

LAND REFORM UNDER NASSER

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"Many of the *fellahin* fear the dangers of the lack of incentives provided by these huge state farms . . ."

THE EGYPTIAN REVOLUTION, which deposed a 150-year-old dynasty and destroyed the well-entrenched power of an immensely wealthy and self-confident ruling class, was probably the least violent in recorded history.

Until recently Egypt's social and economic problems were so daunting that one was inclined to write the country off as a hopeless case, doomed to remain for ever one of the slum quarters of the world. When Gamal Abdul Nasser became President of the Egyptian Republic in 1956, the struggle to overcome poverty and ignorance made sudden and startling progress.

The rise to power of President Nasser has been meteoric. After serving in the Palestine war (1948) Nasser led the officers' revolution of 1952 against King Farouk and his notorious régime. Power gradually concentrated into his hands, until he became head of state. After that it was no time before the monarchy was abolished, political parties dissolved, land ownership reorganised, and industry and agriculture expanded and modernised to cope with a rapidly increasing population.

By 1961 Nasser had settled for pure socialism, with nationalisation of industry, trade, the Press and the Suez Canal. Taxation soared and individual freedom began to vanish. Between the Government and the people tensions grew, particularly among the educated classes, who had most to lose.

The two land reforms of 1952 and 1964 have certainly achieved some degree of success, contributing to Egypt's progress. But the distribution of income is still extremely uneven, despite Nasser's efforts. Such measures as have been taken can only skim the surface of the problem, and the results are short term, with some vicious and unexpected side effects.

The aim of the first land reform was blatantly political. Nasser and his revolutionary colleagues saw that the powerful land owners would block their reforms. The land owners' influence in the national elections was such that they virtually controlled parliament. But while Nasser was keen to snatch power from the land owners, he was also aware that conditions for the small land owners and for the landless agricultural worker had to be improved.

The typical *fellah* (a man owning less than five *feddans* of land) had neither the ability nor the incentive to use modern farming techniques. The sort of tools he used, such as the primitive plough drawn

by buffalo, the wooden hoe and the sickle, can still be seen illustrated on the walls of the Pharaohs' tombs. An agricultural labourer's wage scarcely kept him alive.

Even in 1952 more than two million families owned less than one *feddan* of land, while some eight million owned no land at all and lived by share-cropping or casual labour. At the top end of the scale, 280 families owned 580,000 *feddans* between them (of which 178,000 *feddans* belonged to the royal family).

The trend was already towards renting out land, and prices were soaring. Conditions for the tenant were becoming more and more unfavourable. Rents were rising faster than output, so that it became more profitable to sub-lease land rather than to farm it oneself. The small tenant-cultivator had no security of tenure, no incentives and no means of investing.

Nasser's first move was to limit the size of properties to 200 *feddans*. Family entails, which vested land in the heirs for ever, were abolished, and properties were divided among the beneficiaries. Land owners were allowed to transfer ownership of 50 *feddans* to each of two children; the rest of their land was confiscated.

There was much hardship as a result of this strict ruling. Six years passed before a change was made, but in 1958 a maximum of 300 *feddans* was decreed. Then, with the second land reform a few years later, this was reduced to 100 *feddans*.

The first land reform was planned to be self-financing. The beneficiaries agreed to pay the expropriated landlords by instalments over a thirty year period, with three per cent interest. The vast estates owned by the royal family, however, were expropriated without compensation, while the beneficiaries paid for them on the same terms as other redistributed land. Thus the state made a handsome profit from these lands.

Redistribution of expropriated lands has been a slow business, largely because the Agrarian Reform Authority has fallen over itself to ensure that it is done fairly. Preference is given to tenants who own less than five *feddans*, or to labourers who own nothing. Thus the number of very small holdings has increased by a small percentage, the middle class estates have remained more or less untouched, while the big, privately-owned, estates are fast disappearing.

In 1962 the government decided to expropriate—with compensation — all agricultural land owned by foreigners, which probably provided another 140,000 *feddans* for redistribution. But, all in all, only about

One *feddan* = roughly one acre

17 per cent of the total cultivated area has so far been distributed to benefit about eight per cent of the *fellahin*.*

The break-up of the large estates threw a larger number of agricultural workers on to the labour market, and it was some time before they could be absorbed into new schemes for land reclamation, for work on the High Dam at Aswan or on the canal building connected with it. Casual labourers benefited least from land reform. Although a statutory minimum wage of 3s. a day was laid down, thousands were willing to work for less, rather than starve unemployed. It was impossible to operate a minimum wage when the flood-gates to the labour market were wide open.

Broadly speaking, the first land reform was something of a failure. When land owners recovered from the initial shock of confiscation, there was widespread evasion of the law. And nothing could prevent the demand for agricultural land from forcing rents and land prices ever upwards—well above the average levels recorded before the revolution.

The second land reform (1964) set out to cover the entire countryside with supervised co-operatives within eighteen months. Membership of the Agrarian Reform Co-operatives was made compulsory, and small farmers were organised into groups. They were advanced loans and provided with seed, fertiliser, livestock and machinery. The co-operative also undertook to sell the crops raised, after deducting instalments for the purchase price of the land and for the interest on the loan. Crop prices tended to be considerably higher than before.

Crop yields have risen sharply, especially of cotton and sugar, and profits are encouraging. It is said that when the ordinary Egyptian *fellah* in a Delta village has a good year, he "squanders" his profit on a new wife or in marrying off a daughter. In the reform co-operatives, profits are spent on socially useful purposes, such as a new mosque, a welfare clinic or a social centre, complete with television set. It is anybody's guess whether these improvements really lead to greater happiness or to more discontent. The supervised co-operatives would seem to be a severe restriction on individual liberty, and in some respects they are not unlike the communal farms in China.

Although many of the *fellahin* are far from being in favour, the government plans to extend the co-operative system across the whole country, with the obvious advantages of a common drainage system and an irrigation system for each village. Each co-operative district is provided with a land reform representative, and for each 1,500 *feddans* there is an inspector and two assistants who deal with all the problems that arise.

*Figures from *Nasser's Egypt* by Peter Mansfield, Penguin African Library, Penguin Books, Ltd.

Many of the *fellahin* fear the dangers of bureaucracy and the lack of incentives provided by these huge state farms, as well as the usual inefficiency as observed in many communist countries.

Egypt is as big as France and Spain together, yet its cultivated area is about the size of Holland. In the years ahead the crop area will be increased by reclaiming vast areas of new land from the desert.

When some of these possibilities for exploiting desert



regions have been achieved, emigration from the overcrowded Nile Valley into the heart of their deserted country will open up countless opportunities for the Egyptians. Will it matter at that time if the biggest enterprises are controlled by foreign money, or that taxation will have become the new heavyweight burden of the people? Will it matter that personal liberties have slipped through the people's fingers like the yellow sands of the desert?

President Nasser has seen the plight of the people and has linked it with land monopoly. But he has failed to realise that the solution lies in raising public revenue from land rent. As things are going now, if Egypt were to become the richest nation in the world, her people will have forfeited their liberty. Land-value taxation is the only means of increasing wealth and increasing liberty.

The Point of Centre Point

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Property values certainly more than keep pace with inflation.

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