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III. STRATEGIES FOR BALANCING SOCIAL AND PRIVATE COSTS IN A PROGRAMME OF LAND REFORM

Introduction

The given topic was explored through a wide ranging exchange of views, rather than from a systematic analysis. Having found that social and private costs could not be considered in isolation from benefits, the group attempted to establish the factors affected by any land reform programme, the relationships between costs and benefits and the likely effects of a programme of land reform.

The workshop had three papers before them:

1. "Land Reform and Its Impact on Employment" - V.R. McDonald, Asst. Professor, Howard Univ.
2. "Land Tenure as a Barrier to Agricultural Innovation: The case of St. Lucia" - J.D. Momsen, Calgary University, Canada
3. "A Case of Land Reform in Grenada" - R. Mark, Winban Research Officer, Grenada

There was insufficient time to complete consideration of the two distinct types of land reform which we wished to review. Nevertheless, each member of the group was able to draw out relevant aspects for himself.

Definition of the Topic

1. In considering the topic initially it was noted that any programme of Land Reform has both costs and benefits, both social and private, and these ought to be identified and balanced. Costs alone could not be considered.
2. Further, the costs and benefits of the existing structure - of not changing the land tenure and associated systems - had to be weighed.
3. Some thought was given to the significance of the title's use of strategies (in the plural) hinting that there were various alternative means to the same ends.
4. While no definition of what was meant by Land Reform emerged, there were comments to suggest that a broad concept should be used, and that it would be an error to consider Land Reform as only a change in tenure - it must embrace development.
5. The variety of aims for land reform programmes were seen to include efficiency criteria and a suggestion was made that the results could be quantified by comparing the man-labour days to produce a given quantum of output.
6. An attempt was made to define the factors affected by change which incur costs and provide benefits. The major variables considered were, in order of priority:
 - (a) employment and the quality of life
 - (b) income distribution
 - (c) level of income or total output.

Other aspects reviewed were: land use attitudes, public expenditure and self determination.

7. It was recognised that the aim of any programme of land reform was ultimately the maximisation of total satisfactions for the whole society - whether these were readily quantifiable or not.

Employment Effects

8. High priority was placed on the use of labour resources at levels to offset the social costs of dislocation in employment; while bringing unused land into production would have a positive impact on employment it was thought that the diversion of land from export crops to domestic crops may have an adverse effect.
9. Unless cropping patterns were changed along with redistribution of land and new crops could be intensively cultivated, then employment may not be increased. It was thought that cropping systems may be as important as tenure forms in providing employment.
10. Different types of unemployment in the Caribbean countries were recognised:
 - (a) Unemployment through reduction of jobs (due to mechanisation)
 - (b) That due to destruction of fixed capital
 - (c) The unemployment of those who had never worked - young school leavers unable to find work
 - (d) Seasonal unemployment
 - (e) Unemployment from 'choice' due to reluctance to accept work in low paid traditional sectors when compared with expectations in the modern sector.
11. Several alternatives for dealing with employment creation were considered for the case of mechanisation. Accepting that process as necessary reemployment could be aided by settling other unused/underused lands. Or, by diversifying crops on part of the land where the rest has been made more productive with the capital intensive technology. If the mechanisation should be rejected then the loss of output ought to be replaced by developing labour intensive techniques to be used together with redistribution of land.
12. The problem of using the labour of those who had never worked might be overcome by training and establishing farm units for settlement which would provide reasonable farm incomes. Several other suggestions were made to deal with this and the 'optional' unemployment - in terms of motivation.

Level of Income and Output

13. An objective of a limited Land Reform may be primarily redistribution of land and thus income. Nevertheless, this type of programme may still have the effect of income creation indirectly by generating greater demand for local products and thus create other development opportunities.
14. It was thought that the creation of state farms may be more effective in raising productivity of the resource combination and thus income/output levels because the farm's share of profit may be reinvested and through increased public consumption by way of housing investment and the like. This was questioned on the basis that we were not comparing like quantities in that state farm may have higher inputs of capital more readily available credit facilities and may therefore not only be reflecting economies of scale.
15. There was some difficulty in isolating the movements of the variables involved in a land reform programme. Thus one change in tenure may or may not be accompanied by changes in farm size, cropping pattern, economic incentives, physiological incentives and the nature of ownership, e.g., foreign or local (the benefits to a country would vary depending on the degree of retention of the surplus within the country.)

Distribution of Income

16. A change may be effected in income distribution simply from land subdivision, which made without other related factor changes being incorporated in the programme, may lower income and employment levels. In some cases a programme of land reform may redistribute income by amalgamation of parcels. Resultant distribution of income would be affected by family size.

17. The pattern of income distribution arising from a land distribution would be significantly affected by the use of supporting institutional arrangements, such as credit facilities, technical inputs and availability of capital.

Land Use

18. An important element in the strategies to be used to meet land reform goals was the determining of land use. It was noted that redistribution of land undertaken without other changes may have negative effects on income output and employment. The form of tenure was also important to ensure that intended goals were not lost through further fragmentation of holdings distributed in freehold tenure, leasehold tenancy could ensure this.

19. There was a need to give consideration to establishing 'land use in accordance with national priorities'. This could be done with a land reform programme aimed at establishing zoning which would provide social benefits not only within the agricultural sector, but also in the form of conservation and recreation facilities. The private costs of restraining from alienating land from such uses may be offset by financial compensation and by recognising the social benefits.

Attitudes

20. Discussion on attitudes permeated throughout the workshop. Concern was expressed about negative attitudes to agricultural work. Others felt that attitudes would or could change as the society changed and in the course of thorough going land reform.

21. Only at this stage was it decided to make a distinction between the effects of the type of land reform experienced in the English-speaking Caribbean and the strategies of comprehensive agrarian reform. Reference was made to Dudley Seers' paper¹ on "The Political Economy of Unemployment" which pointed out two main situations for which different solutions would be needed: that of problems to be dealt with in the existing framework of our societies, and that of a revolutionary situation where the circumstances in which policies are to be applied have fundamentally changed.

Caribbean Situation

A model of the present situation in the Caribbean islands was described together with their experience of limited land reform measures. The situation was shown to be one in which large estates with extensive cropping held the majority of cultivable acreage in the face of population density and land hunger. Many estates were indebted and anxious to dispose of marginal lands, yet the land-hungry could not buy. In several countries the Governments had tried to meet this desire by purchasing estates and redistributing the land in small lots. These plots of 1-2 acres were resold to the people with long payment period, but lack of funds tended to prevent any provision of supporting facilities or planning for land use.

Problems resulting from this type of policy included:

- (a) the displacement of workers formerly employed on estates but unable to purchase land; and,
- (b) reduced output, partly by segments of the lot being used for housing and removed from agricultural use, partly for lack of skills and working capital and partly due to attitudes to farming.

The major difficulty seemed to arise from the fact that land prices were much too high in relation to possible income in any agricultural use. Loss of cash incomes in the short run and distortion of expectations in the face of relatively high agricultural wages over against productivity.

It was concluded that while such land reform policies may have met the main objective of satisfying

¹ *Social and Economic Studies*, Sept. 1970, U.W.I., Mona, Jamaica.

land hunger, it could not be considered as agrarian reform and could not be expected to satisfy the wider goals of such policies. Several suggestions were made as to how within the existing framework, some improvements could be made in land reform programmes: more careful selection of purchasers to ensure farmers get the land; extension services to help with farm planning and management; provision of credit, development undertaken by employing farmers labour to build infra-structure; easier amortisation terms based on acquisition rather than purchase etc.

Conclusion

The land reform policies attempted in the past in the Caribbean could not in the circumstances be expected to produce all the benefits of agrarian reform, yet the problems of the existing economic and agrarian structures could not be solved until the need for agrarian reform was appreciated.