

# Introduction

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The conference whose proceedings this book records was convened to discuss one of the most important sets of issues in our contemporary world—the agrarian question in less-developed countries, and the conditions of life and work of the working people in the countryside in the era of the accelerated introduction of policies of stabilization, structural adjustment and trade liberalization.

The majority of people of less-developed countries are still rural, their lives and work still bound up with the relations of production in rural economies. The agrarian question continues to be the foremost national question before the people of almost all less-developed countries. This is true of a country like India, where 72 per cent of the population is rural; it is also true of a country like Brazil, where urbanization has been rapid and only 20 per cent of the population is rural.

The term 'agrarian question' has classically been seen as having three broad aspects or component parts. The first concerns the nature, extent and degree of the development of capitalism in the countryside. If the development of capitalist relations in agriculture is clearly the major trend in less-developed countries (other than the socialist countries), it is equally clear that agrarian relations in the third world are marked by great continental, national, regional and sub-regional diversity, and by extreme unevenness in the development of capitalist relations of production and exchange.

There are regions where capitalism in agriculture has advanced and where commercial agriculture and the cash nexus dominate the rural economy; there are regions where old forms of landlordism and tenancy and archaic forms of labour service, servitude and bondage still play an important part in agrarian relations. The development of the 'modern' does not preclude the continued existence of the archaic: India is a vast and living example of the rule that capitalism penetrates agriculture and rural society in a myriad ways. The papers in this book provide an interesting introduction to the diversity of paths of development of capitalism in the third world countryside.

The second aspect or component part of the agrarian question concerns the nature of the classes that arise on the basis of the development of capitalism in agriculture. This aspect addresses, for instance, questions of the characteristics

of landlordism, of the forms of differentiation of the peasantry, of the nature of moneylenders and merchant capitalists in the countryside, and of the socio-economic characteristics of the rural labour-force. The third aspect is concerned with class struggle: how and by means of what alliances are the classes that have been identified to be mobilized for a resolution of the agrarian question, that is, towards a progressive transformation of production relations in agriculture and the socio-economic conditions in the countryside?

The solution to the agrarian question thus requires an understanding of the specific conditions of capitalist development, class formation and class alliances and struggle. Nevertheless, however small the unit in which we choose to study the agrarian question, it is clear that it is influenced not only by conditions in a village or specific agrarian region, but by the economy as a whole, by class relations in the national economy and by imperialism.

A major theme of the conference was the impact on the agrarian economies of the third world of the accelerated introduction of policies of so-called stabilization, structural adjustment and trade liberalization—of the 'globalization' and 'liberalization' that are being imposed, in different degrees, on the people by international capital and domestic bourgeoisies. These policies, it is clear, accentuate agrarian crises in the third world; the major tendencies in this regard appear to be the following:

- Agrarian reform that alters class relations in favour of the working people, frees demand constraints and opens up home markets in the countryside and provides a basis for broad-based productive investment is sought to be replaced by 'market-driven' reform. In India, land reform as conceived during the independence movement and in the first decades after independence, has been jettisoned by official policy. Legislation is being considered (and in some cases has been passed) that would raise ceilings to levels that would undermine the objectives of land ceiling laws and make absentee farming by large owners and corporations a certainty. Such policies would thus reduce the extent of land for redistribution, accelerate the loss of land by poor peasants and worsen inequalities in the distribution of land. As papers in this book show, in country after country, market-based reform results in redistribution in favour of the rich.
- Public investment in agriculture and rural infrastructure (and particularly irrigation and roads) has slowed down significantly as a result of these policies. Rural development expenditure, including expenditure on all public rural employment programmes, has been reduced significantly. Economists are familiar with the concept of a complementarity between public and private expenditure; when the state withdraws from investment in public works, infrastructure and programmes of mass employ-

ment, it robs the countryside of the foundations for growth and poverty alleviation.

- The volume of rural credit has declined and the distribution of credit has shifted further in favour of large landholders. Village-level data from India show that the exploitation of the poor in the informal credit market—by moneylenders, that is—has intensified as a result of financial liberalization.
- The new trade regime (and, in particular, the removal of quantitative restrictions on the import of agricultural products) and the emphasis on export-oriented production intensifies the struggle of the poor peasantry for its very survival. This problem is particularly intense in the present context of a sharp fall in the prices of primary commodities internationally. The new trade regime also has very serious implications for land-use, cropping patterns and the future of self-sufficiency in food in many economies.
- Fiscal contraction is at the core of the current reform. One aspect of this is the reduction of food subsidies and the exclusion of a large majority of nutritionally deprived and vulnerable people from access to systems of public food provision.
- The new trade and patent regime leaves the field of agricultural research at the mercy of multinational corporations, thus weakening public-sector national agricultural research systems as well as open-access international research institutions. Further, this regime infringes on the rights of farmers and indigenous plant-breeders and threatens to lead, in the words of India's leading agricultural scientist, 'from biodiversity to genetic slavery'.

The current situation thus raises a crucial issue for those involved in the movement for radical, progressive rural change in less developed countries. The solution to the agrarian question involves both direct class struggle in the diverse conditions of the third world countryside (in the Indian context, it involves the struggle against landlordism, moneylender-merchant exploitation and caste and gender oppression) *as well as* the struggle against the new onslaught by imperialism and domestic bourgeoisies. How the links are to be made between the different aspects of the struggle for agrarian change is a crucial issue of theory and practice for the future of democratic movements in the third world countryside.

The papers at the conference were presented in eight sessions. They covered theoretical and empirical questions and issues of global and regional concern.

*Some theoretical perspectives.* The conference began with a set of papers that consider the implications of globalization for agrarian relations and rural development from a theoretical standpoint. Prabhat Patnaik's paper focuses on the secular decline in the terms of trade for primary commodities. He argues that in the era of globalization, financial liberalization, and specifically the



liberalization of exchange-rates, has 'an independent, powerful and separate effect on the terms of trade'. Liberalization triggers a tendency for a secular decline in the real value of currencies of third world countries relative to the dominant currency (at present the US dollar), and this in turn (independent of other factors, such as increasing monopoly in the export of manufactured products by advanced countries) leads to a secular decline in the terms of trade for primary commodities. Data from selected less-developed countries over the last two or three decades confirm this tendency towards a secular decline in real exchange-rates.

This argument has two critical implications for the study of agrarian relations and rural development. First, it demonstrates clearly that financial liberalization and the removal of capital controls are likely to worsen the terms of trade for primary commodities exported by third world countries, and will thus be disastrous for the survival of the mass of small cultivators. Second, while a few countries may be able to counter the trend with respect to some selected commodities for a certain period, given the long-run tendency, third world countries cannot hope to do better by developing relatively new or exotic niche markets for primary commodities as export products.

Utsa Patnaik's paper draws attention to the seriousness of the present international economic situation. The challenging conclusion of the paper is that, in respect of the global recession and the collapse of world prices of primary commodities, there is an unmistakable similarity between the situation today and the situation in 1929, when the world was on the threshold of the Great Depression. She argues that policies of liberalization and, in particular, the removal of national controls on the flow of finance capital, result in global deflation being imported into less-developed countries. The prices of major primary commodities have fallen sharply between 1995 and 2000, and the adverse effect of this price collapse on producers in less-developed countries is compounded further by the contractionary policies that the governments of these countries have imposed on their people. Utsa Patnaik illustrates the nature and impact of this crisis with the example of the predicament of cotton cultivators in India. The accumulation of huge stocks of foodgrain in India despite mass poverty and decelerating domestic foodgrain production is a consequence of internal demand deflation. For all those concerned with the state of agrarian economies in less-developed countries today, Utsa Patnaik's paper sounds a strong warning at a crucial juncture in history.

Terence J. Byres deals with the classical question of the development of capitalism in less-developed countries and examines different historical trajectories of agrarian transformation. He begins by providing historical illustrations of different paths of transition, distinguishing between those in which the impulse for change came primarily from 'above' (that is, from within the class of landed property) and those in which they came primarily from 'below' (that is, from within the peasantry). Turning to more recent discussions, he examines 'two distinct paths of transition, not disclosed by the historical record' proposed by Alain de Janvry in the context of Latin America, namely, the 'merchant road'

and the 'contract farming road'. Byres argues that more investigation of these routes to agrarian transitions is needed before they are called successful paths of transition. At the same time, he suggests that they are unlikely to constitute distinct paths of development. In the case of contract farming, for instance, while this may become a common feature of the agrarian economy of many countries, it 'requires a thoroughgoing dominance of international capital' if it is to be the dominant force in a process of transformation.

An important message of Byres's paper is his rejection of what he calls the 'determinism of global capital'. In other words, while global capital is likely to have important effects on the path of capitalist development in less-developed countries, it is dangerous, Byres says, to make globalization (like dependency theory before it) the primary explanation for all development, and by doing so, to ignore the 'specificities and substantive diversity' of domestic capitals. Byres thus emphasizes the need to study the transformation of rural societies (and the impact of globalization) in specific situations.

Keith Griffin, Azizur Rahman Khan and Amy Ickowitz make a strong case for the redistribution of property rights in cultivable land. Their case for land reform rests on the argument that the concentration of landownership results in the exercise of monopsony power by landlords in labour markets (that is, in labour markets in which landlords are the only purchasers of labour power). The control that landlords have over labour is the root of production inefficiency and rural poverty. Redistributive land reform has multiple benefits in terms of the reduction of poverty and economic inequality and greater economic growth. To be successful, however, such land reform needs to be accompanied by the removal from agricultural policy of what Griffin et al. call 'landlord bias' and 'urban bias'.

The controversial argument in the Griffin et al. paper, and one with which many participants took issue, is that the 'reform of land tenure systems would have negligible benefits and might well be harmful'. Their reasoning is that without breaking the monopoly of landownership, tenurial reform will have few or no benefits.

From a review of land reform experiences in Japan, Taiwan and South Korea, Griffin et al. identify some of the key reasons for the success of land reform. Many people argue that land reform is impossible in land-scarce societies, that is, societies with a high ratio of population to cultivable land. Griffin et al. refute this view and argue that 'the greater the scarcity of land, the stronger the need for the equitable distribution of land'. The other reasons for successful land reform that they identify include strong governments, a substantial element of confiscation, the reform of land tenure prior to redistribution, effective local organizations for implementation, a relatively small incidence of wage-labourers in rural populations and state control over significant tracts of land. Given that these are the factors associated with successful land reform, Griffin et al. show that major redistributive land reforms are impossible if land transfers are based on free-market prices.

Amiya Kumar Bagchi's paper takes the case for land reform further and deeper. First, landlord and patriarchal dominance in a society not only affects economic growth but also restricts human freedom and development. Land reform has a direct impact on economic growth by providing, for instance, incentives for productive work. The broader effects of land reform, however, are pervasive: land reform allows, for example, greater access by workers to health and education, and leads to the achievement of higher levels of human development. Secondly, given the variety of ways in which landlords subordinate other classes in rural society, land reform needs to be comprehensive, and to include social, political and economic measures that allow direct producers and workers 'to become free of all kinds of bondage'. Thirdly, given the tendency towards the concentration of wealth and economic power in market economies, 'public action for egalitarian distribution and human development has to be a continuous process'.

*Latin America.* Policies of stabilization and structural adjustment began to be implemented in Latin America in the 1980s, and the three country studies from Mexico, Chile and Brazil provide important lessons on the effects of such policies for the structure and development of agrarian economies in less-developed countries.

Although Mexico began to implement adjustment policies soon after the debt crisis of 1982, Mexico's full integration into the larger North American economic region occurred after it signed the North American Free Trade Agreement (NAFTA) in 1994. There were major changes as a consequence. First, the 'reforms' put an end to land redistribution and the process of agrarian reform that was initiated in 1917. Second, they opened the way for privatization of *ejidos* (collective-owned land). Third, they led to the withdrawal of major peasant-support policies in respect of credit, marketing, and technical assistance, and to the dismantling of public-sector institutions associated with these policies. Expenditure on rural development in 2000, for example, was one-half of the expenditure in 1994. To take another example, CONASUPO, the public marketing agency for grain (and the Mexican equivalent of the Food Corporation of India) was closed down in 1999. To 'smoothen the opposition to reforms', the government did introduce a set of 'safety-net' programmes, but these 'compensatory programmes', as Kirsten Appendini shows, only reinforced the objectives of the reforms.

Appendini's paper illustrates her argument with an analysis of the cultivation of maize, Mexico's staple crop. Over the last two decades, the incomes of maize-cultivating peasants have collapsed, as has the 'role of peasant agriculture in producing basic food for the domestic economy'. A self-sufficient national food system no longer exists. Traditionally, native white corn varieties were used to make *tortillas*, the basic item of food. *Tortillas* are now made with yellow maize imported from the United States. The collapse of white corn prices as a result of the new trade regime has serious implications for the future of biodiversity in Mexican agriculture.



The paper by Cristóbal Kay describes and analyses the Chilean path of globalization and the neoliberal transformation of its agriculture. Chile, where neoliberal reform began in the mid-1970s, has been held out as something of a pioneer or model in its implementation. As in Mexico, the major features of neoliberal policy in the countryside have been 'privatization of the (land) reformed sector and state agro-industrial, service and marketing enterprises', the drastic reduction or elimination of tariff barriers and the 'downsizing of the state in general, except for its repressive apparatus'. As a consequence, 'domestically-oriented agriculture', particularly the cultivation of basic traditional crops, deteriorated. At the same time, the state played an active role in promoting agro-industry and forestry exports.

Kay divides the period from 1973 to 2001 into three sub-periods: the 'dogmatic neoliberal' phase (1973–82), the 'pragmatic neoliberal' phase (1983–89, that is, until the end of the military government) and the 'neoliberal structuralist' phase (1990–2001). Kay analyses the policies of each phase and their impact on the process of capitalist transformation. Kay's paper provides evidence of the 'striking transformation of Chile's land-use and production system since the shift to neoliberalism and Chile's embrace of global capitalism'. There was, for instance, a decline in the production of traditional foodcrops and an expansion in fruit and forestry production. The impact of the agro-export-led growth model was uneven across regions and classes and unequal as between men and women. The shift in production systems led to a significant rise in seasonal wage employment and to feminization of the labour-force, particularly in fruit production.

Kay shows that the growth achieved from agro-exports has had serious environmental consequences, since it has depleted natural resources. In more recent times, there has been an attempt to modernize the peasant sector and integrate it with agro-business, but this has the danger of creating further inequalities within the peasant economy. Given the persistence of economic inequality and the deceleration in the decline of rural poverty, the agrarian question remains important in Chile.

Brazil is a country with perhaps the highest levels of inequality in land-ownership in the world. Marcos Kowarick's paper examines the limitations and challenges of agrarian reform in Brazil, and argues that although progress has been slow, reform in the last five years of the 1990s showed better results than the fifty years previous to 1995. Nevertheless, family agriculture (family labour-based agriculture) has been badly affected by the opening up of markets and increased competition; nearly one half of such farms are now 'decapitalizing'. As Kowarick puts it, 'without strategic articulation with macroeconomic policies and expansion of the internal market', the limited gains from agrarian reform may disappear.

*South Asia.* The discussion on South Asia began with presentations on the experiences of West Bengal and Kerala, two states of the country to have attempted to implement land reform in a serious way.

The paper by Surjya Kanta Mishra and Vikas Rawal provides a new and thought-provoking viewpoint on agrarian relations in contemporary West Bengal. Until the late 1970s, agrarian conditions in West Bengal were characterized by stagnant production and the existence of a large mass of rack-rented and indebted peasants, who worked small and fragmented plots of land. In 1977, when the Left Front led by the Communist Party of India (Marxist) came to power, a programme of limited land reform was implemented and a democratic system of local government was established. Mishra and Rawal argue that these changes turned the correlation of class forces in favour of the working people of West Bengal and formed the basis for future accomplishments in the sphere of economic development. West Bengal was an area of high agricultural growth in the 1980s and early 1990s. The post-1977 period also witnessed a substantial decline in poverty, an increase in the days of employment and wages for agricultural workers and improvements in literacy, school attendance and the public health system. The most important achievement of the Left Front government, however, as Mishra and Rawal point out, has been the ability to 'sustain the leading position of the working people in rural West Bengal for more than twenty-five years, despite the onslaught of neoliberal economic reforms and communal forces'.

Mishra and Rawal write that while these achievements are noteworthy, institutional changes of the post-1977 period have altered the relations of production only to a limited extent and that precapitalist fetters continue to persist in various forms. Sharecropping is still widespread (although on better and more secure terms of contract than before), as is moneylending.

In the post-land reform period, a new class of rural rich has emerged in West Bengal. While certain sections of this class lost land in the process of land reform, the class as a whole benefited greatly from the economic growth that followed. A feature of this class is that its members are engaged typically in a variety of occupations (including agriculture, trading and salaried jobs in the public and private sectors) and derive income from many sources. While this class bears a greater resemblance to the class of capitalist farmers than to the erstwhile landlords, the transformation has been partial.

Mishra and Rawal argue that one of the major tasks for the left is to mobilize people to struggle against the onslaught of imperialism. They also identify various forms of socio-economic deprivation among the working people that the left as the ruling political force needs to address, as it strives to maintain growth in the agricultural and rural non-farm sectors. The paper identifies two counter-reform tendencies in West Bengal: first, the neoliberal demand for relaxing (or reversing) land reform laws so as to promote global interests in agri-business, and second, the continuing class tension in the countryside because of conflicts between the new rich and the working people. Such conflicts are hostile to the political agenda of the left in the state and strengthen forces that seek to undermine the achievements of land reform. The authors also discuss tactics of the left *vis-à-vis* the rural new rich.



The case of Kerala—its land reform and the impact of the struggle for land and mass education, nutrition and health—is well known. In his presentation, Michael Tharakan examines the historical lineages of tenancy reform in Kerala, making connections between the struggle for land reform and movements for social and ritual reform in the state. He also draws attention to other aspects of land reform, in particular, to the distribution of surplus land and the distribution of land for house-sites. Tharakan argues that, despite land reform, pockets of deprivation remain, particularly among people of the scheduled castes and tribes and among traditional coastal fishing communities. The agrarian question is still important in Kerala, he says, and requires imaginative second-generation reform. The most appropriate institutional vehicles for such change, Tharakan argues, are democratic institutions of decentralized local government.

The other two case studies from South Asia illustrate processes and paths of development of capitalism in the countryside.

The paper by Mahabub Hossain, Manik Bose, Alamgir Chowdhury and Ruth Meinzen-Dick analyses the results of two large-scale surveys in rural Bangladesh, the first conducted in 1987–88 and the second in 1999–2000. Their conclusions suggest that the main features of the current situation are as follows. The expansion of modern, irrigated, high-yielding rice production has been accompanied by the development of a market economy and diversification of rural employment. In an economy with a high and rising incidence of landlessness, there is growing absenteeism accompanied by an increase in the incidence of tenancy. The increase in tenancy has primarily been in fixed-rent tenancy and not sharecropping. Households are becoming less dependent on incomes from agricultural wage-labour. Within the labour market, there is a decline in long-term and seasonal labour arrangements as well as in exchange labour, and a rise in piece-rate-paid contract labour. Water markets have expanded; in this sphere too, output-sharing payments have given way to fixed cash payments or hourly rates of payment. In the credit market, non-government organizations are displacing traditional lenders who charge high rates of interest. Although these processes of capitalist development have resulted in some improvements for workers (such as a rise in real wages), the overall worsening of the distribution of incomes shows that the gains from change have been distributed unequally.

V.K. Ramachandran, Madhura Swaminathan and Vikas Rawal document changes in the household economies of landless manual workers. Their data, which cover the period 1977–99, come from a village study in Tamil Nadu. Despite major changes in the scale and type of agriculture, specifically the expansion of irrigation and commercial crops, and despite increases in real wages and earnings, the household economies of landless manual worker households are still characterized by chronic insecurity with respect to employment, low wage-rates, high levels of poverty and a near-absence of ownership of productive assets. A major change in the village is the decline of labour services in the village economy; agricultural workers are, in this sense, more of a rural proletariat than ever before. This case study is of a village located in a relatively advanced agricultural

region in Tamil Nadu, and as such illustrates the limits that can be achieved in respect of the living standards of workers without basic agrarian reform.

Abhijit Sen's paper deals with changes in employment and poverty in rural India, and is based on a careful and critical analysis of data from the National Sample Survey (NSS) over the last two decades. He finds, first, that growth in agricultural production and incomes slowed down in the 1990s. Second, there was deceleration in the growth of non-agricultural employment in rural areas in the 1990s. Third, the rate of decline in the incidence of income poverty slowed down over the same period.

This paper raises an important issue for scholars about the quality of data and the reliability of official estimates of poverty in India (in the discussion of the paper, Amiya Bagchi refers to 'statistical massaging'). Abhijit Sen was the first person to analyse in detail problems of data contamination in Round 55 of the NSS, which was conducted in 1999–2000. The estimates of income poverty based on these data are not comparable statistically with data from earlier rounds of the NSS because of the change in the reference period over which consumption was measured. In this paper, Sen takes that analysis further. He concludes that not only was there no decline in the incidence of income-poverty in the 1990s, but also that the incidence of poverty may actually have risen over the decade.

Sen's paper argues against the view that the deceleration in the growth of rural employment in the 1990s reflects a combination of higher participation in education and a shift to relatively high-quality non-agricultural employment. He shows, in fact, that there was no acceleration in the expansion of non-agricultural employment in the 1990s, and that the rise in attendance at educational institutions is much too small to explain the deceleration in employment growth. Sen finds that the only states where performance was outstanding in respect of both agricultural production and rural non-agricultural employment in the 1990s were West Bengal and Kerala.

*Market-based land reform.* The World Bank has had to respond to the demand of rural working people in less-developed countries for land reform; it has done so by promoting (and, in some countries, imposing) 'market-led' land reform. The main features of market-led reform, as Riad El-Ghonemy notes, are the following. First, there is no expropriation (sellers of land are compensated); secondly, transfers are effected by means of direct exchange between 'willing' buyers and 'willing' sellers (with buyers paying most of the compensation themselves); thirdly, the state withdraws from the administration of land reform. From a brief review of the experiences of World Bank-style land reform in Brazil, South Africa, Colombia and the Philippines, El-Ghonemy concludes that such reform leads to a reconcentration of landownership rather than to a redistribution of land.

Under the influence of neoliberal policies, a process of privatization has been thrust upon customary systems of land tenure in several African countries. El-Ghonemy examines the experience of Kenya, Malawi, Sudan and Uganda

and finds that, as a result of such privatization, individual owners are now vulnerable to losing their land and that women have lost their rights to land. There has also been a shift away from foodcrops in these economies.

As part of the liberalization process in Egypt, legislation was passed in 1992 that abrogated land reform laws that dated from 1952. The effect of the new legislation was particularly marked in respect of laws relating to the eviction of tenants and to rent control. The impact of the new law was immediate: 51,000 tenants were evicted, annual rent payments rose substantially and the number of landless workers in the rural economy rose sharply.

After the overthrow of the dictatorship of Ferdinand Marcos, the government of the Philippines under Corazon Aquino introduced a 'Comprehensive Agrarian Reforms Programme' (CARP). James Putzel writes that CARP was not comprehensive, but a 'classic case of partial land reform'. The main drawbacks of the land reform process were that it envisaged a very long period of implementation, it allowed a relatively high level of land retention, it allowed landowners to turn to courts for succour and it offered market-value compensation to owners. Yet another problem of implementation was the part played by Congress in the Philippines in determining funds to be allocated for the programme.

In terms of achievements, the provision of titles to people living on public land was a relative success. Achievement in respect of the redistribution of private land was, however, quite limited. Of the target set in 1990 for the extent of land to be redistributed, only 48 per cent was redistributed by 1999. Voluntary offers to sell were an important aspect of the policy on redistribution of private lands: surely, this says a great deal about the World Bank's market-based land reform. Putzel argues that the market cannot be the mechanism for redistribution, although he does not rule out a role for the market if there is a supportive state. The latter conclusion was a subject of controversy in the discussion that followed, when the point was made that the market mechanism tends to intensify the concentration of ownership of land.

Putzel argues that, in the long run, land reform must be 'demand-driven', by which he means that there need to be organizations from below that drive the process of land reform. For land reform to be successful, the state needs to provide support programmes and ensure adequate investment in agriculture for the beneficiaries of land reform.

Richard Levin writes that seven years after the end of apartheid, the land and agrarian questions in South Africa remain unresolved. The constraints on resolving these issues are many; among the most important are a 'hostile global environment' and a 'neoliberal macroeconomic and development policy framework'. A telling example of the impact of globalization on domestic policy in South Africa is the 'speed and decisiveness' shown by the government in checking land invasions in order to send a message to global capital that 'South Africa would respect private property and not tolerate Zimbabwe-style land invasions'. In examining challenges for the future, Levin also points to institutional short-



comings in South Africa and to the lack of strategic direction from the African National Congress (ANC) on the agrarian question.

Having instituted private property rights in the Constitution, South Africa has now taken the road of market-led land reform. Levin raises the question of whether the market-led process is capable of reversing a historical legacy that has led to the white minority controlling 87 per cent of the land in South Africa.

There are three components of land reform policy in South Africa: restitution, redistribution and land tenure reform. There has been legislation on the first two, though not on the third. Restitution is a process of reclaiming land through a Land Claims Court by those with 'demonstrable historically titled land rights'. Only a fifth of the claims received have been settled so far. Redistribution, too, has been very slow and well below target. While 30 per cent of the surface land of the country was to have been redistributed within five years, only one per cent has, in fact, been redistributed. Levin recognizes that the target was perhaps unrealistic; the critical issue however, is that 'the assumption that the market could deliver a significant amount of land to poor rural black people was flawed'.

Levin writes that 'there is no historical or empirical basis' for the assumption that the market mechanism can be a major agency for redistribution. How can the World Bank recommendation that 'beneficiaries' contribute their own funds to the purchase of land be viable when the minimum legal contribution is more than the annual wage-earnings of black farm workers?

*The Russian experience.* Nirmal Kumar Chandra's paper on the agrarian transition in Russia examines the impact on the agrarian economy of the privatization and dismantling of state and collective farms. Agriculture in Russia deteriorated rapidly after the collapse of the Soviet Union in 1991. This deterioration occurred within the context of a 'traumatic decline' in GDP and a concurrent increase in poverty and mass unemployment. As a result of trade liberalization, the share of imports in the supply of basic retail food products has risen steeply. The reforms led not only to heavy imports but also to 'a strong movement in the terms of trade against agriculture till 1998'. As a result, agriculture's contribution to GDP plummeted.

The first laws of privatization of land in Russia were passed in 1990 and in 1992. Erstwhile state and collective farms broke up and private peasant farms emerged. The major types of agricultural organization in contemporary Russia are, first, enterprises or agro-industrial complexes; second, individual subsidiary plots; and third, private farms. Agro-industrial complexes have suffered the most: the area under such complexes and production by them have declined, and they have experienced rapid financial deterioration. By contrast, individual subsidiary plots (which include subsidiary private plots belonging to members of agro-industrial complexes and kitchen and garden plots that belong to other individuals) have done much better, and have 'maintained production levels in a period of general depression in Russian agriculture'. Interestingly, private farms do not emerge in the public view as a superior alternative to agro-industrial

complexes; this is reflected in opinion surveys among experts as well as employees of erstwhile collective farms and enterprises.

Chandra refutes the World Bank view that privatization and market liberalization will lead to a 'speedy recovery' in Russia. He demonstrates that 'the country is pauperized, particularly its agriculturists'. Socialized farms can play a major role in the revival of Russian agriculture, Chandra writes, but this requires a radical change in the Russian polity.

*Socialist experiences.* Zhang Xiaoshan focuses on concerns and emerging policy issues in the Chinese countryside today, that is, almost twenty-four years after the introduction of the household responsibility system. His paper highlights three major areas of concern. The first is growing income differentiation among rural households. The general context is one of a significant level of income poverty; within that, the rich are becoming richer, and the poor poorer. According to official estimates of poverty, 15 per cent of households are below the poverty line. If, however, the international norm of one US dollar a day is taken to be the poverty line, the percentage of the poor in the population would be much higher. Second, Zhang identifies the problem of surplus labour and disguised unemployment in rural areas as a very critical issue in China today. In his paper, he raises the question of how the unemployed are to be identified. He suggests a specific categorization of rural households in order to locate hidden unemployment, a categorization based on the diversity of occupations. One of the vulnerable categories, for example, is made up of households dependent only on farming, as these tend to be small-scale cultivators. The third area of concern is the impact on rural areas of China's accession to the WTO. Zhang points out that the impact of China's entry into the WTO can be adverse, and that this impact will be crop and region-specific (soybean, wheat and corn producers, for example, are likely to suffer from the freeing of imports), and that scholars must further analyse the impact of WTO on livelihoods and employment. In respect of agrarian relations, new organizations may be needed to meet these challenges; in this context, the place and role of different types of cooperative organization need seriously to be examined.

The role and functions of cooperatives has been a central question in Cuba's experience. In his paper, Victor Figueroa traces the structure and evolution of agrarian relations in Cuba from before the Revolution to the present time. Soon after the Revolution of 1959, there was a major programme of agrarian reform in Cuba, one that involved a programme of nationalization and, later, the formation of cooperatives. A distinguishing historical feature of Cuban agriculture and agrarian development is the pivotal role of international trade. With foreign trade accounting for 70 per cent of GDP, the problem of external vulnerability has always been critical.

Figueroa explains in detail the developments, international and national, that led to the reform of 1993 (the most important of these developments was, of course, the collapse of the Soviet Union). At the time of the 1993 reform, the two main sectors of production in Cuban agriculture were the state sector and a

smaller cooperative sector. The main component of the new agrarian reform was diversification in the forms of operation of land, accompanied, in particular, by the promotion of cooperatives. Cooperatives have now emerged as an important form of production in the countryside. While cooperative agriculture faces many problems, it is significant that cooperatives were established in a general context of major economic crisis, and that they provided an institutional foundation for the recovery of production.

In addition to cooperatives, the reforms of 1993 allowed the creation of new types of state farms with 'self-participating' management, and new types of private farms run by individuals or families (who may run them even in association with foreign capital). In all such cases, the state retains ultimate ownership of land. Other features of the post-1993 period are the strengthening of indigenous agricultural research (including biotechnological research), the introduction of new forms of mechanization and the development of substitutes for agrochemicals. As can be imagined, Figueroa's presentation was a conference hit: it presented the participants with a picture of a Cuba that is something of a laboratory for experimenting with new forms of production organization, land-use in agriculture and agricultural research.

Vietnam also moved from a land reform that involved the establishment of collective and cooperative agriculture to a new 'renewal' policy that allows cultivation by peasants. As Nguyen Tan Trinh writes, land still belongs to 'the people under state administration', but it has been allotted to peasant households that are given freedom with respect to decision-making at the farm level. This policy has, of course, led to new tendencies in agrarian relations. While the policy has had successes, such as in Vietnam's shift from being a food importer to being a food exporter (and now a major rice exporter), there are also new problems and constraints on further modernization. These problems include, for example, the fragmentation of landholdings and the need for ceilings to control over-accumulation. Nguyen Tan Trinh notes that the process of agrarian policy reform has to involve continual reassessment of the situation on the ground.

The session on socialist experiences was among the most stimulating of the conference. It is clear, we believe, that the early phase of collectives and state farming in socialist agriculture was not a 'wasteful detour', but one that laid the infrastructural basis for later prosperity and, indeed, for the spirit of cooperation in these societies. There is a critical distinction between peasant production in the three economies that were discussed and in capitalist societies; that distinction lies in the fact that land in the former is still under formal state ownership. Nevertheless, peasant production carries within itself the seeds of differentiation, and state support and control continue to be necessary to ensure the survival, viability and sustainability of small peasant farming. A common lesson from the Chinese, Vietnamese and Cuban experiences is the potential of cooperatives—cooperatives that combine features of individual and collective decision-making—as a form of production organization in less-developed economies. Most important, the socialist experiences show that there are alternatives to neoliberal



economic reform, and that there do exist paths of development that ensure that a nation does not sacrifice its sovereignty and the welfare of its working people when it engages with the larger world economy.

The task of land reform, with all its complex variations, remains central to the agrarian agendas of backward economies. More than half a century of painful experience has shown that there can be no end to poverty or any genuine democratic progress without land reform. As the papers and the summaries of discussions will show, land reform in the classical sense and a critique of what the World Bank calls 'market-led' reform, was a recurring theme at the conference.

There are three necessary conditions for genuine land reform. The first is the dispossession of a class of landlords, and the distribution of land to—and the enhancement of the freedom of—classes of the peasantry and agricultural workers hitherto dispossessed and exploited by landlordism. The second is that land reform is a *non*-market intervention implemented by mass organizations and, if land reform is to be sustainable, sanctioned and supported by the state. A corollary of this is that genuine land reform envisages no compensation at all or trivial compensation to the dispossessed class. The third condition is that land reform be implemented over a relatively short period of historical time. A sure indication of fake land reform is when a government announces an intention to implement a basic land reform over, say, a quarter or half-century.

In a significant intervention in the conference, Prabhat Patnaik developed this theme in the light of the Indian experience. At the time of independence, he said, there were three different kinds of arguments in support of land reform. The first was a populist view, which argued for land reform on the grounds that small farms were more efficient than large farms. The second argument was a redistributive one, which saw land reform as a means to bring down levels of poverty, an argument reflected in Keith Griffin's paper. The last one, put forward by the left movement and its activists, viewed land reform as a part of the democratic revolution. India's democratic revolution, in this view, needs agrarian reform to overcome problems of social and economic oppression in the countryside, to free demand constraints in the countryside and open up the home market, thus laying the basis for industrialization. It can be argued that the absence of land reform led to the failure of early state-led industrialization in India, opening the way to an easy acceptance of policies of globalization.

There are two kinds of false arguments with regard to agrarian reform in the era of imperialist-imposed globalization. The first is that globalization obviates the need for land reforms, that globalization itself will take care of the problem of poverty in less-developed countries. The second argument does not ignore land reform, but sees it as a kind of add-on; by this argument, the way ahead for less-developed countries is to implement comprehensive policies of globalization and liberalization accompanied by 'social-sector' spending and land reform (and perhaps some micro-credit). Both these arguments are false: global-

ization accentuates agrarian crises, reduces severely the ability of governments to make long-term productive investments, whether in infrastructure or education and health, and actually works towards accentuating the concentration of ownership of land. Globalization reduces the capacity of governments even to function democratically, let alone implement sweeping democratic measures such as land reform. The kind of mobilization required to carry through a programme of genuine land reform needs essentially to be opposed to imperialist-imposed globalization.

Historically, the left in the third world—and in India—urged scholarship to turn its face to the countryside, to conduct specific studies of class changes there and to assess and evaluate these changes. This task is not, of course, only a scholarly one, but one that involves political activists and mass organizers. It is, nevertheless, one to which scholars can and must make a contribution. Agrarian studies are driven by a political imperative, since movements for progressive socio-political change need continually to be reinforced by analysis and mass political activity. In recent years, scholarship has lagged behind the rapid and complex changes that are occurring in the countryside in less-developed countries. And yet agrarian studies must not so lag, for movements for social change must grasp the meaning of agrarian change over and over again.