Review: by E. Robert Scrofani   for LAND+LIBERTY

"The Peasant Betrayed - Agriculture and Land Reform in the Third World." by John Powelson and Richard Stock et al.
Lincoln Institute of Land Policy (1987) Oelgeschlager, Gunn and Hain.

After studying 26 societies the authors of The Peasant Betrayed ~~societies~~ come to the somber conclusion implied in the title that land reform programs whether sponsored by regimes of the left or the right have "harmed the peasant more than helped him."

"No matter the type of government" socialist - (Algeria, Cuba, China, Nicaragua, Tanzania or capitalist - (Egypt, Indonesia, Mexico, Somalia), each "betrayed the peasant sorely."

Powelson favors land reform, as a "prerequisite for equitable economic growth - without it a whole generation of landless poor will live short and nasty lives with little dignity and less security."

But land reform is not implemented to give the peasant a place in society. The pattern in most third world countries is to centralize power in the state and transfer the agricultural surplus to the State through its monopoly power and price control. The historical dynamic is constantly repeated.

The result, 'almost without exception is that output decreases and the peasants are impoverished...the most harm is caused by interferring with the peasant. The most is to be gained by granting them freedom to do what they have done so well for so many years."

"Where farming is left to farmers, output increases, and the welfare of peasants greatly improves. This laizze faire approach is rarely used Powelson says. He details the ways governments manage to pressure the peasant to give up the surplus, to reshape his life along the new government edicts rather than the traditional ways.

In most cases, the record shows, the land is taken from oligarchs and transferred to the state. Incentives are reduced. The State in Lesser Developed Countries is not a "defender of the national interest," nor of the poor, "except when the poor have the leverage to demand it." LDC governments tend to be less accountable to the poor and often have little respect for the key role they play in the economy.

Land is worth the capitalized value of its revenues. If bureaucrats skim these away, leaving the farmer with no more than he could earn as a landless laborer, his newly acquired land is worth zero. If the same happens in a government cooperatrive his membership is worth zero.

A twenty year review of 26 nations demonstates that peasants are "worse off than before" Only in Taiwan and South Korea where the peasants had more political leverage were conditions different, although even here the authors believe that the benefits were "not as great as might have been expected from free institutions and markets."

"All peasant societies have their own systems of credit, supply, markets, savings and investments and commuinications of technology." Yet the state often supplants rather than supports these indigenous institutions, and thereby disrupts village life. International agencies and industrial elites often consider the illiterate peasant "ignorant" and often encourage these activities to the detriment of production.

The governing elite also favor the urban residents over the rural ones. They usually pay the peasants poorly for his product while charging him monopoly prices for needed inputs such as fertilizer and seed.

Power is centralized even in most benevolent of states. "Peasants can cope with economic life, in ways incomprehensible to the state," Powelson says, "the economy is often much more complicated than the imagination of the government. The reality of land reform can only match the rhetoric when peasant power is developed from below.

This is a very readable book with an extensive bibliography which I commend to students of development and land reform. Its widespread coverage and succinct presentation suggest it as an important tool for evaluating new proposals for aiding the landless poor who make up so much of the third world.

It would be helpful to capsule a few of the studies. The book presents 16 in detail and 11 "short stories."

1 Tanzania

In the 1960s many people looked to the Tanzania experiment under the measured hand of Julius Nyerere. Despite his love for his people and his hopes for creating a new society, the results were disastrous. The African tradtions were destroyed. Cooperation gave way to orders and interference from government "strangers." Little or no respect was paid to differing tribal traditions and many people were forcibly moved by government edict. Farms often were burned to prevent peasant farmers from returning home. The predicatable result of substituting Nyerere's vision for that of the peasant was a ruined economy.

2. **South Korea**
South Korea is different than the other nations because (1) the reform did not lead to new government institutions in the countryside. (2) the rural elite was destroyed without creating a new class (3) the peasants had political power (4) the value in agriculture increased 4% per year for eight years without government interference, enhancing peasant power.

The large landholders (as in Taiwan) were "tainted by their collaboration with the Japanese" Thus discredited they were politically impotent. The government did not control the input markets until much later than other countries.

Resistance to the Japanese also increased the power of the peasants who emerged even stronger when their electoral support was needed in American sponsored elections. They were educated (50% literate). They diversified their output from crops (60% rice; 8% barley) to an increase in vegetables and livestock such as pigs, rabbits and chickens.

Later as population grew in urban areas, grain imports skyrocketed from 490,000 metric tons in 1956-60 to 2,560,000 tons in 1961-1975. Needing a balance of payments, the government encouraged internal growth by increasing the price for agricultural goods above the market price and subsidizing the cosnsumer.

The record of success is clear. In 1945 there were 13.8% farm households and in 1964 there were 71.6% households. One half of the land had been redistributed to 2/3 of the rural population.

The authors are concerned that "the concentration of political power and the ability of the government to intervene may some day be used against the peasantry again." However, recent electoral changes in South Korea and the election of President Roh under somewhat democratic conditions should give the authors more hope. However as the rioting and repression continue in Korea it may be too soon to tell.

3. **Taiwan**

Taiwan is often cited as the most successful model of land reform in the post WWII period for its equitable distribution of income. Studies by the Overseas development Council indicate that the gap between the top 25% in society and the bottom 25% in society closed to 4.5% after the reform. In addition population growth rates, infant mortality rates dropped significantly.

Taiwan's success story is set in three parts:
(1) Rent reduction in 1949. The landlord's share was reduced from 2/3 of the production to 1/3 and the tenant's share increased to 2/3.
(2) Sale of public lands in 1952
(3) "Land to the Tiller" in 1953

In 1949 the Nationalists defeated by Mao came to the island. They needed rural stability and food for 1,000,000 troops and officials of the Party. The key they decided was land reform which they had neglected on the mainland.

Despite its enormous success, the authors report that "overall the government did skim 50% of the marketable rice for its civil servants and army. It bought rice at lower than the market price and charged more for its monopoly of inputs."

The authors give grudging respect for the Taiwan experiment "by ordinary standards, "a great success," but fail to balance their criticisms with the enormous success of Taiwan as reflected in its high standard of living, the enormous jump in trade and the number of successful farm family entrepeneurs. As one of the "tigers" of Asia, it deserved a more comprehensive look.

Like South Korea, economic success and a growing middle and urban class has prompted a freer society which it seems the new President of Taiwan (and the first Taiwanese) is now providing.

4 Nicaragua

In 1934, Somoza owned no land; in 1937 he was President. By 1946 the Somoza family had monopolies of coffee and beef exports and domestic milk production; by 1970 they owned 46 coffee fams, 7 sugar plantations, 51 cattle farms, 400 tobacco farms, and 60% of all meat packing, fish and cigar industries. In 1979 Somoza was overthrown.

The Powelson study "shows":
(1) Sandinista government is centralized and authoritative. (2) agricultural decision making, pricing, production and techniques are tighly controlled (3) Cooperative committee although freely elected by tenants do not make basic decisions - the government does.

"We see in Sandinista Nicaragua a replication of problems in Egypt, Tanzania, the Pihilippines, Mexico and other countries we have studied."
The authors take time to respond to ***Food First*** authors' Joseph Collins and Frances Moore Lappe' who wrote "***What Difference would a Revolution Make?" after an extended visit to Nicaragua.***

Collins and Lappe' contend that the Sandinista government did not promote "Land to Tiller" programs to sustain the production level' to facilitate the creation of jobs and to prevent inequities in parceling land out. Powelson says, "The experience was the opposite. "Production and output dropped substantially on state farms" - unlike the private farms in Bolivia and Paragua after land reform there.

Most peasants want individual ownership despite what Collins and the Sandinista say. Powelson faults the ***Food First*** authors for failing to "confine themselves to (that) priority for less developed countries."and thereby " provide a great service."

This book, ***"Peasant Betrayed*** "in fact demonstrates as Collins and Lappe' contend that LDC governments and international agecnies discriminate against agriculture - even in land reform programs. "Many LDCs could feed their poor if they devoted greater resources to agriculture.," Powelson agrees."

But he also argues that Lappe's bias that food should be produced for local consumption first rather than planting plantation crops may be in Nicaragua, "a formula for poverty."

"In a classic case of comparative advantage, countries adept at plantation agriculture - exporters of sugar, coffee, tea cotton etc. - can feed their poor better if they export these crops and buy basic food stuffs with the proceeds. ***The key is not which crops to grow - exports or food consumption but one of increasing the income of the poor.*** " ***(emphasis added)***

The Sandinistas are "fervent, high-meaning individuals, primarily intellectually with considerable domestic support dedicated to restructuring their country in ways that will help the poor."

He acknowledges their improvement in medicine, infant mortality and literacy. But, he alleges, "their confidence is so great that they assign blame to

others when they fail. They are paternalistic, believing that when the peasants and workers do not agree with their plans they have not grasped progressive thinking - the lower classes need to be educated into sacrificing for the revolution.

So then who advocates for the peasants?

Neither Marxists, nor capitalists; the USA nor the USSR. Not even most non-governmental agencies such as Oxfam. Only the American Friends Service Committee is cited for enhancing the power of the peasants without getting into politics.

Marxists have the better rhetoric but neither left nor right are concerned about peasant enpowerment. The USA only takes an interest when there are other foreign policy goals, such as anti-Marxist.

"Power to the masses" to the authors means "freedom for the masses to structure their own socieities, to select private, state or cooperative farming" as they like. Despite the Marxist rhetoric, "peasants have never selected a state farm except under coercion."

"We conclude that no foreign government or international agency qualifies as an advocate for the peasant - i.e. promote the peasants control over his own structures and freedom in his deciion making."

The authors identify two kinds of reform in history - reforms by grace of the government or reforms gained by leverage - from the power of peasants. Only the latter survive according to history.

There is ample opportunity to test these theories again in an era where we see formidable changes in two Marxist nations China (where the government is giving incentives to the peasants) and the USSR (where "perestroika" may allow more private farms) and even in the USA where thoughtful concern about the inequitable distribution of wealth and access to land may lead to new formulas for change. This book is a wonderful addition to the library of those who want to first identify and then slay the dragons of land reform.

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