

Emerging Village Patterns Through Land Reform in Sri Lanka

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Man's relationship to land, and the patterns of landholdings and land use, are moulded by the interaction of a multitude of complex forces—agro—ecological, economic, social, cultural, political, religious. Land reform is concerned with changing the socio-economic cultural-political superstructure and also the institutional structure governing man's relationship with the land. Hence, land reform would involve intervention in the prevailing pattern of land ownership, control and usage of land in order to change the structure of holdings, improve land productivity and employment and broaden the distribution of benefits. Land reform, therefore, by its very context, has interlinked economic, social and political dimensions which in turn have significant implications for human development.

The level of economic development of a country has a very strong influence on attitudes towards land. The more industrialized a country, the smaller the proportion of the population in agriculture and the less significant the role of land in the economy. In countries with mobile populations which have ample opportunities for employment, land is often seen merely as one factor of production in a highly developed commercial agriculture. However, in less developed economies with large rural populations, limited alternative opportunities and increasing pressure on the land, the access to land may provide at least a subsistence income. In these circumstances, producers see land as more than a factor of production; it may well provide the margin between destitution and subsistence.

Economic development has three basic-objectives; rapid economic growth, full employment and dis-

tributive justice. Some policies and related investments are primarily growth-oriented, others such as those for rural works, are employment-oriented; still others, such as those related to land reform, are essentially equity-oriented. In the context of Sri Lanka, land reform is both growth-oriented and employment-oriented whilst being equity-oriented. Hence, it calls for various patterns of ownership and management of land to achieve these objectives.

LAND AREA

The total land area in Sri Lanka is 16,228,200 acres, of which 4,582,400 acres are in the Wet Zone and 11,645,800 are in the Dry Zone. There are 4,947,690 acres already developed for agriculture of which 1,416,325 acres are under paddy and 2,322,989 under perennial plantation crops. The rest of the land (990,000 acres in the Wet Zone and 5,680,000 acres in the Dry Zone) is not available for agricultural development due to its being covered by water bodies, rivers, etc. Once the 1,500,000 acres which are reserved for irrigation purposes is taken away from the already developed agricultural land what is available for all agricultural use is only 3,120,510 acres. Thus land becomes a scarce commodity. The Land Reform Law vested in the Land Reform Commission 974,885 acres of cultivated and uncultivated land both from the Wet and the Dry Zones. This comprised 559,377 acres vested from the Land Reform Law No. 1 of 1975 and 415,508 acres of cultivated agricultural lands (estates). With the Land Reform Law 1,500,000 acres belonging to 5600 persons, owning over 50 acres, came to be declared to the Land Reform Commission, of which only 559,377 acres of cultivated and uncultivated land came to be vested in the Commission. Under the Land Reform (Amendment) Law of 1975, a further 415,508 acres of estate land owned, possessed or managed by a public company, both

sterling and rupee, consisting of 396 estates (191 sterling, 205 rupee and 20 owner managed) controlled by 232 public companies (87 sterling, 145 rupee and 20 owner controlled) came to be vested in the commission on October, 17th, 1975. A major part of 375,000 acres of Viharagam and Devalagam lands (250,000 acres of Paraveni lands and 125,000 acres of Bandara lands, of which about 15,674 acres consist of paddy lands cultivated by 12,750 tenant-cultivators) did not come within the purview of Land Reform. Lands belonging to trusts, Churches, Mosques and Hindu Temples were exempted from the Land Reform Laws of 1972 and 1975.

Until about 1973 lands were managed mainly for profit maximization without any reference to social, economic and cultural problems in and around those lands. Hence, similarities in land management of lands in the Wet zone and selected areas in the Dry Zone could be seen. The traditional approach of government to socio-economic pressures on land has been to seek to create new holdings in the Dry Zone—to expand the base of production. The colonisation schemes since their inception in 1935 have settled 87,000 families on 390,000 acres of land, of which 1/3 consists of unirrigated high lands which have not been put to much use. Apart from this a further 32,700 acres have been alienated to 8,916 allottees in highland colonization schemes in the Wet Zone. Village Expansion Schemes upto 1970 have provided 772,243 acres in the Dry and Wet zones to 603,886 allottees, most of these represent residential allotments.

During this period, however, as much as 300,000 acres have been illegally encroached upon. Between 1911 and 1970 while population increased by 300%, the cultivated area increased by only 66% with a fall in the cultivated area per head of population from 2/3 acre to about 1/3 acre in 1970. Thus, the land-man (cultivated) ratio was lower in Sri Lanka in 1970 than even in Malaysia, the Philippines or India. However, even when abundant cultivable land was available in the Wet Zone covered with tea, rubber and coconut plantations land was made available to the landless who wanted land for

cultivation, due to pressure of plantation capitalism. Therefore, with the objective of providing employment and increasing productivity, land reform was introduced culminating in the nationalisation of estates.

LAND CEILING

Land reform fixed a ceiling on landownership in Sri Lanka. The ceiling meant 25 acres of paddy land or if the land does not consist of paddy land — 50 acres. But the total extent of any paddy land comprised in such 50 acres should not exceed the ceiling on paddy land. The main feature of paddy land holdings in Sri Lanka is their extremely small size. Thus, ceiling on paddy land was not meant merely to provide means for redistribution but also to consciously provide greater intensity of cultivation per acre with the ultimate hope of consolidation of holdings in the future by way of service co-operatives.

Land reform by nationalization serve social, economic and political ends. The plantations are the largest holdings in Sri Lanka and their owners the richest. Most of them have been taking out the surplus values of plantations and investing on other investments or repatriating abroad whilst dependent on subsidies from the government. Moreover, the largest extent of foreign ownership existed in the plantation sector. Their linkages through agency houses to foreign interests provided the greatest degree of foreign control in the Sri Lanka economy. Due to these aforesaid factors it was politically, socially, economically and morally indefensible to apply ceilings on Ceylonese individuals and persons without applying similar laws on large foreign owned estates. Hence, the nationalization of estates. Another factor was that these plantations surrounded existing villages, making it impossible to solve the land problems of the villages without expanding into the adjoining plantations. This was another factor that impelled the nationalization of estates.

1972 and 1975 Laws

The Land Reform Law of 1972 and 1975 was very speedily implemented and as far as the take-over of land was

concerned in a manner not comparable to similar measures in any other country. The major question now is whether it is possible for long to run these plantations in the same traditional style with hired labour and centralized management. The plantation is undoubtedly the most modernized and highly capitalised sector in our economy. The dualistic character of the rural economy with a highly capitalist plantation yielding income, using hired labour and taking the profit out of the rural economy and not investing it for the peripheral development; and a backward peasant sector starved of income, capital and land for development are also causes for land reform. The plantations by their very character deal with large extents land. They denote large capital investment; a large concentration of labour employed under the system that prevails in order to produce private profit for the owners of that capital, as well as a highly modern system of both organisation and of cultivation. The best results of agro-science relating to production and manufacture are harnessed to the tasks of production. Further, plantations do the manufacturing or processing on the plantation itself, especially tea, so that there is not only an agricultural side to a plantation, but also a processing side which in a sense is at the core of the whole plantation system which ultimately is meant to sell produce abroad hopefully at a profit. Such a complex plantation system requires a similarly complex financial system and services. So the banking system has to be adequate with its service to the production task, there has to be also a transport task, packaging and preparation tasks for export, and also the actual exporting tanks which involve shipping and insurance as well.

Plantations were from the beginning an area for investment of capital from abroad, based primarily in Britain. The workers on the plantations who were drawn from South India were settled in plantations and became the permanent labour force regimented and controlled ruthlessly earlier by the 'White' and later by the 'Brown' Sahibs. The rest of the economy in Sri Lanka from the beginning was nothing more than a continuation of the essentially subsistence economy

which served primarily the peasant population. Hence the dualism of one enclosing the other, one exploiting the other. In fact in the everyday operating of these two economies there was very little interchange either in the form of exchange of commodities or in the form of integration of human beings.

Foreign ownership of our plantations based primarily in Britain and well looked after by a system of management by agency houses was a feature in the plantation sector in Sri Lanka. After nationalization they now act as the statutory trustees of the Land Reform Commission. This created, though it is not realised, in the management form the precise functions of the "Periya Dore" (Superintendent) of the plantations. He was the proprietor's representative on the plantation with the agency house which controlled them, supervised them, appointed them, promoted them, dismissed them or retired them. In a way there was a regimentation element, certainly an autocratic element, in the relationship of the "Periya Dore" within the hierarchy of the workforce. He was what one could call the sort of "Dutch Uncle", the autocrat, in his own world who looked after and punished, if the need arose, the mass of workers.

The Agency Houses managed the cultivation, production and marketing of estate produce on behalf of the principals—the companies and proprietorships within the Agency. Their activities were broadly to manage the agriculture asset, provide the necessary services and those functions connected with the management of the companies affairs in relation to policy making, finances, accounting, maintenance of books and records and such matters. Estate management includes budgetary control, cultivation advice, manufacturing advice, recruitment and disciplinary control of estate staff including the Manager/Superintendent, Secretarial and Accounting services including maintenance of records, financial control, granting of credit to principals, procurement of estate supplies, tax advice, the handling of exchange control matters relating to shipment of teas to the London Auctions, remit-

tances of dividends and Head office expenses, provision of insurance, shipping service, arrangement of the transport, storage and sale of estate produce, acting as directors on boards of Rupee Companies, procurement of consultancy services regarding legal and engineering problems, liaison services with government institutions and miscellaneous services like printing. Thus, the management pattern was highly centralized in the pre-nationalization private sector plantation system. This pattern of management has to change after nationalization. How this is going to be done and what patterns of management of land are emerging and would emerge in the future is the challenge we face.

New Patterns

The Land Reform of 1972 gave birth to a number of ownership and management patterns. It gave birth to a centralized state sector which is now gradually being decentralized, to a co-operative sector, to a collective sector and to a system of political leadership in the management of land resources which is new and developing side by side with the highly capitalized estate sector.

The plantations employing imported foreign labour has now to integrate with adjoining villages. If from the beginning local village labour was employed interpenetration of the estate and village would have given birth to a different pattern of plantation ownership and management like in the coconut sector, with a large percentage of small holders but yet largely export-oriented producing for both the domestic and export market. This is one explanation of the interpenetration of the village and the plantations. Land Reform has also given rise to a large number of small holdings whose management has to be consolidated and made efficient.

The 1975 nationalized plantations too would have to be managed on a re-oriented management pattern which are not alien but in line with the social, economic and political trends of the country. In this task, the land reform authority will have to be replaced by a land use authority in that once the rest of the lands are taken over, proper land use planning and

land capability studies in relation to crops and diversification will have to be undertaken. Sacrifices will have to be made for the benefit of human lives in that where necessary, even the best of estates will have to give way to the needs of food production and human settlements.

The needed changes

The emerging pattern of management envisaged will of course be much different from what it was and what it is basically. The very concept of 'land' is changing; ownership of land will definitely be secondary to productivity. Official guidance and interference with the farmer will have to give way to a leadership pattern evolved around political leadership. Exploitation will be replaced by self-management.

The autocratic Periya Dore system will be replaced by a manager who works with the workers and earns their respect and confidence. Profitability in terms of exploitation by way of minimizing costs by reducing inputs and work in estates will now give way to social profits by way of surplus values earned by workers which cannot be frittered away to an urban economy but used in the estate for worker welfare and upliftment by way of better schools, better hospitals, better houses, better amenities; whilst part of the surplus is used for the betterment of the village surrounding or adjoining the estate. The manager of the estate will integrate and give leadership in the village. He will have to take part in the activities of the village. The role of village level institutions like the Agricultural Productivity Centre, Cultivation Committee, Janatha Committee the Electoral level Development Councils, the Political Authority, the Conciliation Boards will definitely take a new shape.

The pattern of trade unions which fought the owners will give way to a workers association which works for workers betterment, develops worker leadership, educates workers in self management and uplifts him to that of a dignified human being who can live with self respect and be a partner in the process of his development, the development of the adjoining village and his own estate.

All these changes that would emerge will need to be planned and guided properly. In this set up plantations need to be diversified not only in crops but also in their management. Here a "Co-operatised" pattern of management may emerge in the plantation structure as an alternative to the present form. The ownership would be common and land use will be common. The owners are the members of the cooperative who are also the workers on the estate. The ideal of the worker being also the owner of the means of production is achieved in the long run. This means there cannot be fragmentation of the property nor reduction in productivity. It could mean more employment, more income and increased output with a membership who understand what they do, for whom they work and for what purpose. Here, the concept of "Janawasa" needs to be examined.

Janawasa

The Janawasa is essentially a compromise between the need to increase productivity whilst opening employment opportunities. It is also a compromise between the need to maintain the plantation as a viable unit and the need to decentralize ownership and decision making. A Janawasa is a settlement of people brought together for the purpose of making optimum use of a given unit of state land, leased from the state for the purpose of collective and communal farming and sharing of profits based on the quality and quantum of individual effort.

This pattern, thus renders itself ideally for increased productivity per unit of land as well as per unit of labour. It also gives the participant members the power to make management decisions and instil in the membership a sense of participation and active commitment towards optimising production. This form of management of land will definitely be the answer to the future management form in all sectors, whether they be plantations or the peasant sector. If properly formulated and developed, the "Janawasa" can be the best form of management that could evolve in the near future in the field of land management in

Sri Lanka.

