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AGRARIAN REFORM: A PREVIEW OF THE FAO CONFERENCE

The World Conference on Agrarian Reform and Rural Development (WCARRD), to be held in Rome from 12 to 20 July 1979 under the auspices of FAO, has so far received little publicity. There are several reasons for this. By the standards of most recent UN-sponsored conferences, it is a rather low-budget affair; and the conference organisers, recognising the sensitivity of its subject-matter to many ldc governments, are clearly anxious for discussions to be held in as quiet and uncontroversial an atmosphere as possible. But perhaps the main reason is that to many developed country (dc) observers it has the appearance of a specialised and esoteric conference, of no immediate relevance to them. This neglect is unfortunate. Compared with many of its more loudly publicised predecessors, WCARRD is a bold and noteworthy initiative. If the delegates can be persuaded to endorse the draft programme of action which has been prepared for discussion and not to emasculate it by toning down its more challenging proposals, an official mandate will have been given for a much more radical approach to agricultural and rural development problems than has been agreed by any other major international gathering in recent years. This Briefing Paper outlines the issues to be discussed and the likely implications of the conference's success or failure.

Scope

World Conferences can be categorised in several different ways, but one fairly clear distinction is between those whose rationale is based on a recognition that rich and poor countries differ in their interests and circumstances (negotiating conferences such as Unctad; some thematic conferences like Food or Science and Technology – the latter to be held in Vienna, August 1979) and those which assume a community of interest among all countries despite their very different social and economic circumstances (the majority of thematic conferences – Women, Habitat, Environment, etc). By concentrating specifically on inequalities of income distribution within countries – more particularly, within rural areas of developing countries (ldcs) – WCARRD is helping to fill a large gap left uncovered by previous conferences. Those in the first category have not been primarily concerned with details of internal policy; those in the second have been concerned with them, but their obligation to treat their respective themes 'globally' has tended to mean the production of very broad recommendations which fail to differentiate sufficiently between the widely divergent needs of rich and poor countries.

One great merit, then, which WCARRD has over most thematic conferences is that it is much more clearly focussed on issues which are of specific concern to ldcs.

Another is that it aims to offer comprehensive solutions to rural poverty and inequality rather than ones which address only one aspect or symptom of the problem (food production, housing, environmental stability, etc). Though there are some ambiguities and inconsistencies in its draft programme, which will be discussed later, the most robust interpretation of its essence is as follows.

(1) The two major components of the programme (agrarian reform and rural development) are of equal importance and are essential complements to each other. (2) Agrarian reform (with land reform as its foremost element) is the key to redistribution. (3) Rural development (increased people's participation in the planning and implementation of local programmes and improved supporting services) is necessary for the consolidation of redistributive policies and for subsequent sustained growth.

By giving equal importance to agrarian reform and rural development, the conference organisers have broken new ground and helped to open up opportunities for a significant change of direction in development strategies during the 1980s. For a long time now agrarian reform has taken a back seat in most international discussions. There was a flurry of land reform activity in the early 1950s and 1960s in the immediate post-independence period – Taiwan, Egypt, Iraq, and Algeria are examples of countries which introduced substantial reforms, with varying degrees of success. But since the mid-1960s most ldcs have been placing far greater emphasis on increased agricultural production, following the new opportunities opened up by the Green Revolution. For the distribution of benefits they have tended to rely either on a laissez-faire 'trickle down' philosophy or, increasingly during the last decade, on the kind of improvements to existing institutions advocated under the name of 'rural development'.¹ With land reform largely forgotten (partly, perhaps, because the results of past attempts have often been disappointing in the absence of effective supporting institutions), rural development has come to be presented in recent years as if it were almost a sufficient instrument of reform on its own. The programme for discussion at WCARRD is based on the premise that it is not. Just as 'land to the tiller' has been shown to be an inadequate basis for development without the necessary follow-up action, so too is rural development in the absence of an equitable distribution of basic assets, especially land.

The case for a much more serious commitment to redistribution has been well argued in the conference's supporting documents. The distribution of land and income in many ldcs is grossly skewed; immense rural

* The Institute is limited by guarantee.

¹ See forthcoming Briefing Paper on *Integrated Rural Development*.

population increases are occurring which cannot be absorbed in urban industrial employment; 40% of the rural labour force is landless in parts of Latin America and 30% in the whole of Asia; there are rapid increases in the number of marginal farms everywhere; and malnutrition is widespread. There is little doubt that, despite short-term disruptions, overall productivity as well as equity could benefit greatly from redistributive policies. Not only is production per unit area almost always higher on smaller than larger farms in ldc's but income redistribution would generate an increased demand for locally produceable consumer goods. Finally – perhaps the most powerful argument of all – a reduction in poverty is a pre-condition for the long-term decline in the population growth rate.

Although its focus is firmly on agrarian issues within ldc's WCARRD will be a genuinely international conference: its programme of action covers international as well as national issues and each will be discussed at the conference by separate commissions. The international issues include trade, economic and technical co-operation among ldc's, private investment, official aid, and the role of the UN agencies. The conference documents nevertheless make it clear that, whatever the ultimate reasons may be for the major disparities in the rural incomes of many ldc's, the initial thrust for reform must come from ldc governments: 'In the absence of fundamental changes in the internal structures of the developing countries, it will be difficult to organise international co-operation which will constitute an effective contribution to the objectives of agrarian reform and rural development'.²

The conference organisers have been at pains to emphasise that debates about inequalities between countries and within countries should be regarded as complementary to each other and not as substitutes, and that action in *both* areas is required in order to promote the New International Economic Order (NIEO). In underlining this point, they are clearly anxious that discussions at WCARRD should not be diverted into unnecessary repetitions of debates on rich country-poor country relations which are being conducted elsewhere, notably through Unctad and GATT. Delegates have therefore been asked to consider only those aspects of international relations which impinge directly on the conference's central theme.

Agenda

The decision to launch the conference in its present form was taken at the 19th Conference of FAO in November 1977. Regional meetings were held in 1978 for Asia and the Far East, Africa, and Latin America to confirm that the conference's objectives were widely supported by ldc governments and to ensure that account was taken in the preparation of conference documents of the wide variations in agrarian conditions between and within different regions. Country review papers were also prepared and a number of studies were specially commissioned by the conference secretariat from independent research centres of high repute. The considerable thought and scholarship that went into this preparatory work are reflected in the generally high quality of the two main supporting documents, *Review and Analysis of Agrarian Reform and Rural Development in the Developing Countries since the mid-1960s* and *National and International Issues for Discussion*. Much of this quality has also been carried over into the draft *Declaration of Principles and Programme of Action*, although it is somewhat more ambivalent in places.

Over one hundred national delegations are expected to attend the conference to discuss this programme. National and international issues will be discussed by two separate groups. At a preparatory committee meeting in March, Britain's then Minister of Overseas Development, Judith Hart, was elected Chairman of the group on international issues. Despite the change of government in May she will still occupy this position in a personal capacity. Several ldc's have indicated their interest in the conference by nominating high-level representatives to attend. These include President Nyerere of Tanzania and the President of Bangladesh.

The principal objectives of the conference are to get a commitment from both ldc and dc governments for an agreed programme of action in the 1980s and to clarify the role which FAO and other international agencies should play in supporting that programme. Briefly, the chief elements of the draft programme which governments are being asked to consider supporting are as follows.

(1) *National policies*

(a) *Resources*. Increase resources for rural development, making the share of total budget allocations proportional to the size of the rural population.

(b) *Agrarian reform*. Where appropriate, reorganise land tenure with fair compensation, giving precedence in redistribution to established tenants, small-holders and agricultural workers. Elsewhere, depending on local circumstances, introduce and enforce rent ceilings for tenants together with security of tenure, protect the rights of small cultivators, encourage group farming in areas of acute land fragmentation, and promote land settlement where additional land is available. Establish effective control over the management of 'open access' resources such as forests, rangelands, and water in the public interest.

(c) *Rural development. Participation*: remove barriers to the free association of rural people in institutions of their choice and ratify the International Labour Office (ILO) recommendation on the role of rural workers' organisations in development. Decentralise government administrative institutions to enable people's participation in rural development planning. Involve organisations of beneficiaries of land and tenure reforms in the implementation of those reforms. *Women*: ensure equality of legal status to women. Expand their access to rural services and train more women as members of these services. Establish systems to monitor women's access to services, levels of employment, wages. Provide incentives for increased women's education and guarantee equal wage rates with men. *Inputs, markets, and services*: improve co-ordination of inputs, extension assistance and marketing outlets, with special emphasis on improved access for small farmers. Increase funds for interdisciplinary research on rural areas, with emphasis on improved technologies for small producers, rainfed agriculture, and crop storage. *Non-farm activities*: encourage the location of industries in rural areas and organise rural works programmes in order to promote rural employment. *Education, training, extension*: in education programmes emphasise literacy but also relate school syllabuses to the needs of rural life. Strengthen the training of administrators and staff of service agencies, especially in their understanding of rural people's problems.

(d) *Planning and monitoring*. Fix specific goals and targets for the 1980s and 1990s for the reduction of rural poverty as measured by indicators of distribution

² *National and International Issues for Discussion*, WCARRD/3, p.4.

of land and other assets, income levels, nutrition, etc. Undertake to collect data of actual performance, using the same indicators, and to report changes to every biennial FAO Conference from 1980 onwards.

(2) *International policies*

(a) *International trade. Developed Countries:* improve market access for ldc's agricultural and rural products, both raw and processed, through reductions in tariff and non-tariff barriers and extension of the Generalised System of Preferences to all agricultural products. Participate in and conclude commodity agreements under Unctad, and implement the Common Fund. Introduce adjustment policies for farmers and farm workers displaced by import liberalisation. *Developing Countries:* critically examine internal taxes, etc on primary exports and remove disincentives for increased production, especially for small producers. Ensure that small producers obtain an equitable share of prices obtained on the international market by transnational corporations, trading companies and governments, and are protected against extreme price fluctuations. Improve the dissemination of foreign market information to farmers and strengthen their internal marketing institutions.

(b) *Co-operation among ldc's.* Establish collaborative agricultural research programmes. Co-ordinate national production policies to avoid future imbalances between countries in processing and manufacturing on an equitable basis. Exchange experience and expertise gained in implementing agrarian reform and rural development programmes.

(c) *External private investment.* Reaffirm the right of each state to nationalise property, with compensation. Strengthen ldc's capacity to negotiate with transnational corporations and foreign investors, to evaluate their proposals and work with them in formulating programmes consistent with national priorities. Establish guidelines to regulate their conduct and monitor their performance as it affects rural development, especially the rural poor.

(d) *Aid.* Support the ldc's' proposed goals and targets and pledge substantially more resources to help achieve them. Revise lending criteria for rural development projects, including restrictions on the financing of local and recurrent costs; increase programme support as compared to project financing. Use improved methods for the appraisal and evaluation of small projects to encourage local institution-building, quicker aid absorption and more active people's participation. Provide aid on an untied basis. Give priority in aid allocation to countries with a proven commitment to poverty-oriented rural development strategies. Provide additional finance towards administrative costs of agrarian reforms and, possibly, compensation for expropriated assets.

(3) *FAO and UN agencies*

(a) *Monitoring.* Develop internationally comparable indicators for ldc's and monitor their progress towards national targets of rural development. Monitor the adequacy and terms of flows of resources, both domestic and foreign, in relation to rural development targets.

(b) *Analysis and dissemination of knowledge.* Collaborate with member governments in socio-economic and technical research, including research on institutional and administrative issues. Strengthen ldc's' indigenous

research capacities. Promote exchanges of analysis and experience among ldc's.

(c) *Technical assistance.* Expand assistance programmes for agrarian reform and rural development. Help members to evaluate the impact of foreign investments.

What can it achieve?

The most notable feature of the conference is the surprisingly tough nature of the proposed action programme, particularly as far as its implications for ldc governments are concerned; it also has hard things to say about the adverse social consequences of much private agricultural investment, especially by transnationals. Even though delegates are being asked only to 'consider' action towards the implementation of policies proposed in the programme, their endorsement of it in its present form would undoubtedly put them under greater moral obligation than before to adopt a more radical approach to the problems of rural poverty. However, it is by no means certain that the draft programme will go through unscathed. Much will depend on the fate of its most contentious proposal, that ldc's performance with regard to rural development and income distribution should be regularly monitored and reported to FAO. If this is agreed to, the pressure on governments to improve their performance will be significantly increased. But considerable resistance to it can be expected, and some ldc delegations may well be prompted to ask why dc governments should not be required to do the same.

Whether or not the conference succeeds in meeting its principal objectives will depend on three factors: the preparedness of ldc governments to recognise that it is in their own interests to agree to the proposed changes of strategy and to seek ways of implementing them; the willingness of dc governments to make concessions in the fields of trade and aid policy which will actively support such changes of strategy; and the determination of FAO and the conference chairmen to adhere to a tough line and resist attempts to reduce the action programme to a bland and vague statement of good intentions.

Although the power structure in many ldc's is based on close links between governments and larger land-owners, the mounting social tension created by the continuing pressure of rural population on land can be expected to lead an increasing number of governments to accept the need for reformist policies, if only for reasons of enlightened self-interest. If a sufficient number of them recognise this need, they are also likely to see advantages in supporting the WCARRD programme, since this would give them access to international support for the implementation of gradualist reforms designed to forestall rather than to promote violent upheavals. The conference's supporting documents make it clear that there are a wide range of alternative approaches to land reform, depending on the needs of the particular situation. The proposals also take realistic account of the political and administrative difficulties likely to face most governments who embrace the need for reform. Ldc governments are not therefore being asked to undertake the impossible. They are only being asked to summon up sufficient political will to adopt feasible reformist programmes, in return for which they will have access to external technical assistance to help them surmount the often daunting administrative complexities which most land reform measures entail.

Some ldc governments may nevertheless feel inclined to oppose the programme's more contentious proposals on the grounds that they are being asked to do too much and that insufficient matching demands are being made on rich countries. It is therefore important for the success of the conference that the ldc should be prepared to make substantial commitments of their own in support of the proposed programme. Otherwise, it is predictable that – despite requests to the contrary – some ldc participants will be inclined to divert the discussions onto rich country-poor country issues (particularly likely after the failure of Unctad V), to dilute the existing draft proposals and/or to interpret them in the least radical manner possible. Unfortunately, there are enough ambiguities and inconsistencies in the proposals to make it fairly easy for them to adopt such a line if they are in the mood to do so. For example, in presenting alternative approaches to agrarian reform, the proposals do not specify the particular social and physical conditions under which different approaches are likely to be most appropriate; instead they suggest that the guiding criterion for choice should be 'a country's strategy'. Another weakness is that rural development measures are sometimes discussed as if they could be substitutes for agrarian reform measures rather than complements to them.

These and other examples of a tendency to shy away from the more radical implications of the programme suggest either a division of opinion or a last minute loss of nerve within the conference secretariat. Although their anxiety to avoid antagonising ldc governments into total opposition to the draft programme is understandable, they cannot afford to allow much more backpedalling during the conference if the final resolutions are to command much respect. Though they may still be prepared to make some minor concessions, they can be expected to work very hard for the retention of the proposal on international monitoring, not only because it could provide an effective spur to governments reluctant to introduce changes but because it would also give FAO a leading role in the introduction of a new development strategy. In order to achieve this aim it may be necessary to get dc governments to agree to the monitoring of the effects of aid flows and private investment on rural development and to persuade ldc governments that this would represent a fair *quid pro quo*.

One consequence of the organisers' concern to avoid excessive controversy has been that few national non-government organisations (NGOs) will be taking part in the conference; nor will they be organising a parallel meeting of their own, as has happened at many previous international conferences. Many international NGOs – ie ones which are in a consultative status with the UN – are being invited to attend and around sixty are likely to be sufficiently interested in the subjects under discussion to want to do so. Many national NGOs, particularly from ldc, would also have such an interest but the organisers felt unable to issue direct invitations to them without reference to the governments of the countries concerned. The selection of national NGOs has therefore been left up to governments and those that are coming will be attending as part

of their governments' delegations. They can be expected to cause them little embarrassment.

A small group of independent NGOs will nevertheless be gathering at Rome at the time of the conference with the object of publicising aspects of rural impoverishment which are unlikely to be openly discussed at the conference itself. Throughout the conference there will be a daily newspaper produced by Oxfam, copies of which will be delivered to delegates and circulated to other interested parties. This group of NGOs can be expected to emphasise the political reasons for rural poverty and to call attention to divergences between what is being said at the conference and actuality by reference to detailed case studies from rural areas in which their organisations have been working. In doing so they should provide a valuable antidote to the evasive double-talk which is likely to feature prominently in the conference discussions.

Conclusion

It is easy enough to be sceptical about the usefulness of international conferences, especially ones which are concerned with as intimate and intricate internal issues as agrarian reform. However, WCARRD has the virtue of having limited and specific objectives and the organisers have prepared the ground well for their achievement. The quality of discussion during the conference itself is unlikely to be of a high order, partly because some ldc governments will be on the defensive and on the lookout for opportunities to evade the central issues, and partly because few delegations present will have sufficient specialist expertise to do justice to the complexity of the subjects under debate. Nevertheless, if the organisers succeed in getting the draft programme approved with no major changes, a favourable climate will have been created for much more detailed deliberations about changes in strategy at the national level – at least in those countries which are interested in paying more than lip-service to social reform.

If the proposal on international monitoring is thrown out the chances of effective follow-up action, except in countries already committed to reform, will be much diminished. This can be predicted on the evidence of the very disappointing response to the attempts by the ILO at the World Employment Conference in 1976 to persuade participating countries to implement its proposed programme of action on basic needs,³ in the absence of any formal monitoring procedures. A recent ILO review of progress reports that only ten ldc have so far managed to identify what their basic needs are. Moreover, the recommendation made at the ILO Annual Conference in 1975 about rural workers' organisations (referred to in the WCARRD programme) has so far been ratified by only six ldc:

The worst possible outcome would be for the conference to break down in an atmosphere of controversy and recrimination between ldc and dc governments. This could inhibit further initiatives on agrarian reform by FAO or any other international development agency for years to come and thereby contribute to the probability of greater social, economic, and political instability in many parts of the Third World.

³ See ODI Briefing Paper No 5, 1978 *Basic Needs*.