

Land Reform and Industrial Development in Mexico: Practical Lessons for Zimbabwe.

Newman Tekwa

South African Research Chair in Social Policy, University of South Africa

Abstract: Despite the different time periods land reform in Zimbabwe and Mexico share remarkable similarities from which Zimbabwe, once regarded as the second most industrialised nation within the Southern Africa region after South Africa, can draw practical lessons in its quest towards re-industrialisation. Occurring between 1911 and 1947, land reform in Mexico redistributed 51.4% of the country's agricultural land to tenants, workers, and peasants breaking the source of power and income of landed elites and a barrier to economic growth. The new social order lacked an economic foundation presenting a situation of both a challenge and response yet fulfilling the conditions necessary for industrial development. Similarly, the latest land reform programme in Zimbabwe redistributed about 80 per cent of former white freehold agricultural land restructuring the country's agrarian structure into one that is broad-based comprising an estimated 170,000 family farms. Whereas the key historical and secret to Mexico's industrial growth may be found in the role played by its land reform, the same cannot be said about contemporary Zimbabwe. Paradoxically, many scholars view the implementation of the land reform programme as the main contributor to de-industrialisation that accelerated at the turn of the millennium. The country's national industrial development policy, while it refers to agro-based industrialisation make no specific reference to the land reform as a catalytic element and remained steeped in export-led growth strategies. What lesson can Zimbabwe draw from Mexico's successful industrialisation following its land reform during the first part of the 20th century? Preliminary evidence from our research suggests the smallholder peasant path as the only viable strategy towards sovereign industrialisation at least in much of the global South.

Key words: land reform, industrialisation, de-industrialisation, peasant path, Zimbabwe, Mexico

Introduction

Several countries in the global South, the majority of whom were once former colonies highlights agrarian reform, particularly those which were accompanied by the redistribution of land to ordinary peasants as a precursor to industrial development (Chung 2014; Mkandawire 2014; Kay 2002). Mexico, a former Spanish colony located in South America is one classical case with similar examples found in the East Asian sub-continent. During their period of colonisation, these countries largely depended on exporting products from the fields, forests and soil mainly in the form of food stuffs and raw materials which left the producing colonial countries in their raw state in which they have been harvested, dug from the earth or at best slightly processes to reduce their bulk and shipping weight (Mosk 1950: 3). Sadly, even in the post-colonial period as a result of the underdevelopment of secondary industries during the period of colonialism, the economy of these countries remained unchanged. Described as commodity economies, these countries were characterised by the export of a single or a few range of commodities which constituted a significant share of the total national income making these countries vulnerable to external shocks particularly those emanating from demand and price changes in export markets (Mosk 1950: 6). Additionally, many of these countries, until to date remains small consumers of their own commercial production making their foreign export markets of utmost importance for the survival of their economies (Mosk, 1950: 3). Lacking a revolution, many of the countries in the global South in this kind of relationship have

largely retained an unindustrialised character to date (Mosk, 1950: 4). Inevitably, and not usually plainly state gains from world economic activity particularly in terms of welfare has benefited the industrialised nations of central and western Europe including the United States who constitute not only the source of foreign investment but also main foreign markets for commodities produced in the global South. While those living and working in producing countries have experienced insignificant gains in their standards of living countries of the North had reaped all the benefits suggesting inequitable share in the fruits of world economic activity.

Despite taking place at different time periods, one exceptionally taking place within neoliberal 21st century period, and the other taking place within the classical economics 19th century period, land and agrarian reform in Zimbabwe and Mexico share remarkable similarities from which the former, once regarded as the second most industrialised nation within the Southern Africa region after South Africa, can draw practical lessons in its quest towards re-industrialisation after implementing its land and agrarian reform. Occurring between 1911 and 1947, land reform in Mexico redistributed 56 million hectares amounting to 51.4% of the country's agricultural land to tenants, workers, and peasants breaking the source of power and income of hacienda landed elites which acted as a barrier to economic growth and industrialisation (Flores 1969: 87). The new social order that came with the reform lacked an economic foundation, particularly following the flight of both domestic and foreign capital in response to the social reforms, presenting a situation of both a challenge and response yet fulfilling the conditions necessary for industrial development. Similarly, the latest land reform programme in Zimbabwe redistributed about 10 million hectares of land amounting to over 80 per cent of former white freehold agricultural land to ordinary peasants, employed and unemployed urban wage workers, rural farm dwellers, politicians, senior government officials, private sector officials and white farmers (Moyo *et al.* 2009:1). Similar to the economic power of the hacienda owners in Mexico, the land redistribution exercise broke the economic power of white capitalist farmers who had retained an influential voice and political clout within government dictating government policy and slowing down structural transformation of the country economy (Moyo and Skarnes 1990: 214). Land reform in Zimbabwe just as in Mexico, reconfigured the country's agrarian structure into one that is broad-based comprising 150,000 small-scale A1 subsistence oriented family farms; over 20,000 middle-scale commercially-oriented A2 farms¹, while retaining a few large-scale commercial farms and agro-estates (Moyo *et al.* 2009; Scoones *et al.* 2010, Moyo 2011). Similar to the Mexican agrarian reform which lacked an economic foundation, following the capital flight particularly foreign-owned banks which withdrew funding for the now indigenous dominated agricultural sector largely wrought in response to the land and agrarian reform carried out from 2000, this presented a challenge the government of Zimbabwe is yet to find a lasting solution (Mazwi and Yeros 2023 citing Biswanger-Mkhize and Moyo 2012; see also Moyo and Nyoni 2013; Shonhe 2019: 407; Mazwi and Mudimu 2019). The Zimbabwean situation is compounded by sanctions imposed on the country following the implementation of the land reform programme (Moyo and Nyoni 2013 cited in Ossome, Lobos, Mazwi and Kumar 2022: 18). Whereas the key historical and secret to Mexico's industrial growth may be found in the role played by its land reform, the same cannot be said about contemporary Zimbabwe. Paradoxically, many scholars view the implementation of the land reform programme as the main contributor to de-industrialisation that accelerated at the turn of the millennium. While it is common to distinguish 'land reforms' (which aim to alter structures of access to land) and 'agrarian reforms', the latter is more applicable as it encapsulates a more comprehensive approach which besides – and sometimes

¹ A2 farms are the medium scale commercial production oriented farms above 20 hectares. The smaller A1 farms are family farms between 5-10 of hectares arable land taking on the subsistence model of the communal areas.

even instead of – land reform aims to promote access of landholders to the various inputs (knowledge, credit, markets) which they need to increase productivity and enhance sustainable livelihoods (White et al 2014: 2). Industrialisation is conceptualised in the paper as referring to the concentration of factories, industrial machinery and productive methods of manufacture albeit less associated with countries of the global South (Mosk 1950: 3).

The rest of the paper is structured as follows. The next section provides a review of literature on agrarian reform and industrial development in Mexico from 1910 to the late 1960s. This is followed by a discussion on the conceptual framework that informs the paper and subsequently the lessons Zimbabwe can learn from the experiences of Mexico. The paper concludes providing policy recommendation for Zimbabwe and other countries seeking to industrialise their economies.

Before the Revolution, just as any other South American country, Mexico was classified as a former colonial economy largely depended on foreign trade and investment (Mosk 1950: 5). Much of the economic effort of the Mexican population, outside subsistence forms of agriculture, was concentrated in the production and transportation of commodities scarcely consumed in any amount within the producing Mexico itself (Mosk 1950: 5). At that time 70 per cent of Mexican population lived wholly or largely outside the commercial framework and dependent on some form of subsistence farming producing for their own consumption with little contact with commercial markets and essentially depended local barter transactions (Mosk 1950: 10). Characteristic of a dual economy, the second segment comprised a modern economy which included producers of export commodities and all the commercial, financial and transport organisations including production for the domestic markets, a sector, despite excluding the majority of Mexicans, where the government obtained much of its revenues or national incomes (Mosk 1950: 12). The above represented a scenario, Mexicans sought to change following the 1910 Mexican Revolution with attendant agrarian reforms which set the stage for the industrialisation of the Mexican economy. In this review focus will be place on the period covering between 1910 and late 1960s the time encompassing agrarian reform and subsequent industrialisation in Mexico (Flores 1969: 87). Prior to 1910, Mexico was a largely agrarian economy characterised by concentration of land ownership and extreme income inequalities. There were 8,431 large haciendas and 48,633 ranches (between 200 and 1000 hectares making a total of 57,064 agricultural properties and out of a population of around 15 million with less than 1 per cent (0.03 per cent) being landowners and the rest of the population landless (Flores 1969: 88). The haciendas and ranches were controlled by only 1,000 landowning families and corporations leading to substantial landlessness (Barracough 1999: 10). The transformation of the Mexican economy from a largely pre-revolution agrarian to a diversified and industrialised urban economy that links agrarian reform to industrial development can be categorised into three episodes. The much longer land and agrarian reform period stretching from 1910 to 1940, which set the pre-conditions for industrial development with its emphasis on agrarian policy and development. This was succeeded by a subsequent shift in emphasis of the country's economic policy with the development of manufacturing industries at the centre stage beginning from the 1940s onwards. The latter stage can be divided into two phases as discussed below.

Agrarian Reform in Mexico and the Formation of Ejidos

The Mexican revolution which began in 1910 was a period of social upheavals and one key transformation that came with the revolution was agrarian reform which was considered a primary weapon for the achievement of economic growth and social equity equity in Mexico

(Mosk 1950: 1). Covering a period of close to four decades, the agrarian reform effectively stretching from 1915 to 1940, although within the period of the Mexican Revolution which started in 1910, redistributed 56 million hectares of all types of land, making more than 50 per cent of all productive land in Mexico available to 24 million peasants (Flores 1969: 87). The redistributed lands were freely granted to agricultural communities called ‘ejidos,’ defined as a system of communal tenure modelled around the ancient Indian communities whose land was expropriated for the creation of Haciendas (Mosk 1950: 54; Flores 1969: 87). Ejido land in Mexico is held as the property of a town or village for collective use or distribution among ejidatarios for cultivation on small plots to which each individual has the right of occupancy and usufruct (Mosk 1950: 54; Flores 1969: 87). The average size of an ejido plot is around 6.5 hectares with the land under the agrarian laws not allowed to be sold or mortgaged (Flores 1969: 87). The successful completion of the Mexican agrarian reform is incomplete without the pivotal role played by Lazaro Cardenas. Lazaro Cardenas believed that the solution to Mexico’s social, economic and political problems lied in carrying out the agrarian reform that came with the Mexican Revolution with the main thrust being getting the land redistributed to peasants (Mosk 1950: 53). Cardenas became President in 1934 after the agrarian reform has been in operation for over two decades in which 8.3 million hectares of land has been redistributed to peasants (Mosk 1950: 23). Upon coming to office Cardenas quickened the agrarian reform and during his 6 year term (1934-1940), Cardenas made available for redistribution to peasants an additional 18.6 million hectares of agricultural land (Mosk 1950: 53). Accounting for 70 per cent of the land that was redistributed to peasant during the agrarian reform Cardenas figures out in Mexico’s history as a key social and economic reformer who brought the Mexican land and agrarian reform to completion thus setting the necessary foundation for industrial development in Mexico (Mosk 1950: 53).

Agricultural policy was the main preoccupation of the Cardenas administration (Mosk 1950: 53). In addition to ‘ejidos’ land redistribution in Mexico created small family farms called ‘Pequenas Propiedades,’ which to some extent were inspired by the American family farms with farm sizes ranging between 100-150 hectares of irrigated land or the equivalent in land of lower quality (Flores 1969: 87). To compensate for the lost land the Mexican government issued bonds with only 0.5 per cent of the value of the expropriated land paid for including foreign owned lands and payment was not in accordance of the rigid principle of ‘prompt, adequate and effective’ as demanded by the US government (Flores 1969: 87). Payment was subject to long protracted negotiations culminating in an agreement between the Mexican and US government with modality of payment tailored to the financial capacity of the expropriating country (Flores 1969: 87). During his term of administration, Cardenas did not only sought to bring the agrarian reform to completion but also endeavoured to incorporate the ejidos into the economic and social structure of Mexico (Mosk 1950: 54). After the successful completion of the land and agrarian reform which came with the Revolution it became imperative for Mexico to increase agricultural production, diversify the economy and to industrialise the Mexican economy (Flores 1969: 87). To ensure the productivity of the ‘ejidos,’ the Cardenas administration established a new bank in 1935, *Banco Nacional de Credito Ejidal* established specifically mandated to supplying agricultural credit to ejido farmers particularly by increasing the total amount and the ratio of ejido credit relative to other kinds of agricultural credit in Mexico (Mosk 1950: 55). This boosted agricultural production and moved Mexico towards food self-sufficiency (Mosk 1950: 148).

One of the key government response under Cardenas administration following the land and agrarian reform which had a direct effect on industrialisation in Mexico included the massive rolling out of a public works program which first came with extensive development of

irrigation, road construction and subsequently urban expansion (Flores 1969: 87). This had begun with the establishment of the National Irrigation Commission in 1926 (Flores 1968: 87). During Cardenas administration the construction of dams and other irrigation facilities absorbed over 90 per cent of public investment in agriculture sector (Flores 1969: 90). The focus on development of irrigation and opening up of new lands for resettlement and agricultural production proceeded vigorously in the two administration after Cardenas left office in 1940, namely that of Avila Camacho (1941-1946) and Miguel Aleman (1947-1952). During the six years of the Avila Camacho administration approximately 900,000 acres of new land were brought under irrigation, and 800,000 acres of previously irrigated land were benefited by improved irrigation systems (Mosk 1950: 218). Subsequently, Miguel Aleman's administration expanded the irrigation development programme and doubled government spending in the construction of dams and other irrigation infrastructure to 1.5 billion pesos from 656 million pesos spend under Avila Camacho's administration (Mosk 1950: 218). Indicating Mexico's commitment in the development of irrigation from the establishment the National Irrigation Commission in 1926 and government spending on irrigation up to 1968 amounted to 15.7 billion pesos (equivalent to US\$1.7 billion) (Flores 1969: 87). The irrigation policy by these three successive Mexican governments directly supported the land and agrarian reform policy. The policy led to the expansion of acreage under irrigation which opened up more land which were previously idle (Flores 1969: 89). By 1967 irrigated area accounted for 25 per cent of harvested area in Mexico (*find % harvested areas under irrigation in Zimbabwe*).

Irrigation development was also accompanied by an extensive program of highway construction which also had a high priority on the public expenditure leading to the construction of a road network that exceeded 60,000 kilometres making accessible lands which were previously idle and operated extensively (Flores 1969: 90). Highlighting the productive task of social policy, the new high ways linked agriculture regions with consumption centres and ports resulting in increased agricultural production generating external economies accompanied by shifts from extensive to more intensive forms of land utilisation (Flores 1969: 89).

Indirectly stimulating industrial development, the agrarian support public works programs comprising irrigation, road construction and urban development both combined to generate huge demand for cement, steel and other products of the construction industry, setting the stage for industrial revolution (Mosk 1950: 59; Flores 1969: 87). Other public work construction programs included the development of water supply and sewage systems, schools, and other public buildings (Mosk 1950: 57). Resultantly, these outlays gave a strong direct stimulus to the construction industries that were supplying materials for the public works, and through them the stimulus was passed on to other industries. With more opportunities generated within the construction industry, the total of wage payments were expanded resulting in increased purchasing power in the hands of wage earners which manifested itself in a growing demand for consumer goods, including processed foods (Mosk 1950: 59).

In addition to the development of infrastructure, agrarian support Mexican agrarian support included domestic price support which began in 1937 under Cardenas administration (Flores 1969: 90). Domestic price support which initially sought to lower prices of basic food stuffs and favoured urban consumers at the expense of farmers, the agency *Compania Nacional de Subsistencias Populares* (CONANSUPO), the public entity that provided price support for maize, wheat, beans, rice, sorghum and chili subsequently raised all prices above world markets levels benefitting small-scale and commercial producers (Flores 1969: 91). Subsequently, increased agricultural productivity had a positive knock-on effect on increased fertiliser

consumption further acting as a stimulus for the development of the chemical industry, particularly the manufacture of fertilisers and pesticides (Flores 1969: 91). Feeding into each other, the expansion of modern transportation and communication networks resulted in favourable prices inside the country, increased demand from urban-industrial development leading to further shifts in land utilisation from extensive to intensive forms of crop and beef production (Flores 1969: 89).

Important to note is that Mexico before 1940, particularly under Cardenas administration lacked an economic foundation to support the agrarian reform. The social reforms under the Mexican Revolution which included the agrarian reform, the nationalisation of rail roads in 1937 and subsequent nationalisation of oil and petroleum industries in 1938 resulted in capital flight both domestic and foreign (Flores 1969: 82). No foreign capital entered Mexico between 1910 and 1940 due to the social reforms that were in progress, a situation exacerbated by wealthy Mexicans sending liquid capital abroad aggravating the balance of payment deficit (Flores 1969: 82). These reforms followed the suspension of foreign debt payment in 1929 (Flores 1969: 82). With agriculture virtually the only source of capital formation for urban and industrial growth, only two ways to domestic rate of capital available to Mexican policy makers. The first included the classic and painful squeezing and steady drain of agriculture for capital formation, which at that time constituted the only source of income. Secondly, was the enterprising transfer of labour from agriculture to manufacturing industry and their employment at subsistence wages to increase the productive capacities of the system (Flores 1969: 85). The above explains the paradox of success and failure of Mexican agriculture which comprised the penury of peasants and slum dwellers vis-à-vis an impressive agricultural, industrial and urban growth (Flores 1969: 85). Prior to 1940 public works programs including irrigation development and road construction programs were paid for by deficit financing (Flores 1969: 90). However, the peasants tolerated this forced austerity as it came from the same government that gave them land and engaged in vigorous and unprecedented efforts to rebuild dams, highways, sanitation and schools for their children (Flores 1969: 85).

However, the economic situation in Mexico during the reforms was somewhat relieved by, first foreign trade and secondly by unusual incoming of capital from Jewish refugees fleeing Hitler in Germany and Spanish Republicans after their defeat by Franco who brought almost half of the Spanish capital (Flores 1969: 85). The inflow of capital was also accompanied by inflow of human capital comprising scientists, artists and technicians trained in best European universities (Flores 1969: 85). Foreign investment only came into the picture with the coming in of Camacho administration in 1942 but never exceeded 15 per cent of total investment at that time (Flores 1969: 85). This provide key lesson for some other developing nations in their quest to industrialise the economies.

Shifts in Mexico's Industrial Philosophy post-1940

Although the three administration under consideration were all geared towards the industrialisation of the Mexican economy, their industrial philosophy were quite different though they fed into each other in the transformation of the Mexican economy. Cardenas philosophy regarding Mexico's industrialisation tied agriculture to industrial development aimed at promoting rural industry (Mosk 1950: 57). There was no space in Cardenas philosophy for the building of large-scale industrial plants or the growth of urban industrial centres (Mosk 1950: 57). In Cardenas vision he envisaged a Mexico of 'ejidos' and small industrial communities with sanitation, electrified with all goods produced for the purpose of satisfying human need (Mosk 1950: 57). However, with the coming of Camacho and Aleman

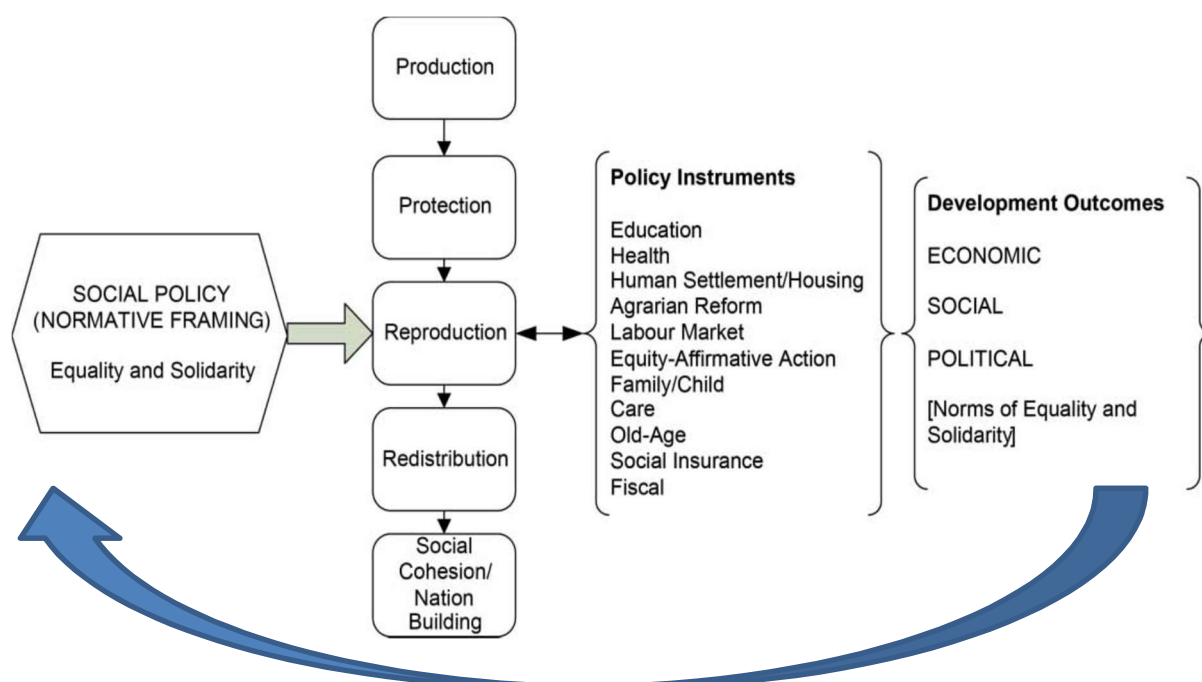
there was a change in the official economic policy from that of Cardenas (Mosk 1950: 57). Nonetheless, it is important to note that what happened during Cardenas period had indirect effect on the subsequent industrial development in Mexico, particularly government spending on public works which was expanded during Lazaro Cardenas time and the relative expansion of wage payment which added the purchasing power of wage earners which expressed itself in increased demand for consumer goods including processed foods (Mosk 1950: 57).

Since the 1940s with the coming in of Avila Camacho's administration the centre of attention shifted sharply from agriculture to industry and within a few years Mexico had established a base for a full-scale industrialisation (Mosk 1950: 1). While Cardenas administration placed emphasis agrarian reform and agrarian policy by getting agricultural land into the hands of the peasants and boos agricultural productivity, Camacho's administration made industrialisation a central feature of economic policy after he took office in 1940 and for the rest of his 6 year term beginning 1941 until 1946 (Mosk 1950: 53). Signifying the development of industrial consciousness in Mexico and building on the foundation laid by his predecessor, Camacho established the National Chamber of Manufacturing in 1942 which focused on the development of basic industries that support the agrarian reform (Mosk 1950: 22). Primary among these were iron and steel, cement manufacturing in addition to industries specialising in the processing of various agricultural products including textiles, paper, tobacco, soap manufacture, sugar refining, flour milling, shoe manufacture, beer brewing among many others (Mosk 1950: 24). The thrust of the industrial policy during Camacho administration was to ensure that any manufactured article consumed in volume should be produced in Mexico (Mosk 1950: 36). signifying the development of industrial consciousness in Mexico (Mosk 1950: 22). With the promulgation of the Law of Manufacturing Industry in 1946 placed industrialisation at the government economic policy industrialisation got a renewed expansion drive (Mosk 1950: 61). Building on the agrarian reform, the first line for industrial development to be expanded were those that use raw materials produced by domestic agriculture which included the processing of cereals, preparation of edible oils from various seeds and nuts, the fabrication of articles made from fibres such as cotton, silk, wool, henequen among others; the production of raw rubber from various plants which grow in Mexico (Mosk 1950: 36). Second were industries based upon natural resources of the forests, sea with immediate attention paid to the chemical industry which could sufficient raw materials in Mexico to meet their demands (Mosk 1950: 36). Highlighting the interlinkages, agriculture was expected to benefit from expanded and improved chemical industries due to larger supplies of fertilisers, pesticides and herbicides (Mosk 1950: 36). These were in addition to implementation of measures to induce consumers to accept and prefer domestic products and development of national ethos on which to base and support the program of industrialisation (Mosk 1950: 37). Miguel Aleman administration (1947-1952) which succeeded that of Camacho represented a logical extension of his predecessor's industrial policy and proceeded to invite foreign capital to participate in the economic development of Mexico (Mosk 1950: 61). Public works programs promoted by all the three administrations encouraged the growth of the rate of capital formation in line with Arthur Lewis argument that the expansion of capital is a function of the rate at which the building and construction industry can be expanded, thus setting the stage for industrial revolution (Flores 1969: 87). Huge demand by construction and public works assured high returns to investment and high rate of capital formation ensued (Flores 1969: 93). Thus, Mexico was set on a path to successful industrialisation that began with an agrarian reform. The 1910 revolution opened Mexico to a bountiful innovational forces shedding the inertia of the colonial period, dismantling the main source of power and fulfilling the conditions necessary for industrial development in Mexico (Flores 1969: 86).

Conceptual Framework: Transformative Social Policy

In terms of origin, the Transformative Social Policy originated from the UNRISD flagship research programme, Social Policy in Development Context (2000-2006) which highlighted the centrality of social policy in development and leapfrog processes (UNRISD 2010). As opposed to neoliberal mono-tasking, TSP places emphasis on multi-tasking enabling social policy to achieve the multiple objectives of production, redistribution, social protection, social reproduction, nation-building and social cohesion (UNRISD 2010; Adesina 2011; Mkandawire 2006). Figure 3.1 below presents the norms, functions, instruments envisaged within the transformative social policy and the attended social, economic and political development outcomes. As illustrated in the diagram, TSP offers a diversity of policy instruments which are important and relevant to a ‘developmental context’ in pursuit of not only citizen welfare but also industrial development. As highlighted by Thandika Mkandawire, some of the instruments within the TSP are different from the conventional social policies typical in the literature on comparative welfare state (Mkandawire 2006).

Fig 3.1: Transformative Social Policy: Norms, Functions, Instruments and Outcomes



Source: Adesina (2011:463)

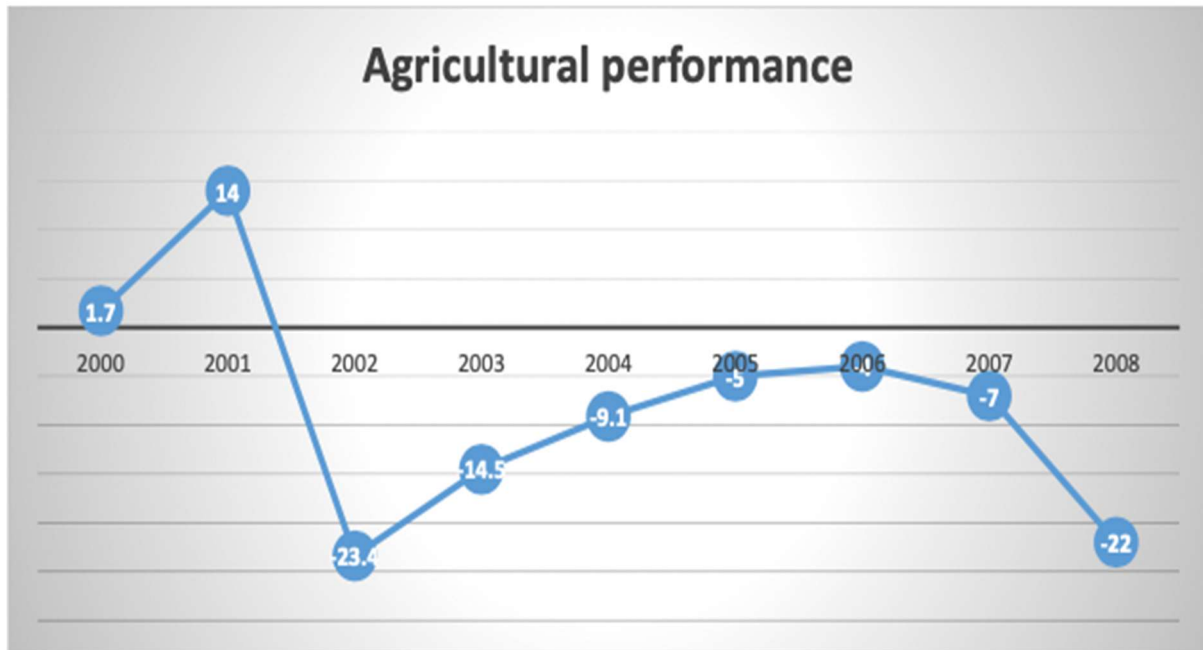
They include education; health; housing; fiscal; pension; care and social insurance policies; regulation of private actors and social legislation, and more relevant to the subject of discussion here, land and agrarian reform. Emphasis will be placed on the productive function of social policy, which the United Nations Conference on Trade and Development (UNCTAD) defines productive capacities as the maximum possible output of an economy (including agriculture, industry and service) and proposes productive resources, entrepreneurial capabilities and production linkages as key determinants of a “capacity of a country to produce goods and services” (2006: 61). While focus will be placed on the role social policy can play in the industrialisation process, it is important to reiterate that land and agrarian reforms, through their in-kind transfer of productive resources and assets to households and provision of the

necessary productive infrastructure and complementary policies holds potential to enhance the productive capacities of members of society, households and communities as illustrated in the Mexican case. The productive regimes of advanced economies suggests the role played by social policy in the industrial development of advanced market economies of Europe and newly industrialised nations of East Asia. As pointed out by Thandika Mkandawire “the most redistributive regimes of North Europe have tended to be the most conscious of the productive role of social policy” (Mkandawire 2007: 14). The author further argues, “social policy has undeniably been a constitutive element of the ‘production regime,’ yet such literature is less acknowledged in the developing countries” (2007: 14). Bringing into focus the linkages between land and agrarian reform and industrialisation, the experiences of Taiwan and South Korea indicates that land and agrarian reform policies, effective agricultural credit systems, investment in irrigation, expanded market for agricultural produce, effective system of agricultural extension, agricultural technology, mechanisation and formation of a variety of farmer associations, have been crucial in enhancing the productive capacity of the rural cultivators (Kay 2002; Mkandawire 2014; Chung 2014). Resultantly, as the experiences of many East Asian nations South Korea, China, Taiwan, and Japan indicates, land reforms and pro-agricultural policies created a base for successful industrial development (Mkandawire 2014: 26). These experiences including that of Mexico highlighted above provides key policy lessons for Zimbabwe in its quest to re-industrialise following implementing its own land reform.

Discussion

Land and agrarian reform constitutes one government flagship redistributive policies for close to four decades since independence in 1980. In the first decade the programme focused on the redistribution of land to returning refugees and people displaced by war, the landless peasants residing in the overcrowded communal areas and those with insufficient land to support themselves and their families (Roth and Bruce 1994: 23; Kinsey 1999: 179). In 2000, the government implemented the fast track land reform programme (FTLRP) which saw the redistribution of about 80 per cent of former white freehold agricultural land restructuring the country’s agrarian structure into one that is broad-based comprising an estimated 170,000 family farms. In addition to in-kind redistribution of resettlement land—as part of the agrarian support to resettled families and small-scale farmers in the communal area. In the aftermath of the FTLRP, the Farm mechanisation programme was launched in March 2007. In 2008 the Government, through the Reserve Bank of Zimbabwe, continued to procure tractors, combine harvesters, and other farm equipment for distribution to farmers to increase agricultural production (RBZ, 2008). Under this program, a lot of equipment was distributed to farmers around the country (Chibwana 2017: 102). As illustrated in Figure 2 below, agricultural performance continued with a downward trend

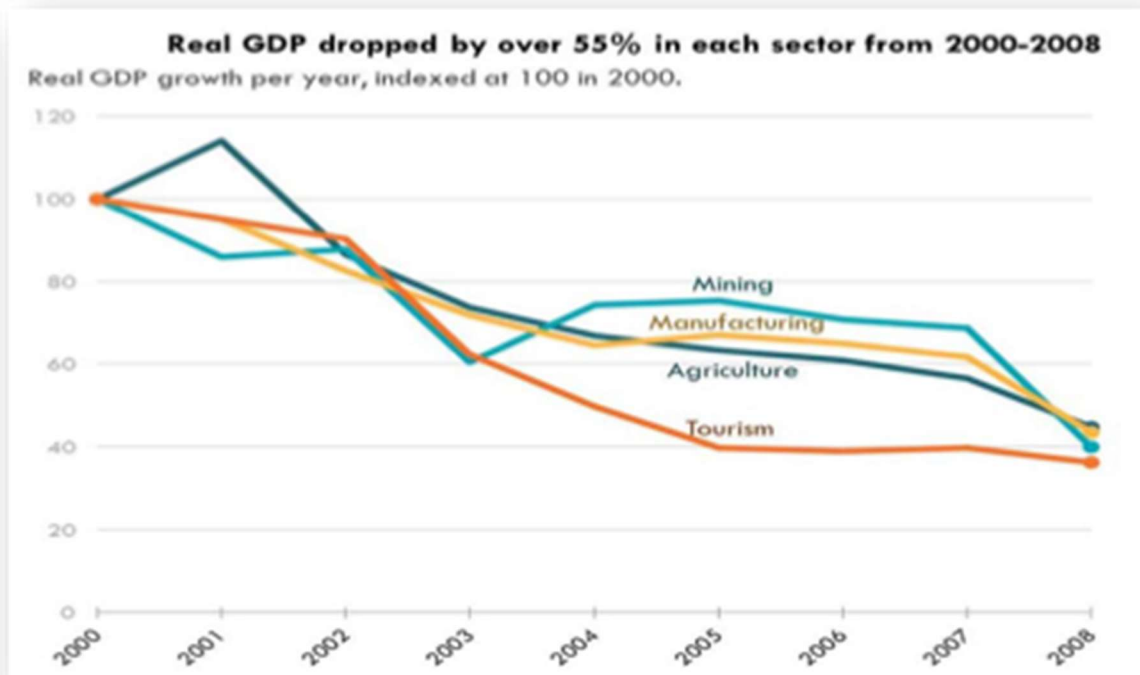
Figure 2: Agricultural Performance 2000-2008



Source: Central Statistical Office and RBZ

Despite some crops having recovered, the poor agricultural performance had a direct effect on the manufacturing sector. As illustrated in Figure 3 below real GDP dropped by 55 per cent within the same period and has struggled to effectively recover as capacity utilisation remains very low. In 2028 capacity utilisation within the manufacturing sector remained below 50 per cent at 48.2 per cent (Government of Zimbabwe 2018).

Figure 3: GDP Contraction 2000-2008



The situation above was aggravated by capital flight, both foreign and domestic. The IMF stopped supporting Zimbabwe by way of balance of payment support in 1999 while the World Bank did the same in 2001. The African Development Bank, also stopped balance of payment support in 1998, earlier than the international Bretton Woods Institutions. These developments formed part of the background that exacerbated the economic situation of the country eventually. Furthermore, the negative perception associated with sanctions on Zimbabwe adversely impacted on foreign direct investment to Zimbabwe. Thus, investors shied away from investing in Zimbabwe as the country was portrayed as risky (Chibwana 2017: 94). Other factors identified as having an impact on productivity in the agricultural sector and subsequently capacity utilization within the manufacturing sector relates to inefficient railway network, poor road network, economic policy instability, shortage of raw materials, low local demand for goods and competition from imports. Thus, agrarian reform in Zimbabwe continues to lack an economic foundation thus, failing to provide a strong basis towards industrialisation.

While Mexico following its land reform made agrarian reform and agrarian policy the focus of its economic policy in line with the social reality within the country, this has not been the case in Zimbabwe. Economic policies formulated post-2000 after the implementation of the land reform programme from the Millennium Economic Recovery Programme (MERP 2000-2001); the National Economic Recovery Programme (NERP-2003); the National Economic Development Priority Programme (NEDPP 2005-2006); the Zimbabwe Economic Development Strategy (ZEDS 2007-2011), the Short-Term Economic Recovery Programme (STERP I) in 2009 and STERP II (2010-2012) under the Government of National Unity, the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimASSET 2013-2018) after the expiry of the GNU, the policies focused on stabilising the economy rather than stimulating productivity in the agricultural sector which will have positive externalities in the manufacturing industry. While the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (Zim Asset), the country's strategic framework document informing socio-economic transformation between October 2013 to December 2018) recognised agriculture as the backbone of the economy, direct agrarian policies aimed at stimulating productivity in the sector remains elusive. The Transitional Stabilisation Programme (TSP) which replaced Zim Asset as the guiding economic blueprint from 2018, rather than elevating the role of the state in catalysing industrial development, the TSP document unequivocally states that economic transformation will inevitably be driven by the private sector with the economic environment remaining extremely volatile (Government of Zimbabwe 2018: iii).

It were the public works programs meant to stimulate agricultural productivity, particularly irrigation development and road construction programs beginning 1926 that did not only had a positive impact on agricultural production but also stimulated the manufacturing of cement, steel and other industrial products needed in the public works programs. The irrigation support program in addition to opening up new lands for resettlement and agricultural production increased the wage bill which cumulatively resulting in the demand for manufactured consumer goods, particularly processed foods and other products as people had some disposable incomes. That way, agrarian reform set the stage for subsequent industrialisation. Despite, happening within an era of climate change which has potential to derail the objective of the land reform in Zimbabwe, massive irrigation development has not been a high policy priority to support the land reform program. Even the road construction program, particularly the development of rural road network to connect land reform areas to centres of consumption is yet to be given high priority in the fiscus. Lately focus has been placed on the rehabilitation of urban roads and national highways with no particular new roads being constructed. This has had a dampening effect on the land agrarian reform to catalyse industrial development in the country. Industrial

development policy does not speak to the land and agrarian reform program as the basis for industrial development. While reference is made to agriculture, no mention is made to land and agrarian reform in the country's National Industrial Development Policy (2019-2023), yet the social reality emanating from the agrarian reform should set the foundation upon which industrial development must be built.

In its second industrialisation phase, which built on the agrarian reform, economic policy in Mexico sought to expand industrial development on sectors that use materials produced by domestic agriculture and subsequently based upon natural resource extraction including the chemical industry (Mosk 1950: 36). While Zimbabwe can take a leaf from Mexico's strategy, an explicit mention towards development of industries that make use of material produced by domestic agriculture is missing in the Zimbabwe National Industrial Development Policy apart from reference made to coordinating and strengthening linkages between agricultural producers and agro-processing industry and the promotion of the utilisation of locally made inputs in agriculture, particularly seed, fertiliser and agro-chemicals (ZNIDP 2019: 9). Building on the agrarian reform of 2000, the country needs an explicit industrial policy that specifically target the development of industries that make use of raw material produced by domestic agriculture. This will not only benefit local farmers but also produce positive externalities in the whole economy.

Conclusion and recommendation

While Zimbabwe and Mexico had all implemented land and agrarian reform, which in the latter, provided the foundation upon which the subsequent industrial development of the country was successfully built, this cannot be said for Zimbabwe, which not only experienced de-industrialisation after the land reform programme, but had failed to make its agrarian reform the basis upon which to re-launch its industrialisation strategy. Based on review of secondary literature, I argue that Mexico's experience, which initially lacked an economic foundation for industrialisation following the outflow of capital during the Mexican Revolution period but subsequently progressed on a successful industrialisation program, provides important lesson to Zimbabwe in its quest towards industrialisation. In the era of climate change, focus on an agrarian policy focused on irrigation development and road construction does not only boost agricultural productivity in line with the transformative social policy but will also produce positive externalities in the manufacturing sector as the demand for cement, steel and other products used in these public works program will catalyse industrial activity within the manufacturing sub-sector. This will create the much-needed employment within the economy and demand for other manufactured products due to increased disposable incomes. In to this an explicit policy focus on the development of industries that use raw materials produced by domestic agriculture will not only benefit local farmers but also agricultural production in general. With a boost on domestic agriculture this will increase the demand for fertilisers and agro-chemicals, thus stimulating the country's chemical industry. Just as in Mexico where the secret to its industrial growth is found in the role played by its land reform, the Zimbabwe's land and agrarian reform still provides a basis upon which the country can build its industrial strategy.

References

- Adesina, J. (2011). 'Beyond the social protection paradigm: Social policy in Africa's development.' *Canadian Journal of Development Studies*, Vol. 32(4): 454-470

- Barraclough, S. L. (1999). Land reform in developing countries: The role of the state and other actors. Discussion Paper No. 101.
- Chibwana, M. (2017). 'Social policy outcomes of the Zimbabwe Fast Track Land Reform Programme (FTLRP): A Case Study of Kwekwe District.' Unpublished Thesis. University of South Africa.
- Chung, M-K. (2014). 'The development of transformative social policy in South Korea: lessons from the Korean experience.' In Yi, I. & Mkandawire, T. (Eds). *Learning from the South Korean Developmental Success, Effective Developmental Cooperation and synergistic institutions and policies*. Geneva: UNRISD/Palgrave Macmillan, pp. 108-135.
- Flores, E. (1969). From Land Reform to Industrial Revolution: The Mexican Case.
- Government of Zimbabwe. (2018). The Transitional Stabilisation Programme Reforms Agenda, October 2018 – December 2020. "Towards a Prosperous & Empowered Upper Middle-Income Society by 2030"
- Government of Zimbabwe (2019). Zimbabwe National Industrialisation Development Policy. Government Printers: Harare.
- Kay, C. (2002). 'Why East Asia overtook Latin America: Agrarian reform, industrialization and development.' *Third World Quarterly*, Volume 23(6), pp. 1073–1102.
- Kinsey, B. (1999). 'Land reform, growth and equity: Emerging evidence from Zimbabwe's resettlement programme.' *Journal of Southern African Studies* 25(2), pp. 173-96.
- Mazwi, F. and Mudimu, G. (2019). Why are Zimbabwe's land reform being reversed? *Economic and Political Weekly* · August 2019
- Mazwi, F. and Yeros, P. (2023). Zimbabwe's command agriculture: Problems of planning under neoliberalism. *Agrarian South: Journal of Political Economy* 12(4) 431–454, 2023
- Mkandawire, T. (2004). 'Introduction. Social policy in a development context.' In Mkandawire, T. (Ed). *Social policy in a development context*. Basingstoke: UNRISD/Palgrave Macmillan, pp. 1-33.
- Mkandawire, T. (Ed). (2006). *African intellectuals: Rethinking politics, language, gender and development*. London: Zed Books.
- Mkandawire, T. (2007). 'Transformative social policy and innovation in developing countries.' *The European Journal of Development Research* 19(1), pp. 13-29.
- Mkandawire, T. (2014). 'Lessons from the social policy and development of South Korea: An interrogation.' In Yi, I. & Mkandawire, T. (Eds). *Learning from the South Korean developmental success: Effective developmental cooperation and synergistic institutions and policies*. UNRISD/Palgrave Macmillan, pp. 11-30.
- Mosk, A. S. (1950). Industrial Revolution in Mexico. University of California Press.
- Moyo, S. (2011). 'Three decades of agrarian reform in Zimbabwe.' *Journal of Peasant Studies*, 38(3), pp. 493-531.
- Moyo, S., Chambati, W., Murisa, T., Siziba, D., Dangwa, C., Mujeyi, K. & Nyoni, N. (2009). Fast track land reform baseline study in Zimbabwe: Trends and tendencies, 2005/06. Harare: African Institute for Agrarian Studies.
- Moyo, S. and Skalness, T. (1990). Land reform and development strategy in Zimbabwe: State autonomy, class and agrarian lobby. *Afrika Focus*, Volume 6, Number 3-4, 1990, pp. 201-242.
- Ossome, L., Lobos, D., Mazwi, F. and Kumar, M. (2022). Sovereign nationalism against imperialism. *Agrarian South Network Research Bulletin*, September-December 2022.
- Scoones, I., Marongwe, N., Mavedzenge, B., Murimbarimba, F., Mahenehene, J., & Sukume, C. (2010). *Zimbabwe's land reform: Myths and realities*. Harare: Weaver Press.
- Shonhe, T. (2019). Land reform and new meanings of rural development in Zimbabwe. Paper presented at the 4th Annual International Conference on Public Administration and



- Development Alternatives 03 - 05 July 2019, Southern Sun Hotel, OR Tambo International Airport, Johannesburg, South Africa.
- UNCTAD. (2006). Benchmarking productive capacities in least developed countries. United Nations, May 2006.
- UNRISD. (2010). Combating poverty and inequality: structural change, social policy and politics Geneva, UNRISD.
- White, B., Borras, S. M. and Hall, R. (2014). “Land Reform.” In International Development: Ideas, Experience, and Prospects, edited by Bruce Currie-Alder, Ravi Kanbur, David M. Malone, and Rohinton Medhora, 479–494. Oxford: Oxford University Press.