

## **Landlessness and Rural Poverty in Underdeveloped Countries**

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### **I. INTRODUCTION**

Poverty blights the lives of millions in Africa, Asia and Latin America. Most of the poor, at least in Africa and Asia, reside in rural areas, dependent directly or indirectly on agricultural land. The rural poor are, in the main, landless or near-landless. While landlessness is among the most important characteristics of the rural poor, they are by no means an undifferentiated or a homogeneous mass of humanity. They may be the *minifundistas* in Latin America, marginal owner-operators in Asia, smallholders in Africa, who are struggling to survive by selling their labour to others either in or outside agriculture. The rural poor may also be tenants, either as share-croppers (called by various names) or as "bonded" labour in some countries of Asia and *colonos* on the *haciendas* in Latin America. These households often have access to the usufruct of land, however tenuous their attachment to land. An increasing number of the rural poor are, however, the landless workers, who could be permanent, seasonal and even migratory. The temporary and migratory nature of rural labour has become the most visible sign of the "agrarian crisis" in many underdeveloped countries. It is also a reflection of the extent to which the rural sector has been brought into the nexus of the dominant international (capitalist) economy.<sup>1</sup>

The households of the rural poor cannot in reality be neatly demarcated as distinct and independent entities. They may be dependent for livelihood on a multiple of sources. Often, a multiplicity of occupations is their single most shared characteristic, reflecting an important survival mechanism. Household labour is their basic source of income, part of which they must use on their small (and often fragmented) land parcels (owned or leased) and the other part they must sell increasingly to others within and outside agriculture. That a large and even increasing proportion of the rural households are poor shows the severe constraints they face in raising their living standards within the existing agrarian structures.<sup>2</sup>

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<sup>1</sup> Pastoralists and small stockholders constitute a significant percentage of the rural poor in countries of eastern and south-eastern Africa.

<sup>2</sup> Agrarian structure is a protean term. Here it is defined to include those relationships on or around agricultural land that affect the processes of production and distribution.

The causes of rural poverty are many and their links are complex. It is a truism to suggest that the increasing demographic pressure on land without concomitant increase in agricultural productivity is associated with low levels of income and high incidence of absolute poverty. The condition of the poor in rural areas is also affected by the forces of growth and employment outside agriculture in the domestic economy and by the changing conditions in the world (capitalist) economy. What is really striking is that poverty persists in many underdeveloped countries even with substantial growth, particularly in the agricultural sector. The same process of growth that creates affluence for some tends to perpetuate the poverty of a large proportion of the rural population.<sup>3</sup> One of the dominant features of the rural poor is their landlessness under diverse land tenure systems. The entitlement to incomes and jobs rests mainly on accessibility to agricultural land, particularly in countries where the non-agricultural sectors are unable to absorb increasing labour force at higher levels of productivity.

The strategies for industrialization based on import substitution in many countries, particularly in Latin America and Africa, have had devastating effects on agricultural growth and income distribution. In these countries, governments in the 1950s and 1960s tried to boost industrial investment and neglected agriculture in the hope of a great industrial "leap forward". The logic was evidently false. Success in agriculture complements industry. Supply of food and raw material at high levels of productivity and low cost make industrialization easier. On the demand side, as farmers get richer they consume more industrial goods. Policies in favour of industries and urban people do not hurt uniformly everyone in farming. They are usually part of a package in which other policies favour the large and capital-intensive farm owners and operators. The marginal owner-operators, small tenants, sharecroppers, and the landless wage workers have become the most evident victims of these policies.

The links of agriculture and aggregate growth remain strong. In countries where agriculture accounts for one-third or more of the national income, a high (low) rate of growth of the former is usually reflected in a high (low) rate of the latter [39]. Agriculture has done well generally in Latin American and Asian countries in the last decade. African agriculture has, however, performed poorly. Regional droughts or neglect of agriculture and high rates of population growth have severely affected the food situation. It must be emphasized that agricultural growth does not in itself alleviate rural poverty. The entitlement to food and income for most rural populations is still determined by their access to land. The access to land is in turn determined by, among other things, the pattern of landownership. The problems of growth, income distribution and poverty cannot therefore be isolated from each

<sup>3</sup>Hayami [15] suggests that poverty is a reflection of the growing pressure of rapidly increasing population on land.

other and should be considered as manifestations of specific agrarian structures.<sup>4</sup> The high level of differentiation and the asymmetrical relations of production observed in several countries throughout the Third World are among the most important conditions that create both affluence and poverty in the process of "development".

This study will focus on the *processes that perpetuate and reproduce rural poverty among certain groups under diverse land tenure systems in Africa, Asia and Latin America*. In the next section, some of the evidence on landlessness and rural poverty will be presented. Their relationships will be explained in the final section. Considering the diversity of experiences in contemporary Africa, Asia and Latin America, specific examples will be cited from a number of countries throughout the analysis.

## II. LANDLESSNESS AND RURAL POVERTY: SOME EVIDENCE

Landlessness can be defined on the basis of *ownership* of and *access* to agricultural land. Wage workers (permanent or temporary), artisans, petty traders or servicemen, without some attachment by contract to cultivate land, are the major groups of the landless in rural areas. However, they are by no means the most dominant class among the rural poor. The attachment or access to a small parcel of land for owners or sharecropping tenants (and *colonos*) does not protect these households from poverty. In fact, in many countries, their attachment to good agricultural land is being eroded rapidly, thus making them as vulnerable as the landless wage workers. In one important respect the near-landless and the landless are alike: *they must increasingly engage in multiple occupations to survive* [8].

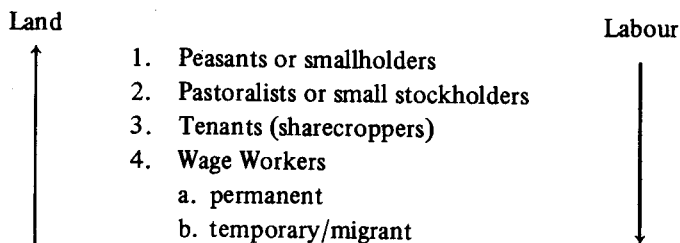
How many rural households are landless and which of the agrarian classes do they mostly represent? A schematic profile of the landless is shown in Chart 1 and the estimates of their numbers are given in Tables 1 and 2. These estimates should be read with caution because of the serious problems in the estimation procedures. No estimates are available for most countries in the sub-Saharan Africa in view of the tribal (communal) rights to the usufruct of land. However, landlessness is faced by an increasing number of rural households apparently because of (a) shrinking land frontier in the face of rapid population growth and stagnant technology, (b) land alienation through various forms of tenancies, and (c) introduction and expansion of the individual ownership rights through the State-land distribution and colonization

<sup>4</sup> The agrarian structures are undergoing rapid changes due to a variety of internal and external forces. These forces include land scarcity and concentration, population growth, technical progress, expansion of internal and international markets, and policies of the state including land reforms, price support and subsidies, taxes, and spending on infrastructure.

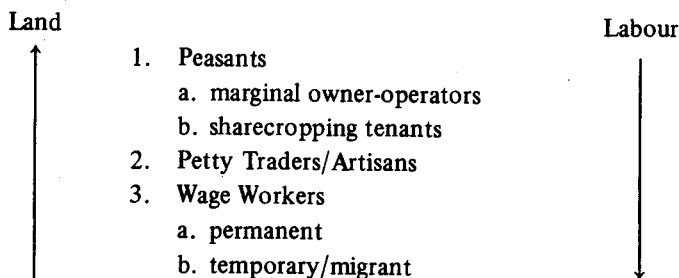
### Chart I

#### *A typology of the Near-landless and Landless*

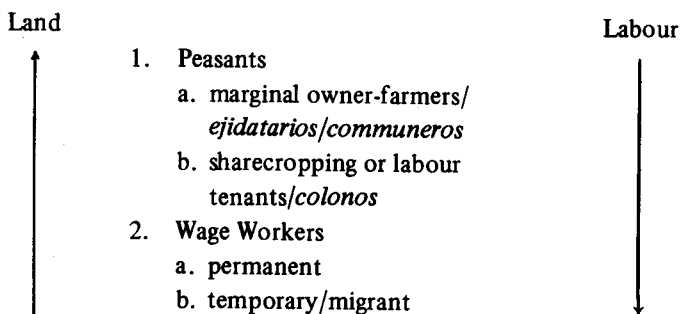
##### A. Africa



##### B. Asia



##### C. Latin America



schemes. Smallholders in several areas of countries like Kenya, Nigeria and Ivory Coast are now encountering the problem of landlessness.

As shown in Table 1, a very high proportion – ranging from 60 percent in Mexico to 75 percent in Peru – of the rural households could be regarded landless in Latin America in the 1970s. This is a reflection of the high concentration of land

Table 1

*Incidence of Landlessness in Selected Countries*

Country	Year	Landless Rural Households (% of All Rural Households)
1. Egypt	1981	24.1
2. Kenya	1975	7.3
3. Philippines	1976	56.0
4. Indonesia (Total)	1977	65.0
5. Bangladesh	1978	50.0
6. India	1961-62	47.3
	1971-72	44.9
	1980	49.0
7. Pakistan	1972	39.0
	1980	34.0
8. Mexico	1970	60.0
9. Colombia	1970	66.0
10. Peru	1970	75.0
11. Brazil	1970	70.0

*Notes:* The "landless" here include marginal owner-cultivators and tenants or sharecroppers. Data sources are: Egypt: [7: Table 20, p. 57]. Kenya: [18: Table 10.21]. Philippines: [37: p. 28]. Indonesia: [14: pp. 25-27]. Bangladesh: [21: p. 21]. India: for 1961-62 and 1971-72 from [4: Table 1, p. 153] and for 1980 from [36: Table 9, p. 397]. Pakistan: for 1972 [24 pp. 22-23] and for 1980 from [36: Table 9, p. 397]. Mexico, Colombia, Peru and Brazil [28: Table 3, p. 13.]

and the growing minifundization of the holdings of *campesinos*. In Asia, landlessness is perhaps most serious in countries like Indonesia (65 percent), Philippines (56 percent), Bangladesh and India (nearly 50 percent). Among the indications that landlessness has been growing in these countries are (a) decline in sharecropping tenancy and (b) proliferation of landholdings of less than 1 hectare to 2 hectares [14; 21; 31; 35; 37].

Who are the landless? Their estimates are given in Table 2. In Latin American countries, they are by and large the "pure" landless workers engaged in the farm sector or working as migrants in the non-farm sectors. Peru is among the few countries in which a high proportion of the landless are perhaps the *minifundistas*. In Asia, two peasant groups, — "marginal" owner-operators and sharecropping tenants — dominate the landless households. However, wage workers comprise one-quarter to one-third of these households. A visible minority of the landless in South Asia

Table 2  
*Differentiation of the Landless in Selected Countries*

Country	Percentage of Landless				
	Marginal Owner- cultivators	Marginal Tenants	Agricultural Workers	Non-agricultural Workers	Others
1. Egypt (1977)	45	25	12	13	5
2. Indonesia (1976)	40	15	20	15	10
3. Bangladesh (1977)	31	22	20	15	12
4. India (1975-76)	35	16	27	7	15
5. Pakistan (1980)	31	30	20	6	13
6. Mexico (1970s)	37	—	48	15	—
7. Colombia (1970s)	36	17	26	15	6
8. Peru (1970s)	61	9	19	5	6
9. Brazil (1970s)	+4	16	20	20	30

*Notes:* Most of the agricultural workers in Egypt are "traheel" or casual. In Bangladesh, India and Pakistan, "Others" would include a large number of petty traders, servicemen in private sector and artisans. In Mexico a large proportion of the agricultural workers are "ejidatarios" and casual migratory workers. In Brazil, "Others" are mostly casual day farm workers, usually called "boias frias" or "cold snacks", who reside in the periphery of urban centres. The first two categories of the landless in Latin America and Asia are really "peasants" [32, p. 81].

consists of the village artisans, petty traders and servicemen. These estimates suffer from one serious handicap in that they cannot show the considerable amount of overlapping due to the multiplicity of occupations in which the landless (poor) rural households increasingly engage for survival. This aspect has been generally emphasized in the literature.<sup>5</sup>

High land concentration, penetration of capital and technology, rapid or steady population growth and limited extension of cultivable area are among the important factors leading to landlessness and wage labour in many countries. Households without land and dependent on wage labour are thus increasing rapidly. A shrinking base of assets creates the tendency toward increased poverty among these households unless it can be offset by increased land productivity, improved terms of trade or increased chances of employment and higher wages. In economies with differentiated agrarian structures and with increasing dependence of the rural poor on wage

<sup>5</sup>See [13]; [14]; [18]; [27]; [28].

income, the demand for labour (or conditions of employment) in or outside agriculture and the real wage levels assume increased importance.

In many countries, data on real rural wage rates are hard to get even for one period. The data for a limited number of countries, shown in Table 3, indicate a steady upward trend in Egypt, Pakistan and Brazil. In all other countries, the real rural wage rates seem to have declined, particularly in the Philippines, Bangladesh and Ghana. A large-scale migration of rural workers from Egypt and Pakistan to the oil-rich Middle Eastern countries may be one important explanation for the increased real rural wage. Brazil is apparently among the few Latin American countries where the real rural wage rate increased in the 1970s; there are indications that it fell in Peru, Chile, Colombia and Mexico, particularly since the late 1970s. The decline in the wage rate in Ghana and Bangladesh is not entirely unexpected because of the severe economic problems these countries have faced in the 1970s. However, the striking cases are of Indonesia, India, Philippines and Ivory Coast where the farm sector was growing at reasonable rates. There is also some evidence that the real rural wage rates fell in Nigeria and Kenya, partly because of the neglect of agriculture and partly due to droughts [18; 38].

The real wage rate is only one, though important, aspect of the incomes of poor rural households. The other aspect is the period of gainful employment for the working-age groups in the household, particularly as wage labour. The employment opportunities in the farm and non-farm sectors of most underdeveloped countries are not rising. In some countries, especially in Africa, smallholders and wage workers cannot find work in other rural areas because of ethnic differences [18]. That the demand for labour in the farm sector is not increasing is indicated by the reduced number of days that farm workers are able to get a job. A shift from dependence on permanent workers and sharecropping tenants to temporary or transitory (migrant) labour is by far the most outstanding feature of the agrarian transition in many countries of Latin America and Asia [6; 14; 20; 30; 31; 32; 35]. The rising land productivity due to adoption of new technology and the associated repossession of tenanted land have not been accompanied by an increasing demand for labour.

Seasonal and uncertain employment in the farm sector, particularly for the landless wage workers, makes it increasingly necessary to find work in the non-farm activities within or outside rural areas. In fact, there is now evidence that in several countries 20 to 30 percent of farm labour is working in the non-farm sector [18: Table 6.1]. But the absorption of this labour has largely been in the "informal" sector and in those petty occupations in which the wage rates and productivity levels remain low. The high rates of open unemployment in the urban areas of Latin America and Africa are the ultimate manifestations of the exodus of "surplus" labour of the poor rural households.

Table 3  
*Changes in Rural Real Wages in Selected Countries*

Country		Real Wage Rate in Rural Areas				
1. Egypt	1965-66		1969-70	1975	1979	
	100		99.9	182	412	
2. Ghana	1970	1972	1975	1977	1978	1980
	153	180	149	100	64	47
3. Ivory Coast	1960	1965	1970	1976		
	100	85	67	67		
4. Indonesia	1960	1966	1970	1974	1978	
	67	58	100	82	97	
5. Philippines	1973	1975	1977	1980		
	100	77	60	69		
6. Bangladesh	1969-70	1973-74	1975-76	1981-82		
	100	74	71	76		
7. India	1964-65		1974-75			
Average	100		88			
W. Bengal	100		77			
Bihar	100		88			
Kerala	100		99			
Punjab	100		124			
8. Pakistan	1964-65	1969-70	1974-75	1978-79		
	100	119	137	149		
9. Brazil	1968	1970	1973	1977		
	100	90	130	156		

*Notes:* Data sources are: Egypt: [13: Table 70, p. 156]. Ghana: [9: Table 7.7, p. 60]. Ivory Coast: [29: Table 3.3, p. 113]. Philippines: [37: Table 11, p. 31]. Indonesia: [23: Table 6, p. A-101]. Bangladesh: [2: Table 28, p. 35]. India: [22: Table 5.13, p. 128]. Pakistan: [24: Table 1.4, p. 12]. Brazil: [33: Table 3, p. 109].



Poverty afflicts a high proportion of the rural households in most underdeveloped countries irrespective of the level of per capita income and the extent of urbanization. The incidence of rural poverty, shown in Table 4, ranges from 40 to 70 percent. Even in the more urbanized and relatively higher income countries like Chile, about one-quarter of the rural households were poor in the early 1970s. This proportion has not perhaps decreased in view of the economic conditions in rural Chile following the military take-over in 1973. In other Latin American countries, more than one-half of the rural households were in poverty; in Peru the proportion was close to 70 percent. Apparently, the proportion of the poor households has declined only in Brazil.

In the poorer countries of Africa and Asia, the proportion of the poor rural households ranges from a low of 40 percent in Egypt, Nigeria and Pakistan to 70 percent in Sudan and Bangladesh. Most other countries have about 50 to 55 percent of the rural households below the "poverty lines". Rural poverty seems to have declined in Pakistan and Indonesia, but in Egypt, India and the Philippines the proportion of the poor rural households has apparently increased in the 1970s.

### III. SOME EXPLANATIONS OF LANDLESSNESS AND RURAL POVERTY

There is no simple or unambiguous way in which the interrelated phenomena of landlessness and rural poverty can be explained even in a seemingly undifferentiated agrarian structure of a peasant economy. The problem of explaining the process by which rural poverty is perpetuated in societies with highly differentiated agrarian structures is more intractable. It must be emphasized here that not all of the forces or factors perpetuating rural poverty are linked to agrarian structures. However, the historical process by which these structures are concretized in a society have a strong bearing on the links between landlessness and rural poverty. An attempt will be made in this section to explain the links between rural poverty and agrarian structures in underdeveloped countries.

#### 1. Latin America

A central feature of the agrarian structure in many Latin American countries has been the duality of the *latifundia* and *minifundia*. Their coexistence reflects, among other things, a high concentration of land, and it is mainly through their interface that landlessness and rural poverty can be understood and explained. *Latifundia* emerged after the Spanish and Portuguese conquest of the Americas. The colonizers began experimenting with the *encomienda* system, in which they were given authority by the crown or its agents to collect tribute from the Indian *campesinos* over vast territories. This system was changed by the 17th century to the hacienda system, based on the individual ownership of large estates by colonizers or their descendants and the cultivation of land by the indigenous populations as their

Table 4  
*Incidence of Poverty in Rural Areas of Selected Countries*

Country		Percentage of Rural Households in Poverty		
1.	Egypt	1958-59 35 (23)	1974-75 44 (28)	1978 40 (25)
2.	Sudan	1978 70		
3.	Kenya	1975 55		
4.	Zambia	1975 52		
5.	Nigeria	1978 40		
6.	Ghana	1975 55		
7.	Philippines	1965 44	1975 55	
8.	Indonesia	1970	1975	1976
	National	—	51	—
	Java	64	—	53
	Other Is.	41	—	29
9.	Bangladesh	1963-64 75 (63)	1976-77 83 (69)	
10.	India	1972-75 54	1978-79 51	
11.	Pakistan	1963-64 41	1969-70 52	1979 40

— Continued

Table 4 – (Continued)

12.	Mexico	1970	
		49	
13.	Colombia	1970	
		54	
14.	Peru	1970	
		68	
15.	Chile	1970	
		25	
16.	Brazil	1970	1974-75
		73	42

*Notes.* Data sources are. Egypt: [7: Table 11, p. 32], and [34: Table 4.3, p. 46]. Figures in parantheses are percentages of rural population. Sudan: [1: p. 91]. Kenya, Zambia and Ghana: [10: Table 1(b), p. 92]. Nigeria: [19: Table 58, p. 232]. There is some evidence that in the Seventies rural income per capita really fell as the urban income was rising (Table 48, p. 221). Rural poverty may have increased in this period as is argued by Watts and Lubeck [38: pp. 116–130]. Philippines: [37: Table 4, p. 10]. Indonesia: [10: Table 1(b), p. 92]. Bangladesh: [2: Table 9, p. 15]. Figures in parantheses are the “adjusted” F.A.O estimates. India: [10: Table 1(b), p. 92]. Pakistan: [20: Table 2.7, p. 30]. Mexico, Colombia, Peru and Chile: [3: Table 12, p. 82]. Brazil: for 1970 from [3: Table 12, p. 82], and for 1974-75 from [33: Table 1, p. 104]. CEPAL studies in the 1970s indicate that 62 percent of the rural population in Latin America was poor [12: p. 58].

labour tenants or *colonos*. The hacienda was essentially a “feudal” system, in which the *colonos* provided their family labour for the lord’s estate and in return received the right to use a small parcel of land for their household needs of food and shelter. A patron-client relationship between the *hacendados* and *colonos* thus developed over time. The other form of the *latifundia*, as in Brazil, was a plantation system based on individual land-ownership and slave labour, mostly African. The *minifundistas*, or owner-operators of *minifundia*, emerged from the ranks of the inheritors of fragmented haciendas, cultivators of small parcels of land through colonization and indigenous direct producers.

The hacienda system started to disintegrate in the early part of the 20th century in the face of (a) penetration of capital, mainly from outside, (b) peasant revolts, and (c) reformist political alliances, at least in some countries. The plantation system had shifted to wage labour by the end of the 19th century; this labour was replacing slaves and represented increasing number of immigrants from Europe. The transformation of the hacienda from “feudal” to “capitalist” relations and the multiplication of the *minifundia* went hand in hand with the expansion of physical

infrastructure (transport) and the growth of population. The hacienda system began the expulsion of the *colonos* as labour tenants and started to use them as wage labour. The gradual expulsion of the *colonos* reflected not only the growing profitability of intensive use of land for commercial agriculture, but also the relative "surplus" of labour due to rapid population growth. Attached labour and patron-client relations were not necessary as labour scarcity was no longer a serious problem.

A commercially-oriented agriculture, based on new seeds, machines, etc., became increasingly profitable and even necessary as many Latin American countries needed more and cheaper agricultural exports to finance an import substitution strategy of industrialization. Large commercial farms, partly emerging from the haciendas and partly representing the plantation system, started to specialize in commodities for markets, particularly abroad. The *latifundias*, as the transformed haciendas and plantations, using wage labour were inexorably integrated into the world capitalist markets. The material basis for large-scale (capitalist) agriculture in these countries was laid by the consolidation of industry, which succeeded in creating a manufacturing base, helped in establishing an industrial labour force, and expanded the internal market in the fast growing urban centres. This then encouraged the expansion of a network of support systems to facilitate the growth of capitalist agriculture. These developments are reflected in the spread of transportation, irrigation, banking and credit, education and research institutions. The agri-business firms have introduced machines, fertilizers and chemicals to increase production. The large producers have also become the major if not necessarily the only beneficiaries of the government programmes for rapid development of agriculture. There is considerable evidence supporting this generalised observation, e.g. Brazil and Mexico since the late 1950s.

The land base of the *minifundistas* has been shrinking in most countries. This process is reinforced by several interrelated factors. For one thing, land concentration has remained very high, even in those countries where land redistribution programmes were undertaken, as in Mexico, Colombia, Chile and Peru [5]. Land alienation from the *minifundistas*, including the *ejidatarios* of Mexico, for large-scale (capitalist) agriculture in the better endowed areas with irrigation has been a major counterveiling factor. Tenant farmers, with initial endowment of capital and perhaps land, have been able to acquire the use of consolidated blocks of land belonging to small owners. A high concentration of land has two effects. One, it excludes peasants from access to a large portion of better quality area for cultivation. Two, it has become the basis for control of markets for labour and finance, usually to the detriment of smallholders and wage workers.

The other major reason for landlessness is the increasing degradation of soils due to intensive cultivation of small parcels over a number of years without leaving

them fallow in a rational crop rotation and without proper levels of fertilization. Research on improvement of small farm technology has not received much attention; most of it has been directed to large-scale commercialised agriculture. The low productivity and returns reinforce the need to intensify the use of an already meagre resource base, leading to erosion and deforestation.

The rapid population growth observed in most countries since the early 1950s has had its greatest impact on rural households. Some of this increase has been due to the rapid fall in death rates. But there has also been at the household level an "economic" rationale for children. Children as investment goods have been important to the peasant households when small parcels of land were the only source of income: intensification of labour on land and livestock meant survival and perhaps old-age security. The erosion of the land base — thanks to the high concentration of land and expropriation in various forms — with rapid soil degradation and population growth have made it difficult for the *minifundistas* to avoid the poverty trap without earning income through wage work. Labour as an important source of supplementary income thus necessitates a large family size. This factor has become even more important for those among the rural poor who have been expelled from the land as labour tenants or have lost their land by various other means of land alienation. Even the Mexican *ejidatarios* have been turning into *minifundistas* or joining the ranks of the landless [28].

Landlessness works on rural poverty in several ways. For one thing, land in a peasant economy with family labour represents an independent source of subsistence. Access to land means an entitlement to food and employment. The cash nexus introduced through the commercialization or commoditization of agriculture has made food and employment increasingly dependent on the price of food, availability of work and wages. The dispossessed *colonos* must work for wages and buy their food from the market. Wages depend on the conditions of employment on large farms or outside agriculture. Prices of food, particularly of staples, are determined by the ability of the peasant sector to market its products. For the *minifundistas* or smallholders, the cash economy has imposed the need to shift to cash crops, at least saleable in the domestic market. Production for surplus has changed the crop mix in favour of tradeable grains, etc., squeezing the available area for traditional staples used in the household diet. The market competition and shifting terms of trade have made the position of smallholders even more vulnerable. The off-farm incomes have become necessary to maintain these relationships and to avoid increasing poverty. They may even become a source of acquiring land and other productive assets.

The high land concentration, rapid population growth, poor technology, and integration into the cash economy have caused in several countries, e.g. Mexico and

Brazil, shortages of staples for the diets of the rural poor, including the *minifundistas*. The entitlement to food now depends on its price in the marketplace for increasing number of the peasants. The same set of forces have generated pressure on rural households to supplement incomes by wage work. The completely landless, mainly the *colonos*, have become part of the growing structureless labour available for work. The sale of labour and a mix of domestic activities have become their major strategy for survival. The division of household labour is based on age-groups and sex and their integration into the seasonal rural-urban labour markets. A similar pattern is now emerging for the near-landless *minifundistas*, except that seasonal or full-time work outside the farm depends not only on the demographic structure of the household but also on the condition of land. The off-farm income for small-holders, particularly of the migratory workers among the households, can become a source of breaking out of the poverty trap. This alternative is, of course, not available to the landless.

A growing tendency toward the replacement of permanent workers and labour tenants by seasonal workers has been observed in several Latin American countries [30]. This can be attributed to at least three factors. Firstly, with the spread of mechanical and biochemical technology, the plantations and large farms can rationally meet their seasonally uneven demand for labour by dependence on temporary labour services without bearing the cost of maintenance. Secondly, labour abundance due to rapid population growth and availability of part-time *minifundistas* reinforce this practice irrespective of the technology or crop combination. Thirdly, the use of temporary or migrant labour also avoids problems associated with labour organisations. Also, it is easier to evade laws governing the working conditions and minimum wages.

Seasonal workers come from a variety of poor rural households. The most vulnerable among these workers are generally from those landless households who have left the rural areas permanently but have found no stable source of employment in their urban residence, e.g. the *boias frias* or *volantes* in Brazil. They provide a large pool of readily available labour to meet the seasonal demand for labour on plantations or large farms close to cities. The second category of the seasonal labour is from those *colono* households that still reside in or around the haciendas. Their dependence on the hacendados has not completely broken, although the patron-client relation of the past has been transformed into a largely market-like transaction. Finally, there is the migratory seasonal labour, moving between the rural areas as in Peru. It belongs mainly to the *minifundistas* households. This transitory and seasonal labour returns to its own region for maintenance of a peasant system by monetary input from wages. Dependence on wages, much as it has radically altered the traditional relations, has become a source of reproduction of the peasant economy based on the *minifundia*. Of course, in its struggle to maintain a foothold on

land, it has also become a source of cheap labour to modern agriculture and other sectors.

Low wages and insecurity of employment are not the only problems faced by a large number of the poor rural households in their pursuit for several types of employment. Poverty strengthens the hands of intermediaries in rural areas who may be (a) labour contractors on behalf of plantations who make profits through cash advances to seasonal workers or (b) petty merchants or traders and money-lenders who buy produce from the *minifundistas* and give advances. For the seasonal workers, financial intermediation through these sources has become an expensive source of credit and continuous indebtedness [6; 28].

## 2. Africa

The linkages of rural poverty and agrarian structure in Africa are not quite similar to those observed in most Latin American countries. For one thing, many countries in the sub-Saharan Africa are economically far more dependent on agriculture and a higher proportion of their population still resides in rural areas. African agriculture is far more dependent on ecology than on technology. Farming for subsistence of the household is a major occupation of direct producers or small-holders who form a majority of the population. Poverty in Africa is, therefore, mainly in rural areas.

Landlessness in Africa is neither as high nor exists for the same set of reasons as in Latin America and Asia. However, the agrarian structures in Africa have been undergoing a process of differentiation since about the end of the 19th century, after the colonial settlements in eastern and southern Africa and introduction of cash crops in western Africa. There were until then few countries or regions, such as parts of Ghana, Ivory Coast, Northern Nigeria and Sudan, where hierarchical interests on agricultural land were recognised. In almost all other regions, a system of communal land-ownership with individual right to the usufruct of land existed.

The land and labour markets started to develop with the penetration of commercial agriculture, on a small scale in western Africa and on a large scale on the alienated lands settled by the Europeans. The land market appeared in two basic forms. In the European settlements, the land transactions started to play an important role. In western Africa, cash crops introduced and reinforced several forms of tenancies as private property rights were established in the cocoa-growing regions [9; 29]. The ecological differences between regions for growth of perennial or annual crops became an important factor for the interregional movement of people as well. A labour market started to function on both the alienated lands settled as plantations or ranches in eastern and southern Africa and the cocoa farms in southern parts of Ghana, Ivory Coast and Nigeria. In eastern Africa, the indigenous

population from the disadvantaged ecological zones provided wage labour. In western Africa, labour came to the south to work for the cocoa farmers from the northern regions which were ecologically inferior and could not develop equally well.

While the traditional rights to the usufruct of land are still dominant in determining access to land, landlessness has been increasingly observed in several countries. One of the most important reasons for pressure on good cultivable land has been the rapid growth of population. This is particularly evident in those regions where good quality of land in any case was limited. The slash and burn or shifting methods of cultivation provided sufficient production to a subsistence-oriented economy as long as populations were not increasing rapidly and the land frontiers were not shrinking. With the rapid growth in population and constant technology, the inevitable consequences are the falling land and labour productivities and the migration of labour to other rural areas or even cities. In the settled agriculture, increasing population leads not to a shorter fallow cycle, but to a contraction of the average farm size. Rural households with incomes or assets acquired through permanent employment elsewhere are able to increase their holdings while the average size of holding has been decreasing. These trends are observed in both eastern and western Africa: Kenya, Zambia. Nigeria and Ghana are among the important examples. For smallholders, the intensified use of land by shifting to cash crops in certain regions offers an alternative. But it is taken by few, because it increases their dependence on the market for both income and food.

The tendencies toward land concentration and various forms of tenancy — which started with the introduction of cash crops and commercial agriculture in the ecologically advantageous regions — have been strengthened by the expansion of private rights to landownership. Kenya in eastern Africa and Ivory Coast, Ghana and Nigeria in western Africa provide substantial evidence of these processes. Kenya began a national programme of land distribution in the 1950s [18; 27]. In the Ivory Coast, private plantations and large farms in the south cover a disproportionately large area [29]. The customary freehold and various forms of tenancy relations, like *abusa* and *abunu*, are quite evident in several areas of Ghana [9]. In Nigeria the tribal rights to the usufruct of land were transferred to the State in 1978. Consequently, large areas of good agricultural land have been distributed to the private interest groups from urban and rural areas. The wealth accumulated in one way or another during the oil boom has been a major source of access to these lands [38].

Among the rural poor, smallholders engaged in production of their food form the largest group of households. They have experienced reduction in food production per household or even per capita because (a) they have been adversely affected by the shrinkage of land of good quality through ecological degradation, alienation and rapid population growth and (b) the family labour force has changed so that



labour peaks cannot be met adequately, hence lower yields. The migration of labour to the rural cash economy regions or to cities in search of jobs may have been major factors in the food "crisis" observed in several parts of Kenya, Ghana and Nigeria. For the smallholders, specializing in food, increased involvement in the cash nexus makes the barter terms of trade an important determinant of the level of their poverty. The households with access to cultivable area and family or hired labour can increase their productivity and hence offset the declining terms of trade. For the other settled smallholders, it has become crucial to find temporary or part-time employment to survive on land. Female and child labour on the smallholding replaces the migrant male workers.

The other group of smallholders are those more closely integrated into the world market economy through cash crops, particularly in the ecologically advantageous regions. Their real incomes are determined mainly by the barter terms of trade as most of them depend for their cash incomes on the domestic and international markets. Their food needs are not necessarily now met from their own production: they depend on the subsistence producers in the ecologically inferior regions. In several areas, they must hire casual labour, particularly during the peak demand periods. This labour may come from the poorer food growing regions or from other countries. The availability of labour and food production are closely linked. Regional specialization of food and cash crops has been due mainly to ecology and is reinforced by uneven development and government policies. The balance between the cash and subsistence economies of Africa is extremely fragile for two basic reasons. First, the food producing sector is dependent on subsistence households in the ecologically inferior regions. It is vulnerable to the vagaries of nature. Second, the cash economy, though located in the ecologically favourable regions and supported by capital and infrastructure, is subject to price variations in international markets. An external shock in one or both sectors, in the form of either drought or international recession, throws the rural economy off balance and exacerbates the condition of the rural poor.

The occasional droughts in the low-productivity food-producing areas, with depleted labour force, have pushed up the price of food since the early 1970s. In the same period, many African countries saw the prices of their cash crops fall. Falling real incomes of smallholders, specializing in cash crops, forced them to shift to food production. This strategy of smallholders in certain regions has affected the food producing regions in two ways. It has attracted more labour from the poor rural households of the food producing areas, thus reducing food output even more in the less developed regions. While it may have improved the prospects for smallholders in the cash economy regions, the consumption levels of the subsistence households have evidently fallen. Nigeria and Ghana provide these examples. In Kenya, on the other hand, a shortage of labour has been observed with falling real wage rates. The

shortage of labour in the ecologically advantageous regions can be explained by (a) the off-farm employment of family labour at the peak demand time and (b) the immobility of labour from other areas due to inter-tribal differences. The movement of labour from the less advantageous areas, dependent on food production for subsistence of the household, may also be affected by the need for the family labour to intensify the use of land to provide food first in the face of falling real income. The real wages of rural workers have fallen mainly because of the rapid increase in the price of food and other consumer goods.

The most vulnerable group among the rural poor in many parts of Africa is of the landless workers unable to find permanent employment. The number of the landless wage workers is still quite small, but landlessness leads to the need to buy food. There is considerable evidence that casual employment in rural areas has not been expanding rapidly and there is increasing competition for such work from subsistence households. There is thus a tendency, at least in eastern Africa, for reduced number of work days in rural areas, hence the search for work in the urban "informal" sector. The progressive destruction of traditional crafts and occupations, which provided considerable portion of income through self-employment, has been another source of the landless wage-workers in several regions of the sub-Saharan Africa.<sup>6</sup>

### 3. Asia

Many Asian countries, unlike most countries in Africa, have experienced impressive rates of growth of agriculture since the late 1960s. Some have gone through a "green revolution" in wheat and rice, turning them into food exporters. But the positive effects of growth have not been shared by most groups in rural areas. There is little evidence that the rural poor are any less vulnerable now. Rapid technical change and markets are forcing an increasing number of small owner-operators and landless sharecroppers to turn to the market as wage workers for survival. A large proportion of the landless wage workers, as craftsmen, petty traders and service-men, must migrate to cities or other rural areas to look for jobs and incomes. In some countries, such as India and Pakistan, certain regions have not undergone rapid change due to poor ecology or water supply. The rural poor of these regions are migrating to cities for wage work [24].

<sup>6</sup> The economy of the pastoralist in Africa has its own dynamics, though it is closely linked to the larger and settled rural economy. It is threatened by two reinforcing tendencies. The first results from an extended dry season and shortage of food. The second part of it is reflected in the high calf mortality and increased number of dry and infertile cows, thus making the recovery of the herd size slower and less certain. These seasonal adjustments force the cattle owners to protect their livelihood by selling cattle in the bad season. This makes the long term survival of the herd more difficult.

In tropical and sub-tropical Asia, as in the Philippines, Indonesia, Bangladesh and parts of India, soils are fertile and a well settled agriculture has existed for a long time. The man-land ratios are high and land scarcity is reflected in the large number of tiny and fragmented holdings. In the semi-arid and arid regions of Asia, as in some parts of India and Pakistan, land scarcity is not as serious a problem, and the average size of farm is larger, but the small holdings are no less fragmented. Barring the socialist experiments of collective ownership, as in China, communal or tribal ownership of land found in sub-Saharan Africa is virtually non-existent in Asia. The private ownership of land, concretized mainly in the 19th century, is common in most countries. However, a tradition of the "feudal" land system similar to Latin America is not dominant either. There are indeed now only a few regions of any large Asian country where the traditional landlord-tenant system exists. The large estates of the mainly absentee landlords, cultivated by sharecroppers in a patron-client relationship, are found in areas of Pakistan and the Philippines. A plantation system, based mainly on foreign and indigenous large capital and wage labour, is dominant only in the Philippines.

The problem of landlessness in many Asian countries should be analysed in view of (a) the preponderance of fragmented small holdings and (b) the discrepancy between the concentration of land-ownership and access to land. Land concentration, based on ownership, is high even in countries like Indonesia, Bangladesh and parts of India, where about two-thirds to three-quarters of the landholdings are of less than one hectare [14; 21; 35]. Of course, the concentration of landownership is higher still in countries like Pakistan and the Philippines, because a large portion of the farm area is owned by a relatively small number of the land-owning households [25; 37]. In most regions there is considerable discrepancy between the ownership and usufruct of land because of high land concentration and numerous tenancy arrangements. In countries like Indonesia and Bangladesh and parts of India, a high proportion of farms and farm area are involved in sharecropping between small land-owners. But pure (landless) sharecroppers are also quite visible. In other countries, like Pakistan and the Philippines, the sharecropping system is a more "feudal" type, where the landless sharecroppers cultivate small parcels of a lord's estate. This type of tenancy reflects relative scarcity of labour in relation to the large holdings that exist in private hands.

Rural poverty is linked to landlessness in various ways, depending upon the specificity of the agrarian structure. In countries, or regions within a country, where the average farm size is small and fragmented, the pressure of increasing population tends to make the land more scarce, particularly if the alternative opportunities for jobs and income do not grow rapidly outside the farm sector or in rural areas. The demand for land has also been rising rapidly because of the spread of technology associated with the "green revolution", thus raising the value of land with productivity. The increasing demand for land has two main sources. One, there are the

small land-owning households with increased incomes due to either technical progress or off-farm jobs. Two, money-lenders and petty traders through indebtedness, or city dwellers with access to capital and support services, acquire the right of use or ownership of land.

There is thus a double process in progress in countries like Indonesia, Bangladesh and (parts of) India. A process of land accumulation among some households is reflected by a rapid increase in the number and area of the so-called medium farms. The land concentration is both in ownership and use. The other process is of landlessness, transforming the marginal owners into either sharecropping tenants or even wage workers. There has not been a rapid process of "proletarianization" of the landless in many of these countries for two major reasons. First, the landless are used as tenants, not necessarily in the traditional way but in more innovative forms, to allow the control of labour at times of peak demand. More importantly, the use of tenants or sharecropping labourers helps many small owners to become economically more mobile in jobs, education, etc. [14; 16]. The landless rural poor can also be absorbed in the traditionally large "informal" rural sector, admittedly at low wages. This is found at a significant level in Indonesia and Bangladesh.

In other situations, as in parts of the Philippines and Pakistan where the farm size is larger and a "dualistic" structure of landholdings is evident, landlessness results from pressures created by the large farm owners, be they "feudal" or "capitalist". The traditional sharecropping tenancy has been on the decline. A capitalist tenancy-leasing of land at a fixed rent by the large and middle farmers from small land-owners — is on the rise. The profitability of farming due to new and subsidized package of inputs and supporting infrastructure is making the dependence on attached labour far less necessary than before. In fact, capital-intensive farming is raising the rents for the sharecropping tenants due to the increasing value of land and the falling price of labour necessary to make profits. While there is some increase in the use of wage labour, particularly seasonal or casual, the sharecropping tenants still play an important role in controlling labour on land. For the tenants, complete dispossession would create a more precarious condition in that the household will have to depend on uncertain wage employment and purchase food. In view of the limited or even declining absorptive capacity of new technology in agriculture, particularly on large farms, the prospects of wage employment for the sharecropping household look even less promising. A high degree of control of land and labour by large land-owners or landlords allows them to regulate tenancies through a credit or loans to sharecroppers.

Wage labour in the farm sector varies a great deal in Asia, ranging from 20 to 30 percent of all agricultural labour force in several countries to about 60 percent in

the southern states of India. In fact, the rate of growth of the landless farm workers dependent on wages has been far more rapid than that of the total agricultural labour force in the last twenty years [17]. Permanent employment is apparently limited to some plantations or large farms. In some countries, e.g. the Philippines and Indonesia, plantation work is also done by the day labourers at peak demand times. Some of the casual or seasonal work is done by members of the households of small land-owners or tenants, as is evident in countries like Indonesia and Bangladesh through the modified and market-like sharecropping arrangements.

However, in other countries, temporary wage labour is provided by the landless households because of their "inferior" caste or ethnic position in the village or rural society. This practice of dependence on the caste or ethnic seasonal labour is found not only in India but also in the Philippines, Bangladesh and Pakistan. The poverty of these rural households is often the most appalling [17; 31]. It is also from these households that the "bonded" labour in some states of India (e.g. Bihar) comes. Indebtedness to the money-lending land-owners is an important instrument by which the labour service is extracted and the poverty trap is maintained. The other class of households whose poverty is becoming increasingly visible are those who were, for considerations of tradition and caste, village artisans and craftsmen in most south-east and south Asian countries. The development of a cash nexus and the new technology have almost literally disintegrated their traditional role in the village economy. They are among the front-line migrants looking for jobs and income [20]. Since these two classes of the landless have almost no prospect of getting access to land, they must almost totally depend on wage labour in multiple occupations in or outside rural areas. They have often been excluded from most agrarian reform programmes, except in those states of India (e.g. Kerala and West Bengal) in which the governments have actively supported these groups through the peasant organizations and strict enforcement of the minimum wage and tenancy laws [24]. The plantation workers in the Philippines and the *traheel* workers in Egypt are not so well protected. Hence their dependence on uncertain employment and low wages [17; 34].

There has been considerable debate about the absorptive capacity of the new technology associated with the Green Revolution for farm labour in general and wage labour in particular in several Asian countries. There is no conclusive evidence that either the aggregate demand for labour has increased or the seasonality in demand has been reduced. There is, however, evidence in several countries that the number of days of agricultural work done by wage labour have fallen [13; 14; 17; 20; 31]. This has apparently not happened in those regions or villages where the farms are somewhat equally distributed among a large number of households [16].

There are two implications of this general tendency. First, the reduced number of days worked in agriculture may be offset by the increased wage rate in kind or

cash. This has not generally happened in most countries. The other implication is that the loss of workdays in agriculture is offset by work in the non-agricultural activities in or outside rural areas. In view of the rapid increase in population, and particularly of the rural labour force including small land-owners and sharecroppers, the "informal" sector has worked as a sponge for the landless. This is evident in parts of India, Indonesia and Bangladesh. In some countries, like Pakistan and Egypt, migration to the Middle East has been a source of jobs and higher incomes to a part of the rural population. While the landless wage-workers have not been the direct beneficiaries of this large-scale migration, their income levels have been positively affected by the shortage of labour and the new spending of the households receiving remittances [13; 20].

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## **Comments on “Landlessness and Rural Poverty in Underdeveloped Countries”**

I would like to begin my comment by congratulating Prof. Mahmood Hasan Khan on presenting a well-researched paper.

Prof. Khan has shown that there is a positive relationship between landlessness and rural poverty. The growing landlessness, resulting from high concentration of land, penetration of capital and technology, and rapid population growth, is accompanied by increased poverty of the masses in the majority of the developing countries.

Prof. Khan also finds that, although increased land productivity, high wages and better chances of employment in or outside agriculture may offset the adverse effects of landlessness on rural poverty, the trends in these factors have tended to accentuate the problem. Banking heavily on the findings of a number of recent studies, Prof. Khan has successfully argued that the real wages, except in Pakistan, Egypt and Brazil, seem to have declined in most of the less developed countries. Although no direct evidence is cited on rates of growth of employment in agriculture, stagnation of labour demand in the farm sector was predicted on the basis of reduced number of work-days noted by many studies. Wherever productivity of land increased, it failed to result in an increased demand for labour. Employment in the non-farm sector was mainly restricted, it was argued, to informal sector characterized by low levels of productivity. The modern non-farm sector offered little, if any, employment opportunities for the growing labour force.

Finally, the paper seeks to explain the relationship between landlessness and rural poverty by a study of changes in the evolutionary process of land tenure systems.

In spite of its theoretical logic, Prof. Khan's paper cannot be regarded as a comprehensive piece of rigorous economic analysis for at least three reasons. It is based on faulty conceptual framework. Its conclusions contradict the available empirical evidence. It goes into the unnecessary discussion of evolution of land tenure systems as a possible cause of increased poverty.

Obviously, Prof. Khan's analysis of poverty and landlessness in the underdeveloped countries is based on the experience of a limited number of countries.

The level of poverty being highly variable from country to country, it is questionable to rationalize the experience of a few developing countries to represent the entire underdeveloped world. In addition, Prof. Khan's estimates of poverty come from a varied number of sources using various definitions of poverty lines. As the level of poverty is highly sensitive to the assumptions underlying the poverty line, one wonders if the cross-country variation in poverty was not the result of varying definitions of poverty lines used by various authors. The distortions of economic analysis resulting from these problems, however, may be considerably straightened out by lining up strong empirical evidence in support of perceived judgements.

It may be interesting to note that there is a complete lack of empirical evidence in Prof. Khan's paper. Wherever such empirical evidence is available, Prof. Khan ignores it completely to conclude to the contrary. For example, contrary to his conclusion of increased poverty, the data in his Table 4 clearly show that rural poverty has been on the decline in recent years in almost all the countries for which time-series data are available. Similarly, against the inconclusive empirical evidence of his Table 1, Prof. Khan has surprisingly opted for the conclusion of growing landlessness in the developing countries. It follows from the foregoing that no discernible relationship between rural poverty and landlessness can be postulated on the basis of Prof. Khan's data.

Equally untenable are Prof. Khan's conclusions regarding real rural wages (labour productivities), employment and land productivities in the underdeveloped countries. Prof. Khan's evidence regarding falling wages is partial at best and is the result of diverse sources of wage data and the shifting base years from country to country. Taking the *1985 Year Book of Labour Statistics* as the common source and defining 1975 as the base year, it would turn out that there was a slight decline in real wage in agriculture in Ghana, India and the Philippines with substantial increases in wages in all other countries between 1975 and 1980.

Prof. Mahmood Hasan Khan's contention of deteriorating employment can not be substantiated except by reference to the case of Indonesia. Most of the developing countries seem to have witnessed substantial improvement in employment in recent years, both in agriculture and in the economy as a whole. For example, the economy-wide employment growth rates between 1975 and 1982 were in excess of 5.0 percent in Mexico, Bangladesh and Colombia. They varied between 3.0 and 4.0 percent in Kenya, Pakistan, the Philippines and Brazil. The respective growth rates of total employment for Peru, India, Ghana and Egypt were 2.73, 2.37, 2.04 and 1.63 percent, respectively. While the growth rates of employment in agriculture reflected similar trends, they were less spectacular than the economy-wide growth rates. This, however, is understandable because the high growth rates of employment in the rising and perhaps highly remunerative sectors leave only fewer people for employment in agriculture. This seems to be especially true as the economy-wide

employment growth rates in recent years have tended to be substantially in excess of the labour force growth rates.

In a situation of rising real wages and growing employment, as shown above, there is hardly any room for such conclusions as reduced number of workdays in agriculture due to slack labour demand conditions, and the falling or stagnating labour and land productivities. It may be interesting to note that if the number of workdays in agriculture have really fallen, they cannot be attributed to slack labour demand but to the improved efficiency of agricultural operations made possible by the introduction of improved implements such as seed drills or mechanized cultivation with tractors. Similarly, the wage rate and employment increases would largely be self-defeating if they were not accompanied by corresponding increases in labour and land productivities. Prof. Khan's conclusion of stagnating land productivity seems to be naive for other reasons as well. It is neither logical nor has any empirical content. In view of the rising use of chemical fertilizers and an increasing reliance on high-yielding cereal varieties, there is a strong likelihood for crop yields and land productivities to rise with the passage of time. In fact, the empirical evidence available in the *FAO Production Yearbook 1984* shows that the crop-yields in the developing countries were 12–32 percent higher in 1982 relative to the average for 1974–76, depending on the crop under consideration.

To conclude this comment, it may be stated that as against the postulate of Prof. Mahmood Hasan Khan, there seems to be no discernible relationship between rural poverty and landlessness. With this conclusion in mind, I do not think that there was any need for Section III of Professor Khan's paper to attempt to explain the relationship between the two seemingly unrelated variables of landlessness and rural poverty through evolutionary changes in the land tenure systems. It is also in view of this lack of relationship that I have refrained from commenting on a major part of Professor Mahmood Hasan Khan's paper.

## **Comments on “Landlessness and Rural Poverty in Underdeveloped Countries”**

I must pay my compliments to Prof. Khan for focusing on the phenomenon of rural poverty in the Third World. Prof. Khan sets before him two important tasks, viz. measuring the level and trends in the incidence of rural poverty and understanding the economic processes that perpetuate rural poverty in developing countries. Not being as knowledgeable as Prof. Khan is about the phenomenon of rural poverty in the three continents of Asia, Africa and Latin America, I have chosen to focus my comments on methodological issues and identification of some aspects relevant to the problem but have not concerned myself with the analysis presented by Prof. Khan.

### **I. EVIDENCE ON INCIDENCE OF RURAL POVERTY**

Understanding the analysis of any problem is easier if a broad agreement is reached on the stylized facts of the phenomenon under discussion. As I understand it, the evidence on level and trends of rural poverty presented by Prof. Khan shows that in most countries rural poverty increased considerably when their economies experienced commercialization of economic transactions; and that poverty afflicts a high proportion of rural households in most of the underdeveloped countries irrespective of the level of per capita income or the extent of urbanization. Prof. Khan further argues that the persistence of rural poverty is an outcome of the nature of the growth which has been, by and large, of the immiserizing type in most countries.

The immiserizing character of the commercialization process of agricultural economies highlighted by Prof. Khan needs solid empirical support to avert the possible danger of climbing up the wrong tree in order to explain the analytics of the rural-poverty phenomenon. Even after a careful reading of Prof. Khan's paper, one does not get the flavour of the intense debate that has raged in the literature regarding both the method of analysis and the mixed nature of findings in different countries and over different time periods. Prof. Khan does not identify the kind of poverty measure used by different authors in studies of poverty of different countries or regions within a country. It is extremely important to know whether

poverty was measured in relative or absolute terms. If it is measured in relative terms, then what the author has focused on is the famous Kuznet's hypothesis. The increase in inequalities during the early phases of the growth process is hardly a surprising finding. It seems, though one is not 100 percent sure, that for the few selected countries Prof. Khan has presented evidence on, poverty is defined in absolute terms. If poverty was measured in absolute terms, it would have been useful to know the kind of poverty line adopted in studies for different countries. Various issues arise in this context. Questions like the application of a uniform poverty line across different countries, adequacy of using nutritional-based poverty lines, and the choice of an appropriate price-deflator used in deriving a constant-price poverty line are obvious candidates for a detailed scrutiny.

Secondly, it would have been extremely helpful if the readers were informed about the reliability and comparability of the basic data used in the measurement of poverty. The data used are often generated by a variety of data-collecting agencies. Data generally are from Household Income and Expenditure Surveys or Household Nutrition Surveys. Information on real wage rates, number of days of employment, and changes in the relative prices of important wage goods are used when household survey data are non-existent or are of a doubtful quality. In view of the underdeveloped nature of the statistical systems in most of the developing countries, it is important to have a rough judgement on the reliability of the data used and their comparability over time if the intent is to measure and evaluate trends.

Thirdly, the geographic canvas that Prof. Khan is painting on is very wide as he tries to capture changes in the incidence of poverty in the continents of Latin America, Africa and Asia. However, the choice of countries for analysis by Prof. Khan is both partial and selective. The choice appears to have been made with the intention of proving the central thesis of poverty accentuation with the unfolding of the growth process in underdeveloped countries. It is difficult to exclude from analysis countries like South Korea and Taiwan, which grew rapidly and succeeded in alleviating the incidence of poverty to a significant extent or countries like Sri Lanka whose growth performance has been of the lacklustre type, but whose record in eradicating poverty has been truly commendable. Lack of data and/or published research for such countries could not have been the reason for ignoring these cases. Their inclusion in the analysis would certainly show the limited validity of Prof. Khan's vision of immiserising growth for the Third World. That Prof. Khan's findings on this score are suspect is seen when we measure the poverty and changes in its incidence, using a standard measure of poverty across countries. Using the World Bank's definition of poverty of a per capita annual income of less than US \$ 50 in 1960 prices, the percentage of population falling below the poverty level declines from 46.8 percent in 1960 to 30.1 percent in 1980 for all non-communist developing countries. It is possible, indeed quite likely, that in some countries the incidence of

poverty may have gone the other way and the proportion of people below poverty line may have increased. The point to consider, however, is that the equity record in the Third World may not have been as bad as it is shown to be by Prof. Khan.

It is worth while to point out here that, contrary to the position taken by Prof. Khan in terms of his measurement criterion, the proportion of the population which is poor is not the sole indicator of poverty. The absolute size of the poor population and the way their numbers change through time are also relevant. Poverty measured by this yardstick remains a serious problem as the arithmetic of population growth in contemporary developing countries is such that the numbers of the poor may keep on increasing for quite some time despite a fall in the proportion of people below the poverty line. It is also possible that a fall in the percentage of poor people may be accompanied by a further impoverishment of some vulnerable groups like landless labourers, small peasants and deficit food producers.

## II. DETERMINANTS OF RURAL POVERTY

The part presenting evidence on poverty may be weak but it turns out to be much stronger than Prof. Khan's discussion about the determinants of rural poverty in his second part if his contribution is evaluated relative to what he had set out to do. The evidence on poverty provides a useful starting point for gathering pertinent information for a larger set of countries. The identification of the determinants of poverty by Prof. Khan throws up a long list of factors with no clues as to which one of these is important at different stages of the growth experience. In my view, the analysis by Prof. Khan has many weaknesses. An identification of some problem areas may suffice to indicate the directions for further research.

Firstly, the paper offers no model, formal or informal, that could have identified relevant determinants of poverty of general validity for the Third World. As it stands, the paper gives the impression of a somewhat disjointed effort to locate the determinants of poverty from different theoretical viewpoints, which are not necessarily incompatible with each other. Prof. Khan could have modelled the Third World as a separate entity and its characteristics could then have been used to test various hypotheses regarding the phenomenon of rural poverty. The author could also have modelled a particular economy and seen how the course of rural poverty was determined.

Alternatively, the author could have generated and tested hypotheses from within the existing theoretical frameworks like dependency theory which divides the world into a core and a periphery and explains the underdevelopment and poverty in the periphery in terms of its structural relationships with the core [1], or the world system approach which assumes the existence of a one-world system with a separate

distinct identity and maintains that its characteristics shape the evolution of the system including the regional spread of poverty [2].

Secondly, Prof. Khan singles out landlessness and near landlessness as major correlates of poverty; but he makes no attempt to establish empirically the exact relationship assumed to exist between the two variables. The author also does not explicitly argue whether the limited access to land for different rural groups is a cause or a symptom of rural poverty. That landlessness can be an indicator of poverty is easily seen. Immiserizing growth for which Prof. Khan has presented some evidence and/or the prolonged droughts which had occurred at frequent intervals may have forced small land-owners to incur debts, to begin with, but ultimately to sell the mortgaged land in more or less a buyer's market to service the debt liabilities. Abundant evidence on this issue is found in the literature that shows that in the wake of the Green Revolution large land-owners increased their land holdings as a result of purchases of land from medium and small land-owners.

Putting aside the question whether landlessness or near landlessness is a symptom of poverty or not, there is some validity in Prof. Khan's argument that poverty is caused by landlessness in most of the developing countries. It is easy to see that landlessness and freedom from poverty are positively related. However, a number of pertinent issues ignored by Prof. Khan need to be addressed to establish the exact causal connection between land holding and poverty.

The first issue to be resolved is whether landedness be measured by ownership of land or by the amount of land available for operation without necessarily having the ownership rights. Owners of land earn rental income from land that they rent out and have an opportunity of combining management and labour on the land that they operate themselves. On the other hand, it is worth while to note that owners whose land is mortgaged have travelled most of the way on the road to landlessness while tenants, though owning no land, get access to land and can combine management and labour on leased lands. The second issue concerns the exact definition of land even when the choice regarding ownership or operational status of land holding has been made. Insufficiency of land can be measured in terms of either arable land or of total land — both arable farm land and land under homesteads. Land reserved for the latter purpose not only provides a plot on which a house can be built but it can also be used to provide income from such activities as poultry raising or vegetable growing. This additional source of income can be important as a supplement to family income and for poverty alleviation. The last, but not least, relevant issue is the need to standardize land for its quality, as a cut-off point, to determine the limit below which poverty and land holdings are interrelated. Small holdings in irrigated areas are a good protection against poverty but not quite so in unirrigated areas.

Thirdly, Prof. Khan, in his analysis, talks about the ownership or access to private land as a determinant of poverty. In most countries, especially in the earlier phases of their historical experience, common land accessible equally to all members of the community was an important source of income. Common property rights had inhibited poverty by providing equal opportunity to graze cattle, collect firewood and wild foods, hunt, and catch fish from community fish ponds. Excessive use of the common lands, without proper upkeep, and their enclosure have hit hard the poorer segment of the rural population.

Fourthly, Prof. Khan's discussion of the evolution of agrarian structures is very informative. The argument that the severity of poverty can be explained by the different experiences of countries regarding their socio-economic history, which determines the command over land by different groups, is certainly very appealing. But, unless precise links between poverty and changes in the agrarian structure are established empirically, this type of analysis remains superfluous.

Lastly, understanding of the economic processes that perpetuate rural poverty is only the first step for designing a package of appropriate development policies for eradication of poverty. There is need also to understand the analytical aspects of different economic policies that may be employed in the developing countries. Costs and benefits of different policies are distributed unequally between different groups. Political and administrative feasibility of policy instruments also varies between countries. Some countries with poor land resources and/or initially skewed land distribution have succeeded in eradicating poverty, while other countries with rich land resources have failed to redress the incidence of poverty. This fact underscores the significance of an appropriate package of development policies. Prof. Khan's lapse in ignoring this important area is especially serious as the forum of the Pakistan Society of Development Economists is meant partly for an interaction between policy-makers and economists.

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