

OVERVIEW

THE 90'S - SEARCHING FOR SYNTHESIS

The turbulent and the tormented 80's are over and we have stepped into a new decade the 90's.

The 80's started off as the decade of hope and ended as the decade of change. Among other things the 80's also witnessed the partial or complete failure of almost all the development models - be it 'state socialism, 'dependency model' or the unbridled monetarism of Reagan and Thatcher. And that will be one of the main challenges we will face in this new decade - to create a new economic philosophy and a development strategy which will benefit not just a small strata in our society but the majority of our people and thus will stand the test of time.

Mr. Eduard Shevanardze the Soviet Foreign Minister recently said that the new society which will emerge in his country from the ashes of state socialism will be a synthesis of the best aspects of east and west of capitalism and socialism. "The working classes were the inheritors of all previous European science and philosophy" Fredrick Engels said once. Our task for the 90's is to build a new economic philosophy and a new society which encompasses all the advances made by human kind throughout history - irrespective of all barriers.

And a new society can only be built on the basis of a new thinking.

In this issue we have tried to examine the ongoing process of re-distributing state-owned land among landless peasants the philosophy behind it and its implementation. This new land reform programme is

a good example of a synthesis which creates a new thinking on the question of ownership of wealth, the issue of peopelisation. An important step in creating " an economy of the people, by the people for the people". - a people economy - which may be the only alternative to the economics of state or private monopoly.

Dr. Gamini Corea in his article talks about a new strategy for development based on poverty alievation, the preservation of environment and a strategy which is a synthesis of the best of capitalism and socialism - growth with equity, profit with social welfare.

Samir Amin's "The crisis of capitalism, the crisis of socialism" and Abel Aganbegyan's article on economic reforms are attempts by two of the best known socialist economists in the world to come to grips with these monumental problems faced by mankind and to chart a way out. Aganbegyan's article would be of special importance to those of us in the Third World because it offers us the chance to learn from the mistakes of the socialist countries. It also offers us a glimpse of the "light at the end of the tunnel".

The 90's undoubtedly will be "a decade of new thinking. As to whether this new thinking is another utopia or the only way out of the impasse humankind has found itself in, only time will tell. But we have to make the attempt if this planet is to survive, if we are to welcome the 21st century with a clear vision of the future. And that is the challenge we face in the 90's. T. G.!

Land had been crucial to the survival and the progress of mankind from time immemorial. As a result, problems and policies relating to land have always occupied a central place in human society, irrespective of country, era and socio-economic system.

History has shown so many times that the success or failure of a ruler, a regime or even a socie-economic system would depend to a great extent on its ability to handle the agrarian problem - the problem of land - correctly. And this is being proven once again on a world scale today in most of the socialist countries. A main factor which contributed to the present crisis in these societies was the mishandling of the question of land, the failure of their agrarian policies.

Sri Lanka's rural rebellion and the currently ongoing process of redistributing state - owned land among the landless has highlighted the critical question once again. A brief look at some of the basic statistics is enough to give us an idea as to the acuteness of the problem and consequently how desperate the situation is. According to the reports of the Department of Census and Statistics and the Agrarian Research and Training Institute.

*27% of peasant households are landless

*42.4% of the holdings are below one acre.

*82% of the holdings are below two acres.

*82% of the rural households earned incomes below Rs. 400 per month.

*44% received incomes below Rs. 200 per month.

*70% of the country's total unemployed are located in the peasant sector.

How did it happen? After really we can't accuse any of our post-independent governments of ignoring the agrarian question. Take a look at the election manifestos of all political parties from 1948 onwards and will see land occupying pride of place. And throughout this time we've had so many land reform programmes that it's almost impossible to keep count of all of them. Thus if land has occupied a central place in the development programme of all the governments why have these problems of landlessness, rural poverty and unemployment become so acute?

LAND TO THE STATE

The current situation in the socialist countries, their new thinking on the agrarian question and the changes that are taking place in the countryside as a result, will shed some light on this dilemma. That and one other crucial fact - a finding of the Land Commission of 1985 - 82.5% of the total land mass of Sri Lanka is under the ultimate ownership of the state.

Most people would agree that the wealth of a country, especially the land, should belong to the nation - i.e. the people of that country. That is the meaning of that often abused and misused word nationalisation. For example, the stated aim of the Land Reform of 1972 was to nationalise privately owned land and 563,411 acres of private land was brought under state control.

Nationalisation? Not quite. State is not equal to nation - i.e. the people of a country - but is an alien entity. Thus our nationalisation programmes have not established public ownership over land. They have only led to the creation of a state monopoly over land.

"IN THE FINAL ANALYSIS, THE ELABORATION OF A MODERN AGRARIAN POLICY IS INSEPARABLE FROM THE FORMATION OF NEW NOTIONS ABOUT SOCIALISM AS A WHOLE AND ABOUT ITS SOCIAL AND ECONOMIC PROSPECTS."

Mikhail Gorbachev - REPORT TO THE PLENARY MEETING OF THE CPSU CENTRAL COMMITTEE - MARCH 15/16 1989.

Monopolisation of any resource, whether by the state or by various private enterprises or individuals, is equally undesirable. And a situation where the State owns 82% of that most important resource - land - can only be termed abnormal. Monopolisation of the ownership of land by the State is not an aspect of socialism (as many people believe) but a residue of feudalism (at the level of consciousness). True nationalisation of land is not putting the land under the ownership of the state but creating a situation where the majority of actually own the land. Viewed in the light of the new socialist thinking the concentration of land whether in the hands of the state or a few private enterprises or individuals goes against the spirit of genuine nationalisation. Therefore, peopleisation should be the key concept and the basis of nationalisation.

THE TILLER AS MASTER

De-monopolisation and making the people the real owners of the land is an important aspect of Gorbachev's new thinking. Under the slogan "Land to the Tiller", the new agricultural policy of the USSR emphasises the need to de-collectivise, establish more and more small-scale farms and to make the family the most widely prevalent unit of production. Gorbachev made this very clear in his address to the Central Committee of the CPSU on March 16 - 17 1989. "Firstly the entire experience of socialist transformation in the countryside, with all their achievements, gains and enormous

losses corroborates Lenin's overriding idea that agrarian policy should be geared to forging such relations of production and such forms of economic management that would firmly assist the farmers as the masters of land."

According to Gorbachev the system of state and collective farms had turned the peasant members into "day-labourers". Obviously he is not exaggerating because these farmers have no old-age pensions, no passports and could not leave their villages without permission. And the farms could not buy even a nail or a bulb in excess of the limit imposed by the all-powerful plan designed by the state - a Soviet economist described this system very aptly as an exercise of bureaucratic palimony. Not surprisingly this situation had led to a crisis of unprecedented proportions in the agricultural sector, a situation where the Soviet Union is behind developed countries (and may be even some of the developing countries) in labour efficiency, yield capacity, livestock productivity and diversity and quality of food. And the gap is widening.....

Lenin, when introducing his New Economic Policy (NEP) in 1921 said that "the basic thing is to give the small farmers an incentive and a spur to till the soil." And that's what the Soviets (and other socialists) are trying to do - to create a large section of small farmers (an almost extinct

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bread until recently) and to motivate them. Already 6.0 million farmers have been given individual plots during the past three years.

The nucleus of the new agricultural policy is to institute a radical change which will make the farmer the master of land. According to this policy small scale farming (family farms) will be a "component part of the economic system and not a temporary phenomenon." The need of the hour of this country is to overcome among other things the acute food shortage. Because as Gorbachev once said "Only the farmer as the master of the land and not a hired farmhand can restore rational land use."

And that is the test before the Sri Lankan policy planners as well. To give land to the people to make the tillers the masters of their land. It was precisely this re-distribution aspect which was almost totally lacking in all our previous land reform programmes. Though there was supposed to be a new approach to this problem after 1977, empirical evidence proves that this new approach was nothing other than a variant of the old approach. Thus though the importance of the redistribution of state-owned land among landless peasants was officially recognized [Land Grant (Special Provisions) Act No. 34 of 1979] but the unit of allocation was limited to one acre and thus too small to be economically viable. As a result of this limitation, the total extent of land distributed to landless persons of lower income groups upto the end of 1985 was only 21,027 acres.

However 43,489 acres of land acquired under the reform were released to people who were politically victimized by April 1982. Further under the Land Reform