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# *Rural Development Issues*

## *Following Ethiopian Land Reform*

John M. Cohen, Arthur A. Goldsmith and John W. Mellor

### Agricultural Stagnation and Agrarian Reform

Ethiopia's rich but unfulfilled agrarian potential has long been acknowledged by development specialists.<sup>1</sup> However, it was not until the late 1960s that pressure from progressive Ethiopians, foreign donors and international agencies led the government of Haile Selassie to declare its full commitment to agricultural development and rural change.<sup>2</sup> The thrust of their arguments were that since the national economy is dominated by agriculture that sector should be the principal focus of future development efforts.<sup>3</sup> Proponents of this argument were well aware

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1. For a background survey of the agrarian sector see: H. Huffnagel, **Agriculture in Ethiopia** (Rome: Food and Agriculture Organization of the United Nations, 1961). The overall infrastructure, demographic characteristics, climate, vegetation, and agricultural production patterns of the country are well illustrated in: Mesfin Wolde Mariam, **An Atlas of Ethiopia** (Asmara: Il Poligrafico, Priv. Ltd. Co., 1970).

2. Initial statements are reflected in: "Emperor Haile Selassie I's Speech from the Throne," **Ethiopia Observer XII** (1969), pp. 2-7. Stronger policy commitments were summed up in two widely circulated papers. Imperial Ethiopian Government, "A Statement of Development Strategies and Policies" (Paper prepared for the First Meeting of the Consultative Group for Ethiopia, Addis Ababa, 1971). Imperial Ethiopian Government, "A General Frame-work for the Fourth Five Year Development Plan (1974/75-1978/79)" (Paper prepared for the Second Meeting of the Consultative Group for Ethiopia, Addis Ababa, June 1973).

3. In summary, the national economy is dominated by an agricultural sector, which, with the exception of limited commercial farming, is composed of traditional peasant holdings and characterized by small-scale farms, minimal capital investment, and low agricultural yields. Approximately 23.5 million Ethiopians live in rural areas, of whom perhaps 500,000 are in animal husbandry and 500,000 in handicraft, commercial and public service activities. Hence, it is estimated that 85 percent of the Ethiopian people derive their livelihood from agriculture. Agrarian production as a percentage of Gross Domestic Product ranges from 55 to 60 percent, one of the highest in the world. The non-monetary sector accounts for 75 percent of total agricultural production. Of the 25 percent of agrarian output that is marketed, coffee, sugar, and cotton account for about 35 percent; cereals, pulses and oilseeds make up 30 percent; and livestock account for 20 percent. Finally more than 90 percent of Ethiopia's foreign exports come from the agricultural sector, dependence on coffee accounting for 60 percent of this figure. See generally: Asseffa Bequele and Eshetu Chole, **A Profile of the Ethiopian Economy** (Addis Ababa: Oxford University Press, 1969), Economic Commission for Africa, **Summaries of Economic Data: Ethiopia** (Addis Ababa: Economic Commission for Africa, 1971). "Ethiopia, Special Economic Survey," **African Development**, VIII, 5 (1974), pp. 19-58.

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that significant progress in this sector would not occur until major land tenure reforms were coupled with the provision of improved inputs, credit, extension, markets and roads to the vast number of small-scale landowners and tenants who dominate the countryside.<sup>4</sup> Moreover, they realized it was unlikely that meaningful land reform would occur and that without such reform little progress could be made in removing other constraints to peasant production.<sup>5</sup> Hence, while a number of rural development schemes were begun, development specialists held grave doubts as to whether Ethiopia's agrarian stagnation could be ended.<sup>6</sup>

The reasons why Haile Selassie's government could not commit itself to land tenure reform or extensive rural development have been well documented.<sup>7</sup> In brief, the modernizing autocracy which the emperor led was based on the continuation of an economic system of ownership and production which promoted subsistence agriculture through the absorption of peasant output by means of tribute, taxation and rent.<sup>8</sup> Haile Selassie was unable to commit his government to rural development and land tenure reform because his regime was predicated on support and resources from a strong alliance between a land-based church and a wide range of provincial elites (landowners, merchants, local government officials, lawyers, and others) whose wealth, power and status were facilitated mainly by the present land tenure system. The imperial government and the central and provincial elites realized that progressive agrarian reforms would undoubtedly lead to the end of the social and

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4. Examples of such arguments are found in: Gene Ellis, "Agricultural Development Strategy in Ethiopia: on Reaching the Peasant Sector," *Proceedings of the First United States Conference on Ethiopian Studies, 1973*, edited by Harold G. Marcus (East Lansing, Mich.: Michigan State University, 1975), pp. 385-398. James T. Goering, "Some Thoughts on Future Strategies for Agricultural Development" (Paper presented to Seminar on Development Administration, Institute of Public Administration, Addis Ababa, 1971). John W. Mellor, "Report on Rural Development Issues in Ethiopia — Problems and Prescriptions with Special Reference to EPID and the ADA Project" (mimeographed report, Ithaca, July 24, 1974).

5. Several case studies illustrate this point. John M. Cohen, "Effects of Green Revolution Strategies on Tenants and Small-scale Landowners in the Chilalo Region of Ethiopia," *Journal of Developing Areas*, IX, 3(1975), pp. 335-358. Michael Stahl, *Contradictions in Agricultural Development: A Study of Three Minimum Package Projects in Southern Ethiopia*, No. 14 (Uppsala: Scandinavian Institute of African Studies, 1973).

6. Despite a large farming base, a hard working peasantry, generally fertile soils, sufficient rainfall and a considerable variety of climates and elevations, the annual growth rate in farming has barely averaged 2 percent per year, a rate probably below the overall population increase. It is estimated that during the late 1960s Ethiopia's annual non-monetary GDP, monetary GDP, and total GDP increased 1.8 percent, 7.2 percent and 4.5 percent respectively, while her population increased 2.5 percent and her per capita GDP only 2 percent annually.

7. John Markakis, *Ethiopia: Anatomy of a Traditional Polity* (Oxford: Clarendon Press, 1974). Michael Stahl, *Ethiopia: Political Contradictions in Agrarian Development* (Uppsala: Libertryck, 1974). Patrick Gilkes, *The Dying Lion: Feudalism and Modernization in Ethiopia* (London: Julian Friedland Publishers Ltd., 1974). Addis Hiwet, *Ethiopia: From Autocracy to Revolution* (London: Merlin Press for Review of African Political Economy, 1975).

8. For an introduction to the important land tenure variable see: H. C. Dunning, "Land Reform in Ethiopia: A Case Study in Non-Development," *U.C.L.A. Law Review*, XVIII, 2 (1970), pp. 271-307. The basic literature on the rural sector and its relation to land tenure is presented in: John M. Cohen, "Ethiopia: A Survey on the Existence of a Feudal Peasantry," *The Journal of Modern African Studies*, XII, 4 (1974), pp. 665-672.

political system which dominated Ethiopia. Moreover, the government had to maintain new social classes at the center through the allocation of scarce resources in support of their interests, leaving few resources for rural development programs. This dilemma made it unlikely that the emperor or any of his probable successors would lend resources or power to the passage and implementation of meaningful land tenure and agrarian reforms.<sup>9</sup>

### Military Coup d'Etat and Revolutionary Change

In early 1974, Ethiopia's agrarian stagnation and blocked development combined with the simultaneous occurrence of military stalemate in Eritrea, drought, famine, world wide-inflation, urban unrest and military pay mutinies to create conditions which eventually bred a military coup d'etat. Since the origins and complexities of this process are well documented in a growing number of studies, it is not necessary to delineate them in this article.<sup>10</sup> Rather, it need only be noted that on September 12, 1974 the emperor was arrested and a Provisional Military Administrative Committee (PMAC) formed to replace his autocratic rule.<sup>11</sup>

During the next six months the PMAC consolidated its position while moving steadily toward the introduction of far reaching societal reforms. In summary, an official ideology of Ethiopian style socialism was proclaimed,<sup>12</sup> the landed aristocracy was isolated, imprisoned or executed,<sup>13</sup> nearly all senior central government and provincial administrative personnel were removed,<sup>14</sup> some major commercial and

9. The full argument underlying this constraint is set forth in: John M. Cohen and Dov Weintraub, *Land and Peasants in Imperial Ethiopia: The Social Background to a Revolution* (Assen. Van Gorcum & Co., 1975). See generally. Paul A. Baran, "On the Political Economy of Backwardness," in *The Political Economy of Development and Underdevelopment*, edited by Charles K. Wilber (New York: Random House), pp. 82-93.

10. These events are summarized in: Peter Koehn, "Ethiopian Politics: Military Intervention and Prospects for Further Change," *Africa Today*, XX, 2 (1975), pp. 7-21. W.A.E. Skurnik, "Revolution and Change in Ethiopia," *Current History*, LXVIII, 405 (1975), pp. 206-210, 230-231, 240. John W. Harbeson, "Politics and Reform in Revolutionary Ethiopia" (Paper presented at the Eighteenth Annual Meeting of the African Studies Association, San Francisco, 1975). Colin Legum, *Ethiopia: The Fall of Haile Selassie's Empire* (New York: Africana Publishing Co., 1975). Patrick Gilkes, "Ethiopia — A Real Revolution?", *World Today*, XXXI, 1 (1975), pp. 15-23.

11 "Haile Selassie is Deposed by Ethiopian Military After Ruling 58 Years," *The New York Times*, September 13, 1974, p. 1. The monarchy was not formally abolished until March 21, 1975 and the emperor died in September. "Haile Selassie Dies a Prisoner at 83," *The Washington Post*, September 28, 1975, A 1.

12. "Ethiopia Rulers Pledge to Build Socialist State," *The New York Times*, December 21, 1974, p. 6. David B. Ottaway, "Ethiopia: Perilous Transition Seen," *The Washington Post*, January 12, 1975, p. A 16. Charles Mohr, "Junta is Putting 'Ethiopia First,' But It Says Little and Does Less," *The New York Times*, January 29, 1975, p. 3.

13. "Ethiopia Shoots 60 Former Chiefs," *The New York Times*, November 25, 1974, p. 1. Harbeson, "Politics and Reform," pp. 7, 9-10.

14. David B. Ottaway, "Ethiopia's Rush From Feudalism," *The Washington Post*, June 8, 1975, p. C 1.

industrial enterprises were nationalized<sup>15</sup> and a number of programs aimed at mobilizing the population were implemented, the foremost of which was the use of more than 40,000 university and high school students to help organize the peasantry and bring about improvements in the living standards of rural people.<sup>16</sup> Finally, in March, 1975, just before the planting season was to begin, the PMAC officially terminated the monarchy and promulgated a revolutionary land reform program.<sup>17</sup>

### Land Reform, Peasant Associations and Student Mobilization

In brief, the land reform proclamation<sup>18</sup> abolished without further compensation all private ownership, from the largest to the smallest holdings, making all land the collective property of the Ethiopian people. In addition the law stated that no compensation would be paid for rural land or for any forests or tree crops on such land. Though compensation was promised for movable properties or permanent works on the land few actually expect payment to be forthcoming.

Any person who personally cultivates the land is to be allotted up to 10 hectares for himself and his family. Tenancy was in effect abolished by the prohibition on the general use of hired labor. Further, a holder may not sell, mortgage or lease the land, except that on his death his family may succeed to the holding if they continue to personally cultivate it. Tenants and hired laborers were granted possessory rights over the land they tilled when the law was announced, and rent or other obligations they owed the landowner were abolished. The provisions are more complex than implied here, particularly in regard to the kinship and village tenures in the north,<sup>19</sup> where only tenants without primary possessory rights over other land were granted such rights, primarily because unlike the rest of the country most tenants there have additional land held by their family, tenancy and absentee ownership is not nearly as onerous as elsewhere, and because northern peasants have resisted past attempts to alter their existing land tenure system. Finally, the

15. "Ethiopia's Rulers Nationalize Insurance Firms," *The New York Times*, January 2, 1975, p. 2. "Ethiopia Announces Its Nationalization of 101 Companies," *The Wall Street Journal*, February 24, 1975.

16. David B. Ottaway, "Ethiopia Tells Students to Aid Peasants," *The Washington Post*, December 22, 1974, p. 18. "Ethiopian Students Help Official Rural Program," *The New York Times*, January 11, 1976, p. 3.

17. "Ethiopia's Military Orders Take-Over of All Rural Land," *The New York Times*, March 5, 1975, p. 7. David B. Ottaway, "Ethiopia Nationalizes Rural Lands," *The Washington Post*, March 3, 1975, p. A 1. Thomas A. Johnson, "Ethiopian Military Prepare Way for Bold Program of Land Reform," *The New York Times*, March 4, 1975, p. 6.

18. **A Proclamation to Provide for the Public Ownership of Rural Lands**, Proclamation No. 31 of 1975, *Negarit Gazeta*, 34th yr., no. 26, 29 April 1975, pp. 93-101. For an extensive analysis of this law see: John W. Bruce, "Ethiopia: Nationalization of Rural Lands Proclamation," *Land Tenure Center Newsletter* (January-March 1975), pp. 1-15.

19. The complexities surrounding these tenures and the reform issues that distinguish them from the southern, western and central tenures is set forth in: Cohen and Weintraub, **Land and Peasants**, pp. 28-75. See specifically: Allan Hoben, **Land Tenure Among the Amhara of Ethiopia: The Dynamics of Cognatic Descent** (Chicago: The University of Chicago Press, 1973).

proclamation abolished all obligations and dues owed the numerous informal officials and notables who constituted the grass roots level of political administration, and established separate provisions for the grazing lands of the country's nomadic population. Here the aim is to improve the land management, organize cooperatives for water and grazing purposes and settle nomadic people for farming purposes.

The law nationalized all large commercial farms and plantations, while noting that some would be broken up and distributed to farm laborers and other landless peasants. Numerous other articles indicate that the ultimate goal is to insure that after redistribution farmers can neither gain more than a usufruct right nor reconsolidate larger holdings when conditions become normalized.

Recognizing the lack of technical and administrative manpower to implementation of new institutions of local government which are and charged them with the initial functions of administering the expropriation and redistribution of land in their jurisdiction. A number of complex provisions cover the rules of distribution, administration of the associations and their relationships with officials of the Ministry of Land Reform and Administration.<sup>20</sup> The future expectations for these associations is reflected in the further requirements that they: (1) follow land use directives to be issued by the government; (2) administer and conserve public property in the area; (3) establish judicial tribunals to hear land cases; (4) establish marketing and credit cooperatives; (5) build, with government cooperation, schools, clinics and similar institutions; (6) undertake villagization programs; and (7) preserve forest and mining properties.

After publishing the proclamation the PMAC moved toward implementing it through the use of students already on rural service, extension agents of the Ministry of Agriculture, and Ministry of Land Reform and Administration officers assigned to the sub-district level. Their central task was to organize the peasant associations on the basis of 800 hectare areas and help guide them through the difficult task of expropriating excessive holdings and redistributing them to tenants and other landless people. Aside from the promise of a 300,000 man national liberation army which would help enforce the decree, the PMAC guaranteed the dispatch of its troops when necessary and the help of local police. Realistic observers were correct in recognizing that the government was incapable of organizing the liberation army and was spread too thin by the Eritrean conflict, Somali border protection and royalist uprisings to lend much military support to the potentially volatile task of expropriation and distribution. It was also clear that local police were generally allied to established elites and could not be relied upon. In the end the reform

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20. The legal provisions surrounding peasant associations as well as the processes and events surrounding their formulation is described in detail in: Marina Ottaway, "Land Reform and Peasant Associations in Ethiopia: A Preliminary Analysis" (paper presented at the Eighteenth Annual Meeting of the African Studies Association, San Francisco, 1975).

would be promulgated by some 40,000 students and 1300 land reform officers with limited training in the complexities of land administration.

### Implementation of Land Reform

As of late 1975 no systematic research on the implementation of the proclamation was available. However, enough is known to conclude that substantial progress has been made in those central, southern and western provinces previously characterized by large-scale holdings, extensive patterns of tenancy and high absentee landlordism.<sup>21</sup> Reform went most smoothly in remote areas of the south that were characterized by absentee ownership and tax farming, and in most areas marked by extensive mechanization. Reform was more difficult in sharecropping areas characterized by patron-client relationships and rich peasants. The effects in the northern provinces are less clear, although available reports indicate that the law has had little effect, peasant response to its terms often being negative.

In areas where extensive change has occurred, reports indicate that commercial farms, plantations, crown lands and large aristocrat or provincial elite holdings have been seized. Where tenants were not in place, the land was either held by the new government for future allocation, used for the settlement of landless peasants or, in some cases, converted to communal enterprises. Cautious observers note that many rich peasants, those holding 10 to 30 hectares, have yet to lose their excess land. Perhaps this is why the implementation of the proclamation outside the north has resulted in much less violence than had been expected. It is speculated that conflict was also reduced because larger landowners, anticipating change, had already transferred part of their assets to urban and commercial interests, and so withdrew without extensive resistance. While examples of student excesses in mobilizing the peasantry have been reported, it seems clear that they have been largely successful in forming peasant associations and eroding the former extractive tenure system.<sup>22</sup> Hence, aside from the northern tenure areas there is no reason to conclude that the PMAC will not be ultimately successful in implementing its land reforms and rural development programs.

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21. Among the most interesting of these reports are: David B. Ottaway, "Land Reform is Smooth in Ethiopia," *The Washington Post*, March 1, 1975, p. A 1. Thomas A. Johnson, "Poor Administration is Snarling Huge Ethiopian Land Reform," *The New York Times*, April 3, 1975, p. 2. Martin Walker, "The Day the Bribe Went Sour," *The Guardian*, April 27, 1974, p. 6. Jean-Claud Guilleband, "Ethiopia — Threat to the Revolution," *The Guardian*, June 21, 1975, p. 13. Ottaway, "Ethiopia's Rush From Feudalism," pp. C 1-2.

22. The official membership figures for the associations by province are: Arussi 213,000, Shoa, 1,013,000, Wollega 273,000, Keffa 372,000, Wollo 371,000, Gemu Gofa 83,000, Bale 90,000, Gojjam 62,000, Tigre 311,000, Hararge 340,000, Bejmdar 145,000, Sidamo 1,113,000, Illubabor 159,000. Ottaway, "Land Reform and Peasant Associations," pp. 10, 13. The government claims 15,989 associations. Ministry of Land Reform and Administration, "Brief Press Release from the Ministry of Land Reform" (mimeograph handout, September 11, 1975), p. 15. Such figures are highly suspect; for example the government claims there are 113,638 members of associations in Chilalo Awraja, Arussi Province where census data indicates only 60,000 farm households. Examples of student activity and peasant response are: Henry Kamm, "Ethiopian Students and Farmers Share Reorganization of Nationalized Land," *The New York Times*, October 13, 1975, p. 3. Ottaway, "Land Reform and Peasant Associations," pp. 8-9. Ottaway, "Ethiopia's Rush from Feudalism," pp. C 1-C 3.

Given the dismal record of pre-1974 predictions it would be unwise to attempt to outline the direction Ethiopia will take.<sup>23</sup> The only forecast which can be made with certainty is that Ethiopia will not return to its prerevolution system and that an environment has been created which is conducive to the success of the further measures requisite to sustained rural development. In this regard, it seems desirable to consider some of the more pressing post-reform issues which will affect the capacity of the PMAC, or any succeeding military or civilian regime, to successfully mobilize its rural sector and substantially increase its agrarian production.

### **Institution Building at the Local Level**

In order to implement its nationalist and socialist ideology of "Ethiopia Tikedem" ("Ethiopia First"), the PMAC must overcome its lack of political legitimacy and charismatic appeal. John W. Harbeson notes four major institutional issues that affect this problem: (1) the establishment of linkages with and provision of assistance and guidance to rural peasant associations; (2) the commencement of training programs aimed at educating new local government administrators in the principles of Ethiopian Socialism and the specific objectives of the reforms; (3) the implementations of new institutions of local self-government which are linked to central government institutions and capable of overseeing the reforms now being launched; and (4) the reorganization of central government ministries so as to create structures which are rationally related to the PMAC's social and economic goals.<sup>24</sup>

Nearly all these institution building challenges relate to the local government system — and to five major policy choices which will have dramatic affects on the process of change in rural Ethiopia. Specifically, in addition to the problems of building institutions at the local level and linking them to reorganized, responsive organizations at the national center, the PMAC must decide: (1) whether to follow a policy of maintaining small-scale peasant farming patterns on an individual and usufruct basis or

23. The proclamations implementing these reforms greatly increased the threat to the new regime's survival. As of late 1975 the PMAC was more embattled than ever, for the Eritrean situation remained a costly stalemate; the royalist and separatist uprisings increasingly burdened government resources; the resistance and dissent of intellectuals, students and workers were escalating in a rising spiral of violence and repression; political and civil rights had been terminated with resulting withdrawal of additional public support; and potential counterattacks were being dealt with at regular intervals. See generally: Thomas A. Johnson, "Civil War in Ethiopia Is At a Stalemate," *The New York Times*, March 31, 1975, p. 3. Jean-Claud Guillebaud, "Ethiopia — A Question of Priorities," *The Guardian*, June 28, 1975, p. 12. Colin Legum, "Fighting on Three Fronts in Ethiopia," *The Observer*, October 12, 1975, p. 8, and his "Ethiopia's Legacy is Poverty and Instability," *The New York Times*, August 31, 1975, p. 3. Henry Kamm, "Ethiopia Facing Wide Spread Rebellion," *The New York Times*, October 21, 1975, p. 1; and his "Energy of Ethiopian Military Regime Severely Drained by Eritrean Rebellion," *The New York Times*, October 27, 1975, p. 3. Patrick Keatley, "A Derg for the Derg," *The Guardian*, September 26, 1975, p. 11.

24. Personal communication relating to his ongoing study of the institutionalization of the Ethiopian revolution, November 25, 1975. From John W. Harbeson, Department of Political Science, University of Wisconsin-Parkside.



country; (2) whether to require that land be equally divided among members of peasant associations or allow present inequalities among small-scale landholders to continue; (3) whether to control the peasant associations from the top, confining them to technical land distribution and development functions, or decentralize political power to the associations, establishing them as local government units, politicizing peasants and placing them fully in charge of their own destiny under the assumption that this is the only way to insure substantial long term rural development and production increases; (4) whether to provide peasants with production incentives through high farm prices and low taxes or pursue policies which keep urban food prices low and generate through land and output taxes resources needed for national development; and (5) whether to follow the short-term politics of order and insure steady production of food and fiber or risk economic disruptions by pursuing the radical alternatives suggested in the above choices. Decisions on these policy issues will have to be made, and no matter what their final outcome they are bound to lead to conflict in rural areas, among government ministries, and between politicized urban forces and the PMAC.

Most observers continue to hold that peasants do not want the land collectivized and since mid-1975 the military has made it increasingly clear that it views collectivization as only a long range goal, with the apparent exception of some former commercial farms. Still, some peasant associations under student pressure and government incentives, such as tractor ploughing, credit extension and resettlement support, have moved into collective relations of production. In the end, peasant attachment to their own land, shortage of trained organizers of cooperatives, and the immediate grain shortfalls which rapid widespread cooperatization is likely to initially engender, will make the choice of collectivization of rural Ethiopia a difficult policy for an insecure government to follow.

At present the rural oriented ministries do not appear to have agreed on the future role of the peasant associations. It is likely that progressives in control of the Ministry of Interior would like to promote rural empowerment through decentralization of power to the peasant associations. However, military regimes are generally loath to adopt decentralized administrative approaches. This is particularly the case in Ethiopia where the present deconcentrated pattern is somewhat similar to the hierarchical pattern of military organization. Even if this were not a problem, present proposals of Interior that peasant associations undertake tax collection, maintain order and coordinate development programs are not likely to be readily acceptable to other ministries.

Further, the extent to which the previous government system has been eroded remains to be seen. Should it develop that the reforms and events of the last two years have left a power vacuum at the level of local administration then the extension of governmental functions at the local levels may become inevitable. Or should the PMAC become more involved in regional conflicts, and find its power eroded by the further withdrawal of urban based support, it might attempt to mobilize the peasantry by a

single, rural based party, devolving governmental functions to the peasant associations in the process. Should the associations be politicized and expanded in this manner, they may well be drawn away from the more basic task of organizing for rural development and increasing agrarian production.

### Local Government Reform

The general characteristics of local government under imperial rule have been described in a number of studies.<sup>25</sup> In summary, rural Ethiopia prior to the revolution was controlled by a uniquely deconcentrated, yet largely autonomous, system of local government which embodied many elements that retarded change in the provinces. During the reign of Haile Selassie, local government existed primarily for the purpose of maintaining order and extracting revenue. Even when it did establish rural development projects, commence self-help activities, or extend innovations to rural areas, the center frequently found these efforts blocked or warped by the local government system.<sup>26</sup>

While the goals of the system were set by central elites who controlled the ministries, there was substantial room for local administrators to interpret orders from above, or to resist and even suppress them. It may also be that low salaries encouraged corrupt behavior, such as misappropriation of budget funds, tax revenues, and self-help contributions, as well as bribes and institutionalized extortion. Compounding the problem, local government officials had few development related qualifications for office. Their outlook was traditional and they lacked the education necessary to absorb the economics and strategies behind the government's development plans. These characteristics also led to excessive formalism, low morale, delay, and chaotic record keeping. The cumulative effect of these factors was a restrictive, self-seeking, narrowly responsive local government system.

Beginning in 1964 with the Technical Committee on local government, there has been a movement toward a decentralized local government system providing the foundation for development oriented public service in which local inhabitants could participate.<sup>27</sup> These efforts

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25. Berhane Gebray, *L'Organization de l' Administration Locale en Ethiopia* (Addis Ababa: Haile Selassie I University, Faculty of Law, 1969); Margery Perham, *The Government of Ethiopia*, 2nd ed. (Evanston, Ill.: Northwestern University Press, 1969), pp. 343-366; Markakis, pp. 288-323; John M. Cohen and Peter H. Koehn, "Local Government in Ethiopia: Prospects for Reform in the 1970s" (paper presented at the Seventeenth Annual Meeting of the African Studies Association, Chicago, 1974); and their "Local Government in Ethiopia: Independence and Variability in a Deconcentrated System," *The Quarterly Journal of Administration*, IX, 4 (1975), pp. 369-386.

26. For further details see Cohen, "Effects of Green Revolution Strategies" pp. 335-358.

27. See Gabre Mariam, et al., "Report From the Technical Committee, 1964, on the Establishment of a Local Government System," October 1964, Haile Sellassie I Law School, Archives, p. 2 and 8.

culminated in the Local Self-Administration Order of 1966.<sup>28</sup> This was never officially implemented because of problems with alteration of existing tax revenues and the resistance of parliament to a decentralized movement that had no provincial elite support or any real possibility of succeeding in many parts of the country.<sup>29</sup>

In order to establish the feasibility of decentralization, the Ministry of Interior tried to implement a pilot program in several promising districts in late 1973.<sup>30</sup> The central government was to transfer to an elected district council control over such services as education, health, public works, water supply, and community development. These were to be financed by allowing the local unit to keep certain land tax receipts and through central grants-in-aid.

Because of the events of 1974 the pilot program was never implemented fully, but its approach toward improving the ability of local units to support rural change policies is continuing to affect proposed solutions to the desperate need for local government reform.

A great deal of local government reform has occurred since February 1973. Specifically, the revolutionary leaders have removed or neutralized many traditional local government officials and peasant associations have replaced perhaps half of the informal local officials. The Ministry of Interior has moved to place more qualified personnel at district and sub-district administrator posts.<sup>31</sup> Approximately 400 of the more than 600 governorships at such levels are thought to have been filled with these new men.

Even assuming a full commitment by the central government and these new administrators to rural change, there is little near-term possibility that personnel under their direction or field agents under other development ministries can reach more than one quarter of the rural population with direct services and programs.<sup>32</sup> This has led PMAC policy

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28. The Local Self Administration Order of 1966, "Order No. 43," *Negarit Gazeta*, 25th yr., no. 9B, 14 March 1966, pp. 33-54b. This legislation is described in: H. K. Asmerom, "Trends Towards Decentralization in Ethiopia," *Studies in Comparative Local Government*, 1 (Winter 1967), pp. 55-67.

29. The legal argument behind this situation is set forth in: James C. N. Paul and Christopher Clapham, *Ethiopian Constitutional Development*, 2 vols. (Addis Ababa: Oxford University Press, 1967), II, pp. 451-469.

30. For details of the complexities of this program see: Asmerom, "Trends Toward Decentralization," pp. 55-67.

31. The unofficial criteria for district administrator are said to be 30-45 years of age, B.A. Degree, 10 years field experience and a background in education, health, agriculture or community development. For the sub-district administrator it is 25-40 years of age, 12th grade certificate, 7 years of field experience and the same background as for the district administrator. The use of these criteria are a positive sign that patronage appointments will decline.

32. For example, the Ministry of Land Reform and Administration had a staff of only 200-300 in 1975, most of whom had less than high school education. Thus, despite the fact that the land reform proclamation promised that an official from this ministry would be assigned to each of the nation's 550 sub districts, even this minimal goal is initially impossible to meet. Bruce, "Ethiopia" p. 6. In other ministries the number and location of field agents is skewed on the basis of distance from Addis, religious or ethnic considerations, variation in the influence of provincial elites and governors, and other considerations. Hence, there are more field agents in some places than others. Manpower limitations make it unlikely that the number of trained technical personnel can be dramatically increased a fact complicated by the expectation that Ethiopia's rural

makers to consider decentralization, reliance on peasant associations, development of paraprofessional extension activity and other possible outreach approaches.

The peasant associations are potentially the most significant local administration change. In addition to the performance of land reform functions required by the proclamation that created them, they could provide a growing locus for the institutional interface needed by the technical field agents of development ministries, as well as stimulate self-reliance and political awareness.

Many observers believe that most government directed rural programs and services could be run through the peasant associations, from agricultural extension to the maintenance of security.<sup>33</sup> Moreover government officials talk of training association leaders in the use of improved literacy, census taking, health care, cooperative formation and so on.

It is unclear if the associations themselves are to be strengthened or are merely to serve as channels for government activities.

The peasant associations are new and untried institutions. It seems prudent not to overload them until they are firmly established. If they can be stabilized and institutionalized they should significantly increase local government administrative capacity. Assuming this occurs then it seems clear that they will need resources such as self-help matching funds, basic medical supplies, village and home improvement materials, training opportunities, green revolution inputs, literacy campaign materials and so on. Given the limited resources of the center, international donors could play an important supplementary role. But in any case, there will be difficult and important problems of setting priorities and phasing the use of scarce resources for reaching these simple objectives.

There is a question as to how student activities can be institutionalized into the local development framework. At present the initial campaign has been extended for a year leaving an estimated 40,000 students operating from some 450 campaign stations spread throughout the countryside.<sup>34</sup> In future years it is anticipated that 15,000 students

population will double in the next 30 years. Hence reliance on local people and paraprofessionals seems to be an obvious policy choice for an agrarian nation committed to rural development.

33. Evidence of this is seen in two new proclamations. The first, Proclamation No. 77 of January 1976, establishes a rural land use fee and a tax on income from agricultural activities. Under this law many peasant associations will perform tax collection duties for the Ministry of Finance, receiving in return two percent of the receipts. A second proclamation issued in December 1975, and as yet unnumbered, provides for the establishment of cooperatives, sets the powers & duties of association courts & security forces, and organizes a hierarchical set of "revolutionary administrative and development committees for *wereda* and *awraja* areas," charging them with integrating peasant associations into the local government system, coordinating services and plans of development ministries at the local level, and insuring peasant participation in policy decisions that affect their interests and lives.

34. A recent report noted that 57,000 senior high school and university students were in the field, that the first year of the campaign cost \$22.4 million and that the dropout rate was about 25 percent. "Ethiopian Students Help Official Rural Program," *The New York Times*, January 11, 1976, p. 2.

could be available for continued activities,<sup>35</sup> a manpower figure 20 times greater than the present number of rural extension personnel of various ministries currently in the field. However, there remains the question as to the extent to which students can cooperate with the PMAC.

The government realizes that uncontrolled student activity wastes the limited time and energy of local government administrators and undermines the legitimacy of local government institutions and programs. If students are allowed to continually attack local field agents, as has been the case in some areas,<sup>36</sup> they may generate conditions that greatly compromise the capacity of local administrators to deliver needed services or manage innovative programs.

To be sure, pressure must be maintained on local administrators to insure continued reform. But it is also necessary to insure that the structure for mobilizing change is not eradicated in the process. Assuming that the PMAC can gain control over the students' mobilizing activities and can institutionalize their functions, then they could greatly aid the process of rural change. Beyond their present activities, they could aid the redistribution of land and serve in such tasks as running literacy campaigns or organizing and overseeing community self-help projects.<sup>37</sup> For this to happen their largely uncontrolled activities will have to be ended and a specific but broadly defined set of duties be put into effect.

The PMAC is also considering the use of lower-level personnel to expand the field staff of developmental and rural service ministries. These paraprofessionals could perform useful and effective roles if they are chosen at the local level and their tasks are limited, simple and supervised. Training and upgrading would be essential if such manpower is to be productive. Whether this approach will be ultimately implemented is not known, but it seems to be an attractive solution for reaching the approximately 19 million rural people generally unaffected by governmental programs.

Finally, the PMAC must do something to make the bureaucratic structures and personnel it inherited from Haile Selassie's government more responsive to the demands and problems of rural change. It has begun this process by requesting most ministries to reorganize so as to be more capable of promoting development. To facilitate such changes, the military has started to choose ministers and their deputies for their technical abilities. In addition, the PMAC must spell out its policies carefully so local administrators and field agents can know what is expected of them. Given the climate of uncertainty and pressure on officials

35. This is based on the assumption the PMAC will continue the program and utilize only 12th grade graduates and one year of additional service from university students.

36. See, for example, Ottaway, "Land Reform and Peasant Associations," and Harbeson, "Politics and Reform."

37. There is some question whether students can do more than politicize peasants. Harbeson notes: "The students and teachers have been expected to help the masses by instruction in nutrition, hygiene, literacy, agricultural methods, and in the creation of local self-help development schemes . . . The students were poorly equipped to instruct the rural folk in modern ways, but years of radical opposition to the regime of Haile Selassie prepared them well for their opportunity to implement the rural land reform." Harbeson, "Politics and Reform in Revolutionary Ethiopia," p. 12.

and institutions of the prior regime by student led peasant associations, many local officials are reluctant to take any administrative action. This cripples development processes and must be corrected. Finally, there is need for a solid program improving managerial and clerical skills at all levels of government and extensive redrafting of administrative guidelines aimed at attacking the numerous administrative constraints which negatively affect governmental capacity to implement development programs.<sup>38</sup>

### Agriculture and Development<sup>39</sup>

Aside from stimulating agricultural production, the primary objectives of land reform are to redistribute income and power. Redistribution of income changes the pattern of consumption, increasing demand for food and decreasing demand for the goods and services which previously went to high income people. Accommodating to these changes will be difficult for the urban population, particularly for the middle class segment which will experience reduced levels of living.

An effective redistribution of income will also change the source of savings and investment. It will now be essential that a substantial proportion of the savings and investment come from relatively low income people. Land reform will stimulate agricultural production by affecting incentives with respect to labor use and investment in the agrarian sector, incentives that can be very favorable to production in the long run.<sup>40</sup> Finally land reform stimulates nonagricultural production through its effect on consumption patterns. This may result in relatively more labor intensive techniques and more indigenous production and hence less imports and a much greater diffusion of consumption patterns geographically over the country.

Since the declaration of reform, there has been widespread concern that it would effect a substantial decline in agricultural production and an even greater drop in marketings. Fears that large commercial farms would be left fallow caused much of the pessimism with respect to production. It now appears that a highly pragmatic approach was taken to this problem, as reflected in the apparent willingness of peasants and

38. The general problem is described in: Paul Brietzke, "Law and Rural Development in Ethiopia," *The African Studies Review*, XVIII, 2 (1975), pp. 45-62. For a list of constraints prepared for the Fourth Five Year Plan by the Institute of Public Administration see: *Administrative Constraints that Hamper Plan Implementation* (Addis Ababa: prepared for the Working Sub-Group on General Administrative Capacity and Constraints, April 1973).

39. The analysis which follows is based on field trips by one of the authors in mid 1974 and May 1975. These were first summarized in: John W. Mellor, "Post Land Reform and Rural Development Issues," (mimeographed report, Ithaca, May 28, 1975), and his "Report on Rural Development Issues in Ethiopia."

40. For the foundations of the rest of this section see: John W. Mellor, *The Economics of Agricultural Development* (Ithaca: Cornell University Press, 1966), pp. 260-64. *The New Economics of Growth: A Strategy for India and the Developing World* (Ithaca: Cornell University Press, 1976).

farm laborers resettled on such land to put aside long-term questions of land rights in order to cooperate in plowing and planting. There was also a major government effort to plant this land through mobilization of tractors and tractor drivers, often in the face of foot dragging, if not outright sabotage, by the previous landed elites who had a clear interest in poor performance.

In addition, many observers felt that plowing could not be completed on substantial acreages of previously planted land. Prior to the proclamation, uncertainty as to the nature of the land reform itself delayed planting. There were also probably fewer tractors available than previously, as well as greater administrative difficulty in keeping them operating under larger units of operation. Large areas of land in commercial farms had already been cleared of their tenants by the commercial farmers and hence did not have tenants with oxen prepared to plow them. Nevertheless, it appears that much of the land that had been planted in previous years was planted in 1975 without very costly delay.

In addition, there were clearly some shortages of seed. Presumably some of the former owners of the commercial farms and some of the landlords maintained control of seed supplies and did not make those available for planting. As a result, there may well have been an actual decline in the quantity of seed available for sowing as compared to previous years. Similarly, fertilizer was reduced, but perhaps more due to adverse change in price relationships and to some extent financial problems, than to physical scarcity.

Counterbalancing these depressing factors were some contrary forces. First, a substantial proportion of the area previously planted to beans for export was planted to domestic food crops. Second, the commercial farms did not universally follow high yield practices and often could not manage large quantities of labor in an efficient manner. The attempt to farm the previous commercial farms on a cooperative basis probably represented the least radical change available for institutional organization and helps to bring much more manpower to bear than was previously possible. In this context, farmers seemed to think that during the immediate post-reform period the highest yields would be on the small plots maintained by established farmers, and that the next highest yields would be on the previously commercial farms, farmed in part by state tractors and in part by essentially cooperative labor, and that these latter would be somewhat higher than before the proclamation because of greater labor intensity. Farmers appeared to believe that the lowest yields would be on the small plots of people who were not established farmers in the immediate past, for example tenants evicted a few years previously who had not been exposed to modern technology.

Balancing these complex, man-made crosscurrents, the net of their effects seems uncertain and quite possibly of less importance than the weather variations frequently encountered. Thus, it may be that weather and not the temporary disruptions caused by the government's land policy, will remain the most important determinant of crop size in the immediate post-land reform period. As of late 1975, just prior to the

harvest, it appears that good weather had indeed facilitated production of a bumper crop.<sup>41</sup>

While production may have been roughly maintained as compared to previous years, however, it seems very difficult to foresee how a substantial percentage decline in marketings can be avoided. The size in the drop in the marketable surplus will depend on: (1) the size, very difficult to estimate, of the total crop; (2) the amount of income transfers and the marginal propensity to consume food of the peasant population; (3) the extent to which there are available consumer goods to buy, such as cloth or tin sheets for improved housing, and for which grain would be sold to obtain the cash for those purchases; (4) how farmers save, for example, in the form of larger than normal stores of grain, or as cash or other forms requiring sales; (5) and, conceivably most important, government policy with respect to taxes or charges for services and inputs, such as tractors and fertilizer, the extent to which repayment of credit is demanded and the capacity of the government to offer services to farmers such as for road building, which would attract and require cash from taxes or other forms of payment. Finally, marketings will depend upon relative prices. In the face of an unattractive price, farmers may be more likely to hold larger stocks of grain rather than making immediate sale. The PMAC is subject to powerful conflicting forces and has appeared to vacillate on the price issue, but has shown some tendency to move toward a price policy that would stimulate production and marketing.

Price policy will have a major role in determining the farmers' incentives to use purchased production inputs, especially fertilizer, and for intensive use of family labor. With regard to use of purchased inputs the appropriate price policy depends on three factors: (1) the ratios of the average price of output to inputs; (2) the variance (or implicit risks) in these ratios, including variation in yields, in prices and in the success of technological improvements; and (3) the resistance to change of the innovators. Thus, the lower the output price relative to the fertilizer price, the greater the probability that use of fertilizer will not pay. Further, the more resistant or less experienced with change are the innovators, the less incentive there will be to use purchased inputs.

Because of weather, imperfectly developed product markets and other factors, agriculture in Ethiopia is risky. Hence, there is a strong argument for a very favorable output/fertilizer price relationship. This is also appropriate because of limited peasant experience with fertilizer and the need to greatly accelerate Ethiopia's green revolution. The lower the output price the greater the subsidy will have to be, if input and related technological change is to proceed rapidly.

Incentive to use labor more intensively in careful planting and weeding is an even more complex issue than that of purchased inputs. The higher incomes due to higher agricultural prices naturally suggests to

41. Dial Torgerson, "Rebels, Marketing Problems Threaten Ethiopia's Bumper Crop," *Los Angeles Times*, October 28, 1975, p. 22.



farmers that they take some of that higher income in the form of less exertion. However, the higher price provides a higher return to labor and gives a contrasting pull. Labor allocation is largely determined by the ratio of the output price to consumer goods prices. The most desirable policy would be a higher grain price, to be largely regained through taxes or consumer goods profits with consequently favorable final policy effects and incentive to increase the manufacture of consumer goods.

The second major objective for agricultural price policy is to protect the urban poor and other net purchasers of food. Land reform has by no means equalized incomes. Since there are many urban poor, there is a powerful equity argument for trying to maintain relatively low agricultural prices to the poor, who spend the bulk of their income on food. This argument is greatly reinforced by the political context because the urban middle class, too, spends a substantial proportion of income on food and will also press for relatively low agricultural prices.

In looking after the urban poor there is a clear trade-off between the price of grain and employment. Agricultural production by peasant producers can be encouraged by providing them with favorable prices; the effect of these prices on the urban poor can be ameliorated through a vigorous expansion of employment. It is, of course, more difficult to mitigate the effect on the middle classes. In a country with as low average incomes as in Ethiopia, major improvement in the position of low income rural people is unlikely to be achieved entirely at the expense of high income people. Some of the contribution will certainly have to be made by the urban middle classes, largely through payment of higher relative agricultural prices. In the case of Ethiopia, this will occur as a result of a reduction in marketings as the rural poor increase their consumption.

Agricultural price policies can strongly influence the demand on public financial resources, a pressing problem in Ethiopia, given the additional rural services that an emphasis on rural development and increased agrarian output will demand. If agricultural prices are low they will encourage increased consumption at all levels and reduce marketings. This will demand costly food imports for the urban sector. Also, fertilizers would have to be heavily subsidized to make their use economically attractive. Finally, low prices make it difficult to tax the rural sector so that it pays for the services received.

An additional function of agricultural price policy is to maintain or increase the efficiency of the marketing system. There is substantial danger that efforts to set prices below supply-demand market prices will drive the marketing system underground, resulting in even smaller scale of operation, lesser efficiency and hence wider marketing margins, and of course, consequent lower prices to producers and higher prices to consumers. Private marketing systems are not nearly as inefficient as is often made out and hence there is rarely an opportunity to substantially reduce the margin between producer and consumer by taking over the trade from private channels.<sup>42</sup> Indeed, the usual effect of such measures is increased

42. See for example, Uma J. Lele, *The Design of Rural Development: Lessons From Africa* (Baltimore: Johns Hopkins University Press, 1975), pp. 101-15.

inefficiency and even further widening of the spread between producer and consumer prices. This does not necessarily settle the case against cooperative marketing or state trading, but does argue that such efforts at marketing need to be fully thought out and require substantial administrative input and must therefore be seen in the perspective of alternative use of such resources.

As logical rule of thumb, under the present conditions, it would appear that domestic prices should be targeted closely to ruling international prices for grain, including at least a major share of the cost of transportation to Ethiopian urban centers. Such a price would, in many cases, be as much as 50 percent higher than agricultural prices in Ethiopia in early to mid 1975. This would stimulate domestic agricultural production, minimize the need for a fertilizer subsidy and provide a favorable basis for raising taxes from the agricultural sector, including levies on the farmer associations for a proportion of output. To mitigate the effect of such prices on the urban poor two alternatives are possible: (1) to increase employment through various public works and similar programs; and (2) to institute a limited system of rationing at subsidized prices. Within such a favorable food price regime it would then seem in order to tax all consumers through substantial taxes on manufactured goods in order to provide funds for infrastructure investment as well as for other aspects of government expenditure. This would provide revenues for development programs and would be relatively progressive with respect to incomes, since food, a basic expenditure of the poor, need not be taxed. Obviously, such a policy increases the strain on urban middle classes, and their support appears crucial to the survival of the PMAC.

As a concomitant to such a price policy, major expenditure should be directed to reduce marketing margins in an effective and efficient way. This would include improving the road transport system, initiating regulation of markets including weights and measures, gradually developing a market reporting system which would increase the degree of integration of markets over space and time, and finally beginning to build lower level marketing cooperatives at the farmer association level.

Eventually increasing production may begin to provide some downward pressure on prices. One would hope that such production would gradually displace imports and once imports were largely displaced would then gradually bring domestic prices down to international prices at point of production rather than at urban centers in Ethiopia. If there seems to be excessive downward pressure on prices, that pressure may readily be relieved, in a country with as low an income as Ethiopia, by substantial employment creating programs which move purchasing power to low income people who spend most of their income on food.

A major redistribution of income, such as that apparently induced by the land reform, sharply changes the composition and location of demand patterns. Vigorous efforts at rural development can then result in rapid

growth along the lines of those new demand patterns. If fully exploited, these new patterns of demand can provide the basis for rapid growth in the non-agricultural sector. It should be remembered that growth in agricultural incomes is likely to result in more than proportionate growth in the demand for nonagricultural commodities. If the nature of those commodities is such that they can be provided through domestic production then there can be effective multiplier effects on the total growth process. That is one of the major new opportunities which arises from the land reform.<sup>43</sup>

In the short run, the new consumption pattern swings substantially towards increased consumption of grain with the resulting pressure on marketable surplus. As growth occurs within the context of the new income patterns there is likely to be a relatively rapid rate of growth in demand for non-agricultural commodities as well as for nonfoodgrain agricultural commodities such as vegetables and livestock. Such commodities may be fairly labor intensive in their production.

Perhaps more important, because the new growth in demand occurs in rural areas, it provides a basis for growth in production and market centers outside of the main city of Addis Ababa. This, in turn, calls for substantial change in the transportation network. Under the old patterns of production and consumption, the transport system logically radiated from Addis. In the new situation there should be many subfoci of market and industrial development with roads and transport lines cutting circumferentially across the old spokes leading to Addis. Many new market centers should develop, each with its own radiating spokes and each connected to the other end, with, of course, each continuing to be connected with Addis.

It is important to meet the new demands for nonagricultural commodities. This is true in part because production of such goods can produce income and employment, contributing to overall growth in welfare, but, also because the market supply of food for the urban sector is dependent on the extent to which attractive consumer goods may be obtained in trade for agricultural commodities. It is clear that in the short run one of the problems in extracting marketable surplus from the agricultural sector arises from the inappropriate structure of the urban sector to produce the goods and services demanded in the newly restructured agricultural sector.

## Peasant Associations

The organization of farmers for development purposes is perhaps the single most important element of the rural development process, and an important beginning has been made through the formation of peasant associations. At present the most urgent function of the associations is to

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43. For the theoretical background to the analysis which follows see: Uma Lele, *Food Grain Marketing in India* (Ithaca: Cornell University Press, 1971). John W. Mellor and Uma J. Lele, "Growth Linkages of the New Food Grain Technologies," *Indian Journal of Agricultural Economics*, XXVII (1973), pp. 35-55, and their "Jobs, Poverty and the Green Revolution," *International Affairs* (January 1972), pp. 20-32.

maintain and perhaps even increase production of the previously commercial farms specifically, and on the peasant land generally. A variety of approaches have been taken to this task, which appears, in practice, to be a pragmatic and initially successful effort to deal with the specific immediate situation.

In the long term and in addition to their legitimizing functions, there are three major tasks for the peasant associations with regard to agricultural production. First is to modify appropriately and provide support for the technical services and institutions necessary to development, such as credit institutions, extension programs and marketing programs. Second is to raise resources and set priorities for the physical infrastructure of rural development, such as roads, electrification and communications. Third is to raise resources and set priorities among various social infrastructure activities, including schools, health, water systems, and so on.

While the peasant associations are a key requisite to effective rural development, they do face several major problems. There is a major problem of setting the degree of separation or amalgamation of political and technical-economic functions within the associations. The politically optimal allocation of resources and programs may, of course, not be the one which gives the most production or even goes the furthest in meeting social welfare objectives.

Choosing the optimal size of the associations presents an additional problem. At the present time they are supposed to cover 800 hectares of land. In practice, they vary from less than 200 hectares to over 1600 hectares. These differences presumably reflect variation in traditional leadership patterns and community boundaries. Similarly, the optimal size of association will differ according to the functions to be fulfilled. It seems apparent, that most of the peasant associations will find it necessary to divide themselves into much smaller management units for carrying on such production activities as collective plowing. On the other hand, decision and management with respect to education and health systems may well require larger units. Administration of group credit programs, extension, and road building will perhaps be intermediate between these two examples. Presumably, as partially envisioned by the land reform proclamation, peasant associations will eventually pyramid upward in a meaningful way to contact with the sub-district and district administrations, which will then provide the tie with the national government.

The institutions providing technical services should be and are servants of peasant associations. However, it should also be recognized that to meet farmers' objectives technical standards have to be set, and accountability and authority must therefore also carry to higher level technical agencies and ministries. This is particularly important to keep in mind if nontechnical ministries are given a significant responsibility for the peasant associations.

There are many possible variants to a system of ties between the associations and the technical services. One variant would be for the technical services to have local managing committees comprised in part of farmers elected or appointed by the peasant associations and in part of representatives of the technical services themselves. Another variant is a farmer advisory committee from the peasant association to the appropriate level of the technical service. In any case, the problem is sufficiently complex so that the answer must evolve gradually and pragmatically from within the system.

Extending credit on a group basis can provide major economies. The peasant associations can provide the organizational basis for doing that. Again, as indicated previously, it may be desirable to set up an advisory committee and subgroups within the associations to handle this important function. Indeed, for social pressure to be an effective means of insuring repayment in a group credit scheme, the groups undoubtedly have to be much smaller than is planned for most of the present peasant associations.

The extent of effort that should be taken to develop cooperative marketing systems is difficult to set. There seems no better solution than to turn to the wisdom of farmers in their collectivity to make the decisions in which they bear the burden of raising resources and take the risks. Thus it would seem logical for a peasant association, and quite possibly for proper economy a group of such associations, to form a separate, cooperative unit to decide upon the best mode of entry into the marketing system.<sup>44</sup> Clearly, such a cooperative should be related to, but separate from the peasant association, if for no other reason than that the scale of operation may need to be different from that of the association.

The question of social services is a particularly vexing one. On the one hand, farmers are already making it clear that they demand a substantial quantity of social services, certainly including improved water systems, which are expensive in much of Ethiopia, and including health clinics and schools. The country does not have the resources to meet these demands in the near future. Thus, there is a critical problem of setting priorities as to which social welfare functions will be fulfilled most immediately, the extent to which they will be given priority over production oriented infrastructure and hence the question of trade-off between growth and production. It seems that these questions can only be answered by group action of farmers in which they play a responsible role of recognizing that they themselves will have to raise the resources for much of what is done.<sup>45</sup>

Meeting of social welfare needs will require an extraordinarily large quantity of resources. There is no alternative to drawing the bulk of those resources from the rural communities themselves. It would appear that the expressed desires of farmers themselves for roads, education, and health clinics will require that quite a significant proportion of total community

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44. See Lele, *The Design of Rural Development: Africa*, pp. 96-99; and her "The Roles of Credit and Marketing in Agricultural Development," in *Agricultural Policy in Developing Countries*, ed. Nural Islam (London: MacMillan, 1974), pp. 413-41.

45. See Lele, *Design of Rural Development: Africa*, pp. 116-26.

income be used for such purposes. However, organizing farmers for raising a substantial proportion of private resources for public purposes is difficult. It seems unlikely that this task can be accomplished unless the same farmers have considerable responsibility for deciding how these resources are expended, both so that they can insure a high degree of efficiency in the use of their funds for any particular purpose and so that the purposes can be chosen which they see as most necessary and therefore toward which they are most likely to contribute.

### Concluding Observations

At the national center, as Hung-Chao Tai and John D. Montgomery suggest, land reforms are used to increase the regime's power, whether by increasing its legitimacy among the peasantry or by weakening the influence of groups opposing or competing with them.<sup>46</sup> In the periphery, granting the peasantry greater control over productive assets and a larger share of agricultural output not only increases economic well-being and consumption levels among the poor, but may also increase their political power. Stronger material incentives can set the stage for future production growth, provided complementary efforts are made to improve research, credit, extension, and marketing facilities.<sup>47</sup> The agricultural surplus, previously monopolized by the landed elite, can be channeled more easily into socially productive uses, such as expanded education and medical services. Similarly, the increased political power of the peasantry may be employed to direct a higher production of national resources to the rural sector.

By international standards Ethiopia's land reform attempts to implement relatively major readjustments in tenure patterns. The ratio of the land ceiling to average farm size appears to be less than 10.0, which is lower than the ratio established by land reform legislation in many other developing countries.<sup>48</sup> Given the highly fluid political situation, however, it remains to be seen whether this restrictive land ceiling can be enforced by the PMAC, which lacks widespread domestic support.

Montgomery argues that land reform programs using a "devolved" process of implementation, that is to say largely bypassing the professional bureaucracy and assigning local political leaders a major role, produce the

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46. See: Hung-Chao Tai, "Political Process of Land Reform," p. 296; John D. Montgomery, "The Allocation of Authority in Land Reform Program: A Comparative Study of Administrative Processes and Outputs," in Norman T. Uphoff and Warren F. Ilichman, eds., *Political Economy of Development*, esp. pp. 296 and 454.

47. For analysis of such complementary efforts in the African context, see Lele, *Design of Rural Development*, passim. In Asia see: Norman T. Uphoff and Milton J. Esman, *Local Organization for Rural Development: Analysis of Asian Experience* (Ithaca: Center for International Studies, Rural Development Committee, 1974).

48. It is estimated that in 1970 the arithmetic average Ethiopian farm holding was 2.5 hectares. An Ethiopian government survey in the individual tenure areas in the mid-1960s found that the average household cultivated 1.13 hectares. For comparative statistics on land ceiling ratios, see Hung-Chao Tai, "Political Processes of Land Reform," p. 295-305.

greatest benefits, defined as increased peasant income, security, and political power.<sup>49</sup> The Ethiopian approach appears to represent an extreme form of devolvement, with the peasant association assuming the major responsibility for implementation, although the government may be resistant to allowing the associations too much leeway in initiating and carrying out reforms. Nevertheless, if Montgomery's findings are correct, Ethiopia's land reform program has a high probability for generating major social and economic benefits for the peasantry.

Experience from elsewhere in the world indicates that the impact of land reforms on agricultural production depends largely on the promotion of additional programs. These include agricultural research, credit, extension, and marketing services, as well as the development of new technologies. Given Ethiopia's limited financial resources and poorly developed roads it will be difficult to reach significant numbers of the rural population with such programs, making it unlikely that dramatic immediate growth will occur. However, the land reform program, by creating peasant associations, may generate greater demand on the center to divert a larger proportion of national income into such facilitative programs. The greater production incentives created by land reform then creates a favorable environment for improved agricultural performance over the long-run.

Concerning the political ramifications of land reform, Samuel P. Huntington suggests that land reforms are initially politically destabilizing, intensifying rural unrest and interclass conflicts, but that the long range effect is toward greater stability.<sup>50</sup> Huntington's definition of land reform implicitly assumes that change will be toward individual ownership and production rather than toward a socialist pattern. Change of the latter type may in fact be politically destabilizing, for as much as peasants may oppose the prerogatives of a landed elite, they rarely seem to voluntarily support a program of collectivized agriculture.<sup>51</sup>

The approach to land reform displayed thus far in Ethiopia, however, appears to point toward a system of peasant smallholders, organized into cooperative associations, and may indeed have a long term stabilizing effect on its political system. The unanswered question remains whether other variables, particularly the historical legacy of ethnic and religious conflict, the demand for popular participation and greater civil liberties, the factional divisions within the military, the basic conflict between urban middle classes and the agricultural and nonagricultural producing groups, or the occurrence of military conflict in Somalia and Eritrea will cancel the stability land reform may ultimately engender.

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49. Montgomery, "Allocation of Authority in Land Reform Program," p. 451.

50. Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1966), p. 378.

51. For examples of this phenomenon in Tanzania, see: Lele, *Design of Rural Development; Africa*, pp. 155-157.