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On the history and political economy of small-farmer policies

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This paper tries to show that the recent spate of small-farmer policies fit an identifiable historical pattern, and that they are concerned with restructuring the 'traditional' agricultural sector (or a certain part of it) in order to achieve the necessary food production and political stability for accumulation to continue more or less unabated. In this respect, these policies are based on the old philosophy that a peasant with his small plot of land and his basic means of subsistence is likely in general to prove a conservative force, to serve the interests of the major capitalist groups, and to constitute an important element in the foreign policy considerations of both the poor and the more advanced capitalist countries.

This paper consists of three parts. Part I examines small-farmer policies in a historical perspective and seeks to show that these policies are by no means the new phenomena that they are sometimes supposed to be, that their history has been intrinsically connected with the contradictions in particular societies, and that it rarely bears out the abstract concern that is placed in them. Part II deals with contemporary policies and argues that, far from constituting a radical break with the past, 'small-farmer' policies have tended on the whole to be extremely conventional, preoccupied not so much with the needs of the poor as with the needs of political stability and economic expansion of the capitalist sector. The final part attempts to draw the various threads together and to show how the interests of capitalist groups are strengthened by small-farmer programmes and their elaboration through conventional planning procedures.

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Introduction

Since Robert McNamara's Nairobi speech in September 1973, concern with 'small farmers' and 'the rural poor' has become a standard component of the policy recommendations and research programmes of international development institutions. Rural poverty suddenly appeared a respectable topic, and an important one. With the sharp rise in world food prices in the early 1970s and the increased cost of imported fertilizers in the wake of the petroleum price hike of 1973, the problem of food supplies and of feeding their populations was brought home to Third World countries in a forceful way.

And yet, for all the familiar emotive inclinations for preferring 'family farms' to say, 'agribusiness', the 'small farmer' was to prove to be an elusive analytical category. Writings of the World Bank and similar institutions set out as though it was self-evident what a 'small farmer' was. He (and quite clearly it was 'he' and not 'he or she') was abstracted from the agrarian context of real situations. There was little concern with the historical context in which these people found themselves, or with the political environment in which these 'small-farmer' policies might (or might not) be applied. Just how much of an impediment ownership patterns, tenure arrangements and local power structures had proved to be in the implementation of 'equity-oriented' small-farmer policies was lost in the optimistic tone of the World Bank's presentation. The small farm was labelled a target for development aid, but there was such a difference in the meaning of farm size from country to country (or from province to province) that it was very difficult in practice to come to terms with the abstract notion of aiding 'the small producer'.

This was one problem. A second, more fundamental problem that partly explained the stand that these institutions took was the paradigm in the light of which their discussions were cast. This influenced their perception of the small farmer's problem and of the kinds of behaviour patterns they considered to be relevant; it shaped the way that they looked at the planning process, and the kind of rural community that they were likely to create. It was a paradigm with neo-classical (and neo-Malthu-

sian) overtones which, for all their references to structural change, placed its emphasis fairly and squarely on questions of efficiency as measured in terms of purely quantitative notions such as the amount of inputs used, the volume of credit and other financial resources that were made available, and the size of the farm.¹

The problem facing these Third World countries (at least in the rural sphere) was seen as one of producing sufficient food to meet the needs of a rapidly increasing population. To achieve this, higher priority was to be given to small producers (defined as people working less than 2 hectares of land), organised on the basis of (nuclear) family units and oriented squarely towards sales for the market. Given the very real limits on cultivable land (especially in Asia) and the lag in employment creation in other sectors, small-farmer production was, in this view, not only attractive but could well be efficient when measured in terms of criteria such as employment and output per unit of land.² Seen in this light the issue became one of determining the correct blend of inputs and services to ensure a sustained increase in productivity in the small-farm sector, and this was automatically considered to hinge on "access to

new technology and the capital to utilise it" and on "the need for new and improved service systems to support a modern system of agriculture".³ What was at stake was "the modernisation and monetarisation of rural society" and its rapid incorporation into the capitalist economy.⁴

This being so, a pertinent question which immediately arises is how this 'incorporation' was to be carried out—how small-farmer policies related to macro-strategies, what kinds of strategies they were in practice promoting, the nature of the planning process by which they were implemented, and the nature of the agrarian society that they were likely to create. One of the sustaining theses of this paper is that small-farmer policies must be seen in their historical context and analysed in relation to macropolicies and to the process of capital accumulation taking place at a national and an international level. It will be argued that it is this which determines to a large degree where and how far the 'traditional' small-farm sector remains intact, where and in what ways it is strengthened or re-structured, and where it is replaced by larger units of agricultural production.

I

Discussion on small-farmer policies often overlooks the fact that they have been present in thinking on agricultural and rural development at least since the Second World War, and in most parts of the Third World since long before that. The small-farm sector was an important element in the Russian debates of the 1920s and in the whole question of the co-operative movement in the 1930s; independence move-

ments of Africa and Asia looked for much of their support to the peasant producer, and in Latin America the land reform programmes of liberal and, leftist parties contained similar concerns. It is true that they involved rather different notions as to the nature and potential role of the small-farm sector, but it is also undeniable that there exists a considerable body of evidence and historical experience in which it proved (in one sense or another) of strategic importance.

It is worthwhile looking at this experience and asking ourselves what insights are to be gleaned from it that can help in interpreting the upsurge of small-farm policies in the last five to ten years. In doing so, it would seem particular-

¹Behind this lay the notion that an agrarian society in which everyone had a plot of land of more or less the same size would be 'egalitarian'. Where land is the main factor of production this may be the case. But once access to capital and modern inputs becomes important, equal-sized plots are unlikely to ensure an egalitarian structure. Farm size was in this sense a quantitative notion.

²The underlying philosophy stretches back further, at least to the beginning of McNamara's presidency of the World Bank Group in 1968, if not before. See IBRD, *World Bank Operations: sectoral projects and policies*, Baltimore, 1972.

³IBRD, *The Assault on World Poverty*, Baltimore, 1975, pp. 5 and 10.

⁴*Ibid.*, p. 3.

ly apt to try and analyse the role which small farmers have played (or have been expected to play) in different strategies of economic and political development. In this section an attempt will be made to outline some of the main types of small-farmer policies that have been introduced in the non-socialist world and in Third World countries in the periods roughly before and after 1950. The choice of year is little more than one of convenience: more relevant, perhaps, is that we will look at small-farmer policies first in the context of what is labelled a 'colonial export economy' and then of one that placed greater weight on industrialization.

1. *Small-farmer policies before 1950*

Prior to the 1939-1945 war (and even in the postwar period in many parts of the world), the majority of Third World countries could still be described as having a 'colonial export' economy based on the export of primary products to Europe and North America and on the import of metropolitan manufactures. Government policies for the expansion of these economies placed their emphasis on infrastructural development to facilitate the production and evacuation of export commodities, to distribute imported goods to different parts of the country, and to meet the local manpower needs of an expanding economy. In some cases (not only in Latin America but also, for example, India) industry was already a substantial sector of the economy. However, such countries were still very much an exception, and the prevailing ideology was bound up with the colonial concept of export-led growth.

And yet, even in this context, serious concern with small-farmer production often existed. It was a concern that was sometimes short-lived, and at times very much of secondary importance. After all, almost nothing was known of the structure and needs of 'traditional agriculture'; it was rarely the subject of continuous technical research, and the efforts that were made to improve (or rather to change) it, were in general crude.⁵ The enclosure of land for

large-scale commercial production had adverse effects on a great many village communities, depriving them of land and leading to the proletarianization of the village poor.⁶ Weaker producers were pushed to more marginal lands, and more generally small farmers found themselves confronted with tenure structures, national policies and legal institutions which were heavily biased in favour of capitalist groups.⁷

This aspect of the colonial situation and of capitalist expansion in Latin America is now well documented and it is frequently cited. And yet, notwithstanding this point, the fact remains that even in the context of these export-oriented macrostrategies and of the rather conservative political regimes that tended to support them, small-farmer policies were considered, and were in some cases preferred and

nature, and the second, associated with agricultural stations, was intended to show the 'traditional' farmer what could be achieved. Colonial governments failed to see pasture and reserve lands as an essential part of existing production systems, especially in areas where shifting agriculture or nomadic herding were the rule. Agricultural stations were conceived as demonstration centres, and they were more concerned with placing 'native agriculture' on a 'scientific basis' than with helping the peasant producer in his own situation.

⁵For evidence of this see the *Report of the Kandyan Peasantry Commission*, Colombo, Sessional Paper No. XVIII of 1951; K.J. Pelzer, "The Agrarian Conflict in East Sumatra", *Pacific Affairs*, June 1957; Erich Jacoby, *Agrarian Unrest in Southeast Asia*, London, 1961; George Beckford, *Persistent Poverty*, London, 1972; Peter Klaren, *Formación de las haciendas azucareras y orígenes del APRA*, Lima, 1976, chapter 3; Frank Mills, "Production Relationships Among Small-Scale Farmers in St. Kitts", *Social and Economic Studies*, Vol. 25, No. 2, 1976, p. 154; David Dunham, "Land, Plantations and Peasants in Sri Lankan Development: the period prior to 1900", *Institute of Social Studies*, The Hague, 1980.

⁷This is very clear in the case of what is often called 'the planter raj'. See Carl Stone, "Political Aspects of Post-War Agricultural Policies in Jamaica 1945-1970", *Social and Economic Studies*, Vol. 23, No. 2, June 1974; George Beckford, "The Dynamics of Growth and the Nature of Metropolitan Plantation Enterprise", *Social and Economic Studies*, Vol. 19, No. 4, December 1970, pp. 456 f.; and Dunham, *op. cit.*, 1980. Similar biases are well noted for Brazil: see Celso Furtado, *The Economic Growth of Brazil*, Berkeley, 1963, and Martin Katzman, "The Brazilian Frontier in Comparative Perspective", *Comparative Studies in Society and History*, Vol. 17, No. 3, 1975. See also the extensive literature on white settlement in the United States, Canada and Australia. On the latter see Rosa Luxemburg, *The Accumulation of Capital*, translated by A. Schwarzschild, London, 1951, chapter 29.

⁵The research that was carried out was basically of two kinds. The first was anthropological or ethnographical in

even firmly promoted. Some derived from a strong philanthropic dimension,⁸ but more generally it would seem to have been the case that they were promoted because they were instrumental in export production or because they were associated with situations of crisis for the governments concerned. Basically there were two types of policies involved. The first were designed primarily to strengthen and maintain the existing economic system; they were concerned with the increased production of export crops and with the production of staple foods for non-food producers. The second, which were a response to demands for change, were largely associated with the hoary question of land and land tenure reform. In many cases these motives overlapped; nevertheless, they will be considered separately for analytical purposes in order to explore the logic that lay behind them and the nature of the political context in which they emerged.

(a) *The role of small farmers in export production*

The first of these situations was one in which export production could be more efficiently, or at least (for the capitalists) more safely carried out by small farmers selling to large-scale (usually foreign) commercial firms or to independent centrally-located processing mills.⁹

⁸See for example Robert Chambers, *Settlement Schemes in Tropical Africa*, London, 1969, Part I.

⁹This picture of the small farmer in export expansion has to be treated rather carefully, since it is often debatable as to how far it can really be characterized as a 'small-farmer' system. Since the 1920s the idea of frontiers as "wild unsettled places where resources are free, rules do not apply, and where at the cost of personal hardship and danger an individual can better himself by his own efforts" has been a recurring theme of western romance and historiography. Even in the period of white settlement (of the American West) this was simply not true. In the United States rail companies were granted land and allocated it to pioneer farmers on a massive scale, while in Canada the North-West Land and Hudson Bay Companies controlled over half of the land that there was to be settled. Similarly, the Australian frontier was not a frontier opened up by small prospectors and family farmers, but by capitalist ranchers with numerous flocks of sheep and dependent wage labour. They were actively supported by large land companies and banks. See Rosa Luxemburg, *op. cit.*, and Brian Fitzpatrick, "The Big Man's Frontier and Australian Farming", *Agricultural History*, Vol. 21, 1947. The image

Though it is difficult to generalize about the circumstances under which a system of this kind began to emerge, it seems fair to say that during this early period it was particularly viable where one or more of the following criteria applied: (i) in areas where for certain historical or climatic reasons white settlement was difficult; (ii) for those crops which did not require high capital outlays to reach acceptable production levels (or where they offered comparatively little advantage); (iii) where cultivation could be carried out for most if not all of the year with family labour; and (iv) where limited outlets and the risk of deterioration and loss in the marketing process kept the producer very dependent upon his buyers. Where small farmers could be controlled through credit and through marketing arrangements and offered the buyer a regular supply of a uniform and fairly high-quality product, it was generally in the interests of major capitalist groups to leave small farmers with the responsibility for production, and with it much of the risks.

Two particular cases stand out as classic examples of small-farmer production of export crops during this period, namely, those of Ghanaian cocoa and of the rice-exporting countries of Eastern Asia. Although these cases differed in a number of important respects, they were all promoted by colonial interests (except in the case of Thailand) and were tightly controlled through tenure arrangements, marketing structures and the political system.

In the case of Ghana, cocoa was produced on both privately-owned and on lineage lands, on small farms of one or two hectares or even less, run by the family with the help of migrant labour from further north. Until 1945, and in a somewhat revised form until very much later than that, a cartel of some thirteen European companies (the so-called "Pool Firms") had tight control of Ghana's (then the Gold Coast's) international trade.¹⁰ They bought the crop di-

of the 'pioneer' farmer which underlines much of our thinking on 'colonization' is in fact very largely a constructed one; it is a myth, a product of western ideology and of western romance.

¹⁰In 1938 these 13 firms controlled some 93% of all the cocoa bought in Ghana; this was heavily concentrated in 4 or 5 firms, the principal of which was the United Africa Company (a subsidiary of Lever Brothers). See the *Report*

rectly from the small producers through their own network of brokers and petty buyers, with liberal use of cash advances to secure their supplies.¹¹ Once this organization had been established it was difficult to change it, nor was there any demand for change in the production system.

The second case was that of the rice-exporting countries of Eastern Asia, namely Burma, Thailand, Indo-China and Taiwan. Though all were examples of small-farmer rice production, there were also variations amongst them. On the one hand were countries such as Burma, where migrant labour and an abundant supply of thinly-populated land made possible the extension of 'traditional' production methods under the stimulation and control of foreign traders. On the other hand were areas such as Taiwan, where land was more or less fully occupied from the beginning of this export expansion and where the growing importance of rice produced by small farmers as an export commodity was associated with the introduction of new varieties under colonial rule.

In the Burmese case high prices resulting from European demand sparked off heavy migration to frontier areas. This was accompanied by a proliferation of traders and moneylenders providing the credit needed for the massive extension of rice production, while European merchants dominated milling and monopolized the exports to Europe.¹² There was a sharp decline in prices after the 1914-1918 war;

mortgaged land was lost as a result of foreclosures, and there was a gradual concentration of paddy land in the hands of the by-then-established landlord class. In this sense the case of the Burma delta followed an almost classic path of capitalist development.

The example of Taiwan under Japanese occupation was very different. The export of rice for the Japanese market was underway by the middle of the 1920s and it was associated with the introduction of a new variety.¹³ The average size of farm was about 2 hectares, and colonial policy rested heavily on the small-farm sector. However, a large proportion of the producers were either sharecroppers or tenant farmers, and the Japanese worked almost entirely through the landlord class. Small producers marketed their rice via their landlords (many of whom were also in practice millers) and export was solely in the hands of Japanese firms.

Comparable cases of small-farmer involvement in export production can be found in many other parts of the world, reflecting similar patterns of differentiation and of control. In Colombia the average size of the coffee farm was still small during this period. In 1950 it was just over three hectares; over a third of all the coffee farms in Colombia (36%) were of less than one hectare, and the industry was controlled by some five export houses.¹⁴ In Sao Paulo coffee lands were given to *colonos* and to small farmers working on a sharecropping basis. Under this system the owner not only supplied the land, but dictated how the land was to be used, the system of cultivation that was to be followed, and the types of management practices that were to be applied.¹⁵

of the Commission of Enquiry into the West African Cocoa Industry (the Nowell Commission), H.M.S.O., London, 1938.

¹¹On the early cocoa development see Polly Hill, *The Migrant Cocoa Farmers of Southern Ghana*, Cambridge, 1963. Her thesis was essentially that cocoa production was from the very beginning a form of incipient capitalism. On the organization and control of trade see David Dunham, *Group Interests and Spatial Structures: A Study of Regional Development in Southern Ghana*, University of Amsterdam, 1977.

¹²See Michael Adas, *The Burma Delta: Economic Development and Social Change on an Asian Rice Frontier, 1852-1941*, Madison, 1974; and Hla Myint, *The Economics of Developing Countries*, (4th edition), London, 1973. To give an impression of the scale of this transformation, the population of Lower Burma increased from 2.6 million in 1871-1872 to 4.1 million in 1900, while the area cropped rose from 0.4 million hectares to 3.5 million hectares over the same period.

¹³See S.C. Hsieh and T.H. Lee, *Agricultural Development and its Contribution to Economic Growth in Taiwan*, JCRR, Taipei, 1966; S.M. Yeh, *Rice Marketing in Taiwan*, JCRR, Taipei, 1955, and *Taiwan Agricultural Statistics 1901-1965*, JCRR, Taipei, 1966.

¹⁴United Nations/FAO, *Coffee in Latin America: Productivity, Problems and Future Prospects*, Vol. I, New York, 1958, p. 27; J.W.F. Rowe, *The World's Coffee*, London, 1963, p. 64, and Absalon Machado, *El café: de la *aparcería* al capitalismo*, Bogotá, 1977.

¹⁵United Nations/FAO, *Coffee in Latin America...*, op. cit., 1958, Vol. II, p. 89, and Thomas Holloway, "The Coffee Colono of São Paulo, Brazil: Migration and Mobility, 1880-1930", in Kenneth Duncan and Ian Rutledge (eds.), *Land and Labour in Latin America*, London, 1977.

In the West Indies banana and sugar production had a significant small-farmer sector.¹⁶ To this list could be added Fijian sugar after 1920, oil-palm and cocoa in Nigeria, coffee in French West Africa, West African groundnuts, and East African cotton. There were also many cases where small farmers played a role in 'out-grower' production, producing for sale to the neighbouring plantation factory or to a processing mill.¹⁷

In short, there is no dearth of evidence to show that the role of small producers in export production was far from insignificant during this period. What is more, replacing them with large producers was not an issue so much as establishing tighter control over their production and finding ways of raising the quality and yield of their crop through the introduction of better cultivation practices and management methods and, more generally of acquiring a cheaper product. Priority was clearly assigned to export growth, rather than to the welfare and development of small producers. Many of these people did benefit and were amongst the most prosperous small producers in the country concerned, but this they could only achieve at a certain cost, the principal features of which included the nature of their existing tenure arrangements, their vulnerability to changes in prices on external markets, and their dependence on those who controlled the access to these markets and those who controlled the processing needed before export.

Small farmers were part and parcel of the process of capitalist expansion. Within the

parameters set by the export model (and the institutional structures that carried it out), they also acquired certain new opportunities and their success encouraged others to export production. The small-farm sector developed its own dynamics of accumulation and social differentiation, with betterment for some (often for many), but indebtedness, loss of land and impoverishment for a great many more. As the number of producers increased prices often fell; farmers were left heavily dependent on 'modern' inputs, on cash incomes to buy their foodstuffs, inputs and other 'necessities' and to pay their tax. The important point, however, was that the possibilities for small farmers to improve their position ultimately depended on continued interest in these crops on the part of richer capitalist groups, on the fortunes of these crops in international markets, and on the ways in which those who were in a position to control this trade used small-farmer production to meet their own ends.

(b) *Small farmers in domestic food production*

The second situation in which small-farmer policies were introduced in order to maintain the prevailing economic system was one characterized by serious and often persistent shortages of food, where the Government was faced with a reduction in foreign supplies or the prospect of a rapidly mounting import bill because of a shortfall in domestic supplies of the staple diet. In an agricultural export economy priority was given to export production, at the expense of domestic food production. This situation was generally characterized by a structural imbalance which was exposed at times when export values decreased and costly imports of food began to prove an embarrassment, or when the power of agrarian capitalists began to decline and they were challenged by urban groups and by the votes and demands of producers outside the export sector. In some cases both of these trends occurred simultaneously.

By the 1920s and 1930s many such economies suddenly found themselves vulnerable; a large proportion of their population was in the 'traditional' sector, unemployment was high, and with significant improvements in health conditions in the rural areas pressure on the

¹⁶For example over three-quarters of all banana growers in Jamaica, Dominica, St. Lucia, St. Vincent and Grenada operated farms of less than 2 hectares in the early 1950s. Furthermore, the vast majority of these specialized in export production and were tightly controlled by exporting firms. See Dennis McFarlane, "The Future of the Banana Industry in the West Indies", *Social and Economic Studies*, Vol. 13, No. 1, 1964, p. 70. On the sugar industry see George Abbott, "The West Indies Sugar Industry with some Long-Term Projects of Supply", *Social and Economic Studies*, Vol. 13, No. 1, 1964; and Ramiro Guerra y Sánchez, *Sugar and Society in the Caribbean: an Economic History of Cuban Agriculture*, first published 1927, English translation, New Haven, 1964.

¹⁷See George Beckford, "The Growth of Major Tropical Export-Crop Industries". *Social and Economic Studies*, Vol. 13, No. 4, 1964; P.P. Courtenay, *Plantation Agriculture*, London, 1965, chapter 4; and on French West Africa, Jean Suret Canale, *L'Afrique Notre*, Paris, 1962.

little good cultivable land available to the majority of small village producers began to increase. By the 1950s the import bill for food-stuffs was often considerable: Brazil was importing almost a million tons of wheat and wheat flour each year, and Cuba, Trinidad and Tobago, Sri Lanka, Malaysia, Indonesia, the Philippines and many more countries were highly dependent on external supplies of their basic foods.¹⁸ In this context colonization and small-farmer food production became a topic of concern to policy-makers as a means of keeping these export economies viable systems.

A good illustration of this is the case of Sri Lanka during and immediately after the two world wars. The experience of the 1914-1918 war, for example, and its immediate aftermath made the Government acutely aware of the extent of the Colony's dependence on imported rice. Over 60% of supplies came from foreign sources, and when these were cut off the structural imbalance built into the export economy was such that there was a shortage of crisis proportions.¹⁹ Import purchasing power was reduced by the slump in the estate sector after the war, and there was a constant threat of India imposing export duties on rice in order to try and resolve its own food situation. The result was a drive for self-sufficiency in rice production and growing concern for the problems of the small producer.²⁰

A similar situation occurred in Jamaica in the late 1930s. The country was confronted with shortages of food which continued during the war, and with the economic decline of the dominant planter class there was a marked shift in priorities towards small-farmer food produc-

tion in the context of considerably expanded land settlement schemes.²¹

In Ghana there was mounting concern with food production in the wake of the 'urban disturbance' of the post-war years,²² while elsewhere in Africa there was a paternalistic concern with 'conservation' and 'improved practices' to combat the threat of famine in peripheral areas.²³ The list could be extended, but the point that stands out is that in general the emphasis on export crops had been taken too far, exposing the fragility of the domestic food situation—a fact which very quickly came to the surface when the system was threatened, as it was during the depression years of the 1930s and in the course of the 1939-1945 war. In this period the power of the 'colonial' export class was beginning to weaken; the economic system of many of the colonies could no longer be maintained without a shift towards increased food production, and in many cases this led to a greater concern for 'peasant production'.

(c) *Politics and the demand for land and land tenure reform*

The third case, interrelated in many ways with both of the earlier ones, centered around the thorny question of land and land tenure reform. The concern with the peasantry and with food production invariably touched upon the availability of land and upon the question of land ownership and of private property. Export production and other forms of large-scale commercial agriculture had in many areas pre-empted the possibility of peasant expansion. The effect

¹⁸FAO, *Yearbook of Food and Agricultural Statistics*, Vol. IV, No. 2 (Trade Statistics), Rome, 1950, pp. 9f.

¹⁹There was a very definite political dimension in this in that the Sri Lankans had a majority (albeit a divided majority) on the Legislative Council by 1921, and these people saw the peasant producer as a potential constituent. This point will be taken up later. On the structural imbalance of such an economy see Gamani Corea, *The Instability of an Export Economy*, Colombo, Marga Institute, 1975.

²⁰On this see Ben Farmer, *Pioneer Peasant Colonisation in Ceylon*, London, 1957, and David Dunham, *Government Policy Towards Peasants and Towards Colonisation: Sri Lanka prior to 1931*, The Hague, Institute of Social Studies, 1980.

²¹See C. Stone, *op. cit.*, 1974, and Ken Post, *Arise Ye Starvelings*, The Hague, 1979.

²²See the *Report of the Enquiry into Disturbances in the Gold Coast*, London, H.M.S.O., 1948.

²³Robert Chambers, *Settlement Schemes...*, *op. cit.*, 1969, p. 22. In 1954 the Belgian Government for example, reflected precisely this when they prefaced their remarks on a U.N. questionnaire by saying "in the Congo we have to deal with a primitive rural society which is profoundly apathetic, fatalistic and attached to its ancestral traditions" and went on to argue this as a justification for "native agricultural settlement" ("paysannat indigène"). See UN/FAO/ILO, *Progress in Land Reform: Analysis of Replies by Governments to a United Nations Questionnaire*, New York, 1954, p. 108.

was not always a direct one. At times the different forms of production did not compete, as plantations were located in the upland areas and paddy rice was concentrated in valley bottoms.²⁴ And even where they did the implications were not always immediately apparent. It was often only later, with health improvements, population growth and increased social differentiation, that the pressure on available land began to increase and there was a growing demand for some measure of redistribution.

In Asia the highly skewed pattern of land ownership had long been recognized. There were clashes between landlords and tenants and between estates and villagers, often because peasant farms (or the income left to a family after payment of 'rents') had simply become too small to enable families to live. In the Philippines the proportion of landless farmers was "astonishingly high" in the 1930s, and there were frequent disputes.²⁵ In Sri Lanka tenant farmers in the wet zone of the country were oppressed by tenure arrangements and by the activities of headmen employed for the administration of local affairs.²⁶ Much the same could have been said for rural Java, where there was concern for "the problem of overcrowding" and where inequalities in ownership and in access to land had long been recorded.²⁷

In much of Latin America and the Caribbean the situation was also similar. Physical displacement was a prominent feature of commercial expansion; the indigenous population (in Bolivia, Ecuador and Peru especially, but also elsewhere) were forced to the altiplano and to remoter parts of the country (as in Colombia) where they endeavoured to farm the marginal soils and the limited lands which

were left to them.²⁸ The most urgent demands in the 1930s and 1940s came, however, from the densely populated rural areas, from the *minifundistas* tightly controlled by tenancy structures and confined to areas where there was simply not enough land to afford them subsistence.²⁹ Many could claim no more than a 'squatter' status and were living under constant threat of summary eviction. Others had been squeezed onto the hillsides where soils were often poor and easily eroded. There was increasing fragmentation of the land available, and a growing problem of landlessness, poverty and unemployment.³⁰

In most of these cases the basic problem was not simply one of unequal land ownership and tenure arrangements, but one of power: of the economic, social and political hold of the landowning class. Small farmers were faced with a series of pressures and institutions which, while they were sometimes (though by no means always) paternalistic in nature, provided them with little scope for social mobility and conceded them very low incomes and very few rights.³¹ In a situation of mounting discontent, with landowners organized into right-wing parties influencing government and administration, the social climate was often one of increasing repression. The need for land reform was portrayed (and in time perceived) as 'an explosive force'.³²

In Africa the relative abundance of uncultivated and reasonably fertile land meant that in general there were fewer strains of this kind,

²⁴In many areas there was a distinct and definite segregation, implying different ecological requirements and different access conditions.

²⁵J.R. Hayden, *The Philippines: A Study in National Development*, New York, 1942, p. 380. On this see also K.J. Pelzer, *Pioneer Settlement in Tropical Asia*, New York, 1948.

²⁶See the *Report of the Commission on the Headman System*, Sessional Paper No. II of 1922, and its successor No. XXVII of 1935. For an impression of the way caste operated see Barrie Morrison, M.P. Moore and M.U. Ishak Lebbe (eds.), *The Disintegrating Village*, Colombo, 1979.

²⁷K.J. Pelzer, *Pioneer Settlement*, op. cit., 1948, chapter IX.

²⁸UN/FAO/ILO, *Progress in Land Reform: Third Report*, New York, 1962, p. 2; Solon Barraclough and Juan Collater (eds.), *Agrarian Structure in Latin America*, Toronto and London, 1973; and Henri Favre, "The Dynamics of Indian Peasant Society and Migration to Coastal Plantations in Central Peru", in Duncan and Rutledge (eds.), in *Land and Labour...*, op. cit., 1977.

²⁹See United Nations, *Report on the World Social Situation*, New York, 1963, pp. 131-133.

³⁰Inter-American Committee on Agricultural Development (CIDA), *Tenencia de la tierra y reforma agraria en América Latina*, OAS, Washington, D.C., 1971; see also Orlando Fals Borda, *El hombre y la tierra en Boyacá: desarrollo histórico de una sociedad minifundista*, Bogotá, 1957.

³¹See on this CIDA, *Tenencia de la tierra...*, op. cit., 1971.

³²Thomas Carrol, "Land Reform as an Explosive Force", in J.J. Tepaske and S.N. Fisher (eds.), *Explosive Forces in Latin America*, Colombia, 1964, p. 89.

with some exceptions. In Zimbabwe (Southern Rhodesia), Kenya and Southern Africa European settlement seriously reduced the good land available to African people. Exacerbating or creating 'population problems' in the remaining areas, it also led to a political situation in which African expansion was seen as a threat to European security.³³ In Kenya the situation was considered to be particularly threatening, culminating in the Emergency of the 1950s, when the Kikuyus rebelled.

And yet, at least until the early 1950s, there were very few statistical surveys on which to base any serious analysis of land distribution. In many countries the prevailing pattern was only too clear, but in general the information available was 'spotty and conjectural'.³⁴ It was very difficult to say whether (or how far) the problems that came to light in particular cases were representative of the national picture or not. The whole question of land and land tenure reform and of colonization (or transmigration) was therefore largely a political response to social contradictions and pressures for change.

The latter in practice took on various forms. In colonial areas land policy had proved an angry issue by the turn of the century. In India Gandhi was fighting to improve the lot of impoverished villagers as early as the 1914-1918 war; the abolition of landlordism was part of the socialist programme of M.N. Roy (to align the National Congress with "exploited workers and peasants"), and the Congress supported small-farmer interest at the All-India level.³⁵ In the Caribbean, estate land was very much a political issue, and by 1950 the sugar industry lived in an atmosphere of mounting hostility, of

strikes, riots, labour disputes and the burning of cane.³⁶

Throughout the colonial world, this opposition concern with the needs of village producers was never far from the fight against imperialist rule, and in this respect it was used as a plank in a broader campaign.³⁷ With the gradual move to elected representation and the increasing politicisation of rural areas in the wake of improvements in transportation and literacy levels, the ownership of land and the lot of the rural poor were skillfully used by nationalist leaders to rally support and to hit out at the bias inherent in colonial rule.³⁸

The situation in Latin America was not very different. In some areas there was not only discontent, there were *campesino* uprisings, mass meetings in rural towns, determined and armed invasions of large estates, and mounting support for the small farmers' cause amongst urban groups. These events were to create a widespread feeling of apprehension and of insecurity, alarming not only the traditional land-owning class, but a wider range of national politicians, businessmen and others as well.³⁹

In many cases the social tensions that were being generated were of such proportions that they were not so easily controlled and could not be ignored. Nor were these governments invariably so insensitive to the impoverishment of village communities trying to feed their families on minute parcels of land, or with no land at all. With the heightening of the depression and the increasing population growth of the post-war era, they were above all aware of the potential political threat posed by uncontrolled situations of deprivation and exploitation. As a

³³R. Chambers, *Settlements Schemes...*, *op. cit.*, 1969, chapter 2. The European response to the mounting land problems was one with overtones of "confining and controlling African farmers in their own areas" (p. 25).

³⁴See UN/FAO/ILO, *Progress in Land Reform*, New York, 1954; and Richard Schaedel, "Land Reform Studies", *Latin American Research Review*, Vol 1, No. 1, 1963, p. 75.

³⁵For a summary of the material available see Sipko de Boer, *Peasant Movements in India during the Twentieth Century*, The Hague, Institute of Social Studies, 1973; Gene Overstreet and Marshall Windmiller, *Communism in India*, Berkeley, 1959; and Myron Weiner, *The Politics of Scarcity, Public Pressure and Political Response in India*, Chicago, 1962.

³⁶See W. Arthur Lewis, *Issues in Land Settlement Policy*, Report to the Caribbean Commission West Indian Conference, 1950.

³⁷Whether the main target should be colonialism or capitalism was very often a topic of considerable debate (especially in India), but in neither case were problems of the small producer *per se* of central concern.

³⁸It also served in some cases (for example Sri Lanka) to distract attention from the fact that the nationalist leaders came from landowning families. See David Dunham, "Politics and Land Settlement Schemes: the Case of Sri Lanka", forthcoming in *Development and Change*.

³⁹See Rodolfo Stavenhagen (ed.), *Agrarian Problems and Peasant Movements in Latin America* (New York, 1970), which provides material on specific cases.

result, various 'small-farmer' policies began to emerge.

These policies were basically of four main kinds. Firstly, there was the increasing importance of government-sponsored colonization schemes, especially in Asia.⁴⁰ Depression led to retrenchment in the plantation sector. In Indonesia it seemed quite unlikely that the plantations would ever employ the same numbers again; pressure on land in Java had reached dangerous proportions, and the Government turned to large-scale colonization of the Outer Islands by way of response.⁴¹ In the Philippines the 'opening up' of the island of Mindanao began during this period, while in Sri Lanka the Land Development Ordinance of 1935 paved the way for a series of settlement schemes.⁴² In Latin America 'spontaneous colonization' was permitted for rather similar reasons, while settlement schemes in Kenya and Zimbabwe were introduced in an attempt to defuse a potentially dangerous situation.⁴³

The second response was to 'reserve' lands for the use of the local population. Policies of this kind were generally presented as a means of 'protecting' the needs of local communities against the incursions of speculators, money-lenders or the plantation system, preserving the possibility of village expansion (or subsistence production) as their population grew. Examples of this were the 'mapping out' and protection of lands for villagers' use in the Wet Zone of Sri Lanka, the creation of Malay reservations in Malaysia, and the setting aside of lands for 'indigenous occupation' in South Africa, Kenya and Zambia (then Northern Rhodesia).⁴⁴

Thirdly, legislation was introduced to regulate tenancy arrangements and sales of land and fourthly, land redistribution policies were implemented. The legislation aimed at land tenure reform, for example, was far more frequent and far more prolific during this period than is sometimes realized. The Philippines had a particularly long history of agrarian legislation, reflecting the violence taking place in the countryside.⁴⁵ The Land Tenure Act passed in Colombia in 1936 had a similar history, while in India there were a series of tenure laws passed by the various states.⁴⁶ When it came to redistribution of land there were far fewer examples. The Mexican revolution was the clearest case, though Bolivia undertook serious reforms in 1952, as had Guatemala in 1944, only to see them overthrown in counter-revolution a decade later.⁴⁷

The important point here was that sweeping measures for the redistribution of land only occurred in the wake of radical political change at the national level; in most societies land-owners were amongst the principal powerholders, and there was little chance of them willingly sanctioning policies that were likely to undermine their own power position. Concessions had to be made in many respects, but the outcome was frequently different from what was proclaimed. The legislation that was passed was frequently thwarted by obstructionist tactics and by the influence of powerful landed groups during implementation. Colonization schemes were fraught with difficulties; it was not necessarily the case that the land went to those in need, and projects generally involved a considerable degree of control over

⁴⁰Earlier African projects were more concerned with clearing the land for European settlement or with moving people from unhealthy areas (notably areas of sleeping sickness). These involved a very different context from that described here.

⁴¹Large-scale colonization took place principally between 1932 and 1941. See K.J. Pelzer, *Pioneer Settlement...*, op. cit., 1948, p. 228.

⁴²See K.J. Pelzer, *ibid.*, and B. Farmer, *Pioneer Peasant Colonisation...*, op. cit., 1957.

⁴³This was particularly true of the areas of irrigated settlement. See R. Chambers, *Settlement Schemes...*, op. cit., 1969, and on Latin America, CIDA, *Tenencia...*, op. cit., 1971.

⁴⁴*Report of the Land Commission...*, op. cit., 1929; Erich Jacoby, "The Problems of Vulnerable Communities

in Land Policies", in FAO, *Documentation Prepared for the Center on Land Problems in Asia and the Far East*, Rome 1955, pp. 61f; United Nations, *Land Reform: Defects in Agrarian Structure as a Bottleneck to Economic Development*, New York, 1951, p. 33.

⁴⁵K.J. Pelzer, *Pioneer Settlement...*, op. cit., 1948, chapter IV.

⁴⁶United Nations, *Progress in Land Reform: Second Report*, New York, 1956, p. 10; and United Nations, *Land Reform: Defects...*, op. cit., 1951. Similar legislation can be found in the case of Burma (the Tenancy Act of 1938 and the Land Alienation Act of 1940) and in the Middle East.

⁴⁷See R. Stavenhagen (ed.), *Agrarian Problems...*, op. cit., 1970, and S. Barraclough and J. Collarte (eds.), *Agrarian Structure...*, op. cit., 1973.

both the production and social life of the individual settler.⁴⁸ Finally, when the land was 'mapped out' in the form of 'reserves', in the absence of other institutional changes it was concentrated in the hands of the 'well-to-do'.⁴⁹ In other cases is served to 'protect' the interests of European groups or to ensure a supply of labour for the mines and European estates.⁵⁰ It was by no means the case that 'small-farmer' policies were based on a preoccupation and concern with 'the needs of the poor'.

The twenty years immediately prior to 1950 were marked by severe resentment of the inequalities that existed in access to land and to other opportunities and of paternalistic and generally repressive political regimes promoting the very structures that had heightened this inequality. The pressures were such that many governments were forced to adjust their position, and the result was often a stream of 'small-farmer' policies.

The introduction of laws and distributive measures served (often very effectively) to give the impression that the government recognized and was tackling agrarian issues, but in practice the problems involved in ensuring effective enforcement were well beyond the technical capacity and inclination of governments and of the courts. Some laws could be supervised with a degree of success, but in many more cases measures were only approved at the national level on the tacit agreement that they would rarely, if ever, be rigorously enforced.⁵¹

Once laws were passed, no matter how ineffective they were to prove in the course of time, they made the logic of further action that much more difficult. The underlying objective was revolution; to bring an end to foreign land ownership or destroy *latifundismo* rather than give rise to a concrete view of an alternative

society. It was essentially a pressure for change in the economic and political structure, and this could not be obtained through legislative reform.⁵² Only with the overthrow of colonial rule would small farmers be seen in a different light; nationalist leaders attentive to old inequalities and often struggling to establish effective control voiced a greater concern for 'their countrymen' and for 'nation-building'. It was in this 'independence' era from the 1950s that the new States and those in Latin America began to develop a different economic model in which the priorities attached to the small-farm sector were (if not always higher) at least different.

2. The situation after 1950

After 1950 many of the same contradictions continued, but they did so in a different political climate and in the context of a rather different economic model. Thinking on economic policy was influenced by the situation of newly independent States of Africa, Asia and the Caribbean and by theories derived in the Economic Commission for Latin America. In both cases the image was one of 'underdeveloped countries' struggling to adjust their economic and political ties with advanced capitalist nations. Industrialization was seen as the basis for 'real' development, and the main body of orthodox thinking on development strategies increasingly emphasized large-scale (capital-intensive) infrastructural investment and industrialization. By the 1950s this was the basic model for economic growth.⁵³

On the other hand, few countries were actually in a position to undertake a major programme of industrialization. In Latin America there had already been serious efforts. In Africa new States were striving to develop a rudimen-

⁴⁸See B. Farmer, *Pioneer Peasant...*, *op. cit.*, 1959, and K.J. Pelzer, *Pioneer Settlement...*, *op. cit.*, 1948.

⁴⁹See Kew Tan, *The Land and the Agricultural Organisation of Peninsular Malaya: A Historical Interpretation*, Centre for Development Studies, Swansea, 1981, and D. Dunham, *The Politics...*, *op. cit.*, 1982.

⁵⁰R. Chambers, *Settlement Schemes...*, *op. cit.*, 1969, and United Nations, *Land Reform: Defects...*, *op. cit.*, 1951.

⁵¹On this see Solon Barraclough and Arthur Domike, "Agrarian Structure in Seven Latin American Countries", in R. Stavenhagen (ed.), *Agrarian Structure...*, *op. cit.*, 1970, pp. 41f.

⁵²See Thomas Carrol, "The Land Reform Issue in Latin America", in Albert Hirschman (ed.), *Latin American Issues*, New York, 1961.

⁵³There were also other arguments behind this line. No country had become rich or succeeded in achieving a significant improvement in standards of living without having industrialized. Industrialization was therefore rather easily related to the idea of 'development'. In other cases (such as Argentina and Brazil) the military was pressing for industrialization to sustain the country's military power and independence.

tary industrial base or else were pursuing socialist experiments in an effort to make a clean break with their colonial past, but in neither case was there industrialization in a meaningful sense outside South Africa. In Asia, Taiwan had undergone some industrialization under Japanese rule to serve the needs of the Imperial war effort; Korea was beginning, but elsewhere war and the vicissitudes of national leaders made this a far less plausible proposition. It was only in India, and to a lesser extent Pakistan, that industrialization could be said to have become a major policy line.

The finances needed to pay for industrialization, and more especially to pay for imported capital goods, basically had to come from three main sources: from external loans and investments by foreign capitalists; from industry itself; or from the export sector. With a few notable exceptions (such as Bolivia, Chile, Venezuela, Suriname and South Africa), it was the foreign exchange derived from agriculture that accounted for the greater part of the country's export earnings, though once industrial expansion was underway investment could come from the industrial sector itself. However, this was more likely when inputs from other sectors were relatively cheap compared to the price of industrial manufactures, and when the wages paid in the industrial sector were low in relation to industrial profits.⁵⁴

Which sources were to prove the more prominent, and how far agriculture was expected to bear the brunt of industrial expansion, depended both on the structure of the given economy, and on the nature and structure of the political system.⁵⁵ How far there was in practice a 'squeeze' on agriculture, and how far there was an alliance between the nascent industrial and the traditional rural bourgeoisie is difficult to sum up in a generalization. But what is clear is that, in as far as industrial policy needed changes in the rural sector, these were only possible with the emergence of politically powerful urban groups who had interests different from those of the landlord class, with the growth of electoral systems in which small

farmers and propertyless groups had some voice, and with a situation in which industrialization and falling prices in export markets weakened the importance of landed as against other forms of wealth.

As industrialization (and with it urbanization) progressed, demands on the agricultural sector began to change. There was pressure on the traditional export sector for foreign exchange to meet the increasing import bill; there was a growing demand for cheap inputs and cheap wage goods (principally food) in order to keep down costs in the industrial sector; there was increased demand for cheap labour (both in the urban areas and in capitalist agriculture) which had primarily to come from rural areas, and there was a need to expand the internal market for the manufactures that would be locally produced. Together these factors led to a different economic model, and one which looked at problems in rural areas and in agrarian structures in a different light.

With these demands, the constraints at work in the rural sector became more apparent. From the 1950s onwards per capita food production and total food production per capita were growing at less than 1% per annum, and this rate was slowing down despite advances made in the so-called 'green revolution'.⁵⁶ Total population, and more particularly the urban population, was increasing rapidly, and the countries' export sectors were facing growing problems in international markets.⁵⁷ Agriculture was seen as a point of 'internal strangulation'—as the 'bottleneck' in economic development—and increasing emphasis was placed on the need for balance between agriculture and other sectors.⁵⁸ A new approach to agricultural development seemed needed.

⁵⁴See Keith Griffin, "Agrarian Policy: The Political and Economic Context", *World Development*, Vol. I, No. 11, 1973.

⁵⁵See United Nations, *Concise Report on the World Population Situation in 1977*, New York, 1979, pp. 62-69; Inter-American Development Bank, *Latin America in the World Economy*, Washington, D.C., 1975, chapter III, and CEPAL/FAO, "Situation and Evolution of Agriculture and Food Supplies in Latin America", *Economic Bulletin for Latin America*, Vol. XIX, Nos. 1-2, 1974.

⁵⁸See Raúl Prebisch, *Hacia una dinámica del desarrollo latinoamericano*, CEPAL, Santiago, 1963; and United Nations, *Land Reform: Defects in Agrarian Structure...*, *op. cit.*, 1951.

⁵⁴On this see R.B. Sutcliffe, *Industry and Underdevelopment*, London, 1971.

⁵⁵See Ashok Mitra, *Terms of Trade and Class Relations*, London, 1977.

For all this, there was inevitably continuity in government policy. The export sector remained an important one, albeit at times with different objectives, and often with struggles to control it through nationalization.⁵⁹ In the savannah zone of West Africa and in Southern Africa, 'peripheral' regions were consciously undeveloped, receiving little by way of government expenditure, in order to ensure an outflow of migrant labour. Wages in the capitalist sector were based on the subsistence costs of the single man; women, older men, the disabled and children were cared for 'at home' in small-farming communities which in this way (in the absence of 'social services') lowered the costs of labour in the industrial sector.⁶⁰ This was a policy developed in the colonial period and retained because it facilitated development of the 'modern' sector and because these structures simply could not be adjusted overnight without undermining the country's economic growth.

However, the situation was changing and a number of broader considerations were being brought to bear. One of these was the fear of communist infiltration. In the early 1950s the United States army was engaged in Korea, and in other Southeast Asian countries guerrilla wars were raging in rural areas. In Malaysia the British were fighting 'communist insurgency', the French were losing ground in Indo-China and the Philippines were considered to be under dire threat.⁶¹ In Latin America the United States was trying to improve the climate for foreign private investment until the Cuban revolution led to reassessment of its position.

All of this influenced western foreign policy. In Asia the inability of colonial and post-colonial governments to provide enough food to feed their growing populations was considered to be the crux of the political issue. Amer-

ican aid, other than military aid, was closely tied up with food and with food production, and one of its important weapons in this respect was the way it used its surplus food production.⁶² Distinctive views were also beginning to emerge concerning the need for reform in the rural areas. "In country after country", wrote one observer,⁶³ "one sees feudal classes bent on maintaining the *status quo* unsullied. They cannot gain popular support. They neither benefit the rural community nor have they proved at all effective against communist penetration. They are the unwitting and unwilling allies of communism, for they are the creators of the revolutionary situation".

It was clear that policies with regard to food production were developing definite political connotations.

Regarding Latin America, in the wake of the Cuban experience, the choice was increasingly seen as reform or revolution. President Kennedy insisted on various occasions that the promotion of democracy and reform were "the ultimate answer to Castro and the communists", and the Alliance for Progress placed particular stress on "economic growth, structural change and political democracy". The latter two were for a while a condition for American aid.

In short, there were various strands to be observed in the policy lines that the Western bloc began adopting in response to capitalist interests in Third World countries and to what it saw as the threat of communist infiltration and of insurgency. The small-farmer policies that emerged in this period have to be seen in such a perspective, against the cold-war situation of the early 1960s and communist successes in Asia and Africa in the decade that followed. Both dimensions—the importance of economic growth and political stability— influenced strategic thinking on the small-farm sector, and both of them can be seen in the emerging policy-lines. The most important of these concerned land reform, the opening up of new

⁵⁹See the case of the West African Marketing Boards, the marketing of Taiwanese rice and Indonesian rubber, and more recently the nationalization of tea, rubber and coconut estates in Sri Lanka.

⁶⁰As the need became increasingly more for skilled labour, labour had to become more permanent to make training worthwhile. This in turn led to a shift in the pattern of migration, with more migration of women and of people moving as couples.

⁶¹Harry Cleaver, "The Contradictions of the Green Revolution", *Monthly Review*, June 1972, p. 82.

⁶²On this see the evidence of Hubert Humphrey to the Senate Committee on Agriculture and Forestry, *Hearings on Policies and Operations of P.L. 480*, 1957, p. 129.

⁶³Louis J. Walinsky (ed.), *Agrarian Reform as Unfinished Business: The Selected Papers of Wolf Ladejnski*, New York, 1977, p. 134.

land, and the intensification of production in existing areas, and these three will each be discussed in turn.

(a) *The new perspectives on land reform*

With changes in the conventional development model there was also a renewed interest in land reform, in abolishing 'quasi feudal' agrarian relations which were seen as a principal problem in the agricultural sector. In Asia the main bone of contention in rural areas was the excessive rents extorted by absentee landlords who hoarded money, used it for conspicuous consumption, or else re-invested it in other sectors. The shortage of capital and the general air of insecurity surrounding tenancy arrangements meant little capital investment in agriculture and little scope for increasing productivity. In such cases land reform was to be seen as 'land to the tiller' and the abolition of an absentee *rentier* class and of an intermediary group of rent collectors, with the basic unit of production remaining the same.

In Latin America the situation was different. There was concentration of ownership and a great deal of power in large estates which had vast areas of underutilized or even unused land, while the vast majority of agricultural families had no land at all.⁶⁴ In this context land reform implied reorganization—the consolidation of small and fragmented units or the subdivision and redistribution of existing estates. In either case it required new units of management; land reform meant the disruption of earlier production patterns and in the short-term at least it seemed likely to lead to lower levels of production. Land reform therefore had different implications.

In all areas a crucial part of the whole land reform issue was of course the balance of political power in particular countries, and the

composition of the group that was pushing for change had much to do with the possibilities of ultimate success. In the Middle East many of the large landowners were viewed as collaborators with the colonial regime and they were eventually ousted by a coalition of urban-based groups and small producers under that banner.⁶⁵ In Venezuela and Peru small farmers and landless workers invaded estates and the government later ratified their action by land reforms after the fact (as had also occurred in Mexico and Bolivia). In all of these cases (and more generally elsewhere) land reform was used to confirm and to stabilize an already accomplished political change. Later, in the shadow of the Cuban revolution, the agreement of Punta del Este and the Alliance for Progress, the United States exerted considerable pressure on other governments in Latin America to introduce some measure of land reform, but the extent to which this occurred was very limited because the dominant political interests were very wary of change.

Finally, when land reform measures were introduced and an emphasis was placed on redistribution and on 'small-farmer' policies, they had to serve what the new leaders considered to be the needs of 'national development'. The small-farm sector was generally seen as something that required a good deal of control and supervision, encouraging farmers to 'modernize' their production, to raise their incomes and to contribute to the needs of people in the urban centres and in other sectors. It also implied that the State itself should play an increasing role in guiding the production and marketing of peasants' crops.

This tendency and some of the implications of it are perhaps best illustrated from individual cases. In Egypt, for example, there were a series of land and land tenure reforms following the overthrow of the *ancien régime* in 1952.⁶⁶ The country's agrarian structure had previously been one in which there was a high degree of concentration in the ownership of

⁶⁴See FAO, *Perspective Study of Agricultural Development in Latin America*, Vol. I, Rome, 1972, pp. 1-23; S. Barraclough and J. Collarte, *Agrarian Structure...*, *op. cit.*, 1973, Table 2-1, p. 16; Anthony Bottomley, "Planning in a Underutilised Economy: The Case of Ecuador", *Social and Economic Studies*, Vol. 15, No. 4, 1966; and CEPAL, "An Agricultural Policy to Expedite the Economic Development of Latin America", *Economic Bulletin for Latin America*, Vol. IV, No. 2, 1961.

⁶⁵On this see Doreen Warriner, *Land Reform in Principle and Practice*, Oxford, 1969, p. 12.

⁶⁶For a specification of these reforms see Mahmoud Abdel-Fadil, *Development, Income Distribution and Social Change in Rural Egypt 1952-70*, Cambridge, 1975, chapter 1.

land. Some 94% of all owners had plots of less than 2.1 hectares (5 feddans); rents were high, accounting for as much as 75% of the net income that sharecroppers or tenant farmers derived from their land, and it was more advantageous for absentee landlords to lease their land than to cultivate it themselves. There had emerged a whole structure of intermediaries between owner and tenant, and with it 'a whole hierarchy of tenures' on the same piece of land.⁶⁷

By 1950 poverty and exploitation were such that there was considerable tension and unrest in the countryside. The leaders of the July coup were conscious of this, of the need to destroy the power of the landlord class and to win the support of tenant farmers and landless groups. Agrarian reforms⁶⁸ "were welcomed by the 'enlightened' business circles in Egypt as timely measures, long overdue, to redirect investment into industry and to avert the risk of a more radical solution to the agrarian question, which was looming large on the horizon".

The result was a redistribution of some 8.5% of the country's land area to medium and small producers and the introduction of tenancy regulations giving legal status to tenants and sharecroppers on other land.⁶⁹ At the same time, beneficiaries were obliged to form co-operatives. These were seen as a means of consolidating farms to take advantage of the economies of scale that were needed for 'modern' production, and they represented a systematic attempt on the part of the State to establish tighter supervision and control of small-farmer production. An important element in this was the introduction of compulsory sales to government agencies at 'administered prices' well below those in the open market.⁷⁰

⁶⁷M. Abdel-Fadil, *ibid.*, pp. 5-6, and G.S. Saab, *Egyptian Agrarian Reform 1952-1962*, London, 1967.

⁶⁸Abdel-Fadil, *Development...*, *op. cit.*, 1975, p. 22. See also National Bank of Egypt, *Economic Bulletin*, Vol. V, No. 3, 1952, p. 167.

⁶⁹See Sayed Marei, "The Agrarian Reforms in Egypt", *International Labour Review*, vol. LXIX, No. 2, 1954, and Doreen Warriner, *Land Reform and Development in the Middle East*, London, 1957, p. 39. The tenancy regulations were in fact the more important element, since they included rent reductions, minimum wage legislation and security of tenure for very large part of the population.

⁷⁰See Samir Radwan and Eddy Lee, "The State and

Another example was that of South Korea, which undertook a series of land reforms between 1948 and 1957. In 1945 half of the country's cultivated land was controlled by only 4% of all rural families and a further 20% of the arable land was in Japanese hands.⁷¹ Tenants were in a precarious situation, and this was only made worse with the advent of civil war. With the end of the Korean war this land was appropriated and given to those who were farming it to increase production in support of the policy of industrialization and to remove rural discontent on which the communists could play.

Between 1963 and 1973 output in the industrial sector rose by 17% p.a. and industrial employment by over 9% p.a. This created a sharp increase in the demand for food, but to maintain this dynamic it was important to keep industrial wages down. Compulsory State procurement of rice and barley was retained after the war, the Government maintaining control of marketing and of the supply of 'modern' inputs to the small-farm sector.⁷² This was again in practice done by means of co-operatives. The rural sector bore the brunt of the industrialization policy through the low procurement prices that were being offered. As yields increased, so too did incomes, but not as fast as the rural cost of living. The terms of trade were turned against agriculture, and real household incomes (while rather unstable) were more or less unchanged until the 1970s.⁷³ The reforms

Agricultural Change: a Case Study of Egypt 1952-1977", in Dharam Gai, Azizur Khan, Eddy Lee and Samir Radwan, *Agrarian Systems and Development*, London, 1979, p. 169.

⁷¹Robert Morrow and Kenneth Sherper, "Land Reform in South Korea", United States Agency for International Development (USAID), *Spring Review of Land Reform*, June 1970, p. 6.

⁷²Eddy Lee, "Egalitarian Peasant Farming and Rural Development: the case of Korea", in Dharam Gai *et al.*, *Agrarian Systems...*, *op. cit.* 1979, p. 29. See also Pal Yong Moon and Byung Seo Ruy, *Korea's Agricultural Policies in Historical Perspective*, Seoul, Korean Development Institute, April 1977.

⁷³See Lee, "Egalitarian Peasant Farming...", *op. cit.*, 1979, table 2.3, p. 31 and Y.K. Ro, D.N. Adams and L.J. Hushak, "Income Instability and Consumption-Savings in South Korean Farm Households, 1965-70", *World Development*, Vol. 9, No. 2, February 1981. This trend was partly mitigated by the high level of job creation in the urban sector.

created an apparently egalitarian rural structure, but small farmers as a class were being exploited in order to meet the needs of industrialization.

In Latin America after the Cuban revolution there were again fierce debates about land reform. Governments, preoccupied with industrial development and with the need to keep 'peasant' movements under firm control, were faced with both internal and external pressure to introduce some measures of reform in the rural areas. In Chile landowners had power and patronage over small farmers and rural workers, and with a growing interest in 'modernization' there was a political battle to break this influence and gain control of the rural vote.⁷⁴ In Peru there was rural unrest in the late 1950s as repressive measures were introduced by the military government to increase its control. In the wake of this the need for agrarian reform was increasingly recognized and was to become an important element in the Government's economic strategy. The Agrarian Reform Law of 1969 expropriated large estates, broadening and consolidating the position of 'progressive' farmers operating on a small-to-medium or medium scale and forcing them to work through a State-controlled co-operative system.⁷⁵

A similar pattern can be seen in a great many other cases—in the Zamindari reforms in India, in the Taiwan reforms of the early 1950s, or the Pakistani reforms of 1959⁷⁶—reflected the needs of economic growth and of political control in the countries in question, and they were aimed at reinforcing (or at reconfirming) an already accomplished shift in the balance of power away from the traditional rural landowning class. To achieve this there was often need

⁷⁴See David Lehmann, "Agrarian Reform in Chile 1965-72: An Essay in Contradictions", in David Lehmann (ed.), *Agrarian Reform and Agrarian Reformism*, London, 1974, and James Petra and Maurice Zeitlin, "Agrarian Radicalism in Chile", in R. Stavenhagen (ed.), *Agrarian Problems...*, *op. cit.*, 1970.

⁷⁵See Ramón Zaldívar, "Agrarian Reform and Military Reformism in Peru", in Lehmann (ed.), *Agrarian Reform...*, *op. cit.*, 1974.

⁷⁶On the Taiwan case, see Raymond Apthorpe, "The Burden of Land Reform: An Asian Model of Land Reform Re-analysed", in *Development of Societies: the Next Twenty-Five Years*, The Hague, Institute of Social Studies, 1979.

for the small farmers' support. Many gained land and saw a significant improvement in their standards of living. However, this did not necessarily imply any serious interest in the poorest farmers nor any long-term commitment to offer them help. The reforms often led to another type of social differentiation and at times a swing to large-scale production in another form.

(b) *The opening-up of new land as a policy instrument*

Many land reforms of the 1950s and 1960s were important in facilitating capitalist growth, even though—particularly in Asia—a great many small farmers gained ownership of land. The advances that were made were rarely thoroughgoing and the rate at which they were implemented in practice was slower than the increasing landlessness in rural areas.⁷⁷ Population growth, concentration of land ownership in the 'modern' sector and the increasing mechanization of larger units were heightening resentments and forcing people to look for employment in other areas.

The 1960s saw a dramatic increase in urban population, to such an extent that there were often serious problems of urban congestion, poverty and violence, associated with what was to be called 'the informal sector'. There was concern with lowering the rate of rural-urban migration, and recognition that land reforms would have to be supplemented with other measures that would help to defuse potential political threats and to improve national agricultural production. There was often a very real need to produce more food, and one means of facilitating these objectives was to open up 'new lands' in 'underutilized areas'.

Since somebody (and not always the State) had a claim on the land in almost all of these areas, the dividing line between coloniza-

⁷⁷In the 1960s 1.0-1.2 million landless families acquired lands from government agencies in Latin America. This was the equivalent of about 100 000 families a year. At the same time, the number of potential beneficiaries was estimated to be 10 million families, and the growth of the rural labour force was estimated to be about 500 000 workers per year. See CEPAL/FAO, *Situation and Evolution...*, *op. cit.*, 1974, p. 107.

tion and agrarian reform was both subtle and blurred. The former was seen, and at times officially recognized, as being a practical alternative to agrarian reform.⁷⁸ In many parts of the world the good land still available was extremely limited—far more so than had been believed a decade before. In parts of Asia (Sri Lanka) and Africa (the Sahelian region) the opening up of new land was still important, but in other areas in Asia (India) and Latin America it was slowing down.⁷⁹ The process of colonization proved slow and difficult, and especially when it required irrigation facilities it also proved an expensive policy alternative.⁸⁰

Such were the costs of reclaiming semi-arid areas and controlling supplies of water that opening up new land rarely offered any real solution to the problems of overpopulated rural areas or to the extremely high rates of rural-urban migration. Colonization, rather than land reform, more aptly describes many of the changes that took place following agrarian reform in Central and South America, involving the 'spontaneous' invasion of underutilized areas or government-sponsored schemes in outlying areas.⁸¹ In Asia there were a number of large-scale projects (such as the settlement of 200 000 small farmers in the Mahaweli basin) dependent on elaborate and extremely expensive irrigation facilities.⁸² But their impact on

the structure and output of the agricultural sector (and the social and political problems contained within it) was disappointingly small.

Secondly, even in areas or regions where colonization was important, it did not always work in the interests of small producers. The costs involved and the desire to establish tight control over peasant production were such that in government-sponsored projects the earlier pattern of close supervision was firmly maintained. What emerged was often a highly centralized system of management remarkably like that of a plantation or a large corporation. One study of colonization schemes in Chile found that a large proportion (44%) of settlers on 12 projects prior to 1962 were professional people, people engaged in some form of business, people who worked with the *Caja de Colonización Agrícola* or other government agencies, or people who had been working for them at one time or another.⁸³ In Nicaragua it was common practice for livestock farmers prior to the revolution to lease areas of woodland to would-be settlers, allow them to clear the land, plant an annual crop (such as rice, maize or beans) and with it pasture. The latter took over when the crop was harvested; the land reverted back to the owner who now had a use for it, and the settlers were pushed out to "open up" areas further afield.⁸⁴ Elsewhere, despite official accounts of 'boundless resources', colonists gained little more than semi-arid or otherwise marginal 'frontier' land that offered no attraction to more powerful groups.

When it came to competition for better land, small producers and other subsistence groups were in practice physically expelled (or displaced by the use of threats) unless they had the protection and support of the Government. In many areas this was not forthcoming, and such was the concern with 'modernization' that preference was given to large-scale, capital-in-

⁷⁸This was clearly the case in Brazil, where the Government worked through an Institute of Colonization and Agrarian Reform.

⁷⁹In the first two decades of Indian planning emphasis was placed on extending the cultivated area through land reclamation, soil conservation schemes, the introduction of improved dry farming methods and irrigation. The costs were such, however, that the emphasis had to shift to introducing more intensive methods of production (see Biplap Dasgupta, *Agrarian Change and the New Technology in India*, United Nations Research Institute for Social Development (UNRISD), Geneva, 1971, pp. 16-17. In Latin America the harvested area increased by 2.6% p.a. in the first 5 years of the 1960s and by 1.3% p.a. in the next 5 years, but in the first 5 years of the 1970s it was increasing by only 0.5% p.a. (see CEPAL/FAO, *Situation and Evolution...*, op. cit., 1974, p. 101).

⁸⁰See Michael Nelson, *The Development of Tropical Lands*, Baltimore, 1973, and IBRD, *Agricultural Land Settlement*, A World Bank Issues Paper, Washington, D.C., January 1978, p. 5.

⁸¹William Thiesenhusen, "Colonization: Alternative or Supplement to Agrarian Reform", in Peter Dorner (ed.), *Land Reform in Latin America: Issues and Cases*, Land Tenure Center, Wisconsin, 1971.

⁸²See D. Dunham, "The Politics...", op. cit.

⁸³W. Thiesenhusen, "Colonization...", op. cit., 1971, footnote 2 on p. 211.

⁸⁴James Taylor Jr., *Agricultural Settlement and Development in Eastern Nicaragua*, Land Tenure Center, Wisconsin, 1969. On this subject see also Orlando Fals Borda, *La cuestión agraria en Colombia*, Bogotá, 1976, and his discussion of "la ley de los tres pasos". A comparable example of this process can be seen in the Oriente Region of Bolivia.

tensive forms of production. "There is evidence", wrote one observer of the Brazilian case in the mid-1970s,⁸⁵ "that large companies attempting to 'develop' Amazonia are pre-empting peasants' attempts to settle the region, and in some cases evicting 'squatters' who have lived there for generations".

Similar cases of displacement on varying scales can be observed in the Llanos Orientales of Colombia,⁸⁶ in the Sahelian region,⁸⁷ on Mindanao,⁸⁸ and in the north-eastern lowlands of Ethiopia.⁸⁹ In fact it seems to have been a fairly typical feature of 'frontier' development, with little concern for the small farmers, subsistence cultivators or nomadic pastoralists living in these areas.

And yet, it would be wrong to give the impression that the opening-up of new lands was invariably characterized by physical displacement or savage exploitation of subsistence cultivators and nomadic herdsman. This has often occurred. But in many other cases small farmers have managed to gain access to land, and many of them have prospered as a result. The more important point is that opening up new lands could never offer a lasting solution to the serious agrarian problems in other parts of the country. To some extent it provided a safety valve by making available more land and creating more employment, but more generally (and more significantly) it served a political function by giving governments time and by helping them meet the conditions of aid-donor countries.

(c) 'Modernization' of agricultural production

The third policy line was the 'moderniza-

tion' of production in the areas already in use. This was to be a principal thrust of policy from the 1960s: an effort on the part of advanced capitalist and Third World countries to raise the agricultural productivity of the latter by introducing 'advanced' mechanical equipment, 'modern' inputs and 'modern' management methods. This shift to more commercialized forms of agricultural production was to be promoted through a system of subsidized prices, by ensuring that the capital needed was made available (through agricultural development banks, farmers' associations or co-operatives), with the Government providing infrastructure, advice and supervision as and when it was needed.

In this way producers would gain access to new technology, the market for farm equipment and for manufactured inputs could be extended, and the increased purchasing power of rural areas would widen the market for manufactured consumer goods. However, when it came to intensifying production in existing areas the influence of agrarian structures was invariably strong.

The mechanization of large-scale agriculture and the increased use of new seeds and other inputs that characterized the so-called 'Green Revolution' involved different processes, and yet they reflect a great many features in common. Both saw the involvement of large-scale (and generally foreign) commercial interests. Mechanization entailed the transfer of established, relatively capital-intensive farm technologies from Europe and North America to Third World locations. With the possible exception of Argentina (and in the view of certain authorities parts of Brazil), the mechanization of agriculture in Latin America has been promoted and guided by business interests with much use of credit to speed up its adoption: they showed little interest in adapting equipment to local conditions, and even less to promoting its use on smaller farms or in different systems of agricultural production.⁹⁰

This mechanization had a considerable

⁸⁵Martin Katzman, "The Brazilian Frontier in Comparative Perspective", *Comparative Studies in Society and History*, Vol. 17, No. 3, 1975, p. 282.

⁸⁶Over the last decade several examples of this can be found recorded in the main Colombia daily newspapers *El Tiempo* and *El Espectador*.

⁸⁷See Comité d'Information Sahel, *Qui se Nourrit de la Famine en Afrique?*, Paris, 1975, and Claude Meillassoux, "Development or Exploitation: is the Sahel Famine a Food Business?", *Review of African Political Economy*, Vol. 1, No. 1, 1974.

⁸⁸K. Griffin, *Agrarian Policy...*, op. cit., 1973, p. 9.

⁸⁹Lars Bondestam, "People and Capitalism in the North-Eastern Lowlands of Ethiopia", *Journal of Modern African Studies*, Vol. 12, No. 3, 1974.

⁹⁰CEPAL/FAO, *Situation and Evolution...*, op. cit., 1974, p. 105. On this trend see also CEPAL/FAO, *La expansión selectiva de la producción agropecuaria en América Latina*, E/CN. 12/378/Rev. 2 (United Nations publication, Sales No.: 1957. II. C. 4).

amount of government support. In the mid-1960s over a third of loans granted by the Agricultural Development Bank in Pakistan were for the purchase of tractors and other mechanical equipment.⁹¹ The Government of India adopted a liberal stand on the import of tractors, and in turn encouraged their local production in co-operation with multinational firms.⁹² Not only tractors but also power tillers, combined harvesters, mechanized threshers and irrigation facilities of various kinds were purchased from international commercial concerns on government credit.

Nor have the inputs associated with the 'Green Revolution' been any more divorced from commercial pressures. New strains of wheat and rice were developed with the support of the Rockefeller and Ford Foundations, and promoted by an aid lobby in which commercial interests of various kinds were well represented.⁹³ In Jalisco, Mexico, the U.S. Agency for International Development (USAID) looked for ways in which foreign private investment could provide the necessary inputs for small producers and then market their product (in this case maize).⁹⁴ The ESSO company was engaged in the distribution of fertilizers in the Philippines, and efforts were made to promote foreign investment in fertilizer production in other parts of the world.⁹⁵

North American and European agribusiness had the interest and the capital as well as the technology to provide the equipment and the inputs to bring about modernization of agricultural production. In many (though by no means all) countries, the emerging policy was to be 'good for business'; profit motives influ-

enced views as to what should be done, often to the disadvantage of the small producers.⁹⁶

Secondly, the cost of 'modern' equipment, irrigation facilities and other inputs was such that, regardless of the attitudes of the suppliers, they were confined to a comparatively small proportion of the nation's producers. Access to credit (and thereby to new technology) was in general so costly, or at least so restricted, that the medium-sized and large farmers were the main beneficiaries. In India in the early 1970s the price of a Hindustan 35HP tractor was Rs 27 000 and a Massey-Ferguson Rs 35 000, if they could be obtained. This was some thirty to forty times the net annual income to be derived from a five acre farm operated with bullocks in parts of the Punjab.⁹⁷

Large farmers used their influence to acquire loans and to move up or bypass the waiting lists, and those who were able to obtain equipment and inputs saw an increase in yields and, in turn, of income. In the Punjab one study found the average net income per hectare in canal irrigated areas to be Rs 459 on farms using bullock power, and Rs 923 on those using tractors.⁹⁸ No doubt these farms differed in more ways than just the level of mechanization, but statistics of this kind do serve to show the differentiation occurring in particular areas and the widening gap in income and wealth between those who 'modernized' their production and those who could not.

In areas of sharecropping or tenant farming the prospect of higher profits led landlords to show greater interest in commercial production. No doubt this has helped smaller farmers get access to inputs by way of their landlord, but it also resulted in many areas in the latter taking decisions about land use, varieties to be

⁹¹Keith Griffin, *The Political Economy of Agrarian Change*, London, 1974, p. 53.

⁹²Biplap Dasgupta, *Agrarian Change and the New Technology in India*, United Nations Research Institute for Social Development, Geneva, 1977, p. 98.

⁹³The International Centre for the Improvement of Maize and Wheat (CIMMYT) in Mexico and the International Rice Research Institute (IRRI) in the Philippines were both set up under the auspices of United States foundations.

⁹⁴H. Cleaver, *The Contradictions...*, *op. cit.*, 1972, p. 90.

⁹⁵*Ibid.* Efforts were made to encourage foreign investment in fertilizer production in India.

⁹⁶The enormous profits sometimes ascribed to these enterprises were by no means assured, though there seems little doubt that there was often a considerable amount of money to be gained from the sales of equipment, licenses and inputs of various kinds.

⁹⁷A.S. Kahlon and S.S. Grewal, "Farm Mechanisation in a Labour Abundant Economy", *Economic and Political Weekly*, 13 May 1972.

⁹⁸A.S. Kahlon, S.S. Miglani and S.K. Metha, *Studies in the Economics of Farm Management, Ferozepore District (Punjab)*, New Delhi, Ministry of Agriculture, 1972.

grown and the inputs used.⁹⁹ In such cases the tenant became more a farm worker than an independent farmer, and tenancy was merely a convenient arrangement enabling the landlord to pass on production risks. In West Godavari rents paid by sharecroppers in the dry season more than doubled with the introduction of high-yielding varieties, and the net share of the tenant suffered a marked decrease.¹⁰⁰ In other areas (for example parts of Java) small-holdings were increasingly leased to 'progressive' farmers and there was a mounting concentration of control (if not necessarily of ownership) of tenanted land.¹⁰¹ In yet other areas owners took back their land from tenants to cultivate it themselves or to give it to sons, increasing the numbers of landless people.¹⁰² In all these cases institutional arrangements made it extremely difficult for small farmers to improve their relative position.

In the view of some, the overall result was essentially a negative one. The efforts made were cynically dismissed as "a systematic and coordinated effort to organise a 'pampered', small, efficient and highly subsidised sector of rich landowners and producers".¹⁰³ And certainly there is evidence to that effect. Policies showed a definite 'landlord bias'.¹⁰⁴ The cases of India and Pakistan have already been cited, but in countries with more conservative political regimes the situation was often a good deal worse. In Iran an Agricultural Development

Fund was established in 1968 to finance large-scale production on highly mechanized farms and to assist agribusiness in bringing this about. The minimum loan available was US\$ 67 000 (five million rials), well beyond the dreams of any small farmer. The Banco do Brasil for its part, was offering at that time a minimum loan of some fifty times the annual earnings of an industrial worker.¹⁰⁵

Loans for new seeds and 'modern' inputs were naturally lower, and credit was available in smaller amounts. Its provision was an essential part of 'modernization' programmes, but who acquired it was really the important issue.¹⁰⁶ Generally speaking it was the medium-sized or large farmer who could better afford to experiment with new varieties and to try expensive inputs.¹⁰⁷ These people were normally (though not always) the first adopters, and it was they who were likely to take advantage of the subsidized prices designed to encourage farmers to 'modernize' their production.

Small farmers saw that they could raise their output and hence their income, and the technology spread.¹⁰⁸ As it did, so the cost of subsidizing the growing quantity of inputs needed also increased: it became an increasing burden upon the exchequer, and it was often reduced (or even removed) just as small farmers were adopting these new techniques.¹⁰⁹ Since small farmers were more likely to sow the whole of their plot with new varieties, when the subsidy declined (and the petroleum crisis raised the price of chemical fertilizers) it was they who found themselves in the most vulnerable position.¹¹⁰

⁹⁹On this see K. Griffin, *The Political Economy...*, op. cit., 1974.

¹⁰⁰C. Parthasarathy, "West Godavari: Andhra Pradesh", in IRRI, *Changes in Rice Farming in Selected Areas of Asia*, Manila, 1975, p. 66.

¹⁰¹Ingrid Palmer, *The New Rice in Indonesia*, United Nations Institute for Social Development (UNRISD), Geneva, 1976, pp. 137-138.

¹⁰²Jean G. Rosenberg and David A. Rosenberg, *Landless Peasants and Rural Poverty in Indonesia and the Philippines*, Cornell University Rural Development Committee, Ithaca, N.Y., February 1980, pp. 29 f.

¹⁰³Ernst Feder, "The New World Bank Programme and the Self-Liquidation of the Third World Peasantry", *Journal of Peasant Studies*, Vol. XIX, Nos. 1-2, 1974, p. 348, and Ernst Feder, "Agribusiness and the Elimination of Latin America's Rural Proletariat", *World Development*, Vol. 5, Nos. 5-7, 1977. On the package approach, see also Emiliano Ortega, "Peasant agriculture in Latin America: situations and trends", *CEPAL Review*, No. 16, April 1982, pp. 75f.

¹⁰⁴Sec. K. Griffin, *The Political Economy...*, op. cit., 1974.

¹⁰⁵K. Griffin, *Agrarian Policy...*, op. cit., 1973, pp. 10f.

¹⁰⁶On the importance of credit as a part of the "package" arrangements that were being made see United States Agency for International Development (USAID), *Spring Review of Small-Farmer Credit*, Vol. XIX, June 1973.

¹⁰⁷On this see K. Griffin, *The Political Economy...*, op. cit., 1975; Dasgupta, *Agrarian Change...*, op. cit., 1977; IRRI, *Changes in Rice Farming...*, op. cit., 1975; and ARTI, *The Agrarian Situation Relating to Paddy Cultivation in Five Selected Districts of Sri Lanka* (five volumes and main report), Colombo, 1975.

¹⁰⁸On this pattern of diffusion of innovations see the UNRISD studies on the 'Green Revolution'.

¹⁰⁹IBRD, *World Bank Operations*, op. cit., 1972, p. 17.

¹¹⁰The tendency for small farmers to adopt innovations later and to sow the whole of their area with new varieties is noted in IRRI, *Changes in Rice Farming...*, op. cit., 1975.

This is not to say that small farmers were always exploited or that 'modernization' only served the interests of a privileged class of medium-sized and large farmers. In India alone it has been estimated that as many as six million small-farmer households may have benefitted from the efforts of the Small Farmer Development Agency, and that there was at times as much as a 33% increase in household income.¹¹¹ These figures may (to say the least) be rather flattering, but they serve to give an encouraging indication of the scale on which benefits have occurred.

The point is that the proportion of small farmers involved was, with the exception of certain areas, extremely small. In India there were over 70 million rural households who qualified as 'small farmers' under the definitions of the Small Farmer Development Agency.¹¹² Secondly, the 'Green Revolution' was at best a wheat and a rice 'revolution'; it was introduced to relatively few and comparatively small regions, and it only applied to certain parts of the world. Very little was done for the development of tubers.

Thirdly, 'modernization' in practice meant promotion of commercialized agriculture. The logic of the process was such that it led to increasing economic and social differentiation. New techniques were introduced into an already unequal agrarian structure and they inevitably had an unequal impact within the community. It was easier for officials to work with those who had power than to work against them; it was easier to deal with larger-scale farmers than to work with a mass of illiterate small producers, and this also created a bias in delivery systems.¹¹³

And yet, from the point of view of a govern-

ment's underlying objectives this policy of agricultural modernization was not necessarily unsuccessful as far as it went. In global terms there was no marked increase in output per capita.¹¹⁴ Once the people in these pockets of 'modern production' were more or less saturated with modern inputs and modern technology, the growth in the rate of output began to drop off. 'Traditional' agrarian structures re-emerged as a barrier to continuing this rate of growth.

But in particular areas the gains were often considerable, and sometimes sufficient to have had some impact in macro terms. This was true in the Punjab and in large parts of the Philippines. More generally, this policy gave land to many small peasants and increased incomes while strengthening a class of 'progressive' farmers whose economic and political interests were generally in tune with those prevailing at the national level. The introduction of 'landlord-biased' or at least 'progressive-farmer-biased' innovations created or strengthened a class of rural producers who were loyal to (and dependent on) the government in power: a class which had considerable influence in rural areas (though not enough to pose a political threat), and whose interests generally favoured the *status quo*. In this sense these policies served these governments' interest in 'political stability'.

The culmination of this 'modernization' era: the 1970s

The situation by the middle of the 1970s was by no means a promising one. There had been no great breakthrough in agricultural development as a result of this modernization and the 'Green Revolution'. On the contrary, in all parts of the Third World except the Far East the rate of growth in agricultural output was slower than it had been in the previous decade.¹¹⁵ In no region had there been any real acceleration in food production of sufficient dimensions to influence macro figures of the type that are

¹¹¹ Reserve Bank of India, *Marginal Farmers and Agricultural Development Agencies: a Field Study*, Bombay, 1976. On the income estimates see Raj Krishna, "Small Farmer Development", *Economic and Political Weekly*, 26 May 1979.

¹¹² The Indian Agricultural Census 1970-71, quoted in Krishna, "Small-Farmer Development", *op. cit.*, 1979, p. 913.

¹¹³ On this subject see for example L. Cliffe, J.S. Coleman and M.R. Doornbos (eds.), *Government and Rural Development in East Africa*, The Hague, 1977, and S. Williams and J.A. Miller, *Credit Systems for Small-Scale Farmers: Case Studies from Mexico*, Austin, Texas, 1973.

¹¹⁴ K. Griffin, *Agrarian Policy...*, *op. cit.*, 1973, p. 3.

¹¹⁵ See K. Griffin, *The Political Economy...*, *op. cit.*, 2nd ed., 1979, pp. 4f.

regularly issued by the FAO.¹¹⁶ What is more, in certain areas —most notably the Sahel— food production and marketing seemed an almost desperate issue.

In most areas the situation continued to be one in which large farms, often run with the use of 'sub-optimum' methods, were predominant.¹¹⁷ The advances made in land reform had been far slower than the rate of increasing landlessness, and the opening-up of new land was not only limited, but difficult and expensive. Nor had everyone gained from the process of 'modernization'. In fact it seemed quite likely that the vast majority of small peasant producers were not included in it. The process resulted in new forms of differentiation: often it led to the concentration of land (or of control of land), and at times it was creating landlessness, raising unemployment and increasing poverty.

With the displacement of small producers from the better soils and high rates of population growth in poor rural areas there had emerged an increasingly marginalized population 'dumped' into a *minifundio* (or subsistence) type of production.¹¹⁸ Problems of unemployment had become very severe, and by the 1970s the causal tie with absolute poverty had been clearly discerned.¹¹⁹ Many people

were living in precarious circumstances.¹²⁰ The situation was frequently one of considerable social tension, resulting in protest movements, at times in violence, and often in resort to repressive measures.¹²¹

Although these were often no more than pockets of disturbance, a number of other factors were beginning to play a significant role and were putting events in a somewhat different light. First was the sharp increase in the price of oil and of oil derivatives, including chemical fertilizers. Secondly, there was an increase in world food prices, and with a series of droughts and biased distribution systems shortages of food were recorded in many parts of the world. Thirdly, there was at the same time a general decline in the price of many Third World export crops on international markets. The need for food imports was often of such proportions that balance of payments problems loomed high on the horizon; there was fear of Cuban and Russian influence in parts of Africa and of communist influence extending outwards from Indo-China, and in this context small-farmer policies (and particularly those that were oriented towards food production) were considered of greater importance to the capitalist world.

II

Since the 1950s shifts in the emphasis of thinking on economic policy have been reflected in the position adopted by the World Bank Group,

the United States Agency for International Development (USAID), FAO, the Asian Development Bank (ADB), the Inter-American Development Bank (IDB) and other bilateral and multilateral 'development' agencies.¹²² Their

¹¹⁶ Mos notably *The State of Food and Agriculture* reports.

¹¹⁷ Regarding the situation in Latin America, see CEPAL/FAO, *Situation and Evolution...*, *op. cit.*, 1974.

¹¹⁸ See for example CEPAL/FAO, *Situation and Evolution...*, *op. cit.*, 1974; Orlando Fals Borda, *El hombre y la tierra en Boyacá: Desarrollo histórico de una sociedad minifundista*, revised edition, Bogotá, 1973; Emilio Klein, *Diferenciación social: Tendencias del empleo y los ingresos agrícolas*, PREALC, Santiago, 1980; K. Griffin, *Land Concentration and Rural Poverty*, London, 1976; and ILO, *Poverty and Rural Landlessness...*, *op. cit.*, 1977.

¹¹⁹ See for example CEPAL, "Basic Aspects of Latin American Development Strategy", *Economic Survey of Latin America*, 1969, pp. 3-42 (United Nations publication: Sales N.º E.71.II.G.1); and CEPAL/ILPES, *The State of Planning in Latin America and the Caribbean*, Guatemala, 1980, pp. 198f.

¹²⁰ FAO, *Perspective Study...*, *op. cit.*, 1972, pp. 1-10; and Arvind Das and V. Nilakant (eds.), *Agrarian Relations in India*, New Delhi, 1979.

¹²¹ See, for instance, evidence of clashes between small farmers and farm workers on the one hand and landlords and police on the other in Bihar and Andhra Pradesh in the *Economic and Political Weekly* (for example 14 January and 22 April 1978 and 7 July, 22 October and 17 November 1979). On the question of repression see Mohan Ram, "Mini-Emergencies to Suppress the Poor", *Economic and Political Weekly*, 18 November 1978.

¹²² See IBRD, *World Bank Operations...*, *op. cit.*, 1972; IBRD, *The Assault...*, *op. cit.*, 1975; IBRD, *Annual Reports, 1972-1979*; FAO, *Small Farmer Development Manual*, Bangkok, 1978; ADB, *Asian Agricultural Survey*, Manila,

individual stances have been very similar, partly because of the strength of advanced capitalist nations in voting rights and policy-making, partly because of co-operative and co-financing arrangements between the agencies, and partly because of the paradigm that they used in common. And underlying all of this has been the fact that they were part of the capitalist world's response to economic and political conditions in Third World countries. They were an adjustment to facilitate the process of capitalist growth.

From the mid-1950s the United States provided a major share of all foreign aid transfers to Third World countries. A decade later Washington was viewing the political situation with a certain urgency and, in the cold war years of the 1960s, a sustained United States commitment to increased aid became part of the counter-offensive against communist influence, compatible with the need for protecting United States interests, promoting and protecting that country's investments and markets, supporting its allies in Third World countries and strengthening United States national security.¹²³ In 1970, with events in Vietnam coming to a head, USAID funding to South Vietnam (with a population of 15 million) were notably larger than those to India (with 600 million) or indeed to Latin America as a whole.¹²⁴ Aid was clearly linked to foreign policy, just as, for example, French and British aid programmes reflected ties to former colonies and Commonwealth countries.

At the same time, with changing economic strategies in the 1950s and 1960s there was widening scope for European, Japanese and North American involvement by providing technology, managerial skills and capital investment. This could not be financed by pri-

vate capital alone, nor could individual governments always provide the infrastructure and necessary incentives to promote this expansion without a greater degree of external aid. There was an increase in the flow of resources from international lending institutions, the establishment of which had to a large extent been predicated on the idea of facilitating capitalist expansion while avoiding the overt political interest inherent in the notion of bilateral aid.¹²⁵

In the World Bank and the regional development banks, voting power was linked to the size of each member country's contribution, and the relative strength of the advanced capitalist countries was such as to ensure that their interests were met within this new structure.¹²⁶ In 1964, in the case of the IDB Fund for Special Operations, the United States was able to impose conditions ensuring that its increased contributions could only be used for purchases in the USA, and that such goods must be transported in United States-registered ships.¹²⁷ Under the Bank ruling that a two-thirds majority was required for all decisions affecting the Fund, the United States, which controlled some 40% of the total vote, had an effective veto of moves that it did not approve.¹²⁸ In 1972 the so-called 'Gonzalez Amendment' authorizing United States contributions to the IDA, IDB and the ADB laid down that United States Executive Directors in these agencies should vote against any loans or other forms of utilization of funds that were considered to run counter to that country's interests.¹²⁹ Political controls were built into the logic and operation of these institutions.

What is more, while an increasing number of bodies was involved, they were not acting independently of one another. The World Bank established a co-operative programme with the

1969; ADB, *Rural Asia: Challenges and Opportunities*, Singapore and New York, 1978; ADB, *Annual Reports* and IDB, *Annual Reports*.

¹²³ See Abraham Lowenthal, "Alliance Rhetoric Versus Latin American Reality", *Foreign Affairs*, April 1970, pp. 495 and 496.

¹²⁴ In the fiscal year 1970 USAID flows to South Vietnam totalled US\$ 366 million, those to India came to US\$ 244 million, and for Latin America as a whole the figure was US\$ 254 million. USAID, *Fiscal Year 1970 Operations Report*, Washington, D.C., 1970, p. 5.

¹²⁵ See for example Sidney Dell, *The Inter-American Development Bank: A Study in Development Financing*, New York, 1972, chap. 1.

¹²⁶ *Annual Reports* of the IBRD, IDB and ADB.

¹²⁷ S. Dell, *The Inter-American Development Bank...*, *op. cit.*, 1972, p. 114.

¹²⁸ R. Peter Dewitt, "The Inter-American Development Bank and Policy-Making in Costa Rica", *Journal of Developing Areas*, Vol. 15, No. 1, 1980.

¹²⁹ Aart van de Laar, *The World Bank and the Poor*, The Hague, 1980, pp. 76-79.

FAO in the identification and preparation of its rural projects. Roughly a third of its agricultural lending was prepared in this way, with FAO staff working within the parameters of the Bank's lending policy.¹³⁰ Similar arrangements were made with WHO, UNESCO and UNDP, and the Bank embarked on a programme of co-financing with regional bodies. One result of this external influence and interlinkage was that no effective 'alternative view' was likely to emerge.

In all these institutions there was a gradual shift in policy emphasis over time, reflecting a continual reassessment of the perceived needs for capitalist expansion in terms of agricultural output and political stability. This can be seen in the changes that have taken place in World Bank policy, with its gradual move towards agriculture and 'the rural poor'. In the postwar era World Bank policies emphasized 'infrastructural development'. Agriculture accounted for only a small proportion of the Bank's total lending (8.5% up to 1963): the majority of this was on capital-intensive infrastructure (such as large-scale dams and irrigation systems), and it unashamedly pursued a *laissez-faire* notion that its task was to open the way for private investments.¹³¹ A significant proportion of the loans made during this period were clearly intended to meet the needs of large landowners.¹³²

Between 1964 and 1968, the share of total lending destined for agriculture increased (to 12.6%) with emphasis on the export sector and

on livestock production.¹³³ This sector was frequently characterized by large-scale (even foreign) ownership,¹³⁴ and again if often contained a large irrigation component.¹³⁵ However, with agriculture increasingly seen as a 'bottleneck' holding back industrialization and 'economic development', the Bank also began to turn its attention to the need to promote technological change at the farm level through the provision of improved seeds, fertilizers and modern equipment.¹³⁶ Policies began to be viewed in a broader perspective, covering credit, road construction, processing industries and, to a lesser extent, education and health facilities.¹³⁷

Between 1969 and 1973, with mounting evidence of the landlessness, differentiation and pauperization produced in the wake of the so-called 'Green Revolution', and with an increasing threat of rural social unrest, there was a shift in the emphasis of World Bank policy towards the eradication of poverty as against growth *per se*, and to employment creation rather than simply an increase in gross national production.¹³⁸ By the 1970s, Ul Haq was openly talking of injecting distributional issues "into the very pattern and organisation of production".¹³⁹ However, the stress was still quite clearly on non-food crops, and this was even true in the case of food-deficit countries.¹⁴⁰ By

¹³⁰Cheryl Payer, "The World Bank and Small Farmers", *Journal of Peace Research*, Vol. XVI, No. 4, 1979, and Rosemary Galli, "The UNDP, 'Development' and Multinational Corporation", *Latin American Perspectives*, Vol. 4, No. 4, 1976.

¹³¹IBRD, *The Assault...*, *op. cit.*, 1975, annexes 8 and 9, pp. 84-85, and chap. 3, pp. 58f. The total sum loaned was US\$ 436 million. See Richard Stryker, "The World Bank and Agricultural Development: Food Production and Rural Poverty", *World Development*, Vol. 7, No. 3, 1979, John Adler, "The World Bank's Concept of Development", in Jagdish Bhagwati and Richard Eckaus (eds.), *Development and Planning*, London, 1972, pp. 34-36, and on IDB policies, S. Dell, *The Inter-American Development Bank...*, *op. cit.*, 1972, p. 129.

¹³²The Bank's 'dogmatic preference' for private ownership and private enterprise is stressed by R. Stryker, *The World Bank...*, *op. cit.*, 1979, pp. 328f. See also Feder, *The New World Bank Programme...*, *op. cit.*, 1976, p. 344.

¹³³Between fiscal years 1961-1965 and 1966-1970 loans for livestock production increased from US\$ 35.3 million to US\$ 252.4 million. Loans for non-food crops increased from US\$ 2.8 million to US\$ 86.8 million. Together, their share rose from 8% to 28% of agricultural loans (IBRD, *The Assault...*, *op. cit.*, 1979, p. 327).

¹³⁴R. Stryker, *The World Bank...*, *op. cit.*, 1979, p. 327.

¹³⁵Between the fiscal years 1966 and 1970 irrigation accounted for 43% of all agricultural loans. This was less than the 79% recorded over the previous five financial years, but it was still considerable (IBRD, *The Assault...*, *op. cit.*, 1975, annex 9, p. 85.)

¹³⁶*Ibid.*, p. 59.

¹³⁷*Ibid.*, pp. 58f.

¹³⁸*Ibid.*, p. 60; and R. Stryker, *The World Bank...*, *op. cit.*, 1979, p. 328.

¹³⁹M. Ul Haq, *The Poverty Curtain...*, *op. cit.*, 1976, p. 34.

¹⁴⁰S. J. Burki and T. J. Goering, *A Perspective on the Foodgrain Situation in the Poorest Countries*, World Bank Staff Working Paper No. 251, April 1977, p. 41. The experience of the Sahelian zone during this period appears to have been a clear-cut example of this. See Comité d'Information Sahel, *Qui se Nourrit...*, *op. cit.*, 1975.

this time agriculture accounted for some 19% of total Bank lending.¹⁴¹

With the world food crisis, and with high and increasing rates of unemployment, attention was turned to food production and the small producer. The total amount loaned increased dramatically (from US\$ 12 700 million over the fiscal years 1969-1973 to US\$ 32 320 million over the period 1974-1978); and the share of this devoted to agriculture rose sharply (to 31%), with roughly half the agricultural lending going to projects for domestic food production.¹⁴²

In short, the changing emphasis of World Bank policy followed closely shifts in the interpretation of 'development policy' as seen from the vantage point of the advanced capitalist nations. The emphasis on the poor and on food production was a response to a deteriorating food situation, and it followed closely on the passing of the US Foreign Assistance Act of 1973, which reflected the growing concern of the United States Government over the risk of 'internal subversion' in Third World countries.¹⁴³ The policy that was to emerge was such as to provide greater control of peasant producers, hitherto seen as 'the great unknown' of the national economy and as an area of potentially dangerous social unrest. By commercializing this sector, it was gradually brought into the realm of government planning.

The technocratic rationale behind the policies of the World Bank and similar institutions hinged on two central factors —the imbalance between agricultural output (especially food production) and population growth, and the inefficiency of existing agrarian structures in terms of productivity per hectare and employment creation. The first of these focussed attention on the low (and declining) rate of growth in per capita (food) production, and the

second stressed the underutilization of land and the constraints imposed by prevailing ownership and tenure patterns. Both had to be seen against the economic and political situation of the early 1970s and conventional interpretations of the problems involved.

The logic of their argument was in essence the following. To reduce rural poverty, policies had to raise the level of production and productivity in the small-farm sector. In the World Bank's view, what was needed was a doubling of the rate of growth in output from this sector from 2.5% p.a. by 1985.¹⁴⁴ This would enable farmers to double their annual output by the end of the century, halting the disparity in income distribution and starting to reduce it by the 1990s.¹⁴⁵

How this was to be achieved was of course the important issue. As McNamara himself remarked in his Nairobi speech:¹⁴⁶ "a 5% rate of growth has never been achieved on a sustained basis among small-holders in any extensive areas of the developing world".

An expansion of these proportions in the small-farm sector could only be achieved with a high rate of technical innovation, and more particularly through the increased use of purchase inputs and the provision of adequate infrastructural support.¹⁴⁷ What was proposed was basically a 'package' solution aimed at 'target groups' of the rural poor. This view was subsequently repeated in the Manila Declaration, which saw the small farmer as 'the backbone of agriculture'.¹⁴⁸

¹⁴⁴The United Nations/FAO World Plan for Agricultural Development has estimated that for food production to rise by 4.3% p.a. between 1967 and 1985 to meet domestic demand, the marketable surplus would have to rise by some 5-6% p.a.

¹⁴⁵McNamara's Nairobi Address. For a summary see IBRD, *The Assault...*, *op. cit.*, 1975.

¹⁴⁶*Ibid.*

¹⁴⁷IBRD, *World Bank Operations...*, *op. cit.*, 1972, p. 6; IBRD, *Annual Report*, 1975, pp. 16f. This strategy was never in fact made precise, and there was no solid and detailed elaboration of it. On the contrary, the Bank maintained that "there is no universal formula that prescribes the right mix, or the most effective sequence of activities to raise the incomes of the rural poor" (*The Assault...*, *op. cit.*, 1975, p. 18). On the 'package' approach see IBRD, *ibid.*, pp. 8 and 40f.

¹⁴⁸Manila Declaration on Food and Agriculture, Thirteenth FAO Regional Conference for Asia and the Far East, Manila, 5-13 August 1976.

¹⁴¹IBRD, *Annual Report*, 1974, p. 13.

¹⁴²See R. Striker, *The World Bank...*, *op. cit.*, 1979, p. 327, and IBRD, *Annual Report*, 1977 and 1978. In real terms this was in fact considerably more than the target that McNamara had projected in his Nairobi speech. It almost doubled (in real terms) relative to the previous 5 years, and it was some 35% higher than he had anticipated (IBRD, *Annual Report*, 1979, pp. 17-18).

¹⁴³A. Van de Laar, *The World Bank...*, *op. cit.*, 1980, p. 78.

The Bank adopted the view that the efficiency of the small farm had been seriously misconceived: in point of fact small-farmer production was labour-intensive, it offered a higher output per unit of land, and it was more efficient in the use of on-farm resources. As higher yielding varieties increased the number of production cycles, the employment that was generated in any one year would be that much greater. In this way the strategy was believed to be particularly well suited to meeting the needs of Third World development.

At the same time it was recognized that existing agrarian structures were part of the problem, that they were likely to hamper policies aimed at the poor, and that land reform was an increasingly pressing issue. "The more secure producers", it was argued in justification,¹⁴⁹ "tend to invest part of their higher earnings in their holdings—thus raising the level of investment in agricultural production—whereas absentee landlords frequently invest in off-farm activities". Earnings would be higher because less was tapped off by landlords and because security of tenure favoured better production methods. But even so, it was clearly recognized that achieving this was unlikely in practice to prove sufficient without a complementary readjustment in the input delivery system and in marketing facilities.¹⁵⁰ This in turn led to the view that a 'comprehensive' or 'integrated' approach was what was required.

Such was the basic philosophy of the new approach to small-farmer policies. The poor were poor, not because they had been marginalized by the activities of richer farmers and of agribusiness, but because they had been left behind by the process of 'economic development'. Subsistence farming was taken to be more or less synonymous with poverty, and emphasis was placed on new technology and increasing government intervention "to bring this silent or passive majority into the main-

stream of economic growth and social progress".¹⁵¹

The World Bank, as we have seen, made much of its small-farmer emphasis; the resources it channelled to agriculture (US\$ 10 018.6 million between 1974 and 1978) were very impressive, and in 1978 it proudly announced with regard to its small-farmer policy that "all the targets set have been achieved".¹⁵² How, then, should this be interpreted? Certainly it could not be taken to mean that the problems of rural poverty had markedly lessened. What had happened was that the political fears of the early 1970s had not materialized, and attention was shifting to the more volatile problem of the urban poor.¹⁵³

In analysing what was happening it seems important to maintain a careful sense of perspective. For example, while the flow of funds available to agriculture through multilateral agencies rose quite dramatically, the total flow of aid to the sector increased at a slower rate, reflecting the shift away from bilateral aid.¹⁵⁴ At the same time, the agencies retained a steady (if not growing) interest in agro-industry and large-scale agro-commercial concerns. An analysis of the loans and equity investments of the International Finance Company (IFC)—itself a member of the World Bank Group—shows a definite interest in agribusiness, and the total investments in agro-industry which it co-financed showed a gradual rise.¹⁵⁵ It was by no

¹⁵¹ADB, *Rural Asia...*, *op. cit.*, 1978, p. 216. A similar thrust can be found in the writings of the other development banks and of the relevant United Nations organizations.

¹⁵²IBRD, *Annual Report*, 1978, p. 18.

¹⁵³This can be seen from the IBRD, *Annual Report* 1979, pp. 22f. The growing concern with problems of urban poverty is clearly visible in the Bank's Annual Reports from 1977 onwards.

¹⁵⁴In Asia, for example, aid from multilateral agencies increased fourfold between 1969 and 1974 but total aid flows rose by the much lower (though still significant) figure of 59%. ADB, *Rural Asia...*, *op. cit.*, 1977, table IV-1.1, p. 296.

¹⁵⁵From its establishment in 1956 to 1977 only some 4% of total IFC commitments went to food or food processing firms. At the end of this period McNamara was looking to a new phase of IFC expansion in precisely this area, and Henri Bedie was appointed special adviser to see this through. The proportion of its total investment channelled to agro-industry in the fiscal year 1980 rose to almost 15%, and the IFC *Annual Report* for 1979 predicted that

¹⁴⁹IBRD, *The Assault...*, *op. cit.*, 1975, p. 223.

¹⁵⁰FAO, *Small-Farmer Development Manual...*, *op. cit.*, 1978, p. 156; IBRD, *The Assault...*, *op. cit.*, 1975, pp. 161f, and ADB, *Annual Report* for 1979, p. 28.

means the case that there was a sustained and all-out effort at small-farmer development.

Even within the small-farm sector Bank figures themselves reveal that less than a quarter of World Bank loans (three-quarters of the 31% devoted to agriculture) were channelled into rural development projects *with a small-farmer component*, and that in these projects almost half of the direct benefits went —on its own admission— to other groups.¹⁵⁶

An analysis of the approved projects contained in the World Bank's Annual Reports for 1974-1978 suggests that even this more modest view might be optimistic. Though descriptions of individual projects are admittedly brief, the intended beneficiaries are generally indicated, and the impression gained from their analysis is itself revealing. They indicate that the World Bank estimates of its small-farmer effort are high —if not actually exaggerated, that 'poor small farmers' appear to have comprised a comparatively small proportion (a little more than a quarter) of all 'small-farmer' funds, and that while total funds to agriculture have been steadily rising, the proportion allocated to small farmers has in fact decreased. Indeed, the image that begins to emerge from this 'small-farmer policy' is that promoting and extending the commercialization of viable farms has had precedence over concern for the poorer, more marginal producer.

A cautious reading of the Bank's own policy statements also shows that from the very beginning it had every intention of continuing its assistance to large-scale producers. It was certainly far easier to help those with 'some tangible assets'.¹⁵⁷ With emphasis placed on rapid commercialization, the provision of credit was a crucial element in the overall strategy, but

this was not even primarily intended for poorer producers. Credit would be given to the larger-scale farmers "when it (was) necessary to raise their production in order to increase domestic food supplies and/or contribute to exports".¹⁵⁸ This was an important caveat, and over half of the credit was earmarked for such producers.¹⁵⁹ It was explicitly stated that "increased attention to small farmers should not, however, obscure the need for additional significant increases in aid to other groups, especially medium-scale farmers".¹⁶⁰ And indeed it did not.

One study of some 18 small-farmer projects in Africa and Latin America financed and implemented with international aid found that two-thirds were focussed on 'progressive' farmers and that only one was specifically focussed on weaker groups.¹⁶¹ In Ghana the FAO-sponsored 'focus and concentrate' programme was geared to 'co-operators' whose farm size was in practice double the local average, while in Kenya the (British/IBRD/IDA-financed) Tea Development Authority restricted small-farmer participation on economic grounds.¹⁶² In Guatemala 'small farmers' were defined as producers with less than 45 hectares of land (encompassing 97% of all producers). Half of the funds were allocated to these 'small farmers', the remainder going to 'larger' farms in the top 3%.¹⁶³ Elsewhere, when new resources were fed into an unequal agrarian structure, they generally tended to favour the more pow-

projects dealing with the production and processing of agricultural resources would in future comprise "an increasing share of IFC's investment activities" (p. 17). This expansion was not, however, sustained: IFC funding fell sharply from 1978, but the total value of agro-industrial investments that were IFC-assisted continued to rise (IFC, *Annual Reports*).

¹⁵⁶ IBRD, *Annual Report*, 1978, p. 18.

¹⁵⁷ M. U1 Haq, "Changing Emphasis of the Bank's Lending Policies", *Finance and Development*, Vol. 15, No. 2, 1978.

¹⁵⁸ IBRD, *The Assault...*, *op. cit.*, 1975, p. 12.

¹⁵⁹ *Ibid.*, p. 118. See also ADB, *Rural Asia...*, *op. cit.*, 1978, and S. Dell, *The Inter-American Development Bank...*, *op. cit.*, 1974.

¹⁶⁰ IBRD, *The Assault...*, *op. cit.*, 1975, p. 118. Similarly the ADB argued (*Rural Asia...*, *op. cit.*, 1978, p. 219) that "although the large mass of the peasantry in these countries comprise small and marginal farmers, the bulk of production and most of the marketable surplus comes from medium-sized or large farms. It becomes expedient, therefore, to cater to the needs of the latter in order to augment production".

¹⁶¹ Elliot Morss, John Hatch, Donald Mickelwait and Charles Sweet, *Strategies for Small-Farmer Development*, Boulder, Colorado, 1976, Volume I, p. 17.

¹⁶² *Ibid.*, Vol. II; case studies.

¹⁶³ Institute for Food and Development Policy, *The Aid Debates: Assessing the Impact of US Foreign Assistance and the World Bank*, 1979, quoted in C. Payer, *The World Bank...*, *op. cit.*, 1979, p. 306.

erful groups regardless of the intention of policy-makers.¹⁶⁴

Once these farmers were incorporated into the emerging system they also became dependent upon it. There was often a high degree of government control in terms of the crops to be grown, the inputs to be used, the timing of various procedures and the marketing channels. There was little scope for individual decision-making or variations from the 'official' view of what should be done.¹⁶⁵ Indeed, in many cases the shift to modernized production was almost mandatory, and even carried through in the face of opposition.¹⁶⁶ Those who accepted the model and the opportunities became dependent for advice, inputs and often for marketing on government officials, or even on officials of the donor agency that was involved.

And the list could be extended. In general, however, it could be said that credit and other resources tended to go to the more wealthy stratum rather than to 'the poorest of the poor'. This aid was strengthening or creating a layer of 'progressive' farmers relying for their inputs and their prosperity on the bureaucracy and the government in power. It was this smaller group of the 'not-so-poor' smaller and medium-scale farmers who were in fact to provide the dynamics of the 5% growth rate that McNamara foresaw.

Finally, in analysing the policies of these institutions some attention must be paid to the countries that received the bulk of the financial aid and the underlying alliance of interests that this implied. What this reveals in essence is that, in addition to concern for increasing the output of the agricultural sector, there have been strong political considerations in the allocation of funds, reinforcing established capitalist regimes or serving an important stabilizing function in areas of possible rural unrest or 'insurgency'. For example, the involvement of

USAID in the drought-stricken countries of the Sahelian region and the transfer there of a French-speaking technical assistance team from Indo-China after the Vietnam war reflected a fear of mounting Russian and Cuban influence within that area. When people have land, inputs and the possibility of reasonable subsistence or a higher income, they also tend to be more conservative, and to see more risk in radical points of view. What is more, their dependence on modern delivery systems and marketing arrangements makes them far more open to government control. Given this thrust and the economic self-interest of capitalist countries in opening up markets, it was perhaps hardly surprising that there should have been no clear relationship between the level of development of individual countries and the size of the loans which they received. Table 1 shows the top ten recipient countries of World Bank and IDA loans for agricultural and rural development over the period 1974-1978, together with estimates of their per capita GNP at the beginning and at the end of this policy period.

These ten countries account for over 55% of

Table 1

MAIN RECIPIENTS OF WORLD BANK AND IDA LOANS FOR AGRICULTURAL DEVELOPMENT, 1974-1978

Country	Volume of loans (IDA and World Bank) in millions of US dollars	Per capita GNP ^a	
		1974	1978
India	1 644.0	130	180
Mexico	976.0	1 000	1 290
Indonesia	637.0	150	360
Philippines	586.5	310	510
Brazil	378.0	900	1 570
South Korea	350.0	390	1 160
Malaysia	382.5	660	1 090
Turkey	269.5	690	1 210
Nigeria	265.0	240	560
Romania	260.0	n.a.	1 750

Source: World Bank, *Annual Reports* 1974-1978 and World Bank, *Atlas*, 1975 and 1979.

^aAt market prices.

¹⁶⁴See for example papers evaluating the DRI Programme, Departamento Nacional de Planificación, Bogotá; and USAID, *Spring Review*..., Vol. XIX, *op. cit.*, 1973.

¹⁶⁵See M. Nelson, *The Development*..., *op. cit.*, 1973, pp. 81-82; USAID, *Spring Review*, Vol. XIX, *op. cit.*, 1973, and E. Morss *et al.*, *Small Farmer*..., *op. cit.*, 1976.

¹⁶⁶See C. Payer, *The World Bank*..., *op. cit.*, 1979, pp. 206f.

the total loans to the agricultural sector, and it is quite evident that with the notable exception of India and Indonesia none were among the 43 lowest-income countries by World Bank criteria.¹⁶⁷ On the contrary, Mexico, Brazil, South Korea,¹⁶⁸ Malaysia and Turkey were fairly dynamic middle-income countries, while according to World Bank figures Romania was among the richest of all. Furthermore, these countries included not only some of the most stalwart capitalist economies, but also some of the most conservative and socially unresponsive political regimes.¹⁶⁹

It is true that the IDA component did not reflect this tendency, and that there was a distinction between World Bank and IDA funds, since the latter were intended for the poorest countries (with a per capita income of less than US\$ 520 at 1975 prices) which could not afford the near-commercial rates of the IBRD. However, the funds available through the IDA were comparatively small and they were concentrated. Between 1974 and 1978 some 42% of all IDA loans to the agricultural sector went to India alone (US\$ 1 408.6 million). Though India contained less than a quarter of the eligible population for IDA loans by World Bank criteria,¹⁷⁰ this was to some extent understandable, as it was indeed one of the poorest and most populous countries. Put another way, slightly over 60% of the world population were technically eligible for IDA loans, while the latter comprised little more than a third of all funding available from the IBRD.

In the case of the Inter-American Development Bank over half of its loans were from

the outset focussed on only four countries—Brazil, Mexico, Argentina and later Colombia—and although low-income countries fared better in the distribution of concessionary FSO loans (Fund for Special Operations, comparable to the IDA), even there very clear anomalies could be observed.¹⁷¹ In the case of the Asian Development Bank almost 60% of all loans went to South Korea, the Philippines, Indonesia and Pakistan in that order, while Bangladesh and Pakistan received the bulk of its Special Funds (44% over the period 1967-1979).¹⁷² The availability of 'suitable' projects no doubt had an influence on the annual allocation of funds, but the overall pattern that was to be observed in all these agencies reflected an underlying concern with political stability and economic expansion.

The aid policies of multilateral (and most bilateral) agencies reflected the economic and political self-interest of the advanced capitalist nations who were the major subscribers. They were built on current theories about 'the needs of development', but in practice they fitted a longer historical tradition in which small-farmer policies were introduced according to the needs of a broader economic and political strategy aimed at capitalist expansion.

Finally, the discussion of small-farmer policies cannot stop at an analysis of their objectives and the distribution of funds. It must also look at their implementation, and several points can be made in this regard to re-emphasize some of the underlying forces at work. Firstly, multilateral agencies work through a bureaucratic apparatus amongst whose senior staff the advanced capitalist countries are strongly represented. Stringent appraisal, procurement and disbursement procedures are used as a means of control, and they provide a bias towards capital-intensive projects with a large import component.¹⁷³

¹⁶⁷The lowest-income countries have been defined by the Bank as those with a per capita GNP of less than US\$ 200 p.a. World Bank, *Atlas for 1975*, p.8.

¹⁶⁸While the per capita income of South Korea was comparatively low in 1974, it increased rapidly to US\$ 700 in 1976 and US\$ 810 in 1977.

¹⁶⁹This is even more apparent in the case of World Bank loans, where the main recipients were (in order) Mexico, Philippines, Indonesia, Brazil, South Korea, Malaysia, Turkey, Nigeria, Romania and Thailand. These 10 countries accounted for 63% of all loans to the agricultural sector.

¹⁷⁰It comprised roughly two-thirds of the total population in the poorest (less than US\$ 200) income group. It is clear that priority was being given to this group, the only exception being Morocco, which had a per capita income in 1974 of US\$ 430.

¹⁷¹S. Dell, *The Inter-American Development Bank...*, op. cit., 1972, pp. 126-129, for the period 1961-1970, and IDB, *Annual Report*, 1979, p. 36. Over the period 1961-1979 FSO funds went primarily to Brazil, Colombia, Mexico and Bolivia in that order. In the earlier part of the period (1961-1970) they went (again in order of total volume allocated) to Brazil, Mexico, Colombia, Chile and Argentina.

¹⁷²ADB, *Annual Report*, 1979, p. 23.

¹⁷³S. Dell, *Inter-American Development Bank...*, op.

Secondly, the nature of these projects is frequently such that they are dominated by engineering concerns or by a hefty administrative apparatus. Many projects have in practice suffered from both. Those which have a large irrigation component or those opening new land have been planned with a heavy emphasis on engineering criteria; the physical layout was normally decided first (often to a remarkable degree of detailed design, such as the location of homesteads and delimitation of plots) and social factors (the nature of the rural community) have proved at best to be of only secondary concern.¹⁷⁴

From the very beginning, the planning of a small-farmer project was likely to revolve around the use of norms, standardized procedures and a fixed image as to the most 'appropriate' farming unit, based on the idea of 'the independent, individualist peasant proprietor'. The unit in mind was generally one small enough to be worked with family labour. Ideally, the plots would be of equal size (in the belief that this would remove an important source of inequality), and wherever possible let under strict conditions forbidding sale for profit, mortgaging of land or its fragmentation.¹⁷⁵ All of this was likely in practice to be totally different from the life and expectations of peasants in existing production areas.

Once the project was established, it was usually characterized by a strong degree of administrative control and a paternalistic attitude towards the producer. In Morocco it has been noted that the staff of small-farmer projects tended 'to be highly authoritarian and empha-

size control',¹⁷⁶ much the same is true of the *Autorité des Ménagements des Vallées des Volta* (AVV) in Upper Volta, the Mahaweli Ganga scheme in Sri Lanka, and many more.¹⁷⁷ In the majority of cases the need for technical advice (given the parameters laid down by project officials) was a real one but the officials' role in farm management decisions was often such that the farmer was left with little say in the way that the farm was run. Finally, it must be added that many of the prominent officials were foreign nationals;¹⁷⁸ indeed, both in the engineering emphasis and the administration of individual small-farmer projects, foreign 'expert' advice was often necessary, or was laid down as a condition of external aid.

The lack of concern with the nature of the rural community that was being created tended to promote individualism and to foster a greater degree of differentiation. The organization of farmers was strictly supervised, and beyond the needs of production and marketing it was in many instances actively discouraged. In Bolivia (in *Alti Beni II*),¹⁷⁹ "traditional campesino unions were banned, while the cooperatives imposed were specifically prohibited from taking any political overtones".

In Colombia organizations formed under the Integrated Rural Development Programme (DRI) were confined to marketing,¹⁸⁰ and in many other areas the power of 'progressive' farmers was such as to limit the effective viability of farmers' organizations and peasant unions.

In short, small-farmer policies have tended to be heavily oriented towards increased output and commercialization, with more concern

cit., 1972, p. 42, and R.P. Dewitt, *The Inter-American Development Bank...*, *op. cit.*, 1980.

¹⁷⁴In this respect see David Dunham, "Settlement Schemes and Family Farms as Policy Options: The Case of the Mahaweli Ganga Development Programme", ISS, The Hague, 1979; M. Nelson, *The Development...* *op. cit.*, 1973; Mahaweli Development Board, *Proposals for Human Settlement*, Colombo, April 1978, and Marshall Wolfe, "Rural Settlement Patterns of Social Change in Latin America: Notes for a Strategy of Rural Development", *Latin American Research Review*, Vol. 1, No. 2, 1966.

¹⁷⁵On the general insensitivity to existing rural institutions see Uma Lele, *The Design of Rural Development*, IBRD, Baltimore, 1975, p. 176. This runs throughout the thinking on integrated rural development.

¹⁷⁶Cynthia Gillette, "The Credit Connection: Cultural and Social Factors Affecting Small-Farmer Participation in Credit Programmes", USAID, *Spring Review*, 1973, p. 167.

¹⁷⁷See European Economic Community, *Programme Global d'Etudes d'Investissement de l'AVV*, Brussels, 1978, and *Rapport sur la Campagne Agricole*, Ouagadougou, 1978. See also Chambers, *Settlement Schemes...*, *op. cit.*, 1969, pp. 83f. On the Mahaweli see Henk van Roosmalen, *Social Aspects of Settlement in the Mahaweli*, The Hague, 1979.

¹⁷⁸See E. Morss et al., *Strategies...*, *op. cit.*, 1976, *passim*.

¹⁷⁹M. Nelson, *The Development...*, *op. cit.*, 1973, p. 93.

¹⁸⁰DNP/DRI, *Evaluación del impacto socioeconómico: subprograma comercialización de DRI áreas 4*, Bogotá, August 1980.

for efficiency in agricultural production than for the way it affects the lives and communities of small producers. The policies themselves have tended to be such that they have served to create a stratum of wealthier, more successful farmers and more inequalities, or else they have strengthened already powerful groups in the local community.¹⁸¹ There is no doubt that a great many small farmers have benefitted (often substantially) as a result of these programmes; many projects have seen a notable increase in productivity, and in others the area cropped has expanded considerably, often with a rise in producer prices and in the average income of people in the area of the project concerned.¹⁸² This is not in dispute. The point

¹⁸¹See materials on the impact of the Colombian DRI Programme and the case of the FLDA Land Development Schemes in West Malaysia (for example, Noel Benjamin, "The Role of Land Settlement in the Economic Development of West Malaysia 1957-1970", *Development and Change*, Vol. 9, No. 4, 1978, pp. 581-598).

¹⁸²See for example DNP/DRI, *La silenciosa transformación del campesino minifundista en Antioquia*, Bogotá, June 1980; DNP/DRI *Evaluación del Impacto...*, *op. cit.*; and Sector Público Agrícola y Secretaría del Consejo Nacional de Planificación Económica, *Análisis del impacto del crédito de fincas pequeñas sobre ingreso, empleo y producción agropecuarios*, Guatemala, June 1976.

is that along with it has tended to come increasing differentiation and inequality.

The policies of international development agencies have tended to be such that governments have had to tailor their own development plans to these ideas in order to obtain loans, and such have been the accumulated debts of many of these nations that external capital has been crucial to their survival. The small-farmer thrust implied commercialization of the peasant sector, dependent on the capitalist economy for modern inputs and subject to a high degree of administrative control. It has been slowly drawn into the ambit of government planning; in the process it has become a manipulable element in economic strategy, less susceptible to the influence of radical groups and rural unrest.

In this sense small-farmer policies have been part of the response of capitalist nations to the perceived needs and threats of the 1970s. They fitted a historically established pattern of adjustments and coercions designed to make use of the small-farm sector for wider needs. Small-farmer policies in this direction were not as much a solution to the poverty problem as a set of measures reproducing and reinforcing situations in which marginalization continued or was in fact made worse.