Communal Property and Land Markets: Agricultural Development Policy in St. Lucia

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This paper reassesses the role of "family land", and other forms of communal land management, in agricultural programs in developing states. Certain assumptions have been made about how communal land functions. This has led to the conclusion that this tenure form is not tenable as a viable institutional arrangement to achieve economic development. This research, using St. Lucia as a case study, challenges that perception and the policy thrust of structural adjustment programs that suggest eliminating communal forms of tenure. It argues that first, the institution of family land is a logical response to certain structural limitations of the larger economy and second, with appropriate policy support it can become a dynamic contributor to economic growth.

This reassessment of the role of family land in economic development and food security will involve three interrelated tasks. These are: 1) to describe how family land institutions in St. Lucia are structured and managed, 2) to identify social and economic effects of family land holdings on family members and on the form of national development in agriculture; and 3) to critique the neoclassical economic framework that undergirds the Agricultural Structural Adjustment Program and the Land Registration and Titling Project in St. Lucia and their assessment of the relationship between land tenure and agricultural development.

St. Lucia is an island located near the southern end of the Caribbean chain. It is west of Barbados and lies between Martinique to the north and St. Vincent to its south. It is 238 square miles in area (616 sq. km.), and has a population of 140,000 people. It is primarily an agricultural economy based on the export of bananas. Tourism is the next major income generator followed by commerce. In 1979, the island gained independence and continues to be part of the British Commonwealth.

A general land registration and titling project (LRTP) was undertaken in 1984 as an initial stage in a larger agricultural structural adjustment program (ASAP). The objectives of the ASAP were to improve tenure security, promote crop diversification and to intensify and improve banana production through a replanting program [USAID: 1982]. The LRTP was to clarify all land titles, convert communal land into freehold and systematize the registration process which was described as cumbersome and outmoded. The intention was a create an active land market that would lead to more efficient allocation and use of resources and increase productivity.

At the end of the project, however, few family land parcels were partitioned or had their ownership individualized through the LRTP [LTC Vol.5, 1988: 2]. The LRTP failed to convert communal tenure, known as family land, into freehold for two reasons: first, administrative and legal difficulties impeded implementation and second, families who
control communal land did not cooperate in the voluntary conversion process. The failure to individualize family tenure permits an invaluable opportunity to reassess the role of family land in future agricultural programs.

The driving issues behind this study are interrelated and complex. Family land has been traditionally perceived by the State and international development agencies [USAID: 1982], as an obstacle to more efficient use of land and increased productivity because of the absence of secure titles that are tradable. Its tenure arrangements are thought to discourage investment. On the other hand, a body of literature exists that argues that the families who use this tenure form, regulated by social sanctions, family solidarity and obligation, derive significant socioeconomic benefits from it [Besson: 1979, Barrow: 1992]. The completion of the LRTP and the continued legal presence of family land against the background of the impending loss of preferential trading agreements for bananas (following the consolidation of the EC) raise two separate but related issues concerning the future of the economy.

First, what factors support the continued existence of family land? What are the limitations of this tenure form and how can they be best addressed? To what extent are problems of low productivity in family land a consequence of the inherent limitations of this tenure form and to what extent can they be explained by other factors in the economy? Second, with the changes in the banana trade the economy will face challenges that may lead to the restructuring of the agricultural sector - what role, if any can family land play in future economic development? By tracing the relationship between type of tenure and level of productivity as it unfolds in the St. Lucian context, and by isolating the factors that reinforce the institution of family land, this study hopes to expose the reasons for (1) low productivity and (2) the persistence of the family land system. The aim is to provide the groundwork on which policy can be based.

This study is based in a body of theory that argues that the causal relationship between freehold tenure and increased productivity does not necessarily hold in economies where other supporting markets such as credit, insurance and finance, are inadequate or non-existent [Barrows and Roth: 1989]. Institutional arrangements (social and economic), evolve to substitute for these missing markets [North 1990]. Establishing/instituting a land market without taking into consideration the shortcomings in other markets and other constraining economic realities may lead to less than the expected increase in productivity and may trigger new problems such as landlessness and destitution [Watts: 1983; Bassett: 1993]. In addition, in economies where land institutions are multidimensional entities (embodying social, political and economic objectives), tenure arrangements are structured to meet a variety of objectives including social security (sometimes on an intergenerational
level) and food security. Assumptions driven by the priority of economic efficiency are therefore inaccurate.

The findings of my field investigation may be summarized as the following:

1. Communal land constitutes a major form of land management in St. Lucia because: a) it continues to be chosen as an economic strategy to inhibit landlessness in future generations and b) young farmers with limited capital use communal land as a source for accumulation that is commonly a first step in acquiring their own freehold property;

2. Family land constitutes a system of social security for a significant part of the agricultural sector as well as for workers employed in the non-agricultural sector;

3. Although both freehold and communal cultivators engaged in cash crop production, food crop production is more widespread on communal land;

4. Poor marketing facilities for crops other than bananas (the foreign exchange earner), discourage all farmers - not only family land cultivators - from growing food crops for the domestic and regional markets;

5. Low investment levels in the communal sector result in part from: a) the attitude of credit institutions to the legal ambiguities of communal titles, but more significantly from b) a decision not to produce more when marketing services are inadequate which is linked to c) an aversion of risk that could lead to loss of property. a) is unique to communal land, but b) and c) are common deterrents to investment in both types of tenure.

The three major conclusions of the paper, as I hope to substantiate in the following sections are: (1) family land continues to exist in St. Lucia because of the specific socioeconomic needs it fulfills; (2) problems of low productivity on family land are not the exclusive result of the limitations of its tenure structure but may be more heavily weighted on shortcomings in crop marketing facilities; and (3) this tenure form, with appropriate policy, can make significant contributions to national development particularly in the areas of food security and crop diversification.

The plan of this paper is as follows: it first presents the historical conditions that gave rise to family land and attempts to determine to what extent these conditions (as far as they continue to exist) and new ones, may reinforce its existence. The nature of the banana industry which has sustained the economy from about the mid-1950s is then discussed to underline the extent to which its success has been and continues to be based on preferential trading agreements. This is done to emphasize how vulnerable the economy is to changing EC policy on protected trade and the emerging importance of food security and crop diversification in that context. In the theoretical section the neo-classical economic analysis that has underpinned policy to eliminate family land is examined to reveal where its assumptions may not hold and what factors affect the land market and investment patterns.
A brief description of the research methodology used is followed by a discussion of the data and research findings. The final section is devoted to interpretation of the findings.

2. History of Family Land

St. Lucia, Dominica, Grenada, St. Vincent and the Grenadines together form the Windward Islands. These islands share the same tropical climate (lie in a hurricane path), are small (the largest is Dominica with an area of 318 sq. ml.), have open economies and are all heavily dependent on agriculture.

The population is largely descendants of Africans who were forcibly brought to the Islands as slave labor to develop the plantation sugar economy. Following the demise of the sugar industry and the abolition of slavery (1834), plantation owners, in an attempt to control potentially fugitive sources of labor, passed legislation making it extremely difficult for exslaves to acquire land and become independent cultivators. In response, the newly freed population, eager to establish an identity separate from the dehumanizing conditions of slavery, made every effort to acquire property in land - the avenue to economic and social independence and a symbol of political independence and human dignity.

One effective way of achieving their objectives was to pool extended family resources to acquire land parcels that were being sold at prohibitively high prices and then granting tenure claim to all succeeding generations whose lineage could be traced to the original owners. Family land was thus born from these efforts to circumvent the plantation system of the post-emancipation period [Besson :1979 ].

Family land conforms to the definition of common property resources in which access is controlled and outsiders may be excluded. Claim is based on lineage to the original purchasers of the land. This grouping of claimants is therefore different from that based on membership in a tribe or ethnic group. Internal structural arrangements, however, conform very closely to the more widely known communal systems. Allocation of claims are not restricted by gender and all children1 are entitled to equal shares. Each family member has an undivided right to cultivate or otherwise occupy a portion of the family's land. Non-residency does not preclude the right to return at any time nor the right to claim a portion of the perennial crops that are on the land. Family land rights are de facto inalienable and therefore afford the security of a subsistence to both members on the economic margins as well as those with more permanent employment outside of the agricultural sector. The sale of any portion of the land requires the consent of the whole

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1 In St. Lucian law only children born within a marriage are allowed to inherit. Under customary law illegitimate children are also included in the inheritance system.
family and therefore greatly limits its ability to enter the land market. The rules of the institution are maintained by social obligations and sanctions. Unlike communal land systems in areas such as Sub-Saharan Africa, which evolved centuries before any contact with Europe, family land systems, the communal tenure forms of the Caribbean were fairly recently created (since 1838), within the context of colonial administration and capitalist forms of production.

3. Effects of Single Commodity Exports and Protected Trade

These next two sections discuss the nature of the banana industry which has supported economic growth since the 1950s; the impact of the preferential trading agreements which have sustained its relatively inefficient production system by international standards; the vulnerability of the industry to the loss of protected trade and the significance of the provision of social security and crop diversification at this crucial point in time.

Banana production for export in St. Lucia first assumed significance in the 1950's against the background of a slowly collapsing colonial system and the decline of West Indian sugar production. This transition was a critical factor in determining the future agrarian structure of banana industry in St. Lucia and therefore requires some elaboration.

By the 1950's the sugar industry was characterized by production inefficiencies and growing labor problems linked to the plantation structure of sugar cultivation. Due to acute labor shortages coupled with the decline of sugar prices, many large plantations were forced to sell or abandon their estates. This break up of the plantations marked a period of expansion of the peasantry in St. Lucia.

Bananas provided a viable alternative to sugar because the crop was well adapted to small scale peasant cultivation. It also displayed potential for the resuscitation of the agricultural sector, creating new opportunities for the emerging peasantry and the remaining large landowners. For the local colonial administration, both small-scale and plantation banana cultivation presented an excellent opportunity to boost the failing sugar economy and counteract the growing labor unrest of the 1930's and 40's. For these reasons it actively supported the establishment of the industry [Thompson 1987: 28-29].

Another factor which contributed to the successful establishment of the industry, was the state of the UK market after World War II. During the war food rationing and import controls had been established, and they continued during the 1950's with banana imports only half their pre-war levels. In 1953 an active 'banana lobby' 1 successfully

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1 The banana lobby was associated with the West India Committee established in 1775 by Merchants and Planters trading in the West Indies whose aim was to maximize profits and safeguard trade. Its members had originally
pressed the Board of Trade into granting a special license for the import of bananas by Geest Industries (a British/Dutch MNC) and other allied trading interests to meet post war demands. Under the agreement, two classifications were established for importing bananas: "sterling area" (countries of the Commonwealth, in particular Jamaica and the Windward Islands) and "dollar" bananas (all others) [Thompson 1987].

Sterling bananas were imported under an open general license while a quota system operated on dollar imports, requiring the issue of a special dollar license which was issued only if demand could not be met by sterling bananas. In addition, dollar bananas were subject to a 20% tariff. Thus the market for sterling bananas was protected by the quota system of dollar license. In this way the UK encouraged Jamaican and Windward Islands banana production by protecting their high-cost banana production from external competition. At least for the time being, protected banana markets helped them stabilize their troubled economies, and ease the political pressure on the colonial administration.

In 1954 Geest Industries Limited offered to purchase all bananas of marketable quality. This offer was crucial to the emergence of an industry largely protected from the vagaries of the market and dependent, for shipping and trading, on the UK/Geest monopoly [Thompson 1987].

In 1973 when the UK became a member of the EEC, the Windward Islands were still among Britain's overseas colonies and continued to receive preferential treatment in the UK market. By 1975, negotiations between the independent African, Caribbean and Pacific (ACP) countries and the EEC had led to the formation of the First Lome Convention. Lome I allowed for the entry of 99% of ACP products into the Community market, free of customs duties and equivalent taxes, and in unlimited quantities. This preferential system for bananas in the UK had, up to 1992, served to compensate Caribbean producers for their high production costs and to protect the lower quality of their bananas from competition [Read, 1994; Philbert-Jules, 1990].

The strenuous efforts made by US MNCs operating in Central America within the Uruguay Round of GATT, directed at ensuring their access to the European banana market after 1992, have resulted in significant inroads in the preferential agreements and a current system that may not be sustainable given the likely pressure for the revision of traditional and consolidated quotas in favor of Dollar Area suppliers [Read, 1994:233].

The Windward Islands are now limited to a quota of 294,000 tonnes per year. This was the production level reached in 1990. Growth of the industry is therefore inhibited and

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been mainly sugar barons but later included anyone wanting to engage in business in any of the West Indian colonies [Thompson 1987].
the prospects for continued support of the relatively inefficient system of production are dim [Read, 234].

The options open to St. Lucia and the other protected producers are limited. A two-pronged crisis management strategy has been pursued by the regional governments, focusing on the one hand, on political negotiation in the international arena for a solution (as already mentioned, with dim prospects), and the other, on economic strategies within national boundaries. It is the second approach that is of interest in this paper.

This approach involves the rationalization of banana-producing economies to improve the efficiency of their production (through quality improvements and the reduction of unit production costs) and improve their competitiveness in the global marketplace (a relatively short-term solution); and the diversification of agricultural production in the longer term.

**The Banana Enclave at the Crossroads**

St. Lucia has an area of 152,320 acres of which 58,017 or 38% constitute total farm land. In 1986, 26% of that farm land was under banana cultivation. In that same year banana exports earnings constituted 67% of total export earnings, in 1987 it fell to 56%. From 1988 to 1990 it climbed slowly to 61%. Banana exports represent over 90% of Total Agricultural exports [GOSL-SER 1988].

The objectives of the structural adjustment program in St. Lucia were to improve banana production through a replanting program [USAID :1982]. In spite of indications that the next decade might herald fundamental adverse adjustments in St. Lucia's protected banana trade agreement with the United Kingdom, the expected increase in productivity was to come from an intensification of banana production.

The thrust of the program was to increase efficiency - through deepening of land markets - in order to improve competitiveness in what was perceived as St. Lucia's area of comparative advantage.

The argument that St. Lucia has a comparative advantage in the production of bananas is erroneous on two grounds. First, comparative advantage in banana production is not innate, but rather the historical product of past investment patterns, particularly in infrastructure and research; and second current comparative advantage is artificial because of special marketing arrangements. The size of surplus and the long-term price expectancy for Windward Island bananas both depend on political negotiation rather than economic advantage.
St. Lucian comparative advantage in banana production is very questionable and exclusive attention to this crop becomes an obstacle to necessary restructuring. The contribution of the banana industry to growth through internal linkages has been relatively insignificant. Research and development is entirely devoted to production and post harvest handling. Since the fruit has maximum value as a fresh fruit, very little research has been done on processing. The small size of the islands and limited resources do not allow the production of chemicals and fertilizer inputs needed by the crop in quantities large enough to gain from economies of scale. Institutional emphasis on bananas, including excellent credit and marketing services and consistent research and development have hindered the development of alternative investment opportunities within the agricultural sector. The enclave character of banana production is itself one of the main deterrents to proverbial diversification.

Given the inevitable loss of protected trade, many banana farmers, particularly marginal ones, will face serious economic hardship. Quite apart from meeting the challenges of continued growth, these farmers will need social security for survival. Many undoubtedly, may engage in distress land sales, others (and urban workers may be included in this group), will rely on family land for this social security.

Arguing against the grain of individual titling and ASAP, the rest of the paper makes a case for the inclusion of family land in future projects of agricultural diversification. In the process it will show how agricultural inefficiencies have been wrongly attributed to family tenure and uncovers the real constraints on agricultural diversification.

4. Family Land: Theoretical Considerations

This section considers two theoretical perspectives on family land. The first, which may be called the traditional, seeks to explain why family land continues to exist. The second, based in standard neoclassical economic theory, advocates the elimination of family land and establishment of land markets.

The continued existence of family land has been attributed to two conflicting explanations. One explanation holds that the conditions that gave rise to the system in the first place (a perception of land scarcity driven by limited land available for purchase, search for a stable form of social security and a fear of landlessness), continue to exist today and family land continues to fill these needs [Besson, 1979; Barrow, 1992].

The profile of the agrarian structure has not changed significantly from the decades following the creation of a peasantry and as the 1986 Census shows land distribution continues to be very skewed. Peasants with 0 to 5 acres accounted for about 83% of the
total number of holdings but occupied only 21% of total amount of farm land. Farms with 100 acres and more represented 0.4% of farm holdings but held 42% of all acreage. [Table 1].

Table 1  Land Distribution 1986

<table>
<thead>
<tr>
<th>Size of Holdings (acres)</th>
<th>% of Total Farmland</th>
<th>% of Total Number of Holdings</th>
</tr>
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<tbody>
<tr>
<td>under 5</td>
<td>21.3</td>
<td>83.3</td>
</tr>
<tr>
<td>5 - 9.9</td>
<td>13.4</td>
<td>10.3</td>
</tr>
<tr>
<td>10 - 24.9</td>
<td>13.4</td>
<td>4.85</td>
</tr>
<tr>
<td>25 - 49.9</td>
<td>5.6</td>
<td>0.85</td>
</tr>
<tr>
<td>50 - 99.9</td>
<td>4.0</td>
<td>0.30</td>
</tr>
<tr>
<td>100 +</td>
<td>42.3</td>
<td>0.41</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
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(calculated from 1986 Census, Gov't of St. Lucia: p. 13, 18)

According to the traditional argument the persistence of this pattern and the growing population pressure on the small farming sector, has forced farmers to develop ways to gain access to land for social security or for commercial purposes. Family land, by allowing large numbers of people to benefit from one or both of these features overcomes the physical constraints of holding size. This tenure form is also unlikely decline in the future because large land owners, who have for generations refused to subdivide their estates even after production levels have declined substantially, are still unlikely do so now. Land is held by that sector as a source of political power, social prestige, a secure source of investment and a hedge against inflation.

The opportunities for jobs outside of the agricultural sector (in tourism and the manufacturing sectors) are limited, particularly for unskilled labor. The structural flexibility of family land allows it to absorb labor beyond an optimum level, providing social security and a means of survival.

I have no major disagreements with this traditional analysis of family land, as far as it goes. However, it fails to consider whether there is a role in the future for family land in the context of changing economic realities. This paper, building on the traditional argument and a critique of the neoclassical theory, attempts to define this role.

The alternative explanation, and the one which proposes a dissolution of the system, maintains that family land is an obsolete tenure form that creates a barrier to economic development [Clarke: 1966; Mathurin: 1967; Finkel: 1971; Government of St. Lucia: 1977]. Family land is considered highly unproductive because there is no tenure or title security, and cultivators are discouraged from investing their labor or acquiring resources for investment. This has become the paradigm informing public policy in great measure
because of the free market and efficiency orientation of structural adjustment programs and international development agencies.

According to neoclassical economic theory, a market system guided by prices and forces of demand and supply, simultaneously maximizes individual and social utilities. Individual owners of land responding to the incentives provided by market prices will either buy or sell property. Those who are economically able and motivated to increase the productivity of the land will be buyers and those who do not fit these characteristics will be induced to sell their land and pursue other activities for which they are more economically suited. The expectation is of a general tendency toward the acquisition of land by those who are most capable of increasing its productivity and away from those less capable of doing so. In this context, communal ownership inhibits the functioning of the market because rights in at least two critical areas—tenure and title—are not very secure, particularly over the long term, and inhibit investment. The argument has three parts that are worth reviewing briefly: (1) security associated with the ability to exclude others; (2) collateral associated with the ability to mortgage land; and (3) marketability associated with the ability to sell land freely.

4.1 Family land and Tenure Security

Economists contend that rights to crops planted by an individual ("fruit of one's labor") on communal property are not secure because any other member of the group has free access to these crops - a short term problem. In the longer run, it becomes increasingly difficult to exclude others from harvesting certain types of crops, such as permanent ones for two reasons. First, under family land tenure, permanent crops, as opposed to short term crops, eventually become accessible to all claimants. Second, because land is held in undivided shares, the location of a parcel of an individual is not fixed indefinitely and another individual may wish to cultivate the parcel in question, where long term tree crops may have been planted by the previous cultivator. In either case the decision to grow crops is constrained by family rights.

It is easy to show that this preoccupation is unfounded. The assumption about the inability of individual cultivators to exclude non-cultivators from harvesting crops draws on a fundamental misunderstanding of the functioning of communal land. Field evidence from St. Lucia indicates that, as under other forms of communal property resources [Bromley, 1989], a cultivator's rights to the fruits of his/her labor are very secure and protected by traditional social sanctions within the group. Likewise because family land is based on
social obligations and reciprocity between members (both laterally and intergenerationally),
the concern over disincentives to long term investment also seems unfounded.

4.2 Family Land and use as Collateral

The second and principal factor analyzed is the inability to offer land as collateral
for credit to invest since benefits of transfer rights are not present. The right to transfer
permanently or dispose of land outside of the community is not possible, since the consent
of all members is required, a highly, if not virtually unlikely event. Access to credit for
investment is therefore impeded.

The argument for the advantages to be gained from an active land market sees a
direct causal relationship between title security through individual titles, the ability to access
credit, investment and increased productivity. Two separate criticisms may be raised. First
these linkages are not as automatic as the model suggests. Individual titles with the security
they convey, do not necessarily bring about the unfolding of stages that eventually lead to
increased productivity, and inefficiencies attributed to this tenure form might result from
other factors. Second, in calculating the costs and benefits of individualized titles as a way
of improving investment one must not overlook the dangers of widespread landlessness for
countries with few employment alternatives.

In examining the causal links between freehold tenure security, investment, and
productivity, certain observations can be made. The productivity performance of a parcel of
land is a function of household characteristics, parcel characteristics and type of tenure. For
example, the location of a parcel of land, its level of fertility, as well as amount of a family’s
wealth relative to other households in the project area, management skills and amount of
political influence in the area may be equally significant as type of tenure in determining the
performance of a farm [Barrows and Roth: 1989]. Thus, communal land, if accompanied by
adequate institutional supports, may be integrated into a national program of agricultural
diversification.

An example from the banana industry will illustrate this point. Under the current
structure, inputs such as fertilizers, herbicides and protective wrapping for the fruit is given
to farmers against their production by the only marketing agency, the St. Lucia Banana
Growers Association (SLBGA). In addition, technical advise is delivered to all farmers
through the extension services of the Ministry of Agriculture and WINBAN, the banana
research facility. In effect, basic inputs are collectively provided without regard to tenure.
What is more, family land tenure does not inhibit banana production under the current
structure of the industry. In Micoud, the district where the survey for this study was
conducted, and the second largest banana growing region in St. Lucia, 90% (27) of the farmers who cultivate exclusively on family land grow bananas on a commercial scale.

4.3 Family Land and Marketability

A second strike against family land, according to the market-obstruction argument, is that individuals who might be interested in leaving agriculture in the future will only invest in a venture if it can be sold at some later date. In the economic jargon, there is a time horizon truncation because of low net present value. Presumably the low level of activity in land markets confirms this hypothesis. Yet, I would argue that the disincentives to selling and buying of land are of a very different sort.

Kaushik Basu [1986] in an article on interim land transactions observes that in many developing countries the market for buying and selling land is extremely inactive. Farmers perceive a scarcity and therefore will not sell their land even if they move into other areas of employment for fear of not being able to buy land at a later date should their decide to return to farming. Thus, although land may not be under active production, it does not enter the market. This perception of scarcity of land for purchase reinforces itself in reality.

In St. Lucia there are significant conditions affecting the decision to dispose of land: a perception of land scarcity, an absence of stable alternative employment and a need for social security in a predominantly agricultural economy. Land ownership, as illustrated in Table 1, is very skewed and, with very few exceptions, large estates, even when lying idle do not enter the land market. Land transfers occur largely within the small farming sector. In the study conducted, of 60 farmers who had acquired at least some of their land through purchase, 43% had bought their land from relatives - an indication that access to land may be realized through preferred networks and not open markets. When asked if they would consider selling their farm at some point in the future, of the 87 farmers interviewed 82 or 94% indicated they would not sell their main farm. Of 34 who had more than one farm only 4 or 12% replied that they might sell their second farm.

In sum, the current disincentives to “optimal investment” lie not so much in tenure obstacles to land transactions, but in the fact that land also functions as a major form of passive investment and surrogate form of social insurance. Family land is not the cause of this, but simply one institutional solution to the problem of scarce employment and investment outlets and absence of developed social security.
5. Methodology and Data

The analysis presented here draws on field research conducted in St. Lucia from September to December 1992. The data collected is of two types: case studies and field surveys. Using structural and systems analysis this study: 1) identifies the advantages (social and economic) associated with family land; 2) isolates the major obstacles to improving productivity of family land; and 3) suggests ways to improve this productivity and incorporate this tenure form into a wider strategy for national growth and development.

Three complementary investigative methods were used. First, interviews were conducted with national level officials and office holders. A survey, involving a sample of 87 farmers was carried out comparing management strategies of farmers who cultivated land parcels under three categories: freehold, family land and a combination of both. And finally in-depth interviews with eight families who used family land were conducted.

The interviews with officials provided information on the current status of policy being developed for family land and policy being considered to deal with the crisis in the banana industry. These interviews also provided background information which guided the selection of sites for the survey and cases.

The survey was conducted in the Micoud Quarter because of the frequency of occurrence of the tenure types required and the high production of both banana and food crops.

The case studies, (based on the methodological approaches of Patton [1990] and Yin [1989]), were designed to understand the dynamics of the family land institution, particularly the mechanisms that allowed usually large numbers of extended families to receive social and economic benefits from relatively small portions of land.

Cases were all drawn from the same geographic area, Choiseul, where the percentage of family land holdings to other types of tenure is the highest of the country (58%), and where 94% of crops cultivated in all tenure types are food crops (1986 Census). They were selected according to criteria to reveal the structure of the family land institution. Willingness of interviewees to reveal information about family matters such as social relations and financial situation were also criteria for selection. They were then used to develop prototypes that serve as a theoretical foundation to discuss family land structure.
6. Discussion of Findings

6.1 Family Land Prototypes

From the case studies the advantages of the structure of family land to its users become more apparent. Resource allocation is mediated by the social obligations and responsibilities of members and is responsive to members' needs. Prototypes of family land developed from the cases and based on categories of different use, system differences and outcome differences reveal the flexibility of the institution.

In one prototype, young farmers, mostly single, use family land as a beginning point to undertake farming careers. Lacking initial capital, these farmers cultivate family land in order to accumulate capital to then purchase their private holdings. They then undertake full time cultivation of their individual holdings even though they continue to have claim to the family land parcel.

One such farmer, Mark, is 24 years old. He currently cultivates a plot (1 acre) on family land to which he gained access from his grandmother. He grows mostly vegetables and root crops, some of which is marketed, some given as gifts to siblings and cousins and some of which is retained for household consumption by himself and his grandmother whom he supports. His main investments are labor and technology (fertilizers). He has never tried to get a loan. He is currently in the process of buying his own private land. Although relations with his uncle and cousins who also cultivate the family land are cordial, he is driven to purchase an individual parcel by his desire to have a larger holding, exercise greater managerial authority and begin his own family.

In another prototype, the motivation that drives the farmers is different from that just described and therefore leads to a different economic outcome. In this prototype cultivation of family land is undertaken largely as a private parcel. The holding is cultivated by a farmer or couple, other claimants do not cultivate, nor have any desire to do so since they earn their incomes from other activities. The resident cultivator is therefore left to work with a larger parcel than would otherwise be the case. There are no points of conflict with other claimants and the farmer is content with earning a living from family land. The majority of production is marketed.

One such couple in their 40s, cultivated a 10 acre holding. The farmer had been an only son and had 3 sisters who were married and described as uninterested in the land. Relations among the claimants were very cordial. Labor and fertilizers were the major investments. They had never tried to obtain credit. The majority of the vegetables and root crops were marketed in Vieux Fort the closest commercial town.
In a third prototype, the family holding is fully utilized by different members of the extended family. Resources are scarce and the ability to shift cultivation or expand size of plots is restricted. Social relations tend to be more strained and conflicts are likely to develop. This prototype can be contrasted with the fourth one in which family land is not fully utilized but some members are also at the economic margins. In the latter, relatively disadvantaged members are permitted to use as much of the resource as they need or they labor allows them to. A difference in scarcity of resources affects nature of social relations as well as access.

6.2 Data Analysis

Research data from the small farming sector revealed a general perception that land available on the market is scarce and a majority of farmers of those sampled would leave their land to their families. Of 60 farmers who had acquired at least some of their land through purchase, 43% had bought their land from relatives. Of 131 parcels covered in the survey only about 8% were likely to be sold. Of those remaining, 16% identified land as the only source of income and would therefore not sell and, an overwhelming 75% indicated that their parcels would be left to their families (information was missing for 2 parcels).

Field evidence found that a significant number of households continue to choose an inheritance system to transfer land. This inheritance system of transfer may easily evolve into family land once it is again selected by the next generation. Under the system of family land future generations are protected from landlessness and its structural flexibility based on social relations accommodate a wide range of economic needs. The family land institution continues to offer economic advantages to its users under heterogeneous patterns of use. Most significantly, it must be noted that it is not unequivocally plagued with internal strife.

From the case studies it was confirmed that security of tenure was not a problem. The fruits of the labor of any cultivator are recognized as the private property of that individual, and in that sense the incentive to invest in the land is preserved. The Land Tenure Center, in its baseline study on St. Lucia, found that in some cases, cultivators of family land had used individual freehold parcels as collateral to acquire credit which was the invested in family land parcels [LTC Report 1988]. Although all family land is now also recorded in the Land Registry, the absence of individual title for potential lenders, however, limits access to credit under current institutional arrangements.

At the same time it is this very mechanism of easing credit that opens the possibility of landlessness. It may also explain why, even when institutional credit is available, small
farmers will forego investment and possible increased productivity in the interest of long term income security.

Field research revealed that of 87 farmers surveyed across three categories of tenure (private, family and both) 75 or about 86% had never applied for credit. Of those who applied for credit 30% had private tenure and cultivated bananas, another 30% who applied had both types of tenure and also grew bananas. Only one farmer (10%), with family land who also grew bananas had applied for credit. Three farmers (30%) with both types of tenure and who grew a combination of crops had applied for credit. [Table 2].

<table>
<thead>
<tr>
<th>Table 2</th>
<th>Number of Applications for Credit by Type of Tenure and Crops Grown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Tenure</td>
<td>Crops Grown</td>
</tr>
<tr>
<td></td>
<td>Bananas</td>
</tr>
<tr>
<td>Private</td>
<td>3</td>
</tr>
<tr>
<td>Family Land</td>
<td>1</td>
</tr>
<tr>
<td>Both</td>
<td>3</td>
</tr>
</tbody>
</table>

The most commonly sited reasons by farmers for not applying for credit were that they were not in need of credit (43%) and a fear of debt (12%). When responses were broken down by type of tenure it became apparent that the expected efficient allocation and exploitation of resources may not occur because farmers, especially ones with private titles decide not to participate in the system. A combined response of “no need” and “fear of debt” accounts for 93% of the reasons given by farmers with private title and 81% of farmers with both types of tenure [Table 3]. Responses from family land cultivators indicated tenure limitations and old age. The general impression among small farmers, private and communal, is that participation in the established credit system (outside of that provided by the SLBGA) would expose them to the risk of losing the very source of survival.
Table 3  Most Common Reasons for Not Applying for Credit by Type of Tenure

<table>
<thead>
<tr>
<th>Type of Tenure</th>
<th>Reasons</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not in Need</td>
<td>Fear of Debt</td>
<td>Other</td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
</tr>
<tr>
<td>Private</td>
<td>18</td>
<td>67</td>
<td>7</td>
<td>26</td>
<td>2</td>
<td>7</td>
<td>27</td>
</tr>
<tr>
<td>Family Land</td>
<td>6</td>
<td>22</td>
<td>1</td>
<td>4</td>
<td>20</td>
<td>74</td>
<td>27</td>
</tr>
<tr>
<td>Both</td>
<td>14</td>
<td>67</td>
<td>3</td>
<td>14</td>
<td>4</td>
<td>19</td>
<td>21</td>
</tr>
</tbody>
</table>

notes: 3 farmers with private tenure did access credit
1 family farmer accessed credit. Information missing for 2
6 farmers with both tenure types accessed credit

From the case studies it was evident that low investment levels in the small farming sector in general were the result of a combination of the policy of credit institutions to the ambiguities of family land titles and an aversion of risk that could lead to loss of property. A more thorough examination of the system of production of food crops produced two critical revelations. From the sample, 37% of all farmers and 43% of family land cultivators produced food crops. In Choiseul, where 58% of holdings were registered as family land, 94% of all production was food crops in 1986\(^2\). However, the repeated failed attempts at setting up marketing facilities have left many producers of food crops disillusioned. All eight farmers from the in-depth case studies identified the absence of appropriate marketing facilities as a major shortcoming and the reason why they could not increase production or adequately dispose of crops in good years.

The reaction that there is no need for credit and a fear of loss of land are fundamentally related to the problems of credit access. Farmers “don’t need” credit because given the insecure state of outlets for produce, it does not make economic sense to invest, and given the same conditions, accumulating debt is not a rational strategy since one’s land could be lost.

The banana industry in contrast, has a guaranteed well organized marketing system (and until recently, a well protected market), chemical inputs and credit based on production through the banana marketing organization and strong institutional support from the state. Government efforts at crop diversification have mainly involved free distribution of

\(^2\) Calculated from 1986 Agricultural Census
seedlings and the provision of technical support in the form of services on crop husbandry. In the area of marketing for crops other than bananas, efforts, mostly in the form of marketing boards and farmers cooperatives, have fallen far short of expectations. The reasons for past failures are many, involving the disadvantages of relatively small scale of operations, difficulties in establishing reliable transport facilities and regional or international marketing channels, and deficiencies in technical and management skill in general. Even in the banana industry, the State has rather followed the initiatives of Geest Industries Ltd rather than led the way. Solving these problems will undoubtedly require substantial research effort and resources. This, however, in no way detracts from the necessity of pursuing this agenda.

7. Conclusion

Family land is not a hindrance to commercial crop production, and given the protection it affords, it might in fact facilitate peasant willingness to try out new risky crops. The primary problems facing the economy is not family land, and emphasis on it is misplaced and irrelevant. In terms of boosting economic growth, priority should be placed on developing credit facilities appropriate to the needs of farmers and establishing marketing services for non-banana crops.

The planning agenda for future development is a daunting one given past emphasis on banana production and the structural rigidities that have occurred under the refuge of protected trade. Structural reform, however, is a task that must be undertaken if the economy is to make a successful transition from growth under preferential treatment to growth under a more diversified and sustainable economic regime.

The majority of land transfers expected following the crisis in the banana industry will most likely occur in the small and medium sectors. Given the precarious situation of the banana industry, the projected outcome of this activity will be the movement of land from small and marginal farmers to those who are better endowed financially to take advantage of the new land entering the market. With the loss of protected markets the economy will inevitably be restructured.

Given the flexibility and socioeconomic advantages offered by the family land system it should be evaluated, not as a static legacy of the past but as part of a model for evolving development strategy for the future. Family land provides important safeguards against the threat of landlessness that may be caused by the loss of protected banana markets and the demand for real estate caused by a growing tourism industry. The
stabilizing effects of communal tenure can be matched by increased efficiency through policies to support diversified food crop production, encourage the development of reliable marketing mechanisms for crops other than bananas, and develop lending practices that recognize family land titles.

Some challenging questions will need to be addressed. Must the path to increased investment necessarily be at the risk of possible alienation of land resources? What role, if any, can the state play in resolving the incompatibility between family land and the market system? How can the socioeconomic advantages of family land be translated into policy that contributes to an integral national development strategy?
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