
Pathways to Land Reform

Miss V. G. PETERSON

(Secretary, Robert Schalkenbach Foundation, New York)

Since the end of the Second World War, a reshuffling in land ownership has been taking place, involving no less than two thirds of the world's population. In this gigantic move to make the tiller of land also its owner, the so-called underdeveloped countries have been the most dramatically affected. In these lands large estates have been expropriated by governments, subdivided and then allocated to the share croppers, share tenants, and wage laborers who actually produce the grains and fibers which are the backbones of these agricultural economies. In some instances, foreign operators of oil lands and such have been ousted. This is not to say that in all instances these moves have been justified. What they express is the growing dissatisfaction of large segments of our people with a bare subsistence living, a living to which they have been bound by an unjust and unwise land system.

Even as this report is written, a new strand is being woven into this overall design. The island Republic of Cuba, as an outgrowth of the victorious Castro-led revolution, announces reforms ranging all the way from the greater taxation of vacant land to the expropriation of American-owned sugar plantations. The complaint concerning the sugar lands is not that they are inefficiently operated, but that

the land must provide year-round employment for workers and that it must contribute a share to the food needs of the nation.

Somewhat more than half of the world's total labor force is engaged in agriculture. In Asia, the proportion of such workers in relation to total population is 63.3 per cent. In Africa, and in Middle and South America, it is 64.3 per cent. For the United States, it is 14.3 per cent. These figures take on added significance when one observes that for the world as a whole, 57 per cent of all the people live at subsistence level. In Asia, the proportion is highest, being 93.6 per cent. For Africa it is 73.1 per cent. For North America it is only 8.5 per cent.

The Economic and Social Council of the United Nations, in its Resolution 370, adopted in September 1951, called upon its member governments to initiate measures of land reform in behalf of landless and small and medium farmers. Since then, two reports have been issued by the U.N. detailing the progress made, one in January, 1954, the second in November, 1956. The first report, which dealt primarily with the expropriation and redistribution of land, was reviewed briefly by this author in a paper entitled "Land to the Tiller" submitted at St. Andrews, Scotland, in 1955. The second report furnishes the material for the present paper. In a few instances, where more recent information of a responsible nature has been found, it has been included.

EUROPE

The measures reported by the western nations deal mostly with the consolidation of uneconomic land holdings where excessive division and fragmentation have lowered production efficiency and retarded the application of modern techniques. Steps have been taken to promote co-operative credit, to provide better rural housing, and to extend social security benefits to agriculture. Legislation has been en-

acted to define and protect the rights of tenants and hired workers.

In eastern Europe, and more specifically among the countries within the Russian orbit, large-scale land redistribution schemes were carried out in the early years of the post-World War II period. Some 209,500 new farms were created in East Germany, and 318,500 parcels were added or given in freehold to existing small farms. However, more than 150,000 workers still own less than a hectare of land; about 40,000 established farmers average only 1.6 hectares in holdings, and 80,000 others have allotments averaging more than 3.4 hectares. To round out the picture, there are approximately 45,000 small tenants with average plots of only one hectare.

Albania, reporting for the first time, records the expropriation and redistribution of 43 per cent of all its arable land among small farmers and landless peasants. Hungary asserts that it has "abolished the feudal large-estate system." Poland speaks of the expansion of co-operatives and legislation which permits the remaining tenant-farmers to become owners of their land.

ASIA AND THE FAR EAST

Japan, where the burden of rents formerly kept a large part of the farm population near subsistence level, carried through a thorough-going and successful land reform program during the Occupation years from 1946-50. Since then, various additional measures have been taken to reclaim and develop marginal areas and to strengthen the position of the new owners by means of increased agricultural credits, the promotion of co-operative organization and the provision of machine service to farmers. Although Japan still faces the problem of absorbing a sizable surplus of agricultural labor, which constitutes a drain upon its economy, it is safe to say that its program of land reform has created a healthy rural social structure and gone far

to stabilize the political climate. As one responsible observer puts it: "The evidences of this advance are not too difficult to find in the villages today. One sees it in the newly installed telephones and bus routes, the tiled bathrooms built on to farm houses, the occasional television aerial, the young men tinkering with motor cycles or a newly acquired roto-cultivator, and the almost universal permanent wave of the women working in the fields."

India has the unique distinction of being the only country where new opportunities of ownership have been made possible through the voluntary release of land by owners. The Bhoodan movement has thus secured about 3.7 million acres, of which about 225,000 acres have been distributed to over 78,000 landless families. Steps are also being taken by the pioneers of this movement to collect funds that will provide the settlers with needed working capital. Elsewhere in the economy the government reports further progress in the abolition of rent-collecting intermediaries, such as the zamindari. There is some headway in establishing permanent occupancy rights and economically feasible holdings. Illiteracy continues to be a major stumbling block along the pathways of reform.

Burma, which gained its independence in 1948, is focusing its efforts on the abolition of absentee ownership. Some 67,000 agricultural households had benefited from this program when the UN report was filed. The peasant cultivator is being helped via newly established credit facilities and improvement in the conditions of his tenancy. This policy is also being pursued in Thailand, where a movement is under way to settle new farmers on reclaimed land.

AFRICA

The emphasis here rests on the transition from tribal forms of tenure to more individualized forms, better adapted to economic development. Measures are being taken to protect the natives against exploitation and loss of land as

a result of population growth and the increasing impact of the market economy.

MIDDLE EAST

Egypt's plan to redistribute about 580,000 acres of land to some 200,000 families, has been partially completed. In those areas where the reform has been carried out the stimuli of ownership and reduced rents have lifted the sights of cultivators and increased their willingness to work, at the same time making them receptive to educational propaganda. In this last, the newly established co-operatives play a major role. As a result, in some of the reform districts, crop yields have shown definite increases: wheat 30 per cent; cotton 10 per cent; sugar cane 15 per cent. Incomes per acre as well as average individual incomes have risen by as much as 100 to 300 per cent. The price of land has gone down, and with it the incentive to speculate in land has diminished. Capital that might otherwise have gone into the acquisition of land has been directed elsewhere, including industrial development. Formerly, the practice of investing savings in land because of the greater comparative safety of such investment and the social prestige associated with land ownership had forced land prices to levels exceeded nowhere in the world. Agricultural development was neglected. As a result, it took 1,500 Egyptian man hours to produce one 500-bale of cotton, while in the United States, the same amount of cotton could be produced with 15 man hours on the high plains of Texas.

Another interesting phase of Egypt's agrarian program is the establishment of model farming communities now said to be getting under way. If this experiment succeeds, it may result in the reclamation of an entire province, Al Tahrit, a desert province located halfway between Cairo and Alexandria, comprising over a million acres.

Elsewhere in the Middle East one other country is deserving of mention. Israel, faced with the prospect of further

large-scale immigration, is pushing ahead with modern methods of cultivation, colonization and rural settlement. Here the keynote is the encouragement of the co-operative system of farming.

LATIN AMERICA

A sizable number of settlement projects is being encouraged in Colombia, and the top priority is given to road-building that will create or improve access to markets. This is a long-term undertaking and if successful, may set an interesting pattern for other Latin-American countries. In Peru, in Chile and in Ecuador, some headway is being made in opening new lands for cultivation. Chile, where the progress of land reform has been impeded by lack of funds, has welcomed 600 Italian immigrants, allotting some 1,570 hectares to the 126 families involved in this resettlement.

TAXATION

Taxation has been used in various ways by governments seeking to bring about improvements in their agrarian structures.

In countries where no comprehensive land-reform program has been undertaken, progressive taxes on land or on land income have been imposed with the view of discouraging large holdings.

In others, where land reforms have been started, land taxes have sometimes been lowered, or special exemptions granted, as an incentive to landowners to surrender parts of their holdings, or to persuade them to agree to a new type of tenancy at reduced rents.

Small holdings are universally favoured by lower rates or by tax exemptions. In western Germany new small holdings are practically free from personal and property taxes,

but continue to pay the land tax levied for the benefit of the community budget.

In Hungary "small farmers are almost exempt" from the progressive income tax which is an important feature in this country's agrarian taxation.

Governments have also sought to promote agricultural development through fiscal measures which reward better land use and lighten the burden on the taxpayer in times of adversity and during periods of waiting.

Land newly placed in cultivation is frequently the object of tax forgiveness. In Chile, arid land planted to vineyards is exempt from the land tax until 1974. Colombia and Portugal encourage afforestation in a similar way.

Irrigation projects are financed in some areas by taxes on farmers benefiting from the added water supply.

A number of countries exclude the value of improvements from the assessment of farm properties.

Yugoslavia allows tax exemptions in times of poor harvest, in the case of large families of young children and indigent adults, and when the farmer is impoverished by family sickness, or death.

Taiwan (Formosa) grants reductions in the normal assessment of the land tax to non-profit institutions seeking to better agricultural opportunities and to educate farm workers.

It is indeed a sobering fact that for the world as a whole, an estimated 57 per cent of its population lives in prevailing subsistence economies, with an annual per capita income of \$60. This holds true in the largest part of Asia, in Africa, and the Pacific Islands. It also obtains in several Latin-American countries; among them Ecuador, Bolivia, Peru, Guatemala, Paraguay, and Haiti. These are the areas of greatest need, the poorest and most technologically backward. Yet they share a common interest and desire for economic development.

The job is one that calls for international action, for the exchange of information, ideas and experience. It calls for technical help, and for long-term financial assistance via established agencies. It requires the training of administrative personnel of all kinds and the launching of a grass-roots campaign to educate the cultivators and peasants. Moreover, it requires the courage to inaugurate a sane system of taxation, one that will prevent the return of that evil which has brought such a large part of the world to its present dire situation—a landed aristocracy. For everywhere, among all the peoples of the earth, great land holdings are the base and source of power, a power all too often used for the exploitation of other human beings. Of this fact, the underdeveloped countries are a poignant and moving example.

Published by the Land and Liberty Press, Ltd., 177 Vauxhall Bridge Road, London, S.W.1., England, and Printed by the Free Press, Ltd., 175 High Holborn, London, W.C.1.

Printed and Made in Great Britain