problem and the pressures on the land. Now contrast that situation with the one in East Europe. Both Yugoslavia and Romania have a very large proportion of the people in agriculture--around 50%. But this percentage has been coming down fairly rapidly. Their industrial base seems to be functioning quite well. But, the big difference is a 1.5% population growth rate in these countries versus 2 - 3% in India and most of the countries in Asia, Africa, and Latin America.

Africa has a fairly high population growth rate, but here there is still a great deal of room and the traditional systems provide at least subsistence opportunities for the people. They may not be high level opportunities, but people are still being taken care of. So there is this great contrast.

Then also there is a wide variation in terms of land records and measures. Most countries are plagued with this issue and often it is impossible to get at the real conflicts in the countryside because the people who are in control of the land (whether they have legal status or not) are the ones that are the most influential with the bureaucracy in registering their claim within this system. In India and elsewhere we were told over and over again that these issues of land rights and distribution are most difficult to resolve because of such a poor state of official records on these matters.

Size of farm is another dimension on which generalization is not feasible. What is a big farm in India is indeed a small farm in Latin America. This is why I believe there is a much greater potential and why land reform is a much livelier issue in Latin America than in India (not only among country personnel, but also within the international agencies). A rather pronounced difference exists on the land reform issues in comparing the views of people in Latin America and those in Asia--and especially in India. The differences in history, culture, and institutional arrangements, especially with respect to the rules that govern land use and control are so great that one cannot make very meaningful generalizations.

The physical and topographic features and the settlement patterns vary widely. In Romania, for example, there are essentially three subsectors within agriculture. There is the state farm sector, which occupies a middle position in terms of land area. The largest sector is the cooperative or collective sector. But then there is also a fairly large private sector. The private sector controls about 10% of the land and another 10% is controlled privately by the people on the cooperative farms. Why did Romania choose to maintain a private sector when it was government policy to collectivize its agriculture? We were told that the principal reason was topography. The private sector is pretty much in the hilly, mountainous regions in Romania. It just did not lend itself to trying to incorporate or cooperativize this part of the system.

The villagization which has taken place, and the strength of the traditional villages in Africa, leads to different responses. Thus one cannot generalize for all of Africa. We were told that the village system in East Africa never was as strong as in West Africa. In part at least I interpret the efforts of Tanzania with its villagization program under the Ujamaa principles as a response to the kind of scattered distribution of the population. A similar type of program, so we were told, could not be carried out in Ghana because of the very strong villages that exist and the strong tribal chieftains.

So there are these wide variations in conditions. While one can speak of general patterns of differences between Latin America, Africa, and Asia, this doesn't permit generalization with respect to agricultural or land policies.

Another impression that I had concerns the issue of nationalism and efforts at nation building. It seems to me that all states struggle with this to some extent. I believe Yugoslavia is still struggling with this process of trying to weld together a number of diverse groups into one nation. I also get the impression that the process is not yet completed nor completely stable in Yugoslavia. But especially one thinks in terms of the African countries on this question, with their tribal groupings and the strong allegiances and loyalties to those smaller groupings. Again, as I indicated before, the Tanzanian experience in trying to reorganize the traditional system is in part at least a nation-building effort. In Ghana, we visited that part of the country where the Ashanti are very strong. The Ashanti hold many key posts in government, but they are also very conscious of belonging to the Ashanti nation. Undoubtedly this process takes many years, with much mobility and development before all people really feel a consciousness and a national loyalty and allegiance to a large community or a nation state.

This issue has another manifestation which also was brought home to us in many places. There are racial issues and tensions existing in many of these countries. Of course, we are all aware of the white minority in many of the African countries resulting from the colonial experience. But there are other issues, too, such as Indians in East Africa occupying most of the shopkeeping and trading positions and functions. Usually these people have a higher level of income and living than many of the people native to the country.

In Ceylon, however, the minority immigrant group is the most impoverished. Ceylon has a population of around 12 million and about 1 million of these are Indian immigrants working on the tea

plantations. Essentially these people are without a country. This is a very sensitive issue in Ceylon. Ceylon has worked out an agreement with India to expatriate about 1/2 million of these people. Ceylonese citizenship would be provided for many of those remaining.

Another impression that one gets is the strong drive to be modern. This drive is understandable, but I'm not sure that it has the best long-run consequences. To be developed means to be modern and that usually is interpreted as meaning to be mechanized. The relative capital intensity of agricultural development and the emphasis on mechanization is quite evident everywhere. Some people specifically benefit from this strategy and they have more political power, I suppose, than those who do not benefit from this strategy. I think it's also a function of the way the development task is viewed by analysts and planners. It may be that one component here is the pressure of aid-giving agencies trying to sell machinery from the industrialized countries. But also there is a lack of alternative strategies or technologies that would be labor-using.

It seems to me that there is also a very strong and deep psychological factor involved. These nations want to be developed, they want to join the modern world. We were made very conscious of this by some professionals, especially in India. In talking about employing more labor and less capital intensive methods and less mechanization, the Indians respond that they are not importing tractors, they are able to produce their own. Consequently they feel they are creating employment in the manufacture of this equipment. A

very strong feeling sometimes explicitly expressed is that this emphasis on labor intensity is a design of the industrial nations trying to keep the agrarian countries down. This is a strong feeling. Yet, for the life of me, I don't know what they are going to do with the population and the redundant labor supply that exists without using more of it in agricultural production and not substituting machines for labor to the same extent that seems to prevail at present.

One of the problems, as I've already mentioned, is a lack of alternatives with respect to technology. All the research is geared to biological, production-oriented technology. Important as this is, the fact remains that mechanical technology is largely borrowed from the industrialized world. There is practically no research directed to developing technology that would serve the function that machines can serve, but at the same time not displace as much labor as the equipment now in demand which was developed by and large in the industrialized world to meet the needs of a labor scarce economy. Some people with the major U. S. foundations feel that these foundations are anxious to duplicate centers like the rice and corn and wheat centers for other crops, but I have nowhere found a serious interest in setting up centers for research on a technology that is more labor-using. I think this is a very urgent and important area for international research centers to work on.

We were told in India that China is doing quite a bit of experimentation with labor-intensive techniques. But, of course, nobody knows very much about what is going on in Mainland China.

Another point, especially in India and Ceylon, is that the threat of food shortage has led to a very strong drive to self-sufficiency, especially in rice. And it's being achieved. From all the indications, I presume these countries will be able to be self-sufficient in rice production within the next five years or so.

Additionally, and in every country without exception, there is a real concern with programs to maintain and expand agricultural exports. This is quite understandable, but it seems that this concern is so overwhelming that many other important matters are neglected and forgotten--the problem of low incomes, of unemployment, of distribution, etc. Lip service is paid to these issues and there are some programs dealing with them (e.g. in India some special programs for reaching the small farmer), But, in terms of the magnitude of the task, not enough is being done.

The Green Revolution is, of course, very much welcomed, as it should be. But, we also were told in the Asian countries that while the Green Revolution makes farming more profitable, some people ho had been tenants and who had at least a limited kind of opportunity are being displaced as owner-operators take over and farm it on their own because of the increased profitability. Thus benefits are not very well distributed from this increase in output.

Another impression, or rather an existing fact, is the very general lack of strong farmer organizations that would include the poor, the sharecroppers, and so on. Mr. Bavin, who is the head of the international organization of Plantation and Agricultural Workers

was indicating the kind of problems these workers have, especially the ones that he is working with. It is not uncommon to have people jailed and even killed in the struggles to achieve an effective organization. Governments are often afraid of permitting too strong an organization in the countryside. This was especially evident in Thailand, where it gives rise to a fear that such organizations may spawn additional guerrilla activity such as already exists in the northeast of that country. In India there is also a great fear of what might come from the Naxilite movement that has everybody rather tense and concerned. So rural organization movements have a very difficult row to hoe and in many cases such organizations are simply not tolerated by governments.

During this trip I gave considerable thought to this issue of rural organization and whether or not it is possible to do anything in the land reform field without strong rural organizations. A lot has been written on this issue. It certainly seems that some kinds of agrarian reform legislation are impossible to implement without such organizations. The attempts at rent control in the Philippines and Thailand and the land holding ceiling legislation in India are examples. Very little is being accomplished on these matters even though the legislation exists and has been on the books for a number of years. In India, most states have imposed a ceiling limitation on the amount of land that an individual can hold. But given the power of the present landowners and the poor status of land records, unless there are strong rural organizations to protect the interests of the small farmer, the sharecropper, and the tenant, this legislation cannot be enforced.

However, there is a contradiction concerning this issue since in some cases much has been achieved without such organizations. In 1965 when I was in Chile, Doreen Warriner, who has written a great deal on land tenure and reform in East Europe and the Middle East, was in Chile for several days. This issue was much discussed. The Latin Americans, at least many of the professionals that I was acquainted with, placed great emphasis on strong peasant organizations. Of course peasants played a key role in the Mexican Revolution and the Bolivian Revolution. Venezuela, although with a much more limited reform, nevertheless had a very strong peasant organization. The Chileans were certainly working hard to establish strong unions in the countryside. So many of the Latin Americans were on that side of the issue. But Doreen Warriner, speaking from her experience in East Europe and the Middle East, concluded that such organizations had very little to do with the reforms in those parts of the world.

I've always been bothered by this contradiction. It seems to me that it may indeed be impossible to implement land reform legislation without strong peasant organizations. However, it may be possible to carry forward a basic reform if there is a highly developed and efficient administrative machinery to carry out the will of a government strongly committed to land reform. This is apparently what happened in Egypt. I think the situation remains that way today. In Egypt there are no strong rural organizations that have a political role in pressuring government. There are extremely important cooperative organizations, but their role is primarily in the economic field. These organizations provide a

vehicle for dealing with government for services and for other economic purposes.

In Japan and Formosa, there was a very strong will at the top to carry out land reform, an effective administrative machinery, plus fairly strong farmer organizations--perhaps somewhat of an ideal situation. But in India, for example, the will is at the top, and it is committed to land reform, but it doesn't make too much difference because the control of these matters is in the hands of the states. Also I doubt that there is sufficient administrative capacity to carry out the implementation of ceiling legislation and rent controls without the pressures from below--from sharecroppers and tenants. Labor organizations in the countryside are very weak. I do believe that in most cases rural organizations are a key to effective land reform. On the other hand, if conditions are right, land reform can be carried out without them. The important factors seem to be a strong commitment by government, and a strong and effective administrative machinery, as the experience of some countries seems to show. The single major reservation I have about the possible success of the Tanzanian experiments in villagization is that they may not have sufficient administrative and technical capacity at present to carry it through.

Question: It might be interesting if you could give us your impressions of how effective you think the work of international organizations is for those of us who are thinking of a career in such organizations.

Dorner: Well, I haven't been close enough to these organizations to give you a very good answer to this question. Mine has

been a very limited experience. But I was somewhat disappointed with the role that these international agencies play in the land reform field. It may be that they can only play a very limited role under the circumstances. I felt that many times they were too timid in speaking out on some of these issues. As I already mentioned, we didn't find the Regional Economic Commissions doing much about getting statistics on income distribution and employment. It's simply not within their frame of reference. It seems to me if there's any organization whose professionals should speak out strongly for the poor people of this world it should be the U.N. and its agencies. Of course, they operate under extremely difficult and trying circumstances. They serve in a country only if the country's government requests it, and they serve at the forbearance of that country's government. So there are limitations of how much an individual can do, how much he can speak out without being asked to leave the country. The national and international tensions--and the Southeast Asian war is the principal example--bear down on these people.

Additionally, of course, national governments are unwilling to turn over part of their sovereignty, which many of the member nations have only recently won, to an international body. So there is a certain amount of timidity, a fear of insulting a government, of rocking the boat. There is also a rather cumbersome bureaucracy, including some professionals who are placed in their positions as a result of national political pressures. There are a lot of reasons

why the situation is as it is, and of course if I were looking at any other area than the one I was looking at--land reform and these sensitive political questions--I'm sure that my appraisal would be more positive. For example, in the area of reclamation, dam construction, technical assistance, livestock improvement, etc., I think they operate quite effectively.

But on the major political question certainly for the rest of this century, as to whether or not the poor people of the world are going to share in the fruits of the development process, I think the U.N. agencies are rather timid. I think they could and should give more leadership on these questions. Essentially there's a kind of bankers' philosophy on many of these development questions. In India we talked to people from the World Bank on the whole question of capital intensity and labor use. The head of the bank's group in India indicated that they are well aware of the issue. He then pointed out that they evaluated one particular project, using benefit-cost analysis, for both a capital intensive and a more labor-using alternative. The rate of return using the capital intensive approach was about 40 percent while the more labor intensive approach gave only a 15% return. So to him the answer was very simple--cut and dry--obviously you go for the 40%.

It seems to me this is a kind of bankers' philosophy that looks at a project with criteria appropriate to profit maximization of an individual firm, but quite inappropriate from the standpoint of development of the nation and especially the masses of poor people within the nation (i.e. viewing the nation-state as a firm with social costs and benefits fully taken into account). This is not to fault

only the people in the international agencies. This after all is where academic economists and others must take part of the responsibility because they simply have not developed a very satisfactory alternative analysis to the one that is being used.

Question: The picture you present of the country representatives, added to the picture at the center, of FAO in particular, presents a very gloomy picture. At FAO, all the people I have talked to said they would like to get out into the country positions because they felt they could do much more there than they could in the center, because they were more frustrated by politics in the center. If you put those two things together, it says that FAO is unlikely to accomplish much. Is that a fair statement or does it exaggerate?

Dorner: On this land reform issue, I'm afraid that's about the way it is. In FAO headquarters in Rome, the group that is concerned with agrarian reform and rural institutional issues is simply swallowed up within an agency that is production and technology minded. Again, I do not want to leave the impression that there is anything wrong with production and technology. These have to be worked on, but the balance is not there. The consequences from this overemphasis will not, I'm afraid, lead to a very happy outcome. But it's very difficult to get solid evidence for building a case on these issues.

Land Tenure Center Seminar Discussion

FAO Committee on Agrarian Reform

Peter Dorner, March 1, 1971

In the first seminar, I discussed some of my general impressions regarding the agrarian reform issues in several countries, and some comparisons among countries and regions. Today I would like to give some more specific impressions and a few factual materials and conclusions. Of course, as you will see, I can easily be stumped by specific questions. It is simply impossible to grasp many of the details and the intricacies of organization in such a brief visit spending only a few days in each country.

Let me then try to give a thumb-nail sketch of the countries that I visited.

1. Thailand

Thailand is not yet faced with problems of overcrowding and the large scale misery of some other countries in the region. Thailand has an excellent land base and the population pressure is not yet too acute. There is much room for maneuver insofar as physical resources are concerned. But there is practically no action in the field of land reform. One of the main worries of the officials in Thailand is with their troubled border areas of the Northeast and the South. They also worry about foreign markets for rice which has traditionally been their major export crop. Tenancy, sharecropping, high rents and interest rates are widespread.

But the political will at the center does not seem, at present, able and willing to take any effective action in the land reform area. There have been some land settlement projects in new areas with cost averaging about $5,000 per family.. There is rent ceiling legislation on the books; it has been there for over a decade, but no action has been or is being taken. Im-

plementation of this legislation is contingent upon a tenant registering a complaint against his landlord. But given their general state of insecurity, tenants are not willing to offend their landlord. They are too dependent on his good will.

There are several ministries within the government of Thailand dealing with various aspects of agriculture. There is the ministry of agriculture, the ministry of interior, and the ministry of national development. There is a great diffusion of functions which at times creates difficulties for policy coordination. We found quite a few people in government willing to discuss these issues very candidly. They recognize the need for action in the field of land reform but they were not optimistic that anything would be done. Apparently, the landlords are very strong, and peasant farmers' organizations are non-existent.

2. Ceylon

In Ceylon, two major ministries deal with agriculture. The ministry of plantation industries (the major ones being tea, rubber and cocunut), and the ministry of agriculture and lands. Ceylon has had, since 1958, legislation called the Paddy Lands act. This legislation was intended to protict tenant rice farmers. Apparently, it has not had the desired effect. Although a rent ceiling was imposed by this legislation, it has been almost impossible to enforce. The legislation says that share rents must not exceed 25 percent of the crop. But in actual practice, they run as high as 75 percent if the landlord supplies land plowing, and other inputs and services. However, this legislation has provided greater security for the tenant and has created a more general awareness of the peasants' problems. The new government plans bold new measures in this field.

The ministry of public administration, local government, and home affairs is planning to launch a major program of small industries and commercial development to help create employment opportunities in the rural areas. Over 15% of the working population is at present unemployed, according to information provided by people in this ministry.

The major programs in land reform appear to be:

A. Resettlement of the population from the densely populated and crowded wet lands area in the Southwestern part of the country to the dry land areas in the East and Central regions where several large reclamation and irrigation projects are in various stages of development.

B. Diversification of some marginal lands in the tea estates and a program to provide more land and employment opportunities to landless and small holders in villages in and around the tea plantations.

C. Resolving the problems of the immigrant Indian tea workers. There is an India-Ceylon pact to expatriate about 1/2 million of these people to India, and absorb most of the remaining into Ceylonese citizenship. It is hoped that this will relieve some population pressures and make more work and opportunities available to the indigenous population.

D. Setting up an agrarian reform and training institute. This is a UNDP-FAO sponsored project, similar to ICIRA in Chile and the one being proposed for Peru.

I did not get the impression that major and drastic changes were being suggested by the new government. In fact, we talked to the opposition, the former prime minister, and the former minister of agriculture and food and

their conception of the agrarian problems of Ceylon seems similar to that of the people now in power. And I gather that the policies of the present government will follow many of the same general lines as those of the previous government. That is, emphasis on self sufficiency in rice, resettlement to the dry land areas and irrigation development, etc.

They are of course also very much concerned with exports. At the present time, Ceylon has an agreement with mainland China whereby Ceylon exports rubber in exchange for rice from China. But they foresee a problem as they approach self-sufficiency in rice production. In tea, the competition from East Africa is frequently mentioned. There is a hope for some international agreement to regulate new plantings. The nationalization of large tea estates is also mentioned, but this seems to reflect political rhetoric more than serious intention. They fear the loss of foreign markets, expecially with increasing competition from East African tea.

Ceylon has some very difficult problems. There is severe crowding in some areas, and the country is still largely agrarian. Yet, it seemed to me there was great potential for constructive action on rural problems and that the situation is not at all hopeless. There will need to be population control, but resettlement and land reclamation could certainly provide some time and a breathing spell.

3. <u>India</u>

It is difficult to give a brief account of the complex situation in Inida. We visited Bombay, and had discussions about agrarian problems and policies in the state of Maharashtra, and New Delhi, where we were able to get a view of the agrarian situation as seen by the central government. Maharashtra state is not representative of all states in India. In fact, it is one of the richer states. In spite of many agricultural problems, it has them in less severe form and degree than many of the other states. Yet even here we

did not find anyone who suggested that the agricultural problems, especially those of unemployment of the landless, could be resolved by agrarian reform (by the strict imposition of land ceilings, etc.).

Ceilings on land owning have not been enforced. In most cases they are at present on an individual holding basis and there is pressure to put them on a family holding basis to avoid the paper subdivisions that have taken place in the past (by those who wished thereby to avoid the legislation placing ceilings on individual holdings). Yet even the most optimistic estimates on strictly enforced ceilings on a family holding basis seem to indicate that if the amount allowed were of a size that a family could operate without hired labor, only 25 percent of the landless could get any land. The remaining land that would become available from the imposition of ceilings on family holdings would go to those that already have a very small unit of land but need more to bring it up to a reasonable family unit. Some, therefore, are inclined to say that you cannot solve the problems of the unemployed and the landless through land reform and through ceiling legislation. This includes professors Dandekar and Dantwala with whom we had long discussions.

We also had a very interesting and a long meeting with the new national commission on agriculture in New Delhi. Leading the discussion at this meeting was Mr. Z. A. Ahmed, chairman of the land reform subcommittee of the commission. He is also a member of the communist party of India and the general secretary of a communist sponsored national rural workers' movement. Essentially he agreed with Dandekar

and Dantwala, but he placed much more weight on the social, the psychological, and the political implications that strictly enforced ceiling legislation could and would have. He maintains that it would help to erode the power of the present landed interests. He also believes that ceiling legislation will not solve the problem of the landless in agriculture, that there need to be developed new programs of public works, construction, rural industries, etc. to help them. I was inclined to agree with his assessment since I too feel that ceiling legislation, strictly enforced, could have tremendous political consequences.

Large landowners (large, that is for India, but not for Latin America) still apparently wield a great deal of political power, more so, I gather, in state legislatures than in central government assemblies. But state legislators are in control of land policy. India does have a national agricultural policy, outlined in its five-year development plans. States are encouraged by various central government measures of pressure, persuasion and incentives to pass the necessary legislation to achieve the plan's goals. This, too, is frequently done. But there is great variability in terms of implementation.

However, land reform in India is not a complete failure. The abolition of feudal type tenure forms has been rather successfully carried out. This affected about 40 percent of the total area of India. This feudal form of land tenure has practically been abolished throughout the land. The significant problems at present according to Mr. Ahmed are:

A. Exploitation of the landless and the tenant by the petty landlords.

B. Exploitation of the landless workers by the larger farmers using hired labor.

C. Exploitation of the small peasants by the moneylenders cum-traders.

The situation is very mixed in India. We were told both in Maharashtra and in New Delhi that many tenants are also owners who rent in land, frequently from people who own very small acreage. These part-owners, part-tenants are a rather powerful group; many are fairly prosperous farmers as a result of owning some land and being able to rent additional acreage and thus increase the size of their operations. So a simple law, making all tenants owners, would in this case have the effect of concentrating land ownership.

This brief presentation is obviously a much oversimplified version of India. But it is simply impossible to depict anything resembling the realities of India in a few minutes even if I understood those realities, which I suppose I do not.

4. Tanzania

The Ujamaa villigization program underway in Tanzania is very difficult to evaluate. The experience is not yet widespread enough nor of long enough duration, and there is simply no research information available by which to evaluate this experience. There are major differences in viewpoint among government people on the rate at which the program will be carried out, the extent to which farmers will be able to retain a private parcel, whether other forms of tenure will be

allowed to exist side by side and compete with the Ujamaa settlements, etc. Some say yes to the latter point, others say all farmers will see the great advantages of the new arrangements and will be anxious to join even without any coercion. This strikes me as a rather romantic view or somewhat of a deception. What probably will happen is that those who do not join simply will not receive any services from the government and so will be forced to joint for survival. But future direction is unclear at present.

Ujamaa is expected to retain the good of the old tribal system, but incorporate the good of the new technology. But there is a lack of research as to what the old system really is, which parts of it are good and to be preserved, and consistent with new technology, etc. Ujamaa is expected to retain the good of the old tribal system, but incorporate the good of the new technology. But there is a lack of research as to what the old system really is, which parts of it are good and to be preserved, and consistent with new technology, etc. Ujamaa is to be an economic unit, a way of life, and a political unit. There is a model constitution drawn up for the new villages to adapt to their own conditions.

The philosophy behind Ujamaa is very interesting and seems most attractive. These are the major points as I understand them:

A. The Tanzanians want modern technology, they want increased productivity, and they want higher incomes. But they want to avoid the great inequalities inherent in this process if left to market forces and private decisions.

B. They want to get people together in more concentrated locations

so that it is easier to provide services and upgrade the the skills needed for a modern agriculture--services such as education, health, technical assistance, new inputs, etc. This concentration of people is also deemed beneficial in that it will be more economical to establish small industries in rural areas. And, it is also important for developing political conciousness, and loyalty to a nation state.

C. The Tanzanians want to reduce migration to large cities which is occurring at an accelerated rate and creating some concern.

D. There is an ideological component, a kind of faith in living and working together, and in sharing.

It seems to me that there are two basic changes being introduced which were not part of the traditional system:

a. Physical movement of residence is required by large numbers of people. This, of course, does not need to occur immediately, but can occur over time.

b. Communal operation of economic enterprises is part of the plan whereas the traditional system actually was based on communal ownership but with private operation.

My major reservation is that they may not have sufficient administrative skills and the power to carry it out. There is, and will continue to be, major resistance, at least in some of the most advanced agricultural areas. People at the university in Dar es Salaam emphasize the difficulties due to the large variations in situation

from nomadic type desert operations, to large plantations, to commercial small farm agriculture, to traditional villages, to large livestock operations. They expressed the feeling that perhaps the philosophy underlying Ujamaa was projecting a uniformity that did not exist.

5. Ghana

In Ghana, the traditional system still seems very strong. That is, there are strong tribal groupings and strong chieftains. But this again is more prevalent in the southern part of the country than it is in the northern areas. We did not find, among the many people with whom we discussed this issue in Ghana, an admission of major land tenure problems. Some problems of security and conflict, to be sure, exist. But everywhere we were told that land was available for any person wanting to work it, i. e., at least two or three acres for a subsistence unit. However, this more or less begs the real question whether or not the system gives enough security for a commercial operation with its required skills, investments, etc.

People in the ministry of agriculture say that the state farms, established several years ago, have been failures, and that the cost to government has been very great. They maintain that these farms were dependent on state subsidies, thus many have now been abandoned; that they were used for political purposes; that the management appointed by the government was not always highly qualified, etc. Some state farms apparently had too many people and paid wages that were too high. At present, the government faces many claims from former land-owning groups for compensation.

It is difficult to evaluate this experience on the basis of these comments. It may be that the present government has certain political motivations in discrediting these farms and the previous regime, thus justifying its own programs.

The question that kept occurring to me and which I asked on a number of occasion was whether or not the tribal chiefs might become powerful, feudal type lords while all their people were reduced to the status of serfs. At least in the rich cocoa areas we were told that much of the land is operated by strangers, that is, people not belonging to the particular tribe in question. The chief allocates land to a member, and the member pays nothing, or perhaps a token amount or drink money. If the chief allocates land to a stranger, the stranger pays something to the stool. The stool is the symbol representing the chief's authority over the allocation of all land. This payment by the stranger may be modest, but in many cases it has become converted into a cash rent.

It would appear that there is a great temptation for the chief to rent to strangers, in preference to allocating land to his own people. It was pointed out to us that the position of the chief is controlled by very democratic methods--that the system is in fact democratic in the extreme, that the chief can be removed, etc. Yet there is also full admission that abuses are possible, that they do indeed occur, and that it is likely to become more of a problem in the future.

Ghana is already substantially urbanized and relatively wealthy. There are, to be sure, a lot of poor people. Yet at least subsistence

opportunities are still available to everyone. The major concerns expressed by government officials relate to several large development projects, a very large dam on the upper Volta River, industrialization, export markets, and so on. There is very little concern with land tenure or reform in Ghana.

6. Dahomey

We only spent one day in Dahomey, and most of this was spent in the field visiting several large, government sponsored rural development cooperatives. Dahomey has about thirty-four of these rural development cooperatives, which were begun about ten years ago. These are agricultural production collectives with a very unique form. They are found mainly in the oil palm producing areas, but some are also involved in rice production and in other crops. The management council on these cooperatives consists of six elected members, plus three government officials who actually hold veto power over certain decisions. However, we were told this veto power has never been used. There are several stages in the implementation of these rural development cooperative projects.

A. There is a detailed land survey and title registration to clarify present ownership claims. There is opportunity for appeal before these titles and claims are finalized.

B. All land is then organized and operated as a collective, but the individual retains title to an identifiable area of land. This land cannot be withdrawn from the cooperative, but does revert to private operation should the scheme fail.

C. Owners are issued shares for the amount of land they have, and draw 3.5 percent interest on the value of these shares.

D. Work teams with very specific tasks are organized, and daily labor records are kept for every worker. There are, of course, also some differential wage rates, depending on the skills necessary and the tasks performed.

E. After every 200 full labor days, a share is issued to the laborer which has the same value as a share of land and likewise draws 3.5 percent interest. Thus, over time land dwindles in importance. Those with advantages to begin with because they had more land lose it as the labor shares become predominant. If a person chooses not to work, he simply draws interest on his accumulated shares. If he works, he will be paid wages in addition to his interest.

F. Private plots are farmed on a common rotation basis somewhat similar to the system followed by the Egyptian cooperatives. There are contiguous fields where the same crop is planted, so that cultivation, crop harvesting, etc., and all the various field practices can be handled on a larger unit basis. Otherwise, however, these private plots and the produce from them are left to the use of the individual family.

The rural cooperatives that we saw seemed extremely well-managed. Several of these, three of about 6,000 hectares each, form a league with a super cooperative with central facilities for some capital and equipment for marketing functions, etc. It was indeed a very impressive operation, and it seems to be working very well. The scheme was established by Mr. Mensah when he was minister of agriculture in Dahomey. Mr.

Mensah is at present regional representative of the FAO for Africa, stationed in Ghana.

7. Yugoslavia

Yugoslavia operates on a socialist-federal principle, based on a concept of worker-management. There are working organizations of various types all the way up to the general federal assembly. There are a number of chambers in the federal assembly as well as in the assemblies of the individual republics. There is for example, the socio-politico chamber, the economic chamber, the educational and cultural chamber, the chamber of social welfare and health, etc.

We visited with a number of officials of Serbia, one of the six federal republics. In addition to six republics, Yugoslavia has two autonomous provinces contained within the republic of Serbia.

In agriculture, about 86 percent of the arable land is in private farms, and the rest is in social estates. In the struggle for national liberation during the Second World War, and immediately after that war, land reform was introduced. Land was taken from large monastaries, large private estates, land of joint stock companies, and that held by foreigners. No land was directly under the control of the state. The land was then given to the peasants. This was the first land reform. During this period there was much resettlement since some areas were completely abandoned during the War. Although most of the land was given to the peasants, some of it was also retained in large estates. These formed the basis for many of the present day social estates.

In 1953, a second reform was introduced. A ten hectare ceiling was imposed on private farms and much of this land was incorporated into the social estates. In order to get this land into contiguous units, the social estates could sell land and buy some elsewhere in order to consolidate their units. During and immediately following the first reform, there were collectives set up of the Kolkhoz type. Approximately 30 percent of the peasants were included in these collectives. With the second reform, these were abandoned and dismantled. We were told that they failed because of a lack of incentives, poor organization, and poor management.

The socially owned estates became increasingly independent from the state with respect to production decisions, income distribution, etc. The social estates pay taxes. They pay a fixed rate on the wages bill. The private farms also pay taxes. They pay on the basis of a cadastral income. This is calculated at what they feel is about 30 to 50 percent of the potential income. The explanation for this system of taxes, as given to us by officials in Serbia, is that it encourages mechanization and labor efficiency on the social estates, and production intensification in the private small farm sector. Thus they have a dual agricultural policy. One is geared to maximizing production and labor efficiency on the social estates, the other one is directed at production intensification, often concerning a different group of commodities. But especially, the latter policy is concerned with increasing employment and absorbing labor.

In 1969, there were over 2,000 social estates. About 1,400 of these were cooperatives. There were over 2.5 million private individual holdings. The 2,000 plus social estates employed 3 percent of the labor

force, 14 percent of the cultivated area, but had 72 percent of all the tractors in use in Yugoslavia. The 2.5 million plus private individual holdings employed 97 percent of the labor force, 86 percent of the cultivated area, and had 28 percent of the tractors.

Some of the social estates have been combined into larger units called combinats with various industrial, processing and urban activities associated with them. The agriculture cooperatives are mainly service organizations and are run more or less as independent units, not by the membership of small farmers. They provide a variety of services to small farmers in their particular areas.

I asked whether the social estates might not become rather exclusive clubs; capitalist enterprises operating for their own profit and benefit and excluding all the rest. The reply was generally yes, this might be a vague and distant danger, but one they are not worrying about at this time.

We visited several social estates, some of them extremely impressive. On one, not too far from Belgrade, they had 20,000 dairy cows. In another one, established in 1962, 74 percent of the land was privately owned at the time of its organization. Later this was purchased, and now all is in the social estate. They have 18,000 cultivable hectares where they grow mainly corn and wheat. We visited one of the social estate-combinats with about 29,000 hectares. This place had over 20,000 head of fattening cattle and hogs, plus about 10,000 additional hogs that are raised in cooperation with individual producers in the area. Very frequently, individual small farmers receive substantial benefits from the social estates. For

example, construction and transportation units from the social estates also provide these services for private farmers in the area. These services are paid for by the individual farmers. Small farmers also get livestock on rental terms, they are provided with marketing services, etc.

This large combinat had a debt ratio of about 50 percent on its total capital investment. Some was owed directly to the state, some was owed to banks, etc. It was a very capital-intensive, labor extensive operation.

Evidently we were taken to see some of the better operations, and the Yugoslavs who travelled with us indeed concurred that this was the case. Nevertheless, the farms we saw were extremely impressive, and from the statistics that I've seen on Yugoslav agriculture, it has indeed been performing very satisfactorily.

I gather that Yugoslavia uses very general policy measures to control the economy. In meeting with members of the federal executive council, we were told that the general economic plans include tariff and exchange rates, price levels, etc. If there is too little wheat, they raise the price of wheat and let the market incentives provide for the necessary resources to be channeled into the production of more wheat. The plan creates no legal obligation as to form or amount of production. It is rather an indicative plan and the general policy instruments are used to try and achieve the goals.

8. Romania

As of 1969 in Romania, state farms and other state agricultural units controlled about 30 percent of the land. The agricultural production cooperatives, the collectives, controlled about 60 percent of the land.

Each collective has, on the average, about 800 families. And individual private farmers controlled approximately 10 percent of the land. Approximately 10 percent of the total land area is held in individual private plots on the collectives.

Romania has had several land reforms. One in the 19th century, one after World War I and another after World War II. After the Second World War, Romania placed major emphasis on the education and training of technical agricultural personnel for the social transformation of agriculture. Many agricultural technicians were transferred to the villages, where they: 1. worked out of the villages, 2. joined the coops, and 3. today are actually the technical managers of the coops. They helped educate the people to the idea of cooperation and collective farming.

In the Romanian system the state farms were created from the former big private estates with some later additions, especially in some large irrigation-reclamation projects. I gather that the state farm system was set up to assure the state's own production base in agriculture and to ensure a certain quantity of agricultural produce. The state farms were also to serve as models for the agricultural cooperatives. State farms were also, and are used today, to help improve the farming practices on the cooperatives and on the private farms through the provision of better seeds and livestock for the entire region in which they are located.

The process of cooperatization or collectivization went through several stages. First, the individual plots were worked cooperatively

through a system of production associations for specific crops--such as potatoes, sugar beets, etc. The plowing, the sowing, and the harvesting, etc. was done cooperatively on these crops, but each individual family had its individual produce for disposing of as it wished. The basic step here was to introduce tractors and some machinery for working specific crops cooperatively and in common. A second and more complex form was a joint management form. This was designed to make more efficient the use of machinery. Machinery was now used for all crops, not only those specific to the particular production association. A third stage was where the peasant got a bonus in proportion to the land he brough into the coop, but all the produce was now handled jointly, so payment was based both on an individual's labor and on his land contribution. In the final stage payment was based solely on an individual's labor and on his land contribution. Land had become common property and there was no more bonus paid to former owners.

There was no compensation for the land contributed. However, individuals could choose not to join the cooperative. An individual choosing not to join was given equivalent land elsewhere. There are, apparently, still private farmers scattered around each of the large cooperatives, perhaps 10-15 near each village settlement. However, eventually one assumes they will all have to join because they are really discriminated against in terms of services. All the laws created incentives for farmers to join. The priorities and the assistance were in their favor. As we were told, there were three classes of farmers: those with very little land who approved of collectivization; those middle holders who were more or less on the fence; and the large owners

who opposed it. The Romanians concentrated on organizing and gaining the support of the first two categories.

The private farms remaining in Romania are mostly in the hilly regions. Even for those existing among the collectives, private individuals market produce through the state. For example, 30 percent of the beef is produced by private farms, but all beef is purchased by the state. The individually controlled land on the cooperative farms amounts to about .3 of a hectare per family. Some of this land is used very intensively, for example, in feeder pig or poultry production or truck-farming, and the cooperative is obligated to help and encourage such production.

The Romanians informed us that in some areas forced cooperation was tried but usually with very negative results. The members of a cooperative simply have to be convinced and feel the need and see the advantage of the cooperative effort. Of course, as they also mentioned, none of this is possible without a positive policy from the state.

The trend in Romania is toward inter-cooperative coordination and inter-cooperative investments and new establishments. There are some extremely large enterprises. There are already about 366 such joint inter-cooperative groups and organizations. They also call them combinats.

These new enterprises are going into such specialized production as hog raising, poultry farms, greenhouse production, etc. We visited one of these inter-cooperative enterprises. It has forty-two hectares out of a total of seventy under glass where they grow tomatoes, cucumbers,

and eggplant. It is a fabulous operation and by all appearances very well managed. It is an extremely capital-intensive operation. The workers in the greenhouses were mainly women from the nearby villages.

We also visited a most impressive state enterprise. At this one location they produce 150,000 hogs for market annually, and they are at present building another unit of equal size. After this new unit is completed, they will be producing, at this one state enterprise alone, 300,000 hogs per year. This hog complex has a maternity section, and a fattening section. The three breeds raised are the Chester White, the Hampshire, and the Landrace. It is a highly mechanized operation.

We also saw some fairly large hog operations, with about 30,000, on some of the cooperatives. These were much less impressive. I'm afraid that they may run into disease problems. The sanitary conditions on the state farm seemed much superior to those on the cooperative farms.

On this state hog enterprise they estimate profits of about 25 percent of total revenue. Thirty percent of this goes to the state enterprise, and the rest of it goes to the state. But part of it is returned by the state as an incentive payment (up to six months extra salary) if all three criteria of quantity goals, cost of production, and quality are met.

Finally, we visited a state experiment station that had about 2,500 hectares in production, much of it in grapes. This station also had a very large winery associated with it. There are a series of these experiment stations throughout Romania, each one specializing in research and in the actual production of the major crops in the region.