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**Redistribution of
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REDISTRIBUTION OF FARM LAND IN SEVEN COUNTRIES

INTRODUCTION

AN earlier number of the journal, entitled *Land Settlement: The Making of New Farms*,¹ was concerned mainly, though not entirely, with the making of farms in countries where there was land that had not previously been used for agriculture. The whole subject of settlement is of such importance in many widely scattered parts of the world that it was decided to obtain further contributions from other countries and to bring them together in this issue. It so happens that they are concerned more with the reorganization of existing farms than with bringing unused land into cultivation, but both aspects are covered as before.

The objectives that might underlie a settlement policy were discussed in the introduction to the earlier number already mentioned. They could be divided into two groups—economic and political—though any hard and fast distinction is impossible since frequently the two groups are closely linked. In fact, many settlements claiming to be undertaken solely for economic reasons have turned out on analysis to have a strong political flavour. Programmes where the avowed aim is to settle more people on the land or to increase the food supplies of the population frequently have a political background, while policies founded on political motives can seldom neglect their economic implications. This dual basis makes it impossible to judge settlement programmes from any one point of view. The duty of an economist, however, is to apply the tests of economics and in so doing to make it clear whether the final justification for a programme is in fact political or economic, so that its success or failure may be evaluated accordingly. In this connexion there are certain points which are worth bearing in mind.

Costs of settlement programmes. A distinction must be drawn between economic or real costs and money costs. Frequently the former are much lower than the latter, particularly when labour is abundant and unemployed. On the other hand, in countries whose economies are more buoyant an extensive programme of this kind, particularly where the development of previously unused land is involved, is likely

¹ Vol. i, no. 5.

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to cause or contribute to inflation. In judging a programme, therefore, it is important to bear these differences in mind.

Then there is the question how much preparation of the land should be carried out by the government or governmental agency operating the programme. The more preparation that is done for the settlers, as regards either clearing or equipping the land, the greater will be the money costs and also, in most instances, the real costs. On the other hand, the more that is done, the easier will things be for the settlers and the sooner will they be able to bring their farms into full production. Two considerations are involved here. Firstly, the effect, in terms of real costs, of having certain parts of the work done by the settlement agency rather than by the individual settlers, seeing that wherever a settler can do a job more cheaply it is economical to let him do it. Secondly, whenever the state incurs heavy costs in equipping land it is not likely to be able to collect rents high enough to cover its charges. Whenever this is so, the economic arguments are all in favour of leaving as much as possible of this work to the settlers in order to reduce the burden on the state. This is particularly desirable where the economy is largely of a subsistence nature, since the compensating argument in favour of securing full production from the new farms at the earliest possible moment is less pressing. Too frequently the attitude of mind seems to be that the land should be completely prepared and equipped, irrespective of cost, so that the settler need only step on his holding and start cultivating it at the optimum level. This allows little scope for him to reduce the costs of establishment by building up his production gradually.

The scale of settlement programmes. Whenever a country has a large rural population, and particularly when this population is composed of landless labourers and their families, a strong belief develops in the virtues of land settlement. What may be forgotten is that, quite apart from any limit imposed by costs, there is a physical limit to the extent of settlement. If this limit is not determined by the amount of unused land, at least it is determined by the extent to which existing farms can be subdivided. Subdivision carried too far results in holdings too small to provide their occupiers even with a subsistence living. Sooner or later some other line of action will have to be taken to overcome a surplus rural population. Furthermore, the closer land settlement policies come to developing solely subsistence peasant economies the fewer chances there are of having anything other than a completely agrarian economy. The peasants will neither have any surplus to sell

to a non-farm population, nor will they be able to provide a market for any goods and services that the non-farm population may produce. Such a retrograde step is unlikely to reach quite so far, of course, although it has been threatening to do so in some countries where existing farms have been split up amongst landless peasants who have been given holdings barely large enough to provide them with subsistence. Any programme of land settlement demands the use of scarce resources and economists should point out the alternative uses to which they can be put, and the likely returns from them in these alternative uses. Too frequently politicians decide that settlement is desirable, because of a large population untrained for anything except agriculture and a consequent demand for land, without consideration of alternatives.

Shortage of food. Another basis for these programmes, namely a shortage of food in the country concerned, also requires examination. In general, the world has been short of food in the years since the end of the Second World War and this fact, together with rising world population, has been used as an argument in favour of promoting land settlement and increasing home-grown supplies of food in a number of countries. This situation is not new. Any survey of past writings will show that there have been several periods during which authors have pointed out either that food supplies were inadequate for existing levels of population or that food supplies were not increasing as rapidly as the growth of population. At other times, however, it has been claimed that food supplies were too great for existing populations or that they were increasing faster than population. The fact that food has been in short supply in the immediate post-war years, therefore, should not be regarded as something unique or as something permanent. Nor in itself should it be regarded as a reason for expensive programmes of land settlement.

Land settlement, involving either the breaking and cultivation of new land, or the splitting-up and farming more intensively of existing holdings, certainly results in increased total production. But it is not the only method by which a country can increase its food supplies, even its own home-grown food supplies. As Sir John Russell says: 'In almost every country methods are known by which output of food could be greatly increased; in many cases experts will declare it could be doubled.'¹ To do this would frequently not require great expense

¹ *World Population and World Food Supplies*, George Allen & Unwin, Ltd., London, 1954.

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since a large increase in production could be obtained in many countries through the introduction or greater use of new and better varieties of plants, together with artificial fertilizers and the protection of crops and animals from attacks by pests and diseases. In peasant economies such measures would lead not only to greater production, but to greater supplies coming on the market, since they would raise production beyond the peasant families' needs. Food supplies from existing holdings would be increased and in most instances at much less cost than by land settlement.

It is to be hoped that much thought will be given to the problems of land settlement, particularly by economists. When programmes are adopted for political reasons it is only right that the community should know the cost that it will have to bear, and the alternatives that it has forgone.

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