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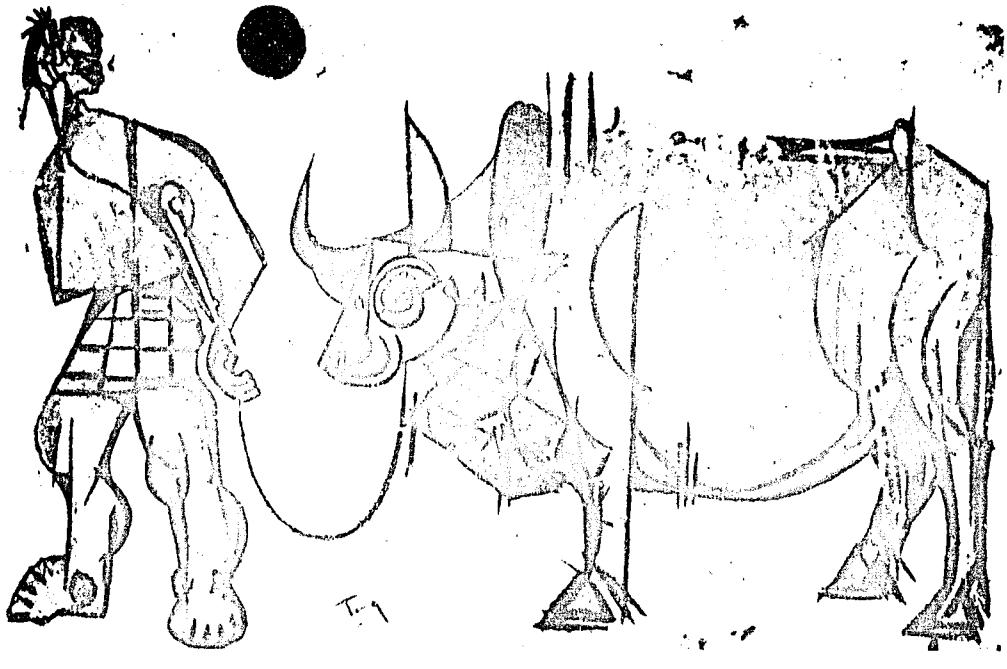

Special Series on Landessness and Near-Landlessness

LANDLESSNESS AND RURAL POVERTY IN LATIN AMERICA: CONDITIONS, TRENDS AND POLICIES AFFECTING INCOME AND EMPLOYMENT

Cheryl A. Lassen

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by

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PART I

OVERVIEW AND POLICY ANALYSIS

CHAPTER 1: INTRODUCTION

In recent years there has been a major shift from maximizing economic growth and increasing GNP to improving income distribution, reducing poverty and meeting basic human needs. Many rural development programs reflecting these new objectives have attempted to reduce poverty by improving the productivity and the income of small farmers. This study argues that while small farmers in rural Latin America are generally poor, they are not the only poor nor even the most poor; and that there are several other groups who appear to be worse off than small farmers. These groups are composed of landless and near-landless workers. They constitute a majority of the rural labor force in most developing countries, and in many cases their numbers are increasing rapidly. One recent study by the World Bank estimated that approximately half of the rural population in developing countries--more than 650 million people--suffer from absolute poverty. This number is expected to rise to 1.1 billion by the year 2000.[1] In Latin America alone there are approximately 90 million people living at the subsistence level. They constitute 65 percent of the rural population.

A major fallacy in discussions of rural poverty in Third World countries is to regard the poor as an undifferentiated mass of "small farmers." Not only does this catch all term conceal many differences that distinguish rural households by assets and occupation, but it tends to produce the Jeffersonian image of a yeoman farmer with a relatively small but secure holding which can provide a decent livelihood with the help of improved technologies, inputs, marketing and extension. In some countries there are many small farmers that fit this image; but they are seldom the majority of rural households and certainly not the poorest. Below them in status, influence and material welfare are landless workers, poor tenants or marginal cultivators whose holdings are so small, so fragmented, or of such poor quality that

---

[1] IBRD Basic Needs Paper #1, Global Estimates for Meeting Basic Needs, prepared by S. J. Burki, et al., Washington, 1977.

they cannot provide an adequate family livelihood and therefore must deploy a large portion of the family labor supply to work off the farm. These kinds of rural poor are the subject of this report.

Criteria for Determining Rural Poverty

Poverty can be measured by four factors: the level of income over time; the extent of control over assets; the amount of alternative employment opportunities; and access to public goods and services such as education, potable water, health care, government credit, etc. Ideally, all four of these criteria should be applied simultaneously and should be calculated for both individuals and households. In practice, however, there is seldom, if ever, sufficient data to use these criteria simultaneously at either level of aggregation. In the absence of complete data, this study places major emphasis on the extent of control over assets, especially land, as the primary indicator of rural poverty. A cross-validating criterion is income surveys which estimate the number of households in rural areas failing to earn basic minimum income.

The degree of control over land is emphasized here because it is felt that indicators of relationships to means of production are more useful than income data. Access to land is already widely used as an index of social status and as a measure of structural change from traditional subsistence agriculture to modern commercial agriculture. It is also essential to an analysis of the causes of rural poverty. The recent increase in the numbers of rural poor is largely due to the growing number of landless and near-landless workers. This increase is fueled by several processes including rapid population growth; institutional rigidities which limit the access of very small producers to adequate means of production; biases of urban/industrial elites to support the development of an agriculture based on large farm units; and the increasing commercialization of agriculture that, in the absence of strong peasant organizations, concentrates income and productive resources. In addition, there are also physical, historical, and cultural processes that influence how poverty is defined and related to the possession of land. These include cropping patterns

and their seasonal labor requirements; the skewed distribution of land-holding from colonial times; and the breakdown of traditional patron-client relationships which previously protected poor people in bad times.

Control over land, however, cannot be the exclusive criterion of rural poverty. Poverty is ultimately traceable to a lack of assets or valuable skills in combination with low wages or unemployment. While the landless and near-landless comprise the majority of the rural poor, there are many who do not have land but who possess other assets or skills which provide them with an income above subsistence. Since our objective is to identify the rural poor, this latter group has been extracted from the analysis by using the criterion of income level and/or consumption level as a cut off point.

To briefly discuss where information in this report was gathered from, secondary sources have been used in preparing this analysis, including census data, surveys of income, wages, employment, land tenure patterns where they are available; and various books, journal articles reports and theses. Preliminary findings of the report were also analyzed at an international conference on landlessness held at Cornell University in June, 1978. Despite the gaps in available information--and they are large--it is hoped that this regional analysis and the accompanying country profiles will constitute an improved basis for analyzing the nature and trends of rural poverty in the Latin American region.

1.1 Differences in Rural Poverty Between Latin America and Other Regions of the World

In general, Latin America is characterized by more land per person than in Asia and by rapid population shifts, either among agricultural regions or towards cities. This does not mean that the lack of jobs or inability to earn an adequate income is not a serious problem in the Latin American countryside: more than 25 million workers--roughly 65 percent of the rural labor force--are landless or nearly so.

A major difference between the absolute numbers of 'rural' poor in Latin America and other regions is the fact that a much larger percentage of the population in Latin American countries lives in what are classified

as "urban" areas. For example, contrast Bangladesh where 90 percent of the population lives in tiny hamlets or villages of less than 1,000 people with Mexico, where less than 40 percent of the population lives in this kind of rural setting. Policy analysts of rural and agricultural development have tended not to consider poor urban households as having an influence on the rural sector. But in many Latin American countries it is becoming increasingly difficult to distinguish the difference between the two. A common phenomenon is for labor contractors to haul truckloads of urban slum dwellers out to the countryside every morning to accept jobs as agricultural day laborers for exploitative wages and working conditions.* So on the one hand, it can be said that Latin American countries, on the whole, tend to be more urbanized than most Asian and African countries. On the other hand, rural and urban poverty are more closely interlinked in this region than most studies acknowledge, and the lowest income strata deploys its labor wherever it can find work.

The World Development Report, 1978, prepared by the staff of the World Bank, estimates that the worst incidence of rural poverty occurs in low-income Asian and sub-Saharan African countries with per capita incomes of less than US $250 per year.[2./] With the exception of Haiti, it defines all of the nations in the Latin American region to be "middle income countries." The World Bank defines this particular economic strata as "having growth potential that are more sensitive to economic prospects in industrialized countries (a euphamism for dependent economies) and more resources to raise the standards of living of the poor.[3./] One can look optimistically at a number of Latin countries and say, "Yes, the resource base exists to generate an increasingly larger national product." But there is a tremendous difference between increasing the

---

*We examine more closely the conditions of some of these non-permanent day laborers in later sections of this report. In Brazil this kind of urban slum dweller who is picked up along the side of the road at six am every morning to work on commercial farms even has acquired his own special name--"Boia Fria" or "cold sack," named after the lunch he carries.

[2] IBRD, The World Development Report, 1978. New York: Oxford University Press.

[3] Ibid., Chapter 7.

GNP and finding the political formulas and institutions to distribute it equitably so that widespread development results from economic growth. Indeed, it is the issue of a more equitable distribution of resources and opportunities that is the most serious problem that all Latin American countries must contend with today. Thus while countries like Brazil or Colombia have much larger per capita incomes than many Asian or African states, the growth they experience is one which is primarily concentrated in the upper and middle income strata in urban areas or in a very small part of the agricultural sector that is commercially oriented.

Looking comparatively at trends in the distribution of resources in Latin American countries over the past 20 years, Weiskoff and Figueroa conclude that:

(1) The bottom 60 percent of the population is relatively worse off than two decades ago and the bottom 20 percent may have a lower absolute income.

(2) Urban people dominate the upper half of the income distribution and rural people dominate the lower half.

(3) The top income classes of the poorest countries command larger income shares than the corresponding groups of richer nations.[4./]

So in general, although most Latin countries have larger per capita incomes than many countries in Asia or sub-Saharan Africa, rural poverty is no less of a problem. As we shall see in later sections, what is different among these regions is the form that rural poverty takes. Particularly in Latin America where the maldistribution of resources and increasing commercialization are very strong influences, trends are moving unmistakably toward the displacement of large numbers of peasants from the land and the creation of a landless proletariat.

---

[4]Richard Weiskoff and Adolfo Figueroa, "Traversing the Social Pyramid: A Comparative Review of Income Distribution in Latin America." Latin American Research Review, Volume 11, No. 2 (1976. pp. 71-112).

1.2 Classifying the Rural Poor in This Study

The categories listed below are designed to facilitate a cross-national comparison within the Latin American region, and with countries in other regions as well. Since the rural poor devise complex household strategies for allocating labor, and often have multiple occupations to reduce the risk of unemployment, this classification system should not be regarded as rigid. Our aim is only to present a simple, useful way to estimate the incidence of rural poverty. Because we feel that the institutional and cultural circumstances which define rural poverty in a specific situation are important, however, we do examine situational contexts in later sections of this paper.

Categories of Landless and Near-Landless

A. Agricultural Workers with no ownership rights to land, who earn a living from the proceeds of their labor. Some are permanently employed laborers with some power to bargain with landlords. Others are indebted or bonded laborers to one landlord in a fixed place. Still others are casual laborers who seek odd jobs in the area where they live; or migrate seasonally to another region to accept temporary employment; or migrate permanently from one region to another seeking to perform agricultural tasks such as harvesting, etc.

B. Non-Agricultural Workers who reside in rural areas and earn a livelihood from the proceeds of their labor. Examples are artisans, petty traders, fishermen, miners, etc.

C. Marginal Tenant Farmers who cultivate parcels owned by others and pay rents in cash or kind. Tenant farmers who can be shown to have secure access to adequate size and quality of landholdings should not be counted among the rural poor. The terms of secure access and adequate size and quality of landholding vary from country to country, and sometimes by regions within a country. Poor tenant farmers also vary considerably in their rental obligations; the degree of decision-making they have in the management of the farm; and tenure security.

D. * Marginal Farmers. Cultivators who have title to or customary tenure of small and/or marginal farms that are of inadequate size or quality to provide a subsistence livelihood. This may be traced to lack of good quality land, to lack of other means of production (water, credit, technology, markets, etc.) or both. Farmers in this category may also lack legal title to their land and therefore have insecure tenure status.

E. Non-Sedentary Rural Households. Pastoralists, nomads, scavengers and other rural poor who lack land and a fixed geographic base.

* * * * * * *

Some may feel dissatisfied as they read further that the emphasis of this paper does not examine agrarian problems in Latin America in a longer historical perspective. We agree wholeheartedly that this longer view is an important prerequisite to understanding rural poverty today. However, while there exist many excellent studies about the historical development of land tenure and production systems, policy studies of the trends and problems currently facing the poorest rural elements have received much less research. It is this large and growing majority we want to focus the attention of policy makers, administrators and development analysts upon.

As a last introductory comment, pragmatic technicians of agricultural development may contend that it is futile to analyze the landless or near-landless because public programs do not exist to reach them effectively in any significant way, ergo manpower and other resources should be concentrated on policies that stand the most reasonable chance of being implemented successfully according to criteria of economic and management accountability. We believe such arguments are not only self-serving rationale to avoid expanding the distributional and developmental effects of public policies, but also that programs to benefit the most disadvantaged elements will never be designed unless we better understand the conditions and trends affecting the landless and near-landless and actively experiment with ways to better assist them. Even if easy solutions to rural poverty do not exist, the landless and near-landless are too numerous and too valuable a resource to ignore.

---

* To distinguish a marginal farmer from an agricultural worker, we used the criterion that anyone who earned 80+ percent of his income in wages was a worker.

CHAPTER 2: THE DIMENSIONS OF RURAL POVERTY

Three general structural situations have been suggested as characterizing the situation of the landless and near-landless (LNL) in developing countries:

1. No current land constraint but concentration of land ownership.
2. No current land constraint or inequity but low productivity per man and per hectare.
3. Heavy population density, land scarcity, plus inequitable ownership and limited investment in rural areas.[5./]

In terms of the Latin American region, these types are useful to begin conceptualizing income-earning constraints among rural workers. But these categories are still too gross and must be further differentiated to fit the variation particular to the region. A more area-specific typology of agrarian structures would be:

1. No land constraint but a skewed distribution of the means of agricultural production including:
   A. A monopoly of landholding by a traditional latifundia estate. The traditional estate provides employment and limited access to land to the surrounding peasant population and serves as a social nucleus for the peasantry. Organization, economic activities, etc. revolve around servicing this large estate.
   B. A landless or near-landless proletariat servicing plantations of export crops. These plantations also command a monopoly of land, but differ from category A in that the

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[5] This framework was developed by a group of scholars of the Rural Development Committee, Cornell University. It is discussed in a general global report by Milton J. Esman, Landlessness and Near-Landlessness in Developing Countries, Ithaca, New York: Rural Development Committee, Cornell University, 1978.

amount of permanent labor they hire is low in relation to the amount of seasonal labor. The key for these commercial plantations is to have a large labor force which must seek seasonal employment and which, when workers are no longer needed for harvesting, can return to some subsistence parcel.

C. A situation in which the traditional landlord patron has been replaced by a patron who controls capital and/or access to public goods and services for the rural poor. As Andrew Pearse notes, "The patron in land, eliminated by land reform, gives way to the patron in capital or authority, and the dyadic relationship between this new patron and his peasant clients gathers up the cultural traits of the old relationship and becomes a basic principle in the new ordering of social relations.[6./]

2. No current land constraint, but low productivity per man and per hectare.

3. Heavy population density, land scarcity, inequality, and a lack of public services and investment in rural areas.

Tenure patterns in the southern cone countries of Paraguay, Uruguay and Argentina at times resemble type A--the large, more traditional latifundio estates. Such estates are also found in the high Andean areas of Ecuador, Colombia and throughout Central America. Twentieth century agrarian reforms in Mexico, Bolivia, Peru, Chile, Venezuela, Honduras and to a lesser extent elsewhere have steadily brought about the disintegration of this type of estate.

Areas characterized by the plantation mode of production relations (type B) include the Santa Cruz (Eastern Lowlands) area of Bolivia; the Tucuman area of Argentina; the Zona de Mata in Northeast Brazil; the best agricultural lands of the Dominican Republic, Jamaica, and smaller Caribbean islands; both the Atlantic and Pacific coastal areas of Central America,

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[6] Andrew Pearse, The Latin American Peasant, London: Frank Cass, 1975, Chapter 3.

and the costal areas of Colombia, Ecuador and Peru. A sub-variety of the plantation mode might be the highly commercialized farms of Sao Paulo and Parana, Brazil, or in irrigated areas of Mexico. These latter operations are also highly dependent on a large supply of seasonal migrant labor.

2.1 Agrarian Structure in Latin America

Although specific regions may be predominantly characterized by small holdings (minifundia) or large holdings (latifundia), the subsistence sector is always highly influenced by the large farm sector, even if the two are geographically distinct. Barraclough and Schattan write:

> Throughout Latin America the most outstanding aspect of the agrarian structure is its dual character. There is a modern sector consisting mostly of large farmers that encompasses the vast lands, and has relatively easy access to national and international markets, credit, new technology services, and manufactured and consumer goods. On the other hand, there is a traditional sector of smallholding peasants which contains the bulk of the rural population even though it possesses relatively little land which is generally of poor quality. Besides these, there also exists a floating population of landless laborers, and many other workers permanently tied to the commercial sector. The bulk of the so-called "landless laborers"--who constitute nearly half of the agricultural labor force of the region--reside in the traditional sector and obtain at least a part of their subsistence from it.
>
> The commercial sector has expanded constantly at the cost of traditional agriculture. We estimate that it now has about 50 percent of the gross agricultural production, 30 percent of the cultivated area and 20 percent of the workforce. Yields are greater in the commercial sector and the productivity per worker is five times greater than in traditional agriculture. Under and unemployment are concentrated in the traditional sector. In reality, many peasants spend part of their time in other activities or in the commercial agricultural sector, acts that compensate in part for the apparently enormously high level of rural unemployment.[7./]

If we equate land with power, it can be seen by Table 1 that power rests predominantly in the hands of large landowners in Latin America, not in the hands of small farmers or minifundistas.

---

[7] S. Barraclough and J. Schattan, "Technological Policy and Agricultural Development," Land Economics, Volume 29, No. 2, 1973.

Table 1: The Structure of Landholding in Selected Latin American Countries

Country	Multi-Family Farm Units*		Family Farm Units*		Sub-Family Farm Units*	
	% Farms	% Area	% Farms	% Area	% Farms	% Area
Brazil	39	93	39	6	22	1
Colombia	6	69	30	25	64	6
Ecuador	2	64	25	29	73	7
Mexico	52	C./	11	C./	37	C./
Paraguay B./	5	71	95	5	(included in family farm figures)	
Peru A./	1	82	6	5	93	13
Venezuela B./	2	79	30	18	68	3
Costa Rica	22	88	32	10	46	2
El Salvador	2	50	6	23	92	27
Guatemala	2	72	10	14	88	14
Honduras	5	60	26	28	69	12
Nicaragua	22	85	27	11	51	4
Dominican Republic	2	47	21	30	77	13

*Farm-size categories are adopted from a classification system used by the Comité Interamericano de Desarrollo Agrícola (CIDA) in surveying land tenure structures throughout Latin America. A "sub-family" farm was defined as having insufficient land to satisfy minimum needs of a family or to allow the utilization of their work throughout the year. A "family farm" has enough land to support a family at a satisfactory standard of living in the locality through the work of family members using prevailing methods in the area. A "multifamily farm" has enough land to employ a number of workers outside the family.

Table 2: The Magnitude of Rural Poverty in the Latin American Region, 1978

Country	Population (000 000) *	Population Increase 1970-1975	Rural Pop. as % of Total Pop.	Number of Rural Households (000)	LNL as % of Rural Households
Bolivia	4.7	2.5	70	609	85
Brazil	116.6	2.8	45	9,719	70
Colombia	26.0	3.2	50	2,407	66
Costa Rica	2.1	2.8	60	229	55
Dominican Republic	6.7	3.3	60	774	68
Ecuador	7.1	3.2	65	855	75
El Salvador	4.8	3.1	60	533	80
Guatemala	6.0	2.9	70	662	85
Mexico	60.5	3.2	40	4,500	75
Peru	16.0	2.9	50	1,481	75

*Population estimates are current for 1978.

Table 3: The Structure of Rural Poverty in Latin America*

Country	% Ag Workers	% Non-Ag Workers	% Marginal Cultivators	% Marginal Tenants	% Other	% LNL of Total Rural Households	Number LNL Households 000
Bolivia	21	9	51	*	4	85	518
Brazil	14	14	10	11	21 A./	70	6,803
Colombia	17	10	24	11	4	66	1,589
Costa Rica	17	16	11	6	5	55	126
Dominican B./ Republic	12	5	27	24	*	68	505
Ecuador C./	11	4	52	4	4	75	641
El Salvador	27	9	14	30	*	80	427
Guatemala	17	9	47	8	4	85	662
Mexico	29	9	22	*	*	60	2,705
Peru	14	4	46	7	4	75	1,111

*For a more detailed analysis of how estimates were prepared for these countries, see the individual country profiles in Part II, beginning on page 80.

NOTES TO TABLE 1

A. Peru is an agrarian reform country where reform units are operated in large cooperatives, hence the bulk of the land area held in "multifamily farms" is not owned by private land owners. In 1976, 43 percent of the cultivatable land in the country was included in the land reform sector.

B. The State is the largest landowner in Venezuela, possessing approximately 11 million hectares, or half the area of land held in multi-family estates. The State is also a large landowner in Paraguay, possessing approximately 25 percent of the cultivatable land area.

C. Mexico underwent a major land reform in the 1930s which contributed to the situation today whereby many families have land although they lack the capital, water and/or technology to earn an adequate income from it. As a result, the renting of land by ejidatarios (land reform beneficiaries) to large entrepreneurs is widespread, making statistics on landholding misleading.

NOTES TO TABLE 3

A. In our study the occupational category of "other" usually includes nomadic and non-sedentary households. In the case of Brazil, however, it reflects a strata of rural people who are unable to find stable employment in any one place and are thus forced to migrate frequently accepting many sorts of jobs.

B. Calculations for the Dominican Republic are based on an estimated labor force of 5.1 million for 1978, 51 percent of which are employed in rural areas. Of the rural labor force, government surveys indicate that 80+ percent of the rural economically active persons earn less than a basic minimum income of 60 pesos per month. (See: AID Statistical Data Book, Dominican Republic, Agency for International Development, Santo Domingo: June, 1977). Divisions of landless and near-landless were made according to the 1971 agricultural census.

C. For Ecuador, estimates of the Comité Interamericano de Desarrollo Agrícola (CIDA) were thought to be valid since the country has not undergone a major change in the structure of landholding since this survey was taken. See Tenencia de la tierra y desarrollo socio-económico en el sector agrícola: Ecuador, Washington, Pan American Union, 1966.

2.2 Magnitudes of Rural Poverty

An interesting aspect of Table 3 is the number of countries where the percentage of near-landless is one and a half or two times as large as the percentage of landless. Only in Brazil, and Mexico does the opposite case occur. Can we infer from this that the situation is not so bad in the Latin American region because many of the rural poor do have some sort of access to the land? I would argue that we cannot. Access to land does not have quite the same meaning in Latin American countries as it does in many densely populated Asian countries. And the majority of poor farmers in Latin America have so little land, such insecure access to it, and/or such inferior agricultural institutions (marketing, credit, extension, etc.) to serve them, that their on-farm income and employment is not that much greater than an agricultural worker. In preparing the material for this report, a search was made for studies that were able to say, based on empirical findings, that it made a significant difference in the quality of life of a Latin American peasant as to whether he was landless or nearly so, and that access to a very small amount of land was the factor that explained this difference. In the case where a minifundia parcel was irrigated, and was near roads and markets, this small commercial farm contributed significantly to enabling a rural household to earn a much better income than a landless laborer. But where a number of institutional conditions are not favorable, the access to land *per se*--even to generous amounts of it as in frontier areas--could not necessarily generate basic minimum incomes. What the land could do was offer the peasant household an employment alternative. But the number of households that cannot earn a living from their parcel alone is striking. These parttime farmers (or what we call the "near-landless") make up the most important component of the rural workforce in Latin America.

If we differentiate the mass of rural poor using more specific occupational statuses then we can begin to make inferences about the varying levels of poverty within this group. Among agricultural workers, studies have shown that those who have only seasonal or temporary forms of employment are worse off than those who have permanent jobs in agriculture. Among those who work the land, tenants are worse off than those who own their own parcel and have a title.

What can be observed from these tables is the diversity of land tenure structures in the Latin American region. Colombia, Costa Rica, Guatemala and Bolivia emerge as countries with many minifundio farmers. Mexico and Brazil have large proportions of agricultural workers. Brazil and El Salvador also have many of the rural poor falling into "insecure" occupational types such as non-permanent workers, tenants, etc.

The information in Table 4 is useful only to a certain extent. It helps to be aware of when the agrarian structure of a country (or regions within it) feature a large landless proletariat; a subsistence sector pulled toward temporary labor on commercial estates; minifundistas oriented toward production of goods for urban areas; or an important sector of constrained land reform beneficiaries. But the differentiation of the rural poor into fixed occupational categories is in part academic. What we know from numerous micro studies is that people with scarce resources can afford to take only limited risks. So the rural poor do not have one occupation: a household may depend on several types of activities to earn a living.[8/]

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[8] Brian Roberts details this phenomenon in his study of the Central Sierra of Peru. He notes, "In the absence of dynamic, urban based industrialization the process of (economic) transformation did not lead to local specialization through families abandoning the land to work permanently in city factories, while others consolidated landholdings or worked as farm laborers. Instead, the transformation took the form of increasing diversification of household and local economies; the possession of land was combined with other activities such as wage earning, trade or industrial production. Within the household, the economic activity of each member became more specialized, the parents produced a small agricultural surplus; the children tended animals, engaged in local trade or crafts, or worked and traded in urban centers." B. Roberts, "Center and Periphery in the Development Process: The Case of Peru," Latin American Urban Research Volume 5 (Sage Publications), p. 89.

CHAPTER 3: SOURCES OF RURAL POVERTY

Within the Latin American region there are three major sources of increasing landlessness and immizeration among the peasantry: institutional rigidities preserving maldistributions of resources and power among classes; strong trends toward the commercialization and commoditization (production of large surplusses) which cause the concentration of assets in the hands of large producers and the displacement of labor from traditional estates; and the stagnation and neglect of traditional agriculture so that there is insufficient demand for the products very small farmers can produce, which is a root cause of their lack of employment and lack of income earning possibilities.

3.1 Institutional Rigidities

The number one cause of rural poverty in most Latin American countries is institutional rigidities which preserve a maldistribution of productive resources rather than an absolute scarcity of resources *per se*. Even in countries such as Argentina or Uruguay where the amount of arable land per worker exceeds 10 hectares, more than 50 percent of the agricultural work force earns low and unstable incomes due to the skewed distribution of landholding which permits enormous extensions of land to be tied up inefficiently by large estates (called *latifundias*). The problem becomes more acute in densely populated countries such as El Salvador where limited arable land coupled with population growth and lack of employment opportunities in urban sectors brings the LNL into frequent, jostling contact with the latifundia sector.

Another way in which institutional rigidities block the redistribution of resources to the rural poor is the political checks placed on the organization of rural workers and the inadequate enforcement of national labor codes. In such countries as Brazil, Chile, Paraguay or Uruguay, political organizations among small holders, tenants and migrant laborers have been banned by the state. In Uruguay where the human rights situation is critical, a person can be arrested for inviting more than one guest to his house for dinner, since a gathering of more than two persons can be considered an illegal political meeting banned by the government.

Or take the case of Paraguay. So skewed is land distribution in this country that 87 percent of the arable land is occupied by 1.1 percent of the farms. The rest of the farm population is crowded onto minute parcels of land (minifundia) or work as peons on ranches where they have less value than a horse or a cow. The actual per capita income of these peasant families is a bare US $85. Nine-tenths of the children never finish primary school. Even the simplest medical services are non-existent. Nutritional deficiencies cause 86 percent of the deaths. Unable to survive these conditions and the harsh authoritarian government, hundreds of thousands have fled the country. One out of three Paraguayans has migrated; there are 80,000 of them living in Buenos Aires alone.

Some countries like Mexico, Bolivia and Venezuela possess national peasant organizations. In Mexico the Confederacion Nacional Campesina is controlled by the state, and in 40 years of existence has seldom served as an efficient vehicle to press the economic demands of the rural lower classes against the interests of commercial farmers or urban consumers.[9./]

In Bolivia where peasant leagues in certain areas were active in implementing the land reform in the 1952 Revolution, later regimes have succeeded in tying the national peasant organization closely to the government. So politicized is it, that when the regime changes hands, all officers of the peasant leagues change as well, from the national all the way down to the sub-departmental levels.[10./]

In other cases, right wing terrorist vigilantes such as the Mano Blanco in Guatemala or the Argentine Anti-Communist Alliance assassinate peasant leadership and other elements (lawyers, priests, students) trying to defend their rights. In Nicaragua it was the National Guard that committed numerous atrocities in the regions of Zelaya, Matagalpa, Jinotega and Nueva Segovia.[11./] The danger of these groups and of the complicity of

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[9] See Moisés Gonzales Navarro, La Confederación Nacional Campesina México: Ed. Costa Amic, 1968 for a history of the peasant confederation. Regarding the government's control over it, the best analysis is Authoritarianism in Mexico, J. L. Reyna and R. S. Weinert, eds., Philadelphia: Institute for the Study of Human Issues, 1978.

[10] Pearse, op.cit., p. 159.

[11] An Amnesty International Report on the Republic of Nicaragua, London, 1977, Appendices 5a-d.

the governments that suport them is that they eliminate moderate means for agrarian change. If legal means to defend human rights and opportunities for economic and political participation do not exist, then rural people will support revolutionary movements for change, as has recently been demonstrated in Nicaragua.[12./]

By far, however the major problem is that the landless and near-landless are not organized and therefore possess no means of collective bargaining to extract higher wages, higher prices for their goods, or compliance with legal statutes concerning contracts, working conditions, remuneration, etc.

3.2 Increasing Commoditization and Commercialization of Agriculture

The institutional context has given large farmers, agribusinesses and/or foreign investors other advantages as well. For example, in Brazil, Guatemala and Bolivia one encounters such producers being granted or sold at nominal costs huge tracts of public lands in frontier agricultural regions. Ernest Feder reports that since 1964 multinational firms have acquired from 32 to 35 million hectares of arable land in several different states in Brazil.[13./] Many governments in the Latin American region feel they need to "create confidence" in these large agricultural producers by such means as tax exemptions, cheap credit, important permits and subsidized gas, oil and water. Michael Lipton refers to such policies as an "urban bias" of governments that prefer to base agricultural development on large commercial farm units in order to provide cheap food for cities and promote agricultural exports.[14./]

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[12] Alan Riding, "National Mutiny in Nicaragua," New York Times Magazine, July 30, 1978.

[13] Ernest Feder, "La neuva penetración en la agrícola de los paises subdesarrollados por los paises industriales y sus empresas multinacionales," El Trimestre Económico (México), Volume 169 (January, 1976), p. 78.

[14] Michael Lipton, Why Poor People Stay Poor: Urban Bias in World Development, Cambridge, Massachusetts: Harvard University Press, 1977.

Because of dependence on agricultural export earnings, especially when balance of payments problems are exacerbated by energy imports, governments are loathe to expropriate the unused or inefficiently used holdings of the large farm sector; to sponsor socially appropriate technology policies; to remove large farmer subsidies; or to comprehensively enforce labor codes, social security provisions, etc. Brazil is a good example of this. From 1973 to 1977 it saw its foreign debt mushroom to US $28 billion--the highest in the developing world--primarily because of energy imports. To pay for this, the government responded primarily by increasing exports of agricultural commodities such as coffee, soybeans, cattle, orange juice concentrates, etc. But the rapid agricultural expansion has taken place almost exclusively on lands recently brought under cultivation by affluent farmers. For example, the percentage of highly subsidized government loans financing large agricultural operations in Brazil jumped from 50 percent of all government loans in 1972 to 88 percent in 1976.[15./] Traditional agricultural areas that contain many LNL and produce primarily food staples have stagnated at a growth rate of about one percent a year. This situation prompted one observer to remark, "Perhaps no where in the world are large farmers as coddled as they are in Brazil. Critics have wondered how long the Government can afford to maintain its generous subsidies in the form of tax incentives, extremely soft loans and minimum price supports."[16./]

As can be seen from Table 5, however, it is not just Brazil that has this high structural dependence on export crops.

Commercialization

In addition to the biases of governments and their structural dependencies, penetration by large marketing concerns and foreign agribusinesses has displaced petty traders and further concentrated productive

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[15] Vilma Figueiredo, et al., "Relationships Between the Agricultural Production Structure and Recent Government Policies: Land Concentration and Capital Accumulation in Brazil," IX World Congress of Sociology, Uppsala, Sweden: 1978.

[16] Jonathan Kandell, "In A Hungry World, Brazil Emerges as an Agricultural Giant," New York Times, April 14, 1977.

Table 5: Economic Dependence on Agricultural Exports, 1970

	Ag Population As % of Total Population	Ag Exports As % of Total Exports
Argentina	14	84
Barbados	22	61
Bolivia	57	9
Brazil	42	67
Colombia	42	81
Costa Rica	45	75
Cuba	32	--
Chile	25	3
Ecuador	53	89
El Salvador	56	64
Guatemala	59	60
Haiti	76	--
Honduras	69	79
Jamaica	25	--
Mexico	45	35
Nicaragua	54	75
Panama	42	64
Paraguay	52	67
Peru	44	18
Dominican Republic	59	84
Uruguay	16	--
Venezuela	20	1

17./

resources in the lands of large scale producers and retailers. Shepard Forman discusses the concentration of capital at high levels of marketing in Brazil, particularly in storage and transportation facilities. This has resulted in commercial elites searching to buy in bulk at the source of production, rationalizing practices which eliminate both the petty trader and the small producer.[18./] A similar process is observable in

[17] U.N. Economic Commission for Latin America, "Situation and Evolution of Agriculture and Food Supplies in Latin America," ECLA Bulletin, Volume 19, Nos. 1 and 2, 1974, p. 90, Table 1.

[18] Shepard Forman, The Brazilian Peasantry, New York: Columbia University Press, 1975, p. 111.

Mexico where multinational agribusinesses have controlled significant portions of Mexican production not simply in traditional export crops, but in processed foods and in fresh and frozen fruits and vegetables consumed by the US market. In Mexico, control is not exercised by owning land directly, but rather by providing production credit and technological inputs, as well as owning the plants which receive and process the produce. Feder notes that this new form of penetration which concentrates land by not buying crops from small producers, thereby forcing them to rent parcels to those who possess capital, water, technology, is not based on a monopoly of landowning, but on a monopoly of capital.[19./] Because much of it is achieved through false front holding companies and surrepticious contracts, it is difficult for even governments of developing countries to control, let alone labor unions or agrarian associations.[20./]

The problematic aspect of increasing commercialization is that production decisions taken in the modern agricultural sector revolve fundamentally around considerations of profit maximization. Before expanding production, such firms require high and secure rates of return. What is more, increasingly such agribusinesses exercise considerable political influence and monopoly power over certain commodities on the national market. They also have a propensity to restrict production when it seems to benefit their individual firms. If it is a multinational agribusiness, they are more concerned with the effects of their production on markets in the United States or Europe than in Latin America. Such firms are often in a position to acquire modern technology at highly subsidized prices. This, coupled with their desire to avoid labor problems, leads to increasing mechanization of commercial operations.

We do not argue against investment in the countryside which produces a surplus, improves agricultural practices and social relations, creates employment, and in general promotes rural development. The sad truth is,

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[19] Ernest Feder, op.cit. See also North American Congress on Latin America, "Del Monte: Bitter Fruits," Volume 10, No. 7.

[20] For the recent experience of the Mexican government in dealing with multinational purchasers of Mexican strawberries, and of the difficulty of organizing small-scale ejidatario producers to compete with these powerful "patrons of capital" see Ernest Feder, Strawberry Imperialism, Institute of Social Studies, The Hague, 1977.

however, that much of this investment and the concessional government policies supporting it simply create more latifundias without promoting rural development. This point about commercialization which fails to produce development for the large majority of people could also be observed about the increasing "commoditization" of Latin American agriculture. Technically, commoditization (the production of larger surpluses of industrial and food commodities) is neutral to farm size--increases could take place among either small or large farmers. In most Latin American countries, however, the surplus production of commodities has taken place almost entirely within the large farm sector; often with negative social consequence. In almost every country, trends show the displacement of labor due to increasing mechanization and commoditization. For example, in southern Brazil government efforts to promote soy beans, cattle, and have led to the replacement of labor intensive crops such as coffee by labor extensive crops which are amenable to mechanization. In the states of Sao Paulo and Parana the percentage of employed agricultural labor has not only declined relatively but also in absolute terms. A study carried out in the state of Sao Paulo showed that from 1963 to 1977 the population occupied in agriculture fell from 100 percent to 63 percent; permanent salaried labor was cut in half; and the ratio of permanent to temporary workers dropped from 5.4 to 1.8.[21./]

Similarly, the expansion of the plantation sector and the subsequent displacement of tenants, permanent and seasonal laborers by cattle raising has also been reported in several Central American countries.[22./] These trends have also been reported by researchers in Colombia.[23./]

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[21] Jose Graziano da Silva and Jose Garcia Gasques, "Diagnostico Inicial de Volante em Sao Paulo," Botucatu, Brazil, ECMBB.

[22] Carlos Saenz, "Population Growth, Economic Progress and Opportunities on the Land: The Case of Costa Rica." Madison, WI: Land Tenure Center Research Paper 72, 1974.

[23] Piet Spiekers, "Agricultural Mechanization and Population Composition in Colombia," Paper presented at the Latin American Studies Association Meetings, Houston, Texas, November 1977.

Mechanization

Mechanization has also had a dramatic impact on the land tenure structure. The most mechanized rural sectors in the region are Argentina, Cuba, Chile, Colombia, Uruguay and Venezuela with one tractor for approximately 100-200 arable hectares. The Latin American region as a whole is well ahead of other developing regions in terms of mechanization. The introduction of tractors has led to a drop in average labor requirements for the main crops equivalent in man-years per tractor to 4.1 in Chile, 5.7 in Colombia and 6.8 in Guatemala. K. C. Abercrombie estimates that the tractors currently in use in Latin American agriculture have displaced approximately 2.5 million jobs. He calls this a "highly conservative estimate."[24./]

The factual basis for determining the exact relationship between mechanization and employment is limited; but there are certain things we know about it. Mechanization usually corresponds to areas where there are large farm units, flat land topography, and certain kinds of crops (cereals, oilseeds, sugarcane, cotton, fodder crops, etc.). Mechanization makes it possible to prepare more land more rapidly. There is no inherent reason why mechanization must decrease total employment--in the right circumstances it can increase it. Why, then, has mechanization throughout the Latin American region resulted in the labor displacement Abercrombie estimates above? In the first place, mechanization tends to concentrate in regions or zones. If it comes to an area with a monoculture or where few other employment opportunities exist, the labor displacement effect can be very negative.

Mechanization also smooths out the peaks and troughs in demand of large farm units for seasonal labor. If it does this in such a way that labor shortages are alleviated so that yields increase, mechanization can have a positive social effect. But if mechanization cuts down on the demand for labor at times when it is in abundance, then it cuts off a valuable source of supplementary employment for landless and marginal cultivator households.

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[24] K. C. Abercrombie, "Agricultural Mechanization and Employment in Latin America," in International Labor Review, Volume 106, No. 1, July, 1972, p. 29.

The primary result of mechanization in Latin America has been to increase the area under cultivation, but not to intensify agricultural production. In some cases, this is not due to the presence of machinery per se, but to agronomic conditions (rainfall, soils, etc.) that do not allow for multiple cropping or other forms of intensive cultivation. There are many cases, however, where the land could be used more intensively and large landowners have shown a lack of interest in intensifying production.

3.3 Stagnant Traditional Agriculture

Thus far in discussing the sources of rural poverty we have emphasized the disproportionate share of productive resources held by the large farm sector. But an equally important factor in the inability of the majority of the rural population to satisfy basic needs is the stagnation of traditional agriculture which does not allow the landless or near-landless to obtain sufficient income and employment from it.

The stagnation of traditional agriculture and the lack of purchasing power result in widespread problems of malnutrition in the Latin American region. For example, the Mexican National Council on Science and Technology (CONACYT) calculated that in 1976 the poorest 30 percent of the population consumed only six percent of the national food supply while the richest 15 percent consumed half of the available food supply. Even in Mexico with one of the highest per capita incomes in the region (US $1090 in 1976), 100,000 children out of the two million born each year die of causes directly related to malnutrition. Another million survive but with physical or mental defects stemming from the same cause.[25./]

It appears that policies advocated by national governments and international institutions to raise agricultural production are ineffective if the lowest income strata cannot afford to purchase more food. Brazil is a sad case in point. If the agricultural output of Brazil for the years 1960-1965 is represented by 100, the index in 1973 rose to 131,

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[25] CONACYT, Política nacional de ciencia y tecnologia: estrategia, lineamientos y metas, Mexico: 1976.

to 148 in 1974 and to 147 in 1975. Despite the increases in output, the real wages of unskilled laborers declined sharply because of inflation; and food prices led the rise in the cost of living. As a result, nutritionists estimate that 40 percent of the 115 million Brazilians are suffering from malnutrition. In Sao Paulo, malnutrition accounts for more than 40 percent of the deaths registered among children from one to four years of age.[26./]

Placing poverty, unemployment and malnutrition in a structural context, one experienced policy analyst contends:

> In Latin America the structures of demand as much as the structures of production present real bottlenecks for improved welfare and increased food production. The food systems of the poor in rural areas depend, in large measure, on local production. The effective demand in peasant communities increases in proportion to the population while land and other capital resources remain stagnant or decline. Effective demand for basic food articles eaten by the rural poor also increases only in proportion to population, given their low incomes. Traditional agriculture lacks sufficient resources and incentives to fill this demand, which must depend either on commercial farmers or imported foodstuffs. Commercial farmers, however, find it more lucrative to produce for higher income domestic sectors. Governments find it more convenient to import foodstuffs to cover the deficit of commodities eaten by the poor rather than make the necessary investments and run the political risks implicit in increasing internal production of basic foods and redistributing real income in favor of the poor.[27./]

Fundamentally the sources of rural poverty revolve around the LNL's powerlessness and a crisis of employment. Lack of land is only one aspect of the problem. They also suffer from a lack of investment in areas of peasant agriculture; lack of jobs; lack of skills; lack of organization, and lack of legal protection to enforce existing labor codes and prevent abuses by landlords, labor contractors and corrupt public officials.

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[26] Jonathan Kendall, "Brazilian Agriculture Expands Fast, But Mostly for the Benefit of the Well to Do," New York Times, August 16, 1976.

[27] Solon Barraclough, "Perspectivas de la crisis agrícola en América Latina," in Estudios Rurales Latinoamericanas, Volume 1, No. 1, 1978, p. 51.

CHAPTER 4: TRENDS IN RURAL POVERTY

4.1 Increasing Displacement from the Land

As for the trends which are visible in the Latin American region, the most serious trend is toward increasing landlessness. Census data indicate to some extent the concentration of resources and the dwindling access of poor peasant families to land. In Colombia, for example, a comparison of the 1960 and 1970 agricultural census shows that every farm size category above 10 hectares increased both in absolute numbers and in land area, whereas every farm size category below 10 hectares declined. Almost every country in the region has reported similar signs of the increasing subdivision of landholdings. In Brazil according to the 1960 census figures, 1.5 million holdings (45 percent of the total) had less than 10 hectares of land. In 1970 this same category numbered 2.5 million, an increase of 50 percent. A similar process occurred in Mexico where the 1970 ejidal census showed an increase of 10 percent more of these units than in 1960. The number of individual ejidatario plots increased from 1.5 million in 1960 to 1.8 million in 1970, an increase of 23 percent. Similar subdivisions and fragmentation of landholding have been reported in highland regions of Andean countries such as Ecuador, Peru and Bolivia.

Perhaps the most visible sign of this trend toward increasing landlessness is the enormous flight of the peasantry toward urban areas.

In most countries rural migrants cannot be absorbed in productive, modern economic sectors because the proportion of the work force employed in modern manufacturing or service related industries is small. Faced with this situation, one means of survival for the poor has been the creation of a new traditional sector--"traditional" in terms of income and productivity--called the informal urban sector. In Asunción, Paraguay this sector provides 57 percent of all employment. In Santo Domingo, 50 percent of the workforce is absorbed there. The Government of Mexico recently stated that the "underemployment rate" (days worked under a

Table 6: Percentage of Population Living in Towns in Selected Latin American Countries

	1950	1960	1970
Bolivia	26	30	36
Brazil	31	40	48
Colombia	35	47	58
Costa Rica	30	31	34
Dominican Republic	22	29	37
Ecuador	27	36	48
El Salvador	28	32	38
Guatemala	24	27	31
Mexico	46	54	62
Nicaragua	28	34	40
Panama	35	42	50
Peru	31	39	50
Venezuela	49	63	72

28./

statuatory minimum) exceeded 35 percent for Mexico City, a metropolitan urban area with over 12 million people.[29./]

Policy analysts of rural and agricultural development have tended not to consider poor urban households as influencing the rural sector, but in the Latin American region urban and rural poverty are closely interlinked. As we shall see in later sections, it is not unusual for labor contractors to procure an abundant supply of cheap, docile agricultural workers by going to slum areas of district towns or even large cities, recruiting people who are unable to find employment, and hauling them back out into the countryside.

4.2 Creation of a Structureless Labor Market for Rural Workers

Perhaps the most important trend affecting the landless and near-landless in the Latin American region is the transformation of traditional large estates and the accompanying breakdown of social relationships that had formed around them. Traditional latifundios were an important source

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[28] UN/ECLA, op.cit., Table III, p. 6.

[29] ILO, Improvement in the Conditions of Life and Work of Peasants, Agricultural Workers and Other Comparable Groups, Report II. Tenth Conference of American States Members of the International Labour Organization, Mexico City, November 1974, pp. 8-9.

of employment and access to land for the peasantry. Reasons for this transformation vary from country to country, but generally the expulsion of tenants and their conversion into a population of floating agricultural laborers has to do with landlord fears of agrarian reform coupled with increasing mechanization and/or conversion to less labor intensive crops.[30./] For example, in Brazil it was initially the erradication of coffee for pastureland and the lower remuneration of sharecroppers along with the institution of salario (legal minimum wage in agriculture) which resulted in the massive deployment of resident sharecroppers to towns, forcing them to live in rented houses and work for a salary.[31./] Under the Goulart regime in 1963 the Statute of Rural Workers was enacted that granted a legal minimum wage, a thirteenth month salary, a month paid holidays a year, and indemnization for time worked in case of dismissal. And in 1964 the Statuto da Terra was passed which gave sharecroppers a certain measure of tenure security. The way most large landlords found to circumvent the law was to dismiss their resident workers and henceforth work their estates with day laborers recruited by contractors. In Brazil these transient agricultural workers are called volantes--"floaters"--or boia fria--"cold sacks," in reference to the lunch they carry. One Brazilian sociologist, Verena Martinez Alier, gives the following true account of how the breakdown of traditional patron-client relationships took place on one latifundia in the state of Sao Paulo, and what this has meant for the workers:

> "The fazenda of Rio de Piedras, located about 100 km northeast of Sao Paulo, is typical of many large properties. It covers 3,300 hectares of rich land, a third of which is planted to coffee, a third of which is used for breeding race horses and cattle, and the rest of which is in vegetables and subsistence crops.

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[30] For more detailed historical analysis of this phenomenon see Carmen Diana Deere, "Changing Social Relations of Production and Peasant Women's Work in the Peruvian Sierra," IV World Congress of Rural Sociology, Turin, Poland, 1976, or James Grunig, "Economic Decision-Making and Entrepreneurship Among Colombian Latifundistas," Inter American Economic Affairs, Volume 23, Summer, 1969.

[31] Mazine Margolis, The Moving Frontier, Gainesville: Florida University Press, 1971 for a historical analysis of the proletarianization of the peasantry in southern Brazil.

The fazenda, owned by a member of Sao Paulo's oldest families, has a beautiful colonial mansion. It is surrounded by a luxurious park, next to which there is an airstrip used occasionally by the owner when he comes from Sao Paulo to check on the operation of the fazenda. The estate still has a cluster of houses located within its perimeter that harbors skilled and semiskilled workers such as tractor drivers, personnel in charge of the stables, and minor overseers. The bulk of the field hands are brought in from the outside.

Every morning a large truck arrives carrying 40-45 workers, about 30 of which are women. Unlike most volantes the laborers at Rio de Piedras are a stable gang who have worked at the same fazenda with the same contractor for two years.

For the worker to enjoy benefits he must be registrado--i.e., possess a professional license signed by the employer. To prevent the workers at Rio de Piedras from acquiring rights, they are made to sign contracts every three months. Upon signature of a new contract, the old one has to be handed in, thus depriving the worker of tangible proof of his rights."32./

What the displacement from the land and subsequent proletarianization of the peasantry is producing in Latin America is a structureless labor market in which a surplus can be extracted from agricultural workers with little or no ability on their part to receive just compensation for their labor. In his analysis of harvest employment in California agriculture, Fisher introduced the notion of a structureless labor market which is characterized by the following five conditions:

1. There must be no unions with their usual accompanyment of seniority, preference of employment, and other limitations of access to the labor market.

2. There must be an impersonal relationship between employer and employee, lest informal obligations and various types of moral tenure develop.

3. The productive employment must be largely unskilled so that it becomes accessible to a large labor force.

4. The method of compensation must be by unit of product rather than by unit of time.

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[32] Verena Martínez-Alier, "The Women of Rio de Piedras: A Preliminary Report on Women's Work Patterns and Performance in Agriculture in the State of São Paulo Brazil," paper for a conference on Feminine Perspectives in Social Science Research in Latin America, Instituto Torcuato di Tella, Buenos Aires, Argentina, March, 1974.

5. The operation must employ little or no capital or machinery.[33./]

To illustrate that this trend toward the creation of a structureless labor market is not confined to Brazil alone, let us take another example from the Zamora region of Mexico. The northern parts of Mexico are known for their modern, commercialized agriculture, but Zamora is in the Meseta Central in the state of Michoacan, a densely populated region of small holders. The Zamora region grows strawberries for the US market. Below Feder describes the labor market for the agricultural workers who pick the strawberries.

> Employers who control the labor market in the strawberry growing areas deliberately provoke the arrival of avalanches of workers, because if labor supply permanently exceeds the demand, this is an ironclad guarantee that wages can be held to a minimum. It is symptomatic that although there is already an over-abundant supply of underemployed labor in the area, employers send recruiters or trucks to outlying towns even at considerable distance to bring in new workers, because non-residents are willing to work for less pay.
>
> Evidence of excess labor supply can be observed when workers assemble to wait for trucks which pick up the number of harvesters each day. One assembly point next to the railroad in Zamora is always guarded by the military with submachine guns. During peak months, about 5,000 workers may assemble there at 5:30 in the morning. Many do not find work and have to leave, hoping for better luck the next day.
>
> The conditions under which the pickers are hired, work, or are dismissed are nothing short of degrading. No worker in his right mind would ever ask what the employer's wage is. At the assembly points, if a picker were to ask a question, he would be told, "There is no work for you." The workers climb up not knowing where they will be taken, what they will be paid, or whether they will be able to work in the same place the next day.[34./]

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[33] Fisher, The Harvest Labor Market in California, Cambridge, Massachusetts: Harvard University Press, 1951, p. 9.

[34] E. Feder, Strawberry Imperialism, op.cit.

4.3 The Breakdown of Traditional Patron Client Relationships

Another transformation taking place in the countryside is the weakening of traditional village economy and its intense inter-personal relationships. This breakdown of traditional patron client relationships has two implications for the welfare of the rural poor. On the one hand, it weakens the old forms of vertical and horizontal solidarity and mutual aid that previously existed among the peasantry. It also opens the way for a whole new series of actors to be influential in affecting the livelihood of the LNL. These new actors include traders, labor contractors, middle peasants who own a truck, local leaders of peasant syndicates and, of course, representatives of the state. No statistics exist to measure the breakdown of traditional relationships,

Cynthia Hewitt de Alcántara gives a description of what effect social disintegration has on the livelihood of landless laborers in northern Mexico. Not withstanding the fact that these wage laborers work in an area where the biological, chemical and machine technologies of the green revolution have been used for 30 years--and probably because of it--these wage workers are examples of extreme social marginalization. Their condition as landless laborers undercuts almost all ascriptive relations either among themselves or with wealthier elements. Hewitt relates:

> "Once the cotton harvest in Sonora is over, migrant laborers go on to another cotton growing area further north or east, or return to their homes in the south. But the permanent rural proletariat of the Yaqui Valley and the Hermosillo Coast settles down to wait out a grim and jobless winter... The utter disorganization of most rural settlements in the Yaqui Valley seems to isolate the proletariat within them to an extent unthinkable in more closely knit communities in traditional farming areas. Not only do the former have no material resources on which to draw during periods of worst unemployment; but they also have precious little social support.
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> Housed in reed or cardboard huts built on small pieces of land ceded to them by ejidatarios or private farmers who ask a certain number of free days of labor in return, the landless laborers can be evicted at any time. Their diet of beans, tortillas, chile and coffee during the good times is maintained through indebtedness to local storekeepers who charge interest even when that should not be necessary. The institution of paying landless laborers in script is widespread throughout the commercial farming areas of Sonora; and storekeepers discount as much as 50 percent of the value of the script in return for accepting IOUs. In bad times, families

survive on anything they manage to catch on the seashore and what can be raised on centimeters of houseplot land. Their children are as weak and malnourished as any to be found in the remotest indigenous regions of central Mexico.[35./]

4.4 New Dominators in the Countryside

With the breakdown of traditional patron-client relationships, it is not surprising that another trend affecting rural poverty in the countryside is the emergence of new types of dominators. This new class is composed of economic and political middlemen, or caciques as they are called in Spanish. The new dominators come in many forms. In Bolivia they may have been small farmers at one time who have subsequently managed to acquire transport and have replaced landowners as direct exploiters of the highland peasantry. For example, these "rescatistas" travel around isolated areas peddling such items as soap, salt, matches, kerosine, and sugar at grossly inflated prices in exchange for harvested agricultural products. The rescatistas do not pay farmers for their crops until the final sale has been made in La Paz. This allows the marketing middleman to artifically lower the price and cheat farmers out of their due. Many of these intermediaries have also become vendors of a popular beer-type drink among the peasantry called "chicha," which they sell on credit to encourage indebtedness.[36./]

Low incomes and debt relationships are extremely important to these economic middlemen, for they are not middlemen who traffic in agricultural products alone. A major source of their income is buying agricultural labor cheap and selling it for a profit. Debt relationships are the primary way in which these labor contractors obtain workers for commercial farms. As we shall see in the next section of

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[35] Cynthia Hewitt de Alcántara, Modernizing Mexican Agriculture: Socio-Economic Implications of Technological Changes, 1940-1970, Geneva: UNRISD, 1976, Chapter 5.

[36] See Katharine Barnes Von Marshall, "Cambios Socio-Económicos en el Valle Alto de Cochababma desde 1952," Estudios Andinos, Volume 2, 1971

this analysis, conditions on many commercial plantations are sufficiently harsh and real wages are so low that in some regions, significant problems would occur in procuring n adequate labor supply were it not for debt relationships. Indeed, it is a practice for large landowners to give the contracting intermediaries sums of money to go out and establish debt relationships with peasants in densely populated rural areas. Some may regard this procurement practice as a way of giving "credit" to low income households that would not be able to obtain it through formal channels. One must remember, however, that this advance is seldom used to increase output and employment in the sense that "production credit" is usually extended. It is often consumed immediately in the purchase of foodstuffs. What is even more sad are these advances being used for the purchase of alcoholic beverages, or for household necessities that are sometimes sold for as much as 500 percent more than the retail cost of these articles in the capital city.[37./]

In addition to the economic intermediary, the political middlem n has also emerged as a new dominator of the peasantry in the wake of the breakdown of traditional patron-client relationships. Andrew Pearse gives a good definition of political middlemen operating in rural Latin America:

> I use the term cacique for the individual who accumulates personal power far beyond the normative blueprints of the formal institutions concerned and actually takes over their functions. Caciquismo typically makes its appearance in a societal condition where hierarchically ranked organizations purporting to work according to bureaucratic rules are introduced, but the conditions for their proper performance do not exist.
>
> The role of the cacique rests on certain implicit pacts defining his relations with those above and those below him. Those above him, the leading figures in the unions, the ministries, the party, etc. may be referred to as the providers--i.e., those who make and enforce the allocation of authority and public goods and services. The cacique is linked both institutionally and particularistically to individuals in the ranks of the providers on the basis of friendship or alliance, and to these figures he owes the support of his realm. In return, his friends will see to it that his operations in his own territory are as far as possible not interfered with.[38./]

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[37] For actual reports of such practices see Roger Plant, "Bolivia: Report of a Visit to Investigate Allegations of Slavery," London: The Anti-Slavery Society for the Protection of Human Rights, 1977.

[38] Pearse, op.cit., pp. 159-161.

The cacique and his clique typically control all lower offices in a municipality or district. Some of the caciques power comes from making money off the authority functions performed by those offices. For example, a cacique in control of colonization settlement can charge for the use of communal pastures; he can receive money on the side for giving some settlers better parcels than others; or he can sell some of the projects supplies or products on the black market and pocket the money.[39./] Sylvia Gomez-Tagle gives an excellent illustration of this with the experience of land reform beneficiaries in Mexico. She investigated the functioning of ejido credit societies in the Laguna area of commercial agriculture. When land reform occurred it was difficult to establish a good relationship between ejidatarios hitherto isolated, still illiterate, and accustomed to clientelism, and the Ejido Bank with its intricate, standardized requirements. Failing to find a sufficiently experienced representative among themselves, the ejidatarios appointed a smart town worker who helped organize the ejido to represent their credit society. The new representative became a typical raqueteer-cacique, basing his control on a supporting group to whom he distributed largesse and free drinks on occasion, and crediting them with work they had not done. Apart from inflated, uncontrolled credits, the cacique misappropriated funds to establish his own private store. The illegal selling of "moonlight cotton" to private buyers instead of to the Ejido Bank also frequently occurred. What developed was a covert agreement between venal bank officials and caciques "representing" the ejidatarios to exploit the relationship between the institutions to their own personal benefit.[40./]

What Gomez-Tagle reported from Mexico also seems to have occurred on a large scale among peasant syndicates in Bolivia. Some of the ways in which syndicate leaders have taken advantage of their authority to

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[39] Investigations of this phenomenon in the Mexican context include R. Bartra, et al., Caciquismo y poder político en México rural, México: Siglo XXI, 1975. An excellent study of this in Bolivia is Kevin Healy, Power, Class and Rural Development in Southern Bolivia, Ph.D. Dissertation, Cornell University, 1978.

[40] Sylvia Gomez-Tagle, "Organización de las Sociedades de Crédito Ejidal en La Laguna, Mexico," El Colegio de México, 1974.

emerge as new local strongmen include the pillage of estate property and livestock; the pocketing of municipal dues; the charging of fees in connection with land transfers; benefits from lands worked collectively by union members; renting out of common pasture lands; use of union transportation for the commercialization of private products, and even the manufacture and sale of cocaine.[41./]

The problem with caciquismo is that it rapidly creates income inequalities among small holder peasants for whom the state has abolished the old landlord-patron. The implications of these economic and political middlemen for development assistance is that without coming to grips with these dominators, programs of planned social change will fail to improve the position of the most disadvantaged strata no matter how many public goods and services are made available at the local level in greater supply.[42./]

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[41] Armado Canelas, Mito y Realidad de la Reforma Agraria, La Paz: 1966, p. 202.

[42] See Emil B. Haney and Wava G. Haney, "Rural Development Efforts in Colombia: A Case Study," Land Tenure Center Newsletter #76, 1976, Madison, Wisconsin. The Haneys' study is interesting because it examines how one cacique, the parish priest, brought in many public goods and obtained much free labor and other inputs from the local campesinos. The benefits of all the "development" activities were enjoyed very disproportionately by the local upper classes. The commendable aspect of Haney study is that they examined the distributional effects of this cacique's actions over a 10 year period of time, and so could see very clearly who the benefits were accrueing to. A difficulty with development assistance is that when an outsider comes into a local situation, he often chooses to work with the most entrepreneurial or "progressive" citizens. Such a decision can be tantamount to handing development resources to the local power structure without making it accountable for an equitable distribution of those public goods.

CHAPTER 5: POVERTY IN RELATION TO SPECIFIC TYPES OF DISADVANTAGED SOCIAL GROUPS

The most serious problem facing Latin American agriculture today is the inability of these marginal families to earn enough even to subsist. It is not just small numbers of people who fall into this precarious category. Indeed, in many countries 50 to 70 percent of the economically active persons in agriculture are landless or near-landless.

This mass of people is marginal in both an economic and a social sense. Economically, they lack employment which will pay them for the value of their labor. Socially, the kinship and clientalistic relationships which used to provide assistance to them has disintegrated, especially as they are forced beyond their traditional village environment in search of seasonal employment or permanent wage labor as landless agricultural workers.

The rural poor should not be regarded as an undifferentiated mass, however. As we shall see, they have quite different occupational contexts which must be taken into account in order for policies to have any effective impact on them.

5.1 Migrant Laborers

A good illustration of several of the themes we have been discussing--"sublivelihood" access to land; need to find several types of employment; low pay; insecurity of employment; and debt--is Lester Schmid's survey of 120 seasonal migrant laborers in Guatemala. Schmid found that the average net income earned by these peasants from working plots that averaged one hectare in size was $73 per year. At the same time, the average family expenses for the year were $151, the majority of which (91 percent) was spent on food and clothing essentials. Thus these minifundio farmers had to migrate; and they earned an average of $101 for 102 days work. But according to the migrants own estimations, they were only able to take 18 percent of their net earnings on the plantations back to their home

community. Forty-five percent of the earnings was consumed by expenditures for food, medicine and transportation while migrating. It is significant, however, that even if every cent not needed for essentials on the plantations was brought back, that would still not be enough to make up the deficit between what these migrants spent on their home communities and what they earned on their farms. Consequently these marginal Guatemalan peasants are in a constant cycle of debt, which is the usual way they are recruited for work on the plantations because the money lender in their home communities is the labor contractor who recruits them and takes part of their wages earned on the plantations.[43./]

Those who think in terms of rational economic behavior might assume that Schmid's data simply reflects a bad year for the respondents in the Guatemala survey and that, in the longer run, debits and credits even themselves out for these migrant workers. Studies elsewhere have shown, however, that the role of debt is extremely important in procuring a steady source of cheap labor for arduous work on plantation estates. From the point of view of the large landowner or the labor contractor who can "resell" each laborer at so much money per head, the establishment of such relationships appears to be very rational. Although the anticipos (sums advanced to the laborers) are usually small, one investigator in Bolivia found anticipos of up to 1000 pesos, evidence of very long term debt relationships.[44./]

Contractors also have ways of procuring labor other than simple wage advances. Many contractors are truck owners who buy in bulk at the farms of these subsistence farms. In Bolivia such middlemen ("rescatistas") do not pay peasant farmers for their crops until final sale has been made in La Paz. This allows the middlemen to artificially lower the price and cheat farmers out of their due. Other practices include selling alcohol or household necessities to

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[43] Lester Schmid, The Role of Migratory Labor in the Economic Development of Guatemala, Land Tenure Center Research Paper #22, Madison, Wisconsin: 1967.

[44] Plant, op.cit., p. 17.

isolated rural families at exhorbitant prices. All of these are factors in creating and sustaining exploitative debt relationships.

In addition to exploitative procurement, a variety of other practices are also used to cheat unorganized agricultural laborers from significant portions of their earnings. Schmid found in his survey that plantations frequently cheated workers in determining their wages. Boxes into which workers dumped their picked coffee--that by law were supposed to hold 100 pounds--held 122, 135 and 150 pounds. On rubber plantations and cattle ranches in the eastern lowlands or Bolivia, Plant found evidence of company stores that sold alcohol and even clothing and essential foodstuffs at grossly inflated prices to workers.

In Bolivia, the main problem was that no peasant could earn an adequate wage without working extraordinary hours. In some cases, where the harvest was bad and the crop in poor condition without sufficient weeding, those p asants who had raised a debt found their wages insufficient to repay it at the end of the three months time. An average workday appears to be 10 to 12 hours, although many peasants were known to work 16 to 18 hours a day. Moreover, only the work of adult males is registered, although many wives and children may accompany him to the estate and can be expected to do a full day's work. Where the crop is in good condition and living conditions are adequate, hard work can be well remunerated. But a major problem facing migrant workers is that they never know what conditions will be facing them when they leave home.

In regard to women and children agricultural laborers, Schmid found that in Guatemala too their treatment was inferior to adult males. Most labor contacts were only with the head of the family or with the head and the oldest sons. Only on a few government plantations were women and children as young as 10 years of age given separate contracts entitling them to food rations and payment of transportation. In the Schmid survey, 120 male migrants brought 112 women and children to work with them. This does not seem to be a high ratio of males to females

and children. But on some plantations, for example, the rice, maize and coffee plantations in Costa Rica, the bulk of the seasonal and casual workers taken on are women. This is a characteristic that distinguishes Latin America (and Africa) from the major plantation areas in Asia. In Latin America employment on plantations for women is almost always on a purely casual basis; whereas Asian plantations have large resident populations--both males and females--who are provided with work the entire year round.[45./]

In its survey of plantation wages, the ILO did find the practice of paying men higher basic rates of pay then women and juveniles. For example in Colombia, the basic wage for permanent adult male workers in 1969 was 32 pesos, for women workers 19 pesos, and for juvenile workers 15 pesos per day. For temporary workers--mostly women and children--the rates were 31 percent lower than that.[46./]

5.2 Landless Workers

Governments publish social indicators such as literacy rates, hospital beds per thousand, etc. However, we believe that to judge how well or poorly the landless are in relation to their employment situation, one has to look at their degree of economic and social marginalization and judge how isolated they are from relationships with kin or patrons that can aid them in difficult periods. Criteria for evaluating the degree of poverty include: (1) wage rates; (2) security of employment; (3) access to a home grown food supply; (4) establishment of kinship or patronage relations; and (5) the extent to which the family is able to maintain itself as a unit so that women or children whose wage rates are usually always inferior do not become the sole supporters of a household. Presence of a labor organization and/or working with a group of mutually supportive kin may also lessen the harshness of commercialized relationships.

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[45] International Labour Organization, Conditions of Work of Women and Children on Plantations, Report III, Geneva: 1970, p. 21.

[46] Ibid., p. 32.

Permanent landless laborers usually lack organization, awareness of their legal rights, and enforcement of those rights by national, state and local governments. Such laborers are purposely not given labor cards or contracts which would allow them to prove seniority. Without being registered the laborers cannot make use of welfare benefits such as vacation pay, sick leave, access to clinics and hospitals operated by Social Security agencies, etc. The laborer is only paid for the task or the time worked, which can sometimes be very personally costly in cases where pesticides, insecticides and other poisonous chemicals are handled.

To give an idea of some of the work conditions of landless laborers, let us examine the situation of women who pack the strawberry harvest in Mexico. The strawberry industry and opportunities to work in the packing factories have brought near-revolutionary change to the lives of these women and girls: in many households they contribute much to family income. The women do not complain about the work only about the conditions. Workshifts are unknown. During the time when they do work, a normal work day is almost always more than eight hours, and at peak periods girls may work 18 to 19 hours with only short interruptions. Overtime is never paid. These are some of the conditions that the workers complained about most:

--Inadequate medical attention; time lost through industrial accident is not remunerated.

--Supervisors sell uniforms well above prevailing commercial prices; girls are obliged to buy them in the plant.

--During the peak season they often work from 6 am until 1 am the next day.

--Wage is paid in cash and no written document made out.

--Deductions are made without proper explanation.

--The same piece rate is paid regardless of the size of the fruit; earnings decline when the size of the fruit is small because it takes two to three times longer to pack a box.

--Sunday wages are the same as ordinary workdays.

--Girls are sometimes cheated on the weight of the boxes.

--Sometimes bribes must be paid to the personnel manager to obtain a job.[47]./

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[47] E. Feder, Strawberry Imperialism, op.cit., Chapter 7.

Several of the above packing plants were unionized, and it is interesting to see what effect this had on the welfare of the workers. The seasonal nature of employment sharply reduced the bargaining power of the unions because of the ephemeral participation of most of the members. Thus the dictates of factory owners and managers went much further than those of the unions. Where the unions did make a contribution, however, was in the greater discipline of workers and more orderly hiring and dismissal practices. Labor legislation concerning minimum wages and working conditions were never upheld, however, even in the unionized plants. Many of the workers in these plants also had no idea of the contracts signed between factory owners and union leaders, nor did the workers participate in negotiating these contracts.

The situation of the above strawberry packers is representative of many rural workers. Insufficiently informed of their rights, the laborers submit themselves to a situation of manifest discrimination in which they have no right to make use of the benefits and protection that are present in the existing labor codes.

5.3 Women in Agriculture

The situation of female rural workers is also changing rapidly. Formerly women did work, but it was principally to help their families cultivate or harvest. When there was extra family labor, men would work for a daily salary, but this was considered undesirable for women. Previously, the man was the one who made contracts with others, received earnings, and controlled them. However, the increasing attenuation of traditional patron client relationships and tenancy arrangements has had the effect of converting large numbers of women into agricultural wage laborers. Martinez-Allier observed that due to the expansion of the construction industry in southern Brazil, it is difficult in the Sao Paulo area to find able-bodied men willing to work in agriculture for the wages currently offered. Thus the process of substituting female casual agricultural laborers for male laborers is taking place to a point where women nowadays do practically all the tasks on the fazenda. Labor contractors preferred working with the women because they were more obedient and less likely to question working conditions, wages and/or commissions subtracted by the contractor.

Although labor relations have transformed females into agricultural proletarians, this transformation had not brought about a change of perception in traditional sex roles in the womens' own minds, within their households or among their male bosses. Martinez-Allier found that it was not unusual for a woman to earn more than a man, and yet the prevailing attitude was that men work to sustain the household, and women work to supplement the family's income.[48./] These unchanged stereotypes created a double burden for the female laborers. Not only did they have much more work to do within their own households, but they were easier to exploit (and perceived to be so) in a work situation because their preference was for job stability and in the uncertain world of casual agricultural laborers they were not as quick as men to change jobs that offered them slightly higher wages for short periods of time.

The task of being both a mother and a breadwinner imposes a difficult burden on poor rural women. It is hard for a woman to be a wage laborer on a plantation when work begins at 7 am and ends at 4 pm. A women needs to work in a situation where the hours, tasks and organization of workers are more flexible. For example, below are vignettes of two female day laborers in Colombia, one of whom can survive in her present situation and the other of whom cannot:

> "At 6:30 Dalila arises every morning and prepares breakfast on a wood fire (fried bananas and sweetened black coffee). At 7:30 Dalila goes to work picking coffee, cocoa, fruit, plantains or weeding around the tree crops. If the work is near, she comes home for lunch at 11 o'clock, and then returns to the fields to work until 3:30. By 4:00 she is preparing the evening meal of soup, rice and perhaps meat or beans, although the latter are more rare. By 5:30 the meal is over and the family sits around talking by candlelight or listening to a soap opera on the radio if there is one. It's not necessary to work every day; two days of the week are assigned to wash, shop, sew or mend, etc. Sunday is the festive day to put on one's good clothes, visit and celebrate."

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[48] Verena Martínez-Alier, "The Women of Rio de Piedras," op.cit.

"Graciela is the mother of three children whose ages are nine months, five and six. Her husband is from the coast where he has another "wife" and children. He has another woman in town, who also has a child. The relationship between Paulo and Graciela hadn't been good for a long time. He hardly ever helped her with the children and sometimes stayed away all night long. Finally he got a job on a sugar plantation three hours away and how is only able to return on Sundays."

Paulo gave Graciela approximately US $2.00 per week, which hardly provided for the most basic needs (rice at 15¢ per pound, meat at 40¢, and a can of powdered milk for $1.00).

Graciela has had lots of jobs, but always finds it difficult to hold onto one and raise three small children at the same time. She worked as a cook on a plantation, but there were so many mosquitos in the room provided her that the children could not sleep. She made and sold snacks on the street, but was not able to earn enough. No matter what she did, she always ended up returning to her damp little one room house and waiting for her husband to come with money.

Because there is no agreement among extended kin for the collective care of children, Graciela cannot support her family or herself in this situation. She plans to leave the children with her husband's other woman and go seek work as a domestic.[49]/

Several variables operate to determine the welfare of rural women. The two most important are whether they have access to land or are landless, and whether they have a monogamous marriage or are a female-headed household. (In the area Rubbo studied--which was not a region of high out-migration--less than 50 percent of the poor rural households were monogamous marriages). Other factors include whether the woman can find work and how flexible the work situation is. For many landless female households, another important livelihood factor is what they are able to scavenge once the crops have been harvested--beans, corn, plantains, etc.

Although the lives of female minifundistas were generally more secure, Rubbo found that even their income and employment was being

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[49] Anna Rubbo, "La Extensión del Capitalismo Rural: Sus Efectos Sobre las Mujeres Negras en el Valle de la Cauca, Colombia Ocidental," in Estudios Andinos, Volume 5, No. 1, 1976.

jeopardized by the substitution of commercial crops for the things that women traditionally grew. The new "green revolution" crops recommended by the government extension agent--corn, soybeans, and tomatoes--had higher yields and would bring better prices than the declining yields from older coffee or cocoa trees, but they were also much riskier to grow. The decision to cut down the older trees would usually be made after an argument between the older females and the younger males in the household. The women were opposed to the changes because they recognized that although the trees were old and perhaps diseased, they at least produced something and provided continued employment. Besides, the old form of agriculture was something they knew and understood. The new form was more technical and required the use of fertilizers and even tractors. But the debate is usually won by younger household members for whom the hope of making a lot of money quickly is irresistable. Although credit for minifundistas is scarce and the interest rates are high, many minifundia families are now switching to seasonal crops. One bad season can ruin a minifundia household, however, because the collateral usually offered to obtain credit is land.

Any strategy or program to integrate women in development must take into account the complex relationship between women's mothering/domestic and non-mothering/economic roles so that changes in one set will not negatively affect the other. Past programs for women have recognized and concentrated on their roles as reproducers to the exclusion of their broader productive roles. On the relatively rare occasions when there have been programs to teach women income-generating, agricultural and other productive skills, the projects have usually not been based on sound economic planning and have involved make-work projects or the production of unsaleable items. Adrienne Germain contends that women have been doubly jeopardized by this welfare approach to programs on their behalf. First, the welfare programs receive only a small fraction and not an equitable portion, of development funds and skilled human resources. Second, when concern about women is centered on welfare-oriented policies and segregated programs, women are effectively excluded from the broader range of policies that would help them be more productive.[50./]

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[50] Adrienne Germain, "Poor Rural Women: A Policy Perspective," Journal of International Affairs, Volume 30, No. 2, Fall, 1976.

Minifundistas

There is not a single minifundia problem in the Latin American region but rather a complex of problems which vary widely. Many minifundia are located close to urban centers, but others are quite isolated. In some instances minifundia function as production units while in others they are mainly places of residence. In certain regions minifundias are made up of numerous fragmented parcels while in others they contain only one or two lots. Some of the operators of those small farms own land, others have group titles or no titles, and still others are marginal tenants or sharecroppers. Adams and Shulman developed one classification scheme which identified the following three types of small farm units: (1) independent minifundia where production is determined by direct consumption needs; (2) commercial minifundia where production decisions are closely tied to market conditions; and (3) dependent minifundia where a large part of family income is earned from off-farm employment.[51./] Of these types, the most complex is three. Approximately 80 percent of all minifundia are the dependent type.

When trying to decide on policy prescriptions for raising the income of these minifundista farmers, a major debate arises as to what the root causes of their poverty are. Adams and Schulman argue that most of the methods used to increase the productivity of this kind of farm unit in Europe (parcel consolidation, marketing cooperatives, supervised credit) will not work because this kind of unit fundamentally lacks land to take advantage of these other services. So their set of viable policy solutions boils down to either stimulating out-migration or having an agrarian reform that would give these units more land.

Their conclusions are not shared by Emil Haney who investigated an area of commercial small-holdings not too far from Bogotá, Colombia in the minicipality of Formeque. There over the past 20 years farming

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[51] Dale Adams and Sam Schulman, "Minifundia in Agrarian Reform: A Colombian Example," Land Economics, Volume 43, No. 3, August, 1967.

had changed to reflect the needs of the urban market. The principal crops were now tomatoes, green beans, onions, melons, cucumbers, flowers, etc. Haney concluded that new technologies such as improved strains of cattle, improved seeds, and chemical fertilizers and insecticides did have the potential to raise income and employment in such areas if they were introduced with conservation measures to improve soil, manage water, etc. Haney was disturbed by the ecological damage he saw taking place as a result of the more intensive agriculture and felt that such technological changes had to be accompanied by more education about their consequences and usage. Haney also believed that the unstable market prices, frequent risk of natural disasters and campesinos' lack of knowledge about the new technologies greatly reduced their incentive to adopt such improvements. He felt that the only way the benefits of these new technologies would be passed on to minifundista farmers was if the latter were organized to formulate collective goals and mechanisms to carry them out. Haney saw little possibility of the dominant local elites by themselves improving the physical or organizational infrastructure among minifundistas.[52./]

This same characteristic of minifundistas being unable to take advantage of commercial crops because of their lack of organization has been cited as a major factor causing poverty among Mexican ejidatarios, i.e., small farmers who received land through agrarian reform. Some of these ejidatarios have land in irrigated districts where commercial crops such as cotton, fruits, vegetables, etc. are grown. Problems with intense corruption within the ejido system and government institutions such as the Ejido Bank that work with it were a major factor causing many ejidos to abandon collective farming arrangements during the 1940-60 period and divide the ejidos up into individual parcels so that members became, in effect, minifundistas. A 1966 survey of ejidatarios with individual tenure in a large irrigation district in the state of Michoacan showed that less than 32 percent of the

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[52] Emil Haney, "El Dilemma del Minifundismo en Colombia," Dualismo, Volume 1, No. 1, September 1971, pp. 152-153.

ejidatarios worked their own land; 51 percent rented their land to private entrepreneurs who used it to grow cotton; and 17 percent who left the land fallow.[53./] The projected trends were that by the 1970's, 81 percent of the ejidatarios would rent their lands out and only a miniscule number would actually continue to operate their parcels themselves. The experience of Mexican land reform beneficiaries and other small landowners elsewhere suggest that it is not enough to give a peasant land. A basic aspect of under-development is his economic and social marginalization which can only be surmounted by organization and education for collective action.

James Grunig has still another approach to the question of how to analyze the problems of minifundio farmers and prescribe correct policy approaches for them. Rather than classify minifundios as "independent," "commercial" and "dependent," Grunig concentrated on identifying the obstacles to production that need to be removed as a minifundista moves from subsistence production to greater market integration and higher levels of income and employment. He asked: what is lacking in the social, political or economic context of communities that could reduce the power imbalance between minifundistas and local elites and/or enable the former to increase their income? Grunig found that the Colombian context a successful minifundia farm had the following characteristics: (1) a minimum amount of three to four hectares of good quality land or a larger amount of poor quality land; (2) intensive marketable crop; (3) a stable and remunerative market; (4) situationally relevant technical information (extension) along with available modern inputs; (5) roads and modern transportation facilities; (6) adequate and flexible credit; (7) schools. He noted that provision of any one of the seven requirements would help alleviate the campesino's situation, but that these items would be most effective if

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[53] René Barbosa and Sergio Maturano Medina, El Arrendamiento de Tierras Ejidales, México, Centro de Investigaciones Agrarias, 1972.

the previous requirement in the order had been listed first (i.e., schools, credit, roads, technical information and modern inputs, markets, an intensive crop, land).[54./] More of Grunig's type of research needs to be done that takes important categories of landless or near-landless groups, sorts out the institutional obstacles to their increased economic and political power, and then tries to see which of those obstacles can be removed first, which second, etc.

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Rather than repeat statistics about the gross dimensions of rural poverty, it is argued here that the most relevant approach to improving conditions for the LNL is to consider carefully the socio-economic and political characteristics of relevant target groups. This would include an analysis of seasonality, i.e., the way a household or a community's activities change during different months of the year. It would also study carefully the barriers to greater income and employment that are characteristic of a particular kind of low income target group. Finally, it would consider the various types of rural poor in relation to their changing patrons or dominators and new social patterns.

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[54] James E. Grunig, "The Minifundio Problem in Colombia: Development Alternatives," Inter American Economic Affairs, Volume 12, No. 23.

CHAPTER 6: POLICIES TO ALLEVIATE RURAL POVERTY

Thus far, we have discussed the sources and trends of rural poverty without formulating a structural analysis which specifies what policy measures must focus on to erradicate it. Briefly, that is what we will attempt to do in order to put the different kinds of policy mechanisms into better perspectives.

6.1 The Political Economy of Rural Underdevelopment in Latin America

The latifundia and medium-size farms, which constitute the commercial part of agriculture, are connected to the rest of the economy through product markets. Unfavorable terms of trade keep real incomes of larger farms depressed. Landlords find economic compensation through institutional control, but workers have no such resource.

Very small farmers are also connected to the larger economy. Many commodities must be imported from the urban economy for which cash income is needed. To finance their imports, they must export goods and/or labor.

Since seasonality in the agricultural production process creates a significant seasonal unemployment for small farmers, seasonal migration is another source of income. Minifundistas are so poorly endowed that generally their land has no irrigation. This increases seasonal unemployment, since only one crop can be grown yearly. Subsistence farmers seek jobs in medium-size farms, latifundia, and modern farms, as well as in urban activities. In doing so, they usually face a segmented labor market. Their salary is lower than the salary obtained by permanent workers by a margin larger than justified by productivity differentials. Thus the surplus generated in these larger firms is created by permanent and seasonal labor, but it is extracted in a much greater proportion from the non-permanent workers, as we suggested in Section 5.

The market mechanism works therefore against agriculture in general, with the possible exception of exporting firms, but it is particularly prejudicial to subsistence farms. They participate in both the product

and the labor markets, and get exploited in both. Only when policies are implemented which will increase the relative prices paid to traditional agriculture for both crops and labor will this trend be reversed. These include not only pricing policies, but legal recourses against abuses, and greater freedom to organize as well.

In reality there are four components of the problem of rural underdevelopment: (1) the low level of output and efficiency of production; (2) technical change--i.e., increasing the frontiers of production for small farmers; (3) changing the terms of trade which are controlled by monopoly or oligopoly buyers and sellers against small producers; and (4) income distribution. One must look carefully at a given situation to see what kinds of major problems it has. For example, Figueroa makes the point that redistributing resources--i.e., land reform makes sense only in areas where there are important property resources to redistribute, and not in areas of impoverished subsistence agriculture.[55./] In general if we had to pick the problem that most public policy efforts have been directed against, it would be efforts to increase the output and efficiency of the traditional sector. In comparison, considerably less effort has been expended in increasing the frontiers of production for small farmers, improving their terms of trade or redistributing income.

6.2 Options to Increase Rural Employment

6.2:1 Public Works

The scarcity of capital and length of time required to introduce intensification and diversification of crops, to establish agricultural settlements, set up rural industries or carry out agrarian reforms makes many governments desirous of offering immediate possibilities of employment through labor intensive forms of investment. The schemes in Latin America more often involve community action projects than the massive infrastructure projects that are more characteristic of South and Southeast Asia. For example, in 1967-68 the Balaunde Government in Peru created more than five

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[55] Adolfo Figueroa, "Agrarian Reforms in Latin America: A Framework and An Instrument for Rural Development," World Development, 1977, Volume 5, No. 1, p. 161.

million man-days of employment by supplying the materials for "self-help" projects to 35 sites across the country. Under the military government, SINAMOS, the agency for popular mobilization of workers and peasants, continued such activities until 1977. In Mexico under the Secretary of Health, more than 59 million man-days of employment were created between 1963 and 1973 on projects for the establishment of water supplies, the promotion of agriculture, small-scale irrigation, roads, schools, etc.[56./] Much of this work has continued under the PIDER Project, to be discussed in more detail in later sections.

Oftentimes these public works involve substantial components of foreign aid. Such is the case of the Pico y Pala project in Colombia, which is part of a larger effort of the Colombian Government to raise the nutritional status of the population by increasing the production of food crops among small farmers. Pico y Pala builds access roads to areas that produce food staples. More than 60 percent of the capital for this project have been supplied by the World Bank and the Inter-American Bank. Pico y Palo is unusual in that, unlike most low-cost infrastructure programs, it pays workers well. Workers receive twice the prevailing agricultural wage, but even then the Ministry of Public Works estimates that it is half as expensive to use labor intensive techniques to build roads in the mountainous terrain of the Inter-Andean valleys than it would be using capital intensive techniques.[57./]

Another kind of foreign aid for these projects is food aid which is offered as disaster relief in time of famine (e.g., Haiti--1973, Brazil--1970). In the case of the 1970-71 drought in Brazil, government investigations showed that in the nine state area of Northeast Brazil, as much as 70 percent of the population suffered from chronic malnutrition. Led by SUDENE, work fronts were organized which, in a relatively short period

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[56] Emile Costa, "Maximizing Employment in Labor Intensive Development Schemes," International Labor Review, Volume 8, No. 5, November 1973, pp. 371-394.

[57] J. Thomas, et al., "Public Works Programs in Developing Countries: A Comparative Analysis, Cambridge, Massachusetts: Harvard Institute of International Development, 1976, Discussion Paper 15, p. 34.

of time, created employment for 500,000 people. In the target communities, anyone over 14 years of age was eligible. Most of the workers were landless laborers or poor sharecroppers; less than four percent of them were from urban areas. The Frentes mainly constructed levees, reservoirs and wells, although occasionally they built roads and railroad tracks. Remuneration included 50 percent of the prevailing agricultural wage paid in cash, and the rest paid in kind. On some frentes which paid only in cash, speculation in foodstuffs which developed in surrounding communities wiped out considerably the workers gains. Two factors which reduced productivity on the projects were the lack of supervisors (SUDENE had very few personnel managing the projects, none of whom were specifically trained for such work); and the poor medical conditions in the camps. For example, during a four month period at the height of the 1971 drought, 143,135 workers had to be exempted from work for various conditions, mostly influenza and dysentery.[58./]

SUDENE has organized a more permanent program growing out of the famine relief in Northeast Brazil. It is aimed at areas that produce crops vitally affecting the region's economy (cotton, beans, millet). The plan employs about 45,000 workers per year. During the dry season it includes the construction of small scale water works and during the agricultural season it includes programs in extension, health and literacy for small farmers and tenants. This, plus the construction of roads to the Amazon so people can migrate, are the Brazilian Government's main policy approaches to alleviating poverty in the Northeast. Others have noted, however that the problems with poverty, malnutrition and unemployment are principally the result of land tenure inequities which none of these policies aim at changing. The most fertile lands of the Northeast, those of the Zona de Mata along the coast, are taken up by large estates with the cultivation of sugar cane. Since yields are extremely low, increases in sugar production are obtained by expanding acreage and absorbing the land of small-holdings used to produce food crops for the market and for self-provisioning.[59./]

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[58] Emile Costa, "Planning and Organization of the Frentes del Trabalho in Northeast Brazil," Geneva: ILO, 1974.

[59] Famine Risk in the Modern World: Studies of Food Systems Under Conditions of Recurrent Scarcity, Geneva: UNRISD, 1976, p. 59.

6.2:2 Rural Industries

The only country in the Latin American region that is making a comprehensive effort to develop rural industries is Mexico. It has two compelling reasons for doing so. First, more than half of Mexico's twenty million inhabitants are landless, and a large portion of the remaining rural population do not have sufficiently large holdings to provide year-round employment. Also, even though Mexico has had several decades of land reform and there are 1.5 million ejidatarios today, many of these households are nearly landless and their parcels fall far short of providing full employment. Since land reform is no longer feasible (no significant property income to transfer), the Mexican Government has attempted to promote employment in the countryside with other mechanisms such as more credit, small scale irrigation, and rural industries.

The national rural development program in Mexico is the Proyecto Integrado de Desarrollo Rural (PIDER) which has divided the country into 86 micro regions with approximately 50,000 inhabitants per region. Between 1973 and 1982, $1.2 billion dollars will be spent on credit, small water works, all weather roads, rural electrification, rural industries, schools, potable water systems, etc. The emphasis is on immediately employment activities.

Government support for agro industries has included small industries for packing and conservation of fruits and vegetables, meat preparation, coffee grinding, forest products, sawmills, cotton gins and feed mills. The Government has also helped to establish more than 100 small mineral industries to excavate lime, stone, clay, gravel and sand. These industries also make bricks, roof tiles, blocks, drainage tubes, etc. for local construction needs. A third type of rural industry which is being promoted are village artisan industries to produce such things as tortillas, cheese, furniture, simple garments, fix-it shops, etc. These latter kinds of village industries are small and labor intensive, usually employing less than 10 people.[60./]

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[60] IBRD, An Appraisal of an Integrated Rural Development Project--Pider II, Washington: 1977, Report 1480a--ME, Annex 3-E.

Two factors complicate the establishment of rural industries in Mexico. The poorest elements in the rural sector are the landless. Many of them are unorganized and do not have close ties to ejidos (e.g., father who is an ejidatario) so as to benefit from the establishment of ejidal industries. A second hampering factor is that many towns remain isolated without adequate roads, electricity or telephone communications to support rural industries. So they also receive little benefit from such a program. Some have posed rural industries as an employment alternative for the landless to intensifying agriculture. As more experience is gained, a strong consensus may emerge that off-farm employment opportunities are not an alternative to more intensive agricultural production, but rather a secondary economic effect stimulated by it. Countries with the most success in rural industries (China, Taiwan, South Korea) are those that have had land reform, more intensive cultivation and strong local farmers organizations preceding it.

6.3 Intensifying Agriculture

Many would advocate agricultural intensification as the most promising and effective policy measure to increase long-term employment opportunities. Intensification is especially applicable to small and marginal farms. Increasing the intensity of land use requires improvement of farming techniques and farm management skills plus the availability of production inputs and market outlets. The general idea behind intensification is to increase the amount of labor used for cultivation and processing the additional product. This puts pressure on wage rates as landless labor becomes relatively more scarce. It also stimulates demand for local goods and services.

One way to stimulate production is to expand the technical frontiers of peasant farmers. This, however, does not appear to be a promising option to the major international agricultural research institutes such as CIMMYT (International Center for Maize and Wheat Improvement) and CIAT (International Center for Tropical Agriculture). For example, CIAT makes the following contention in relation to minifundistas:

> Data from rural development projects in the highlands of Mexico, Peru and Colombia suggest that agriculture is often only a minor part in the total income of subsistence farm families. Furthermore, the situation of small farmers in the highlands is often one characterized by limited land and a lack of well-developed infrastructure. Efforts to ameliorate that poverty should focus on the development of rural industries, rural education, rural public works programs and nutrition supplementation.
>
> The role of new agricultural technology in promoting the welfare of these rural poor is limited and in many zones would be of lower priority than other programs mentioned above. Furthermore, the agriculture of the highlands has evolved over long periods of time on relatively infertile soils and is believed to be operating at a level near its potential. With these traditional but efficient systems, the probability of substantially increasing food supplies through new agricultural technology is low.[61]

These suggestions are more or less being operationalized in Colombia's program for integrated rural development. Recognizing that minifundistas produce between 50 and 80 percent of the country's food supply and are thus the key to promoting better nutrition, the Colombian government's integrated rural development program provides extension, credit, road construction, purchasing sites and social assistance to minifundistas in 23 districts in highland departments. The program is projected to directly assist 63,000 minifundistas and enable them to commercialize their farm surplus.

What has been noted with this Colombian integrated rural development experiment is that while commercial crops are characterized by well-organized markets that feature contracts, grading and other quality controls, price

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[61] CIAT, Annual Report, 1974, Cali, Colombia, pp. 121-122. Also see This is CIMMYT, 1978, International Maize and Wheat Improvement Center, Mexico.

supports, etc., the markets for many of the traditional crops are sold, through intermediaries who exercise monopsonistic control over producers. In general there is much unpredictability and disorder about the transactions in traditional crops. So it is hard even for direct beneficiaries of this integrated rural development plan to become commercial minifundistas because they lack the negotiating power, economies of scale and favorable public policies that large farmers have.[62./] Other policy analysts have pointed out, however, that the benefits to minifundistas from this program are small because the overall thrust of Colombian public policies toward the rural sector significantly favor larger commercial enterprises.[63./]

Modern production techniques are based on fertilizers, selected seeds, insecticides and fungicides, etc., all of which have to be purchased on the market and whose cost is generally prohibitive to the minifundista. The latter often hesitates to devote a relatively large share of his limited budget to the purchase of inputs as he cannot be certain of making a profit on the increased yields or of being able to sell them at a fair price. In this respect, credit facilities, marketing opportunities and prices paid to very small producers are determining factors in any attempt to intensify agricultural production. Efforts in Costa Rica to develop commercial minifundia have concentrated on these aspects. Credit has been introduced through small farmer cooperatives. The government has financed the building and maintenance of roads and market terminals. Efforts have also been made to help farmers with drying, handling, storing, processing and marketing new production.

Vocational training is another important aspect of intensifying subsistence agricultural production. The traditional sector receives technical assistance from the state's "extension" workers who are few in number as compared with the number of farms. The ILO estimates that by 1980 in

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[62] Colombia's integrated rural development program is described in Jun Enrique Araya, et al., La Politica Agraria in Colombia, 1950-1975, Bogota, 1975.

[63] Land Tenure Center Newsletter No. 57 (January, 1977), Madison, Wisconsin, Part II, pp. 32-33.

the Latin American region, only one farmer in 12 can be called "skilled."[64./] Among the most important vocational training services that should be oriented to marginal farmers are research addressed to increasing productivity under the conditions faced by such cultivators, who in turn should be involved in helping to define problems and participate in such experiments.

This idea of adopting training carefully to the needs and desires of the users was not very carefully followed in the Puebla Plan, an attempt to diffuse high-yield maize varieties to marginal farmers cultivating an average of two hectares of dry land. The plan provided seeds, extension, credit and a team of scientists working with CIMMYT to resolve technical problems that arose. Discussing the results of the Puebla Plan, one evaluator wrote:

> The ideal model of Plan Puebla is given as consisting of three components, namely the tecnicos, the institutions and the cultivators. The latter, however, felt they were the objects rather than the subjects of the plan and indeed, investigation into the way the program was carried out showed that in most respects they were treated as objects. They had little voice in the planning of campaigns, in field trials and in evaluation of the results of the "packages." Thus the cultivators considered themselves as passive recipients of a technology developed outside the realm of their experience.
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> Failure to enlist the skill, experience and knowledge of the cultivators seems to have contributed to the permanent separation and distance which now marks the relationship between Plan personnel and peasants and tends to solidify or freeze the attitudes of each to the other to the detriment of both.[65./]

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[64] ILO, Improvement in the Conditions of Life and Work of Peasants, Agricultural Workers and Other Comparable Groups, op.cit., p. 63.

[65] Andrew Pearse, The Social and Economic Implications of Large Scale Introduction of New Varieties of Foodgrains, op.cit., Chapter 11, pp. 72-73. Those interested in the subject of improved local participation should consult: John Cohen and Norman T. Uphoff, Rural Development Participation: Concepts and Measures for Project Design, Implementation and Evaluation, Ithaca, New York: Rural Development Committee, 1977.

An alternative method of vocational training which places considerable emphasis on adopting improved practices to the socio-economic conditions of small and marginal farmers is practiced by the Instituto de Ciencia y Tecnologia Agricolas (ICTA) in Guatemala. The first phase of their research consists of an investigation of subsistence farmers and their traditional farming systems. The second phase consists of renting land from these farmers to do the research required to adopt improvements to existing conditions. The farmers themselves are part of the research team, and they evaluate whether the proposed improvements are too costly or risky. The object is to produce an improved technology which can be put into practice immediately by farmers so they can benefit from the program even while variety development or fertilizer response studies are underway. Among other areas, ICIA is working in the department of Chimaltenango in western Guatemala where acreable holdings are only 1.4 hectares to increase minifundia production of corn, beans, broad beans, wheat and potatoes.[66./]

In general, the biggest difficulty with vocational training and extension research is that preference tends to be shown to farmers who already have basic compliments of land and can make the required investments in high-yielding seeds, fertilizers and pesticides required for the new kinds of agriculture. The preference of planners of such programs is to increase total output, and not enough to alleviate malnutrition and better distribute agricultural income in a region.

6.4 Improving the Terms of Trade for Rural Products and Labor

In general terms a small cultivator needs advice on what to plant and how to diversify his crops; a reliable source of production credit; farm supplies; a dependable and honest market outlet; special services like mechanical threshing or trucking; and a communications system between himself and private and public agencies of the outside world. One way to accomplish this is to form local farmers organizations, or cooperatives.

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[66] Peter E. Hildebrand, "Generating Technology for Traditional Farmers," Instituto de Ciencias y Technologia Agricolas, Guatemala, 1976.

Studying a variety of cooperatives in Colombia, Ecuador and Venezuela formed by different types of changes agents (governments, the Church, private citizens or groups), researchers working for UNRIDS rated the cooperative as a very poor instrument of rural development in Latin America for the following reasons:

> It is not surprising to find that such situations as the following are tolerated in Latin America: cooperatives in which the member is forced to join, without indoctrination of any kind, as a condition of receiving services or employment; the imposition of former estate foremen, or of public officials, as managers or members of supervisory committees; the perpetuation of seigneurial forms of land use in allegedly cooperative communities, the members of which are employed as hired labourers; the utilization of the society's capital for the benefit of a limited number of the manager's friends and relatives; the deposit of the savings of humble members of the cooperative in private banks for the savings of humble members of the cooperative in private banks for the benefit of well-off clients; the use of cooperatives to rationalize parish charity; the maintenance of the parish priest's social control by making the selection of policies subject to his prior consent; the use of cooperatives as launching pads for minor local politicians; embezzlement of funds by the cooperative's directors; and the transformation of cooperatives into political cells under the control of national parties. As soon as trends in the opposite direction are observed, trends leading, for instance, to greater genuine participation by the members, to the emergence of new leaders who challenge the traditional leaders, or to the discussion of radical alternatives which are based on class consciousness and would lead to action for the redistribution of wealth, the insurgent leaders are encircled and the nucleus of rebellion is destroyed before it can spread and before strong federations with the same tendencies can be set up at the community or regional level. Moreover, there are few cooperatives which have made a genuine attempt to wage a real and intense educational campaign for cooperativism.[67]/

Fals Borda's comments and/or genuine toleration for shared decision-making, a so-called "cooperative" can be a fairly authoritarian organization

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[67] Orlando Fals Borda, Cooperatives and Rural Development in Latin America, Geneva: UNRISD, 1971, Volume III, p. 15.

captured by local elites or rapidly abandoned by the membership one tangible economic benefits decline. David Fledderjohn, discussing the approximately 100 cooperatives that had formed in the Guatemalan highlands to assist the marginal farmer, found that the vast majority of these too had failed as business and social institutions. Accounting records were hopelessly garbled; credit went uncollected; operating loses wiped out member equities, to name a few of the problems. To try to remedy these problems, area cooperatives were formed. Typically they had a radius of about 20 miles from the administrative center and encompassed a potential farm membership of 3000 to 5000 farm families. During the first full cycle of services the production cooperatives had about 500 members.[68./] The major problem with forming such cooperatives is that while on the one hand they are complex organizations for providing agricultural information, credit, supplies and marketing, on the other hand the clients they serve often have very small parcels, live in widely scattered settlements, and have had little or no contact with the government or experience in complex organization.

In forming the regional cooperatives of minifundistas in Guatemala, the promotors faced two challenges. One was the internal educational process to allow members to participate in decisions taken by their local credit societies and to elect leaders who were genuine peasant representatives and not local bases or middlemen. The second challenge to the survival of these organizations was to develop agribusiness ventures that could benefit members and the cooperative as a whole under some sort of risk-sharing arrangement with the government or other institutions. Like the UNRISD investigators, Fledderjohn also recognized the tendencies toward bossism, corruption and non-accountability in the Guatemalan cooperatives; but he felt the worse threat to their survival was the possibility of not producing a marketable product and finding commercial outlets to sell it.[69./]

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[68] David Fledderjohn, "A New Approach to Cooperative Development," Madison, University Center for Cooperatives, n.d.

[69] For an interesting discussion of the characteristics of successful credit cooperatives among minifundistas see: Roger E. Soles, "Rural Credit in Latin America," Foundation News, September, 1978.

Rather than condemn the cooperative as an ineffecetive vehicle for development some analysts have stressed that the design of the organization must fit the nature of the beneficiaries. If it does not, cooperative or collective action will fail to come about. In particular, Clodomir Santos de Morais has stressed the difference of forming organizations for landless workers versus peasant farmers. The latter, he contends, produce as family units, are unaccustomed to complex divisions of labor and social organizations, and tend to relate in very personalistic ways to leaders of their organizations such that these leaders are often transformed into irreplaceable bosses. In contrast, rural workers tend to be accustomed to complex divisions of labor, working for wages and participating in organizations that are skilled in gaining benefits using the existing set of laws and other institutions. Whereas the labor unions of rural workers seem for the most part to be organizations of stabilization that work to enforce existing social provisions, the organizations of tenants, squatters, minifundistas most often seek land, a resource not provided them under existing law. The organizations of those who primarily seek land are organizations of struggle whose membership is not usually skilled in group farming or complex production cooperatives. Morais found that the way an organization was designed to take into account the members' previous experience had much to do with the success or failure of a cooperative.[70./]

6.4:1 Minimum Wages, Labor Codes and Rural Workers Organizations

The majority of agricultural wage earners in most developing countries are employed on a seasonal (and often a casual) basis. Most seasonal or casual workers do not receive any form of social security or unemployment benefit, holidays with pay, or sick or maternity leave. Indeed, many permanent rural wage earners lack these same benefits. Wages in rural areas, both in cash terms and in real terms, are generally lower than in cities, and the hours of

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[70] Clodomir Santos de Morais, "Some Thoughts on Peasant Organizations in Latin America," Land Reform, Land Settlement and Cooperatives, 1976, No. 1, pp. 36-53. See also Judith Tendler, Inter-country Evaluation of Small Farmer Organizations: Ecuador and Honduras, Washington: Agency for International Development, LADR, 1977.

work are longer. Even in countries where the agricultural wage earner may be covered by a general or a special labor legislation, the administration of the law is weak and ineffective.

Only Argentina, Chile, Uruguay and Brazil have separate legislation dealing with agricultural employment containing provisions on minimum wages. In other countries the subject is dealt with in a general section of the labor code. Frequently the legislation is applicable only to agricultural enterprises employing a minimum of five to ten workers. Even where there are such provisions, the effectiveness of the enforcement services leaves much to be desired. For example, in her investigation of casual laborers in the state of Sao Paulo, Brazil, Martinez-Alier states that the workers were aware of legislation concerning minimum wages, payment of holidays, 13th month salary, etc. They could even resort to the Department of Labor to claim their rights, and some occasionally did. But the majority of the casual laborers did not because contractors would not hire them after they had been to the authorities. Landlord bribes to justices whose authority it was decide cases of alleged violations also made workers feel they had little to gain by pressing their claims.[71./]

Migrant workers are almost entirely dependent on the goodwill of individual contractors or landlords. The Guatemalan Government once tried to tie the granting of concessional credits to large landowners to the provision of adequate housing and sanitary facilities for migrant workers on their estates. This proposed legislation was struck down, however, before it became law. The Government of Bolivia tried to regulate contracting practices for migrant workers in 1973, but the attempt failed. That year it collaborated with the national association of cotton growers in setting up an official organization "PROMIGRA" responsible for the recruitment, transport and payment of migrant laborers. PROMIGRA undertook an extensive publicity campaign offering workers wages of 200 pesos (US $10) per day, an offer which proved unrealistically high because payment was made according to the amount

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[71] Martínez-Alier, op.cit., pp. 7-8.

harvested and the harvest fell short of expectations. Many workers returned disillusioned to their homes and by the end of that year the government was forced to bring in soldiers and even school children to complete the harvest. Since that time recruitment has been left in the hands of individual contractors.

In recent years in Bolivia a church-based organization has tried to eliminate the contractor and to persuade peasant groups to sign their own contracts with the landlord. The propensity of the clergy to question government policies and to become involved in consciousness raising and peasant organizing varies from country to country. Probably the most active country in this respect is Brazil in which there are over 40,000 religious-based local peasant organizations. These leagues are basically not organizations for social struggle, although they have the potential to become so. Catholic conscientization aims to promote an awareness of human and legal rights plus a sort of mutual aid society. For example, if a peasant is imprisoned, other members of the group make sure his family is cared for and, if he possesses access to land, that his small plot is tilled.[72./] Many have criticized the Church as being to conservative, but its policies and actions are important because it has a lot of moral authority with the people and has endured when other labor unions, political parties, etc. have not.

6.5 Changing Land Tenure Institutions

6.5:1 Settlement

In practice in a number of countries there has been an uncontrolled flow of migration toward uninhabited regions. This is a beneficial process as compared with migration to towns Through his labor the settler helps develop lands that were hitherto unused, provides for his family, and is not a burden on the society like marginal populations in towns. On the

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[72] For more information about the social and political activities of the Catholic Church in certain countries with authoritarian regimes see Penny Lernoux, Notes on a Revolutionary Church: Human Rights in Latin America, The Alicia Patterson Foundation, 1978.

other hand, his contribution to society--at least at the outset--is nil, and chances of integrating him into the economy are poor because areas of spontaneous settlement are as a rule backward and devoid of infrastructure. Lacking resources, the settler uses primative farming methods, squandering natural resources and destroying valuable woodlands. This in the long run leads to soil eróson which is subsequently difficult and costly to repair.

Whereas some governments previously undertook large colonization projects, most governments have found they cannot afford such costly efforts at directed settlement.[73./] When it has occurred, state intervention has been limited to building roads and highways and to verifying the species and crop varieties that can be grown in the local ecology. Where the state owns large amounts of land (Paraguay, Brazil, Nicaragua, Guatemala) this kind of policy appears to be the most politically feasible approach.

6.5:2 Land Reform

Every so often, conditions occur in a Latin American country which make it possible to have a large scale land reform.[74./] By a "large scale" land reform, we mean something that distributes property to 20+ percent of the rural households that were previously landless. Sometimes post-land reform organization take the form of collectives, as in the case of revolutionary Cuba or on some of the highly commercialized enterprises (sugar, cotton, etc.) in Mexico and Peru. In other instances, reformist governments make an initial choice to parcel land out in order to create a class of middle-size peasants (the early intension of Peru), or else, intense conservative pressures during subsequent

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[73] For a comparative analysis of the costs and benefits of directed semi-directed and spontaneous colonization see Michael Nelson, The Development of Tropical Lands, Baltimore, Johns Hopkins University Press, 1973.

[74] For an analysis of some of these political and economic conditions see Cheryl A. Lassen, Determinants of Diverging Approaches to the Land Reform Issue in Brazil and Peru, Unpublished M.A. thesis, University of Wisconsin-Madison, 1972.

counter-reform periods fragment the organization among the peasantry which results in dividing up the land into a number of small parcels that are farmed individually (the fate of most land reform beneficiaries in Bolivia and Mexico).

What has been noticed about major land reforms in Latin America is that they are usually segmented. The principle 'land for those who work it' channels the most productive land to workers who are not at the base of the rural income pyramid, leaving the more traditional farms (of low productivity) to the poorest groups. Thus even if land reform takes place in the most depressed rural areas, little increase in the standard of living for the rural poor will result from it, because in such areas of traditional agriculture important property income does not exist to be transferred.

This has particularly been the case in Peru: modern sugar farms and productive coastal haciendas have been given to the former resident workers (wage-earners) of these estates. Even when these collectives hire seasonal labor, resident workers manage to boost their own pay to maintain the income differential; and in their hiring of casual labor they give preference to their own family members, further increasing the income disparities between reform beneficiary households and the surrounding population of landless or near-landless laborers.[75./] In the Sierra region, and especially the Southern Sierra, low productivity traditional latifundia were transferred, with most subsistence farming areas receiving no land at all.

Many cooperative farms in Peru have already established themselves as islands of prosperity in the midst of rural poverty. Government planners had been aware of this possible outcome, but tolerated it in order to act as quickly as possible to dismantle the traditional hacienda system. Current and future strategies are addressed to the

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[75] C. D. Scott, "Agrarian Reform and Agricultural Labor Markets: Some Issues from the Peruvian Experience of Production Cooperatives," Uppsala, Sweden: IX World Congress of Sociology, 1978. These issues are also analyzed in Douglas Horton, Land Reform and Reform Enterprises in Peru, Madison, Wisconsin: LTC-IRBD Report, Volume 1, 1974.

second phase problems of the remaining landless and minifundistas. Great emphasis has been placed on the new regional development planning approach of the Peruvian government. The needs of the remaining poor rural families will, to a large extent, have to be met by surpluses from the production units in that region. Similarly, the cooperative farms will be responsible for a greater proportion of the infrastructural improvements in their area.

In terms of specific policies, how many benefits should new land reform beneficiaries be given by a government? William Thiesenhusen argues that they should be given the items necessary to make them productive members of a society, and that all else should be put into the "amenity" category to await the future. In general, those items include financing crops which are nationally scarce or in nutritional need. Teaching beneficiaries certain skills and promoting organization among them may also be required. He adds that houses, buildings and machinery that consume costly petroleum products and displace abundant local labor should definately be a secondary priority. Nor should more credit be forced upon the beneficiaries than they actually need.[76./]

6.5:3 Group Farms

In countries that lack significant amounts of public property or frontier agricultural areas, and where major agrarian reform is not politically possible, a third alternative to reform land tenure institutions is to establish unions of tenants or landless workers which buy or rent land. Sometimes these unions or cooperatives begin as organizations of social stabilization and later assume a position as an organism of struggle. The simple fact that it operates in a hostile area where latifundistas do not want peasants to organize may be enough to change the association from one of stabilization to one of struggle. In other phases, the organization may actually be used to consolidate benefits and become less conflictive with the political and administrative status quo.

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[76] William C. Thiesenhusen, "What Next?" Ceres, Volume 10, No. 6, November, 1977.

One example of a group is the Salvadorean Communal Union which seeks to obtain greater access to land, defend the legal rights of and assist in the management of farms for the landless in El Salvador.[77./]

Probably the country with the most active group farms and peasant unions in Honduras. Most group farms belong to one of three federations: (1) the National Association of Honduras Campesinos (ANACH); (2) the National Union of Campesinos with ties to the Christian Democratic Movement; and (3) the Federation of Agrarian Reform Cooperatives (FECORAH).[78./] The combined membership of these three organizations exceeds 120,000 campesinos. The groups obtain their land by lease from private landowners, by concession from the national government, or by an agrarian reform process involving expropriated lands. The group farms are called asentamientos. The Honduran government provides transportation for groups that wish to move from densely populated areas to more sparsely populated regions. An international organization usually provides food for groups until the first harvest. They are also eligible for credit from the National Development Bank, which gives asentamientos preference. Otherwise they receive little assistance.

If they are not interfered with by the state, which tenant unions have a good potential for defending peasants against arbitrary local authorities, gaining greater access to land, and helping campesinos receive better market prices for their products. The group farms generally face two dangers, however. Externally they may become too attached to a political party and thus run the risk of being repressed as a result of squabbles among urban politicians. This was the case of cooperatives affiliated with the Christian Democrats in Honduras. Internally, these group farms can suffer from the same kinds of bossism, financial mismangement, etc. as do credit cooperatives who do not sufficiently educate their members to play active decision-making roles.

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[77] Lorna Orr, The Salvadorean Communal Union: Campesino Organization for Social Change, Managna: Instituto Centro Americano de Administracion de Empresas (INCAE), September, 1976.

[78] For more information on the activities of these peasant unions see John K. Hatch and Aquiles Lanao Flores, "A Report on the National Association of Honduras Peasants," (ANACH), Ann Arbor, Michigan: Rural Development Services, 1977. Also, Clodomir Santos Morais, "The Role of the Campesino Sector in the Honduras Agrarian Reform," Land Tenure Center Newsletter, Madison, Wisconsin, No. 45, January, 1975.

6.6 Meeting Basic Needs

During the past few years the concept of "basic human needs" has begun to replace macroeconomic growth as a target of development policy. This concept is being promoted by certain international development assistance agencies such as the International Labor Organization and the World Bank, and there is likely to be further experimentation with it in the future. Though agreed criteria have not yet evolved for how to meet basic needs, in general this involves setting a certain floor of living standards in such areas as nutrition, housing, education, potable water, etc. and attempting to bring more and more proportions of the population within these standards in certain targeted periods of time.[79./] What is also not clear is how a basic needs policy will be implemented--i.e., what low cost, effective ways can be found to mobilize and organize communities for their own self-reliant development; to employ paraprofessionals; to develop; to non-formal educational techniques to communicate information and skills to low income people; and to compliment public sector efforts with the activities of many private sector development groups already doing such projects on a smaller scale.

Only in the socialist countries in Latin America--Cuba and Chile for a time under Allende has there been serious, concerted effort to redistribute income to the lower classes and give them a greater share of consumption. In Peru during the 1968-1977 period the national organization of popular groups, SINAMOS, made an attempt to mobilize low income people in both urban and rural areas to engage in such projects as self-help housing; local drainage and water service, etc.[80./] Other national efforts have been much more directed from the top down. These include programs by the National Community Development Service in Bolivia

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[79] See for example, the ILO, The Basic Needs Approach to Development. Geneva, 1977.

For an excellent definition of the key questions surround this policy read, Paul Streeten and Shahid Javed Burki, "Basic Needs: Some Issues," World Development Volume 6, No. 3, 1978.

[80] R. Chavez, "The Pueblos Jovenes," unpublished manuscript, Washington, D.C., 1975.

to enable local people to build schools, roads, market places, etc. and develop economic activities around them.[81./] There is also the huge rural development program underway in Mexico (PIDER) to improve health services, education, water, housing and electrification in the countryside, although PIDER is mainly an effort to decentralize federal government services and involves little popular mobilization.[82./] The Mexican government also owns the biggest chain of supermarkets in the country--CONASUPO--which it has been using during this recent period of inflation and devaluation to hold down the prices of basic foods in order to give low income people greater access to such products as cooking oil, rice, sugar, beans, coffee, etc.

Whereas governments in the Latin American region have not been all that active in designing new, innovative programs to meet basic human needs, many private sector development agencies have, and it will not be surprising to see some of the most interesting ideas and techniques for channeling development assistance to low income groups coming from the private sector. With the exception of India which has a long tradition of private voluntary agencies working in rural development, no other third world region has so many agencies active in development. The works they do are not simply charity, nor are they small, isolated projects that cannot be repeated. For example, CIPCA in Bolivia is doing fieldwork to develop techniques that will allow peasant communities to move by steps from an autarkic subsistence economy into the modern consumer economy in non-exploitative ways.[83./] MUDE, a group in the Dominican Republic has departed from the traditional television programs usually shown to female viewers (soap operas or musicals) and is presenting the first show to ever

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[81] Servicio Nacional de Desarrollo de la Comunidad, Informe, 1977, La Paz, Bolivia.

[82] Eric J. Miller, Desarrollo Integral del Medio Rural, México: Fondo de la Cultura Económica, 1976.

[83] Luis Alegre, "La Acción de CIPCA en el Altiplano" in Seminario Sobre Projectos de Desarrollo Rural Integrado, La Paz: IICA, 1977.

center on the problems of women in development and their possible solutions.[84./] Several members of SOLIDARIOS, private development foundations operating in 14 Latin countries are attempting to introduce revolving credit funds among low income groups to finance their community development activities. The difference between this mechanism and more standard small farmer credit programs is that the revolving fund usually gives local people a more active role in determining how the money will be spent and what local development priorities should be.[85./] These questions about effective communication/education techniques for disadvantaged sectors and how to deliver goods and services without a large portion of them being hijacked by corrupt functionaries or local elites are critical issues in any development assistance effort--public or private--for the landless or near-landless.[86./]

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[84] Educational Media for Women, project paper 598-0574, U.S. Agency for International Development, Washington, DC, 1978, Annex 3.

[85] See "Alternative Credit Programs in Latin America," Annual Report of the Inter-American Foundation, 1977, Rosslyn, Virginia.

[86] For more on these private sector efforts see, Cheryl Lassen, Reaching the Assetless Poor: Projects and Strategies for Their Self-Reliant Development, Ithaca, New York: Rural Development Committee, 1978.

CHAPTER 7: CONCLUSIONS AND NEEDED FUTURE RESEARCH

Our investigation into the causes and trends of rural poverty in the Latin American region leads us to draw three summary conclusions:

1. Trends toward the proletarianization of the rural workforce are rapid and on a very large scale in most countries, releasing peasants from traditional forms of estate servitude and transforming them into wage laborers. Many of these laborers are totally landless and some of them retain small amounts of land which enable them to be part-time farmers.

2. With the breakdown of traditional patron-client relationships a new set of dominators has appeared in the countryside. These include both economic and political middlemen such as labor contractors, traders, transportistas, co-opted leaders of peasant organizations, etc. Such individuals are very important in skimming surplus from the rural poor and preventing the organized articulation of popular demand.

3. The two major sources of rural poverty in the Latin American region are institutional rigidities which concentrate resources in the hands of large producers and a lack of demand for goods and services peasants can produce. Therefore it seems that the most effective kinds of policies for alleviating rural poverty are those which can raise the prices of goods and labor sold by the LNL and preserve for them more of their real wages. An equally important policy alternative is to identify crops or other types of work that can smooth out seasonal troughs in employment and generate greater income among the lowest strata.

Needed Research on Employment, Wage Trends and Labor Markets

In Latin America no information--except perhaps personal income statistics--is more difficult to obtain than reliable employment data. To better meet this need governments can do several things. One is to take agrarian censuses according to the conditions of access to land (or, security of access to land) as well as by farm size. A second thing would be to place emphasis on locating and counting underemployed people--not only in rural towns, but in outlying settlements and harder to get at areas as well.

An important gain would be to design and implement data collection on rural employment not every 10 years, but on an ongoing yearly basis. Via adequate sampling techniques, ways can be found to give an idea of migratory flows; available seasonal employment in agriculture; wage rates, etc. Such information would be of great value in understanding the pressures and trends in regard to landlessness, and the design of low cost ways to monitor this may be a real contribution to the enormous problem of unemployment.

In a similar sense, both quantitative and qualitative information is lacking about the behavior of the commercial agricultural sector: analyzing the extent to which large export-oriented plantations can absorb labor and expand or contract their land usage is just as critical to studying the landless as studying the landless themselves. Rodolfo Quiros Guardia concluded from his research on the plantation sector in Central America that the expansion of this sector is a difficult process to distinguish. This is true partly because plantations sometimes expand by lands already under their control, merely displacing tenants or hired hands. Also, when they do buy up lands from the minifundio sector, this process often cuts across administrative boundaries, making it difficult to detect by normal census procedures. Quiros also observed that another reason knowledge of the effects of the export sector on

the subsistence sector are not well known is simply because research on the subject is lacking.[87./]

A third area of needed research which compliments the previous two is a constant monitoring of the real wages and costs associated with the seasonal migrant labor. In the absence of being able to increase on-farm employment, perhaps the most feasible policy alternatives to consider are ways to increase the net earnings of migrant laborers. Real wages and costs for seasonal agricultural employment must be calculated not simply in terms of head-of-household migrants, but in terms of all family members who perform such labor. Some important questions to have data on are: does it benefit a family to be paid strictly in terms of cash, or cash and kind? What variables determine the value of one form of payment over the other? How much opportunity and mobility is there for seasonal workers to discover information about wages, working conditions and real costs associated with working on different plantations? What are the factors that are critical to increasing the seasonal migrant's decision-making ability and real income derived from the sale of labor? An adjacent research need is to investigate the contracting procedures for seasonal and casual laborers and the extent to which they detract from the worker's ability to earn higher wages.

Even when quantitative monitoring or good micro case studies cannot be done, a need exists to make estimates of the "escape valves" each country has to equilibrate the imbalances between human needs and physical resources in densely populated rural areas. What do the rural poor do: subdivide land; cultivate more intensely; migrate to other areas; control family size; or reduce levels of living? What seem to be the trends in the escape valves open to them? To what extent are there escape valves open to them? To what extent are the escape valves continuing or failing in their ability to relieve population pressure? What kinds of public policies are necessary to preserve the flexibility of some of the less onerous options?

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[87] Rodolfo Quiros Guardia, Agricultural Development and the Central American Common Market, Madison, Wisconsin: Land Tenure Center Research Paper No. 50, 1973.

If we were more accurately informed about the size of, trends in and barriers to internal and transnational migration within the Latin American region, we would better understand an important escape valve for the landless. More information is needed about the migratory flows from the Northeast of Brazil to other areas of the country, and also about the migratory flows from the highland to the lowland areas of the Andean countries. About the only satisfactory reporting of a major transnational flow is from Mexico to the United States. We need to know more about the dimensions of the flow from Haito to the Dominican Republic; from Bolivia to Argentina; or among the Central American Republics. If demographic research put less emphasis on searching for statistical casuality and more emphasis on reporting migratory flows and the factors influencing them, they would be much more valuable to evaluating the situation of the landless and near-landless. More accurate reporting on trends in regional labor markets would be very useful.

Needed Local Level Research

In terms of needed research on local level institutions and behavior patterns, in Latin America also there is a paucity of good anthropological studies which shed light on how peasants calculate their income-earning strategies and try to reduce the risk of being unemployed. Failure by external agents to understand that many peasants spend only 25 to 40 percent of their disposable days of labor in on-farm activities can ruin development programs that are too excessive in their time requirements.

If we were more informed of how peasants calculate their income earning and employment strategies we would have a better basis for distinguishing more successful strategies from less successful ones. How much do peasants invest in networks to secure employment for themselves? How do they calculate the costs of going further and further beyond their home communities to seek employment? How much does their income-earning situation affect decisions about family size, about what to grow, etc? What kind of entrepreneurial and cultural characteristics distinguish the peasant who is able to maximize the renumeration from his on-farm/off-farm labors? Finally, given the fact that many peasants have only 60-90 days to spend on their parcels, what kinds of technologies, improved practices, etc. have possibilities for raising their yields?

Another kind of needed local level research is studies of the economic and political middlemen who, in many areas, are replacing the traditional landlord as the dominators of peasant destinies. The need is not to study formal organizations among the peasantry, but to search for the situations where leaders are made accountable to peasant clients and therefore avoid becoming caciques.

More research is also needed on the impact that the economic and social trends analyzed in earlier sections of this paper are having on the sexual division of labor and on family structure. There is a wide range of contradictory potential influences. In some cases women gain access to cash income through agricultural wage labor or things that they produce such as handicrafts or processed food. In some cases this can strengthen the woman's position in family matters. In other cases women's earning opportunities can be taken over by men or machines, and women's socio-economic role can be diminished accordingly. Also, it is not unusual in many parts of Latin America that as family income becomes more monetized, men control more of the cash income and spend it on items they enjoy such as alcohol or prostitution. At the same time, less family income may be controlled by mothers who have a special concern with child nutrition. So it is possible for child nutrition to suffer at the same time that a family's cash income is rising. In general, the trend toward specialization in economic activity may work against women whose ability to specialize is limited by household requirements. Given the complexity factors involved, however, generalization is difficult and more careful empirical surveys of the impact of socio-economic changes on women are needed.

Another area where we urgently need more empirical local level research are the linkages between the rural poor and the informal urban sector. What implications does growing urbanization have for the production and organization of the peasantry? Does their increasing concentration in villages, towns or other urban centers offer opportunities to provide them with increased services or form new kinds of associations? Or are the factors of class structure and legal and political institutions still major determinants of well-being and social mobility?

Needed Policy Research

As traditional village relationships weaken, the power of state bureaucracies grows. This power comes from several sources. The state through its military, police and communication/transportation systems has a preponderance of the tools of coercion. The state can strongly influence internal and foreign trade and shape agricultural prices through government marketing boards, taxes, flows of technology, etc. The state plays an increasingly important role in the survival of poor people by providing employment on public works projects, relief in times of famine or other natural disasters, public goods such as education or health services, etc. Policy research is always needed to consider ways--within the realm of implementation possibilities--that programs can be designed to more actively assist the rural poor. Two areas in particular deserve increased attention.

Labor Code and Tenancy Reform Measures. The effects of such measures as (a) minimum wages, (b) tenant security and rent ceilings, (c) improved working conditions, especially for seasonal or migrant labor, (d) and contracting practices or debt relationships whose literal effect is to result in bondage for the workers involved should be examined. Governments, often with international support, are inclined to enact but less often to enforce laws to prevent labor abuses. Under what conditions are such laws most likely to be enforced? When enforced, what are their probable effects on employment, on access to land among different types of rural poor, and on price competitiveness of different agricultural commodities? What complimentary kinds of policies are likely to contribute to the success of labor code and tenancy reform enforcement? For example, can any kind of positive inducements be made to large landowners who provide or improve certain kinds of services for their workers? How can legal aid be provided to the poor to improve law enforcement? A question international assistance agencies should ask is what kinds of private development agencies or institutions can compliment progressive elements within the government along these lines.

Improving the Access of the Poor to Public Goods and Services. Real incomes of the rural poor, as well as their mobility opportunities and bargaining power can be increased considerably by improved and more relevant public services and investments. Through more effective extension, formal and non-formal

education programs for the rural poor and manpower training programs the knowledge and skills of the LNL can be upgraded. How can public services for the most disadvantaged elements be improved by such measures as (a) a better definition of needs for specific types of constituencies; (b) improved and more cost-effective delivery methods such as the use of paraprofessionals for reaching the rural poor; (c) preventing the preemption of resources and services by local elites and leakages to corrupt public officials; (d) building up clienteles of rural poor to seek more effectively services from the state; and (e) devolution of authority to democratically accountable peasant and/or local organizations.

Research of three factors in particular may enhance our understanding of how to deliver services more effectively to the poor. One is the use of non-governmental agencies to compliment or amplify public sector development assistance efforts. Another is how to form local clienteles among disadvantaged elements that can not only undertake collective self-improvement actions, but can reach more effectively from the bottom up to make government officials responsive to their needs. The third is how to improve the quality of decision-making, accountability and capability for collective action within organizations of poor people. As educators such as Paulo Freire remind us, a defining condition of underdevelopment is not just a lack of income and employment, but social isolation and marginality. Ways must be found to overcome this.

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As a closing note we stress that even though the Latin American region consists mostly of "middle income countries" in relation to their poorer Asian and African counterparts, problems with the maldistribution of income and regional imbalances--especially the underdevelopment of rural areas--are still very great. Many of these problems revolve fundamentally around the capitalist penetration of agriculture at a faster rate than public programs or worker organizations have emerged to defend against abuses and capture for the peasantry a much fairer price for their products and labor. If governments or international assistance agencies seek to redress some of these problems by reaching the "poorest of the poor," then their policies should focus on rural workers who have very little or no land.

PART II

COUNTRY PROFILES:	BOLIVIA	81
	BRAZIL	95
	COLOMBIA	109
	COSTA RICA	125
	EL SALVADOR	133
	GUATEMALA	145
	MEXICO	159
	PERU	173

COUNTRY PROFILE: BOLIVIA

Population (1977): 4,500,000

Workforce (45% of population): 2,025,000

Percent Ag Workforce: 70%

Agricultural Workforce: 1,417,500

I. Incidence of Landlessness and Near-Landlessness

The lack of census data for Bolivia (the last census was 1950) makes it impossible to offer precise global statistics about the incidence of landless or near-landless peasants and their relative share of factors of production in relation to larger farmers. It is not even possible to extrapolate from the 1950 census because Bolivia underwent a social revolution in 1952 which changed the land tenure structure reflected in earlier data. Fragmentary evidence does exist, however, about various categories of landless groups.

As of 1975 the Agrarian Reform authorities had given parcels to 303,543 families. Although these beneficiaries were secure in the sense that they had titles to land, as many as 80 percent of them had insufficient land or insufficient access to other resources (credit, extension, etc.) to make the land productive.

In addition, authorities estimate that 350,000 people--roughly 70,000 families--have migrated down to the eastern tropical lowlands in and around the Santa Cruz area of Bolivia. The majority of this colonization is spontaneous or semi-directed. These farmers practice a slash and burn agriculture and simply move to new lands every 305 years when the soil becomes exhausted.

Besides the minifundistas or squatters on frontier lands, Bolivia has a large number of agricultural laborers who migrate in search of work on commercial plantations. The flow to the Santa Cruz area averages between 40,000-60,000 yearly; and the flow to Argentina (mostly to the sugar estates in Tucuman) fluctuates between 50,000-80,000 yearly.

Bolivia is not an industrialized economy. Roughly 80 percent of the workforce engaged in secondary activities--135,000--are artisans working in small cottage industries.

Finally, there are the unemployed. No one knows for sure how many fall into this group but Bolivia has a very young population; 52 percent are under the age of 20. The World Bank estimated that in 1970 there were 300,000 children in rural areas who did not go to school but who lacked employment.[1./] This was in addition to the officially estimated unemployment rate for 1970 of 16 percent of the workforce.

Totaling these fragmentary figures we arrive at the following estimate of the number of families in landless/nearlandless categories:

Seasonal/temporary laborers	43,379
Under/unemployed laborers	144,683
Secure cultivators, but with insufficient resources	164,923
Insecure cultivators	50,644
Artisans	48,835
Total	452,464 families

[1]Primary source: The World Bank, Report on Bolivia, mimeographed, 1972. Secondary source: Salvador Romero Pittari, "Notas sobre la Estratificacion Social en Bolivia" in Rev. Paraguaya de Sociologia, Vol. 13, No. 35, (January-April, 1976), p. 18.

The figure of 1,431,000 economically marginal members of the workforce may be conservative in relation to other estimates. In the Bolivian Altiplano, a region where 56 percent of the rural population lives, the World Bank calculated that agricultural activities took up only 17.68 percent of the disposable time. Employment rose to 30 percent of the disposable man/days if other part-time activities such as occasional employment in the cities or mines were included. Estimates for the second densest region in the country--the Yungas and Inter-Andean Valleys around Cochabamba containing 29.8 percent of the rural population are hardly better: agricultural activities absorbed 24.37 percent of the disposable man/days and all activities used only 36.39 percent.[2./]

Another indicator of very high rates of rural unemployment are wages paid in rural areas. From its surveys the World Bank estimated that 56 percent of the rural workforce was not able to earn even the minimum wage in the regions they worked in. This percentage rose to as high as 85 percent in the Altiplano and reached 20 percent in the more modern agricultural areas in and around Santa Cruz.[3./]

A final estimation of the numbers of people falling into this poorest of the poor category may be gleaned from the Bolivian government's own estimation of the distribution and amount of income per capita:

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[2] Ibid., p. 15.

[3] Ibid.

Distribution of Income, 1969[4/]

Category	Annual Income Per Capita*	% Population
Proprietors	1,779	2
Salaried Workers	348	21
Peasants and/or Independent Workers	68	77

*Figures are in US dollars.

II. Causes and Trends in Landlessness and Near-Landlessness

The Bolivian Land Reform. The amount of land redistributed to peasant families has been very little because most peasants simply became owners of the land they were already working for hacendados when the Revolution occurred. The three major changes occurring in the wake of the land reform are that: First, many peasants are now owners with title to the land. Secondly, many of the archaic work relationships between landlord and serf were abolished. Prior to the Revolution a worker attached to an hacienda estate had to give as many as six days of free labor per week to the estate. Now that this form of rent has been legally abolished peasants are freer to sell their services, with the consequence being a trend toward the increased payment of wages in rural areas.

A third change brought on by the land reform are new kinds of marketing practices. Now that the landlord no longer disposes of the agricultural

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[4]OEA/IICA/CIRA, Reforma Agraria en Bolivia, La Paz, 1977.

surplus, trade fairs and new market places have sprung up in rural areas. The middleman--enterprising peasants who own trucks and are able to buy or transport agricultural commodities from the farm, has become an increasingly important figure in the rural political economy.

As for the distributional effects of the land reform, most studies show that the peasantry is better off in absolute terms as a result of no longer having to pay rent to the landlord. Comparing pre-reform and post-reform habits, Ronald Clark estimated that between 1952 and 1966 the consumption of a peasant family tripled. One indicator of this has been the increased consumption of manufactured goods. Taking as an example the case of one typical ex-hacienda estate, Clark found that among the 200 families that worked there in 1952 there was only one house with a laminated roof; one bicycle; seven sewing machines and one radio. On this same estate in 1966 there were 40 houses with laminated roofs; 80 bicycles; 120 sewing machines and 100 radios.[5./]

Another item that has greatly increased in the post-Revolution period is education. The number of students went from 74,000 in 1952 to 361,000 in 1971. The number of secondary schools grew from 59 to 327 in the 1952-1966 period. Primary schools increased from 1,875 to 5,570; and teachers went from 2,808 to 7,941.[6./]

Although the land reform has had a liberating effect in terms of social relationships and has made the peasantry better off in absolute

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[5]Ronald Clark, "Bolivia," in P. Dorner, ed., Agrarian Reform in Latin America, Madison: University of Wisconsin, 1974, p. 175.

[6]Reforma Agraria en Bolivia, p. 76.

economic terms, it has not improved the bulk of the rural population's standing vis-a-vis urban sectors or the rural middle and upper classes. Indeed, the fragmentary evidence available indicates that income disparities are growing.

Trends in Income Distribution--Bolivia[7]

Year	Rural Per Capita	Urban Per Capita	Ratio
1960	25	173	7.0
1965	28	198	7.1
1970	28	237	8.5

Three reasons seem to be responsible for the trend of worsening rural/urban income differentials. First, although the agrarian reform laws stipulate that traditional estates without mechanization and employing no form of advanced agriculture are subject to total expropriation, the law makes an exception for modern agricultural enterprises. No more than a third of the property of a 'modern' enterprise can be expropriated. Thus huge estates have been formed in fertile areas recently opened up for cultivation.

Secondly, the land reform has not proceeded at an even pace in all regions of Bolivia. Land reform has advanced most quickly and extensively in the highland areas and Inter-Andean valleys surrounding Cochabamba where peasant syndicates were strong. In a number of areas vestiges of the previous agrarian structure still exist including concentrated landholding; unremunerated peasant labor; and very weak peasant organizations.[8]

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[7] Primary source: Ministerio de Planificacion, 1975; secondary: Romero, op. cit., p. 11.

[8] See Daniel Heyduk, "The Hacienda System and Agrarian Reform in Highland Bolivia," Ethnology, Vol. 13, No. 1 (January, 1974); or Kevin Healy, Power, Class and Rural Development in Southern Bolivia, Ph.D. dissertation, Cornell University, 1977.

Finally, the process of distributing land has created a number of authority positions in the countryside which corrupt individuals have taken advantage of to increase their personal wealth and power. These include officials who adjudicate land titles or distribute credit, officers of compesino syndicates at the local, canton and departmental levels; holders of local authority posts such as the mayor, tax collector, school board member, etc.; and economic middlemen. This practice of caciquismo is a new form of domination to replace the previous form of social control exercised by the traditional landlord.

Land concentration, uneven implementation of the agrarian reform, and caciquismo are the major factors explaining income inequality in rural Bolivia. Below we can see that productivity in the Altiplano--an area of small holdings--is markedly inferior to the rate of growth in Eastern Lowlands, the area of commercial agriculture.

Regional Distribution of Population, Cultivated Land and Agricultural Production--1970 (in percentages) 9/

	Altiplano	Valleys	Lowlands
Population	56.1	29.8	14.1
Cultivated Area	43.5	33.0	23.5
Agricultural Product	33.9	39.3	26.8
Annual Growth Rate in Product Per Worker , 1965-70	- 5.1	3.0	7.0

[9] Romero, op. cit.

An additional trend affecting productivity and employment in rural Bolivia is the tendency toward the fragmentation of landholding in highland areas and a reduction in the absolute size of parcels. It's a traditional practice for peasants to cultivate parcels at several altitudes to minimize risk of natural disaster. The land reform did not interfere with this practice. Molina cites a case in the Altiplano where two haciendas were broken into 1,666 parcels to be divided among 115 families. Each family on one hacienda received an average of 10 parcels; each family on the other received an average of 15.7 parcels. The size of the parcels varied between 120 and 1500 square meters.[10./]

The above example is not an extreme case. Some peasants have as many as 90 parcels, with plots amounting to no more than a row or two in size. Fragmentation not only wastes time in traveling to and from so many plots, but it impedes conservation measures and also yield-increasing practices.

Along with fragmentation is a trend toward reduction in the absolute size of landholdings. Urioste claimed that from 1950-1973 the average size of landholding declined from 6.4 hectares to 3.4 hectares per family.[11./] A study by the UN/FAO which surveyed 1,640 properties in the Altiplano Norte discovered the following size-distribution of farm units:

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[10] Reforma Agrarian en Bolivia, p. 61.

[11] Reforma Agraria en Bolivia, see the appendix written by R. Urioste concerning land tenure in the Altiplano Norte, p. 26.

Land Tenure and the Altiplano Norte [12/]

Average Size	Percent of Total Survey	Number of Cases
1.5 ha	56	921
3.5 ha	23	371
6.2 ha	16	263
8.5	5	85
TOTAL	100	1,640

III. Public Policies Affecting the Landless and Near-Landless

The Bolivian government has tried two approaches toward the rural unemployment problem. One has been to open up frontier agricultural lands in the eastern plains area so that the landless population of the highlands can migrate there. The second policy approach has been to attempt to change the agrarian reform laws to provide for parcel consolidation in the highlands. In the case of both measures, however, emphasis has been less on employment creation and income equality and more on production efficiency--which is likely to produce even greater income disparities over time.

In the case of opening up the agricultural frontier similarities have been noted between Bolivian policies and the Brazilian approach to agricultural modernization. Bolivian law provides that large grants of public land may be made to corporations and institutions for the purpose of establishing modern agricultural enterprises in the eastern lowlands. Huge cattle ranches have been formed, as well as commercial estates growing cotton, rice and sugar cane. In the sense of aggregate economic growth these estates have been successful in freeing Bolivia from costly

[12] Reforma Agraria en Bolivia, p. 60.

food imports. But no social criteria have been applied to assure that the large landholdings justify their size by creating more employment, paying better wages, etc.

As for land consolidation, already in the Lake Titicaca area titles will not be issued for properties less than five hectares. Proposed legal changes are to expropriate land if it is left fallow for more than two years; and also to consolidate small farms to form cooperatives. One Bolivian sociologist, Javier Albo, warned that the cost of consolidation would be a more equitable distribution of income and power because the application of the law as it currently stands would lead to a greater concentration of land in the hands of medium-size farmers and large agricultural and cattle enterprises. 13./

IV. Labor Conditions, Wages and Organization Among the Landless and Near-Landless

Two factors that will weigh heavily in the future position of the peasantry in the Bolivian political economy are the treatment of agricultural wage laborers and organization among the peasantry.

Agricultural Laborers. Every year harvesters of cotton, rice and sugar cane migrate to the Santa Cruz area. Seasonal workers suffer from a complex of problems that prevent them from earning decent wages. The three biggest problems are: low salaries which don't give workers just compensation; the lack of adequate legal protection for agricultural labor; and the lack of

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[13] Javier Albo, "Bodas de Plata o Requiem por una Reforma Agraria?" Revista Paraguaya de Sociologia, Vol. 13, No. 3 (April-June, 1976) p. 39. Another excellent discussion of caciquismo is contained in Andrew Pearse, The Latin American Peasant, London: Frank Cass & Co., 1974, pp. 158-161.

organization among this occupational group. The present General Work Law excludes agricultural workers from participating in legal negotiations to determine such things as the social benefits seasonal workers should receive; minimum safety and health conditions; and medical benefits.

The biggest problem that stands in the way of a smooth and increasing flow of migratory labor towards commercial farms on the Eastern Lowlands is that the wages paid don't represent sufficient incentive to cover the bother and expenses of migrating. Javier Albo gives an example of the highest advertised wages on the cotton plantations. On surface appearance it would seem that the picker who works hard and saves his money could take home the equivalent of US $500 after two and a half months of work. But the sad reality is quite different. After taking out the price of food, deductions, dues, and in some cases cheating on the weight of the picked cotton, workers generally earn between US $25-$37 per month. Albo says that the best indicator that this wage does not offer sufficient economic incentive is the fact that the bulk of the Bolivian agricultural workers (between 50,000 -80,000) still prefer to cross over into Argentina while at the same time cotton goes unpicked in Bolivia.[14]./

It has been suggested that the best way to deal with this problem of an unsteady labor supply from a social point of view is to form unions of cotton pickers and sugar cane cutters like the organizations that exist in Argentina. Union representatives could then participate in the negotiation of labor contracts and in checking to see that abuses such as false weighing don't occur.

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[14] World Bank, Report on Bolivia, p. 227, as cited in Romero.

Peasant Leagues. Bolivia has an extensive system of peasant leagues. It was the more militant of these peasant organizations which originally pushed the agrarian reform into its radical phase. Since the Revolution the regime has depended heavily on these leagues to stay in power. Peasant militias were sent against miners when the regime sought to clamp down on political demand. However, the relationship between the leagues and the political elites has developed into one of social control rather than being a vehicle to pressure for peasant interests. The leagues enjoy little political autonomy--a change in the regime brings a change in the national and regional level peasant leadership. Even at the local level leadership positions are clogged by caciques.

V. Research Needs

An agricultural census has just been taken in Bolivia. A major need is to analyze the data collected about the distribution of landowning and the forms of tenure obtained in the census.

Micro studies have indicated that caciquismo is an important method of local domination in rural Bolivia. Yet comparative analyses are lacking that focus on caciques, examine the sources of their power, and analyze where and why other more participatory institutions exist at the local and regional levels.

Finally, the development of commercial agriculture in Bolivia needs careful monitoring. To what extent do commercial, agro-interests function as a unified and powerful interest group to make demands upon public resources? The wages and work conditions of landless labor, legislation

affecting them, and the power of the regime to create more employment and better conditions on large commercial enterprises needs to be followed closely, especially since the landless labor category will probably increase in size.

COUNTRY PROFILE: BRAZIL

Population (1978): 116,630,000

Workforce (42%): 48,984,600

Percentage of Workforce in Agriculture: 44.2%

Agricultural Workforce: 21,651,193

I. Incidence of Landlessness and Near-Landlessness

The 1966 CIDA survey of land tenure and socio-economic conditions in rural Brazil classified 65.3 percent of farm families of 59 percent of the economically active persons in agriculture as "under-privileged farm people." Since Brazil has experienced no major structural reform in the meantime, it is not unreasonable to assume that that proportion is valid today. The population which CIDA identified as underprivileged was differentiated into the following occupational categories.

CULTIVATORS	% Farm Families
A. owners of minifundio	7.5
B. tenants	2.8
C. occupants	2.6
D. mixed tenure forms	0.1
E. producers w/administrators	0.1
TOTAL PRODUCERS	13.1
LABORERS	1./
F. workers on minifundios	0.2
G. sharecroppers	22.7
H. permanent workers	--
I. temporary workers	64.0
J. other workers	--
TOTAL WORKERS	86.9

[1] Comite Interamericano de Desarrollo Agricola (CIDA), Land Tenure and Socio-Economic Conditions in Brazil, Washington: The Pan American Union, 1966, p. 1321.

Recasting these proportions in terms of the categories used in this study we arrive at the following approximate figures*:

LABORERS	permanent	204,099
	temporary	3,401,650
CULTIVATORS		884,429
TENANTS	secure/insufficient	612,297
	insecure/insufficient	1,360,660
ARTISANS, OTHER		340,165
		6,803,300 TOTAL LNL FAMILIES

The CIDA figure of 59 percent landless or near-landless seems to be the lower boundary for estimates on the subject. Andre Gunder Frank estimated in 1950 that 42 percent of the people dependent on agriculture for their livelihood were landless. If the near-landless are included, this figure rises to 81 percent of the persons economically active in agriculture.[2]

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*The figures on landlessness were derived as follows:

TOTAL RURAL FAMILIES X .70 = LNL FAMILIES

CIDA occupational categories were regrouped into the categories used for this study as follows:

permanent laborers	H
temporary laborers	I
cultivators	A
secure/insufficient tenants	B,E
insecure/insufficient tenants	C,D,G
artisans, other	F,J

[2]Andre Gunder Frank, Capitalism and Underdevelopment in Latin America, New York: Monthly Review Press, 1968, p. 249.

As for the distribution of rural poor among regions, Brazil is so large and has such variety that it is difficult to make a few generalizations that are meaningful. Nonetheless, the indicators below point out some of the important regional differences.

Brazil: Regional Economic Indicators--1970[3]

	National Area %	Total Rural Population %	Total Income %	Per Capita Income
North	42.0	5.3	2.0	$ 51
Northeast	18.2	29.3	12.2	$ 40
Southeast	10.9	28.4	64.5	$151
South	6.8	31.6	17.5	$ 99
Center-West	22.1	5.2	3.8	$ 70

II. Causes and Trends in Landlessness and Near-Landlessness

The factors most responsible for rural poverty are the economic and political institutions of Brazil. The absolute lack of cultivatable land is not a constraint in Brazilian agriculture. Rather, the unequal distribution of land and other factors of agricultural production are the major causes of income inequality and absolute poverty for large numbers of peasants in rural Brazil.

Although the latifundia class is not a major power in Brazilian national politics, it is a sector that the current military regime pays off. The way

[3] Stephen Robock, Brazil: A Study in Development Progress, Lexington, Massachusetts: Lexington, 1975.

in which this favoritism takes place has skewed the distribution of productive resources even more in favor of large farm units in the last 13 years. To encourage export promotion and agricultural modernization, government policies have heavily subsidized the capital factor in Brazilian agriculture in the post-1964 period. Subsidies have taken the form of preferential import exchange rates, tax exemptions, and highly concessional loans for producers and users of chemical fertilizers, lime, agricultural chemicals, machinery and livestock feeds. Much government money has also been invested in "green revolution" type research seeking to raise yields with a combination of improved seed varieties, fertilizers and irrigation.

To indicate some of the effect that subsidization of capital has had on the problem of rural unemployment, in 1960 there were 60,000 tractors in use in Brazil. By 1970 there were 156,000 tractors. In addition, the introduction of the self-propelled combine in Brazilian agriculture has not only facilitated the replacement of areas formerly sown with labor-intensive tree crops to wheat and soybeans, but it has also displaced labor and small producers from these two industries.

The social effect of subsidizing capital would not be so severe had it not been coupled with policies that increased the cost of labor. Several policies like the introduction of minimum wages in rural areas, social welfare programs financed through payroll taxes, and social regulations such as the one requiring the establishment of schools when a farm employs a minimum number of workers have raised labor costs. One result has been cited above--the shift to capital intensive, labor-displacing technology. A second result is the replacement of permanent laborers with day laborers. The statistical incidence of the second result is not

known for every state in Brazil. But to give an example of where it is known, in the state of Sao Paulo the number of resident laborers fell from 288,000 in 1955 to 32,000 in 1969 while the number of day laborers increased from 226,000 in 1964 to 350,000 in 1970.[4./]

The state of Sao Paulo is unique in the country in having the only agricultural labor force which is not only declining relatively in comparison with urban labor force, but is declining absolutely. This downward trend can be explained in part by mechanization and in part by the rural exodus caused by the increasing cost of labor. It is also due to the fact that consumption patterns in urban areas have shifted in favor of meat and meat products; wheat; vegetables and some fruits and away from the products associated with the lower income levels. These relative demand shifts have encouraged changes in production patterns and in turn have stimulated the modernization process.[5./]

Other evidence from the coffee regions of the state of Parana also indicate rapid, large-scale displacement of agricultural labor. During the 1960-1970 decade, 40 percent of the total coffee plantings in a large study area were eliminated by frost, government policy, etc. Of the land released from coffee cultivation, 50-80 percent of it was converted to extensive cattle production by 1975. At the same time, heavy mechanization occurred. The change in coffee production alone displaced 150,000 workers

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[4] CIDA, op.cit.

[5] Agricultural Modernization in the State of São Paulo, São Paulo: State Department of Agriculture, 1973, p. 231.

in Parana, with only 30 percent of them being reabsorbed by other rural jobs or urban employment. The significance of the trends in Sao Paulo and Parana increases when one takes into account that both of these states are in an area that traditionally has given employment to large numbers of poor peasants migrating from the Northeast.

What the causes and trends of rural poverty are in Brazil is a highly debated question. Some argue that earnings from urban industrial regions have been passed on to rural producers whose well-being is increasing. Others contend that the rural situation is worsening and a main cause of this is the concentration of landholding. A third position is expressed by Brazilian sociologist Gentil Martins Dias:

> "It can clearly be seen as we come closer to major urban centers that large rural production enterprises become rare or disappear. The agricultural crisis stems neither from a shortage of land nor its maldistribution, but rather from unequal access to and use of essential elements for merchandising the agricultural surplus. Capital invested in the rural sector usually goes to hold large tracts of land. It remains for those without capital, with meager capital or with government funds and subsidies to carry out the task of making the land productive. It can be seen increasingly that land ownership is not what allows political control in the rural sector. Through their digopsony power intermediaries and industry leaders can impose upon small producers prices which are established by the farmer's convenience. In this way a system of labor exploitation is established which is much more effective than domination by old latifundio elites." 6./

Such an analysis is in line with the political reality of Brazil in the post-Goulart period. One of the acts of the military dictatorship was to dissolve the political parties and the state governments the latter controlled. The real centers of power today thus appear to be the federal government and locally important patrons of capital.

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[6] Gentil Martins Dias, "The Brazilian Peasantry and the Development of Capitalism in the 20th Century," 9th World Congress of Sociology.

III. Policies Affecting Rural Poverty in Brazil

Any discussion of government policies affecting conditions of the landless and near-landless must be prefaced with a statement about the current regime. Brazil's military government has pledged itself to implement "institutional" rather than "structural" reforms--i.e., reforms which seek to make the existing system of production more efficient without changing the distribution of income, status and power *per se*.

This bias is nowhere clearer than in policies for Northeast Brazil. The Northeast is divided into three bio-climatic zones: the Zona de Mata, a humid fertile strip along the coast; the Agreste, a transitional area between the wet coast and dry interior; and the Sertao, which is subject to severe periodic drought. Because of its abundant rainfall the Zona de Mata is capable of carrying a much denser population, but the region is dominated by land extensive sugar cane cultivation. As a reform measure to get landowners to cultivate more intensively using biological and government efforts have centered around trying to get landowners to cultivate more intensively using biological and chemical inputs. But sugar production is regulated by price controls and cane quotas; and with existing controls the farmers cannot recoup fertilizer costs. In the absence of modification of the land tenure structure, cultivation remains land extensive. provide irrigation programs for the drought-ridden Sertao and resettle families on them. So far the cost per family of such schemes has been excessively high, in addition to the fact that reform recipients have lacked the skills to take advantage of irrigation agriculture.[7./] Market

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[7]Lloyd W. Strachan, "A Survey of Recent Agricultural Trends in Northwestern Parana," LTC Newsletter No. 40 (June, 1973), Madison, Wisconsin.

integration has also been very thin, making it difficult to use the water for anything other than growing foodcrops, which is not very efficient.

Kenneth Frederick's assessment of the impact of public policies on rural poverty in the Northeast was as follows:

> Current political forces and government policies should be expected to make no major changes in the extensive cultivation and dominance of sugar cane in the Zona de Mata. There will probably be a small number of prosperous farmers who will supply a growing share of the Northeast market using irrigation, fertilizer, and improved seed; and a rapid growth in the numbers of the deterioration in the economic position of the majority of farmers in the Agreste and Sertao.[8]

> In the case of a drought emergency, SUDENE, the federal development agency for the Northeast, has the authority to implement a crash employment public works program in the hardest hit areas. The last crash program in 1970-1971 was funded by SUDENE, state governments, USAID, the World Food Program, other foreign assistance, and private firms. Laborers were recruited from the poorest rural strata and preference was given to heads of families, although persons as young as 14 were allowed to work. The productivity of the work projects was not high and the work quality was poor. Often times this was due to poor health conditions in work camps and also because the laborers themselves felt that the remuneration they received was insufficient incentive to do a good job. Workers received a wage comparable to what an agricultural day laborer in the area was paid, in addition to food rations. As to the scope of the emergency program SUDENE was able to mount, estimates are that at its peak time, employment was provided to 16.6 percent of the economically active persons in the areas hardest hit by the drought--some 345,000 persons in all.[9]

A third policy affecting the landless--the National Integration Program--has financed two highways to the Amazon, and also colonization projects adjacent to the roads in order to move excess population into frontier areas. Here again the regime's preference for institutional

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[8] Kenneth D. Frederick, "Agricultural Development and the Rural Northeast," in Contemporary Brazil: Issues in Political and Economic Development, Rosenbaum and Tyler, eds., New York: Praeger Books, 1973, p. 289.

[9] Emile Costa, "Planning and Organization of Frentes del Trabalho in Northeast Brazil," Geneva: ILO, 1974.

reforms and in favor of capital are pronounced. An effort has been made to attract new industry to the North and Amazon regions to ease unemployment problems. But, to give one example, one of these industries, a cattle concern, has 678,000 hectares. In all, over 70 percent of the land in the North and Central West regions are held in estates of over 1,000 hectares, reflecting the exaggerated extent of speculation and under utilization of land.[10./]

The basic thrust of the Brazilian government's program is simply to expand aggregate agricultural production by any means, especially agricultural exports. Brazil, which produces only 20 percent of the oil it consumes, must find a way to pay its astronomical fuel bill, and agriculture is regarded by the regime as the key to doing so. Agricultural exports are expected to earn $9 billion in 1977, which makes Brazil an agricultural superpower second only to the United States.

In contrast to the stagnant productivity in areas of traditional agriculture, rapid agricultural expansion has taken place almost exclusively on frontier lands by affluent farmers who have concentrated on cash crops for export. Perhaps no where in the world are large farmers as coddled as they are in Brazil by generous government subsidies in the form of tax incentives, extremely soft loans and price support.

An illustration of the dimensions of the regime's subsidies is the case of one large farmer who recently purchased 48,000 acres in the "Cerrados" of Goias. The farmer himself estimates that the government, through negative-interest soft loans, will end up financing 80 percent

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[10] Shepard Forman, The Peasantry in Brazil, New York: Colombia University Press, 1975, p. 42.

of his land investment. In addition, federal roads connecting this farmer's estate to markets in Belo Horizante and Sao Paulo have in a few years time driven up the value of his land from $8 to $60 an acre. This farmer anticipates that his total investment will be amortized in five years' time.[11./]

IV. Working Conditions, Income and Employment Differences Among the Landless and Near-Landless

A paucity of data exists to show the relative living conditions and incomes of underprivileged rural workers and what factors are responsible for those differences. The CIDA study on land tenure and socio-economic inequality draws a picture of labor in the Northeast being subject to, "...an array of low wages, hard work, deception of workers, extortion and usurious interests, hunger, inadequate housing, insecurity and migration."[12./] But there are differences within the rural workforce in regard to tenure security, housing and general standard of living. These differences depend on whether the individual is a sharecropper, a tenant, a permanent worker or a seasonal migrant.

Tenancy is usually established for the purpose of clearing land. The tenant enjoys relative freedom of choice regarding cultivation and sale of foodcrops and must pay a fixed rent in cash regardless of yield. The tenant receives nothing but a plot of land, which is usually given to him for a short period of a year or so. He uses his own seeds and tools.

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[11] New York Times, April 14, 1977, p. 2. For a comprehensive discussion of macro-economic agricultural policies of the Brazilian Government see: Norman Rask, et. al., Farm Growth in Brazil, Colombus, Ohio: Ohio State University, 1973.

[12] CIDA, op.cit., p. 270.

The sharecropper is literally a dependent agricultural laborer in that he is often tied to the establishment by debt although he is not tied to any one piece of land. Forman cites the case of peasants who were given small paddies of rice to tend for 2-3 months. They had to borrow to eat while the rice was growing--a sum with interest charged that was later subtracted from their share of the crop. A charge per kilo was also made to use the landlord's husking machine, in addition to the peasant's having to pay the salary of the man who ran the machine. In all the sharecropper lost a considerable portion of his share of the harvest, although he was originally supposed to receive 50 percent. When the rice was harvested the sharecropper had to move off the land to another plot where he raised corn and beans and gave the landowner 20 percent of the harvest.[13./]

In terms of workers, contracts vary widely from place to place and carry with them a variety of sub-tenancy arrangements. For example with permanent sugar workers, a 1965 presidential decree provided that every worker had to have at least two hectares near his house to grow subsistence crops. A 1963 statute stipulated that each permanent worker had to be provided with a house, for which he paid 20 percent of his salary in rent. Forman observed that plantation workers seemed to have a higher general standard of living and more security than peasants who are simply hired to clear land and produce foodstuffs.[14./]

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[13] Forman, op.cit., p. 60.

[14] Ibid., p. 63. See also: Andrew Pearse, The Latin American Peasant, London: Frank Cass, 1975, pp. 174-179,

V. Needed Future Research

Two areas of needed research have been noted in the preparation of this report. One is for more differentiation of the types of underprivileged farmers in Brazil by region, as well as information on their relative access to land; incomes; living conditions and forms of organization. Additional research on the various poverty brackets, the reasons for them, and factors promoting mobility between them could be useful in designing programs to aid this target group in the future. The role of migration, both within regions and between regions, needs to be studied for its effects on income and employment among the poorest rural strata.

Secondly, there is still a need to investigate the causes of rural poverty *per se*, especially the effect public policy has on it. If the major causal factor of worsening rural poverty is the severe wage constraints of the type that were practiced in the 1960's, then presumably some form of careful wage hikes might be in order to restore the real income levels of the working class. If, however, the major cause of growing inequalities is due to the special incentives offered to capital and asset holders then the question arises as to how crucial these are for present growth performance. Can they be removed or altered in such a way as to subsidize labor instead of capital? Can specific packages of technology be designed that can be applied and exploited successfully by smaller distinct from large farmers? The Brazilian government is placing much emphasis on varieties responsive to water and fertilizer but whose inputs are out of reach of the majority of farmers. Some agronomists have speculated that yields could be increased through use of indigenous

inputs such as organic fertilizer, mulch and lime. Also sorghum--which is drought resistant and has nearly the nutritional value of corn--might significantly improve the food situation if research were undertaken on the conditions for cultivating it in the Northeast. More social benefit might be derived if costly government irrigation projects were reduced to a few small pilot projects that sought ways to reduce implementation costs, increase small farmer productivity, etc. Once better organizational models were found more and better projects could then proceed.

COUNTRY PROFILE: COLOMBIA

Population (1975): 23,000,000

Workforce (1970) 40% of the Population: 9,200,000

Percent Agricultural Workforce: 49.2%

Number Agricultural Workers: 4,526,000

I. Incidence of Landlessness and Near-Landlessness

According to the 1966 CIDA survey of land tenure in Colombia the agricultural workforce was distributed among farm size categories as follows:

Farm Size	% Ag Workforce	
Multifamily Large	2.3	
Multifamily Medium	4.1	
Family	27.2	1./
Sub-Family	57.7	
Landless Labor	8.7	
	100.0	

CIDA found that more than half of the agricultural population consists of families with sub-family size parcels. Forty percent of all surveyed farm units did not exceed two hectares in size and many were below that level. Of the sub-family farm units, at least a third were worked by peasants who weren't even owners of the land--which means that in addition to problems with tenure insecurity, earnings were only 50-80 percent of

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[1] Comete Interamericano de Desarrollo Agricola (CIDA) Tenencia de la Tierra y Desarrollo Socio-economico del Sector Agricola: Colombia, Washington: Pan American Union, 1966, pp. 133 & 135. The CIDA analyses is based on the agricultural census taken in 1962.

what was produced on this plot [2./] CIDA differentiated the "sub-family" farm size category into the following tenure statuses:

A.	ownership	65.0%	
B.	renting	4.2%	
C.	share-cropping	15.0%	
D.	labor-exchange	2.1%	
E.	other rent forms	5.2%	3./
F.	squatting	2.4%	
G.	mixed tenure forms	4.4%	
H.	other forms	1.7%	
		100.0%	

Regrouping the CIDA categories into the divisions used in this study, we come up with the following estimates of the numbers of landless and near-landless in Colombia*:

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*As to the way in which the figures for the landless categories were calculated:

[Ag Workforce] X [CIDA sub-family, landless worker] = landless-nearlandless population

4,526,400 X .664 = 3,005,530

The CIDA categories were converted into landless categories as follows:

permanent workers	C
temporary workers	CIDA laborers
cultivators, sec/insuf	1/3 A
cultivators, insec/insuf	2/3 A
tenants, sec/insuf	B,G
tenants, insec/insuf	F,D,E,
artisans, other	H

[2]CIDA, ibid., p. 132.

[3]CIDA, pp. 113-114 based on the Colombian census (DANE of 1964).

LABORERS	permanent	409,190
	temporary	240,700
CULTIVATORS	secure/insufficient	190,634
	insecure/insufficient	381,269
TENANTS	secure/insufficient	87,374
	insecure/insufficient	174,748
ARTISAN/OTHER		96,280
	TOTAL	1,588,620

Tenure forms vary quite a bit for the landless and near-landless across regions in Colombia. Half of the country's rural population is concentrated in 429 mountainous municipalities which surround important urban areas such as Bogota. In the 200 most densely populated of these municipalities there are only 1.3 hectares of land per rural inhabitant, including forest areas, towns, roads and wastelands. Land in the minifundia zone (departments of Boyacá, Cauca, Cundinamarca, Nariño, Santander and Santander Norte) is generally owned, rented, sharecropped or held in a combination of these three tenure forms.

In the coffee zone (departments of Antioquia, Caldas) the ownership of small parcels and sharecropping predominates. Workers are generally given one-fourth of the crop in exchange for tending the coffee bushes.

Land in the Inter-Andean Valleys (departments of Huila, Tomila and the Cauca Valley) is mostly rented out in larger commercial estates, generally for a fixed payment of rent. Renters are either urban middle class merchants or professionals, or small farmers seeking to better themselves. Many of these commercial farms tend to have high capital investments and are mechanized.

Areas in northern Colombia along the Caribbean and also on the eastern side of the Andes are not well-connected to the rest of the country with good transportation systems. Landless laborers migrate to these areas where they obtain work clearing land and seeding it to pasture in exchange for being able to sow subsistence food crops for a year or so.

In general, the fertile coastal valleys are characterized by a higher proportion of landless labor than are the minifundia areas at higher altitudes.

II. Causes and Trends in Landlessness and Near-Landlessness

The post-World War II surge of agricultural mechanization; a chronic inflation which has made landholding an end worthy in itself; and the 1961 agrarian reform law which provides for expropriation of large landholdings and distribution among former tenants has caused large numbers of illegal expulsions of subsistence farmers who rent, share-crop or exchange their labor for a small piece of land. This decline is evident in comparing the 1960 and 1970 agricultural census. Every size category of farms above 10 hectares showed increases in both absolute numbers and land area held, including farms of 1000 hectares or more. In contrast, farm size categories below 10 hectares declined both in numbers and area held, as can be seen below:

This 11 percent decline of sub-family farm units occurred despite the fact that in absolute numbers the rural population increased by over a million and a half people during this same period.

Sub-Family Farms in Colombia, 1960-1970[4/]

	Number of Units				Land Area	
	1960		1970		1960	1970
Farm Size	No.	Cumulative %	No.	Cumulative %	Cumulative %	Cumulative %
LT 1 ha.	298,071	24.7%	251,262	22.9%	0.5%	0.4%
1 - 3 ha.	308,352	50.2%	278,555	46.5%	2.5%	1.9%
3 - 5 ha.	150,182	62.6%	136,490	58.5%	4.5%	3.5%
5 - 10 ha.	169,145	76.6%	155,547	72.2%	19.9%	18.4%

To examine more closely the forces behind this trend toward the increasing concentration of landholding, the data below suggest that mechanization does indeed correlate with a declining population on the land.

A result of mechanization, land reform laws and increased concentration of landholding has been tenant expulsions, increased rural unrest and land invasions. This is true especially in coastal departments, which have higher percentages of land held in latifundio estates.[5./]

Haney reports that many of the larger estates which once provided considerable employment to minifundia families through traditional patron-client linkages have been subdivided into smaller estates.[6./] To some extent these traditional alliances have been replaced by informal contractual arrangements between landowning professionals and merchants of rural towns with minifundistas or landless peasants in the hinterland.

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[4] La Politica Agraria en Colombia, 1950-1975, Bogota, 1975, p. 8.

[5] Roger Soles, "Rural Land Invasions in Colombia," Madison, Wisconsin: Land Tenure Center Research Paper No. 59, 1974.

[6] Emil Haney, "Possibilities for the Economic Reorganization of Minifundia in a Highland Region of Colombia" Madison, Wisconsin: Land Tenure Center Research Paper No. 43, 1971, p. 4.

Mechanization and Rural Out-Migration in Colombia, 1951-1973[7/]

Departments	No. of farms per tractor			% Rural Population		
	1951	1960	1968*	1951	1964	1973
Antioquia	1.184	503	454	60	47	33
Atlántico	45	29	27	12	9	6
Bolivar	126	71	30	60	55	47
Boyacá	398	256	39	84	76	69
Cundinamarca	83	55	15	79	65	65
Magdalena	69	46	36	63	58	49
Meta	66	29	7	63	53	44
Nariño	418	333	57	76	70	65
Tolima	62	34	5	72	58	51
Valle	43	20	8	50	30	23

*r = .54 at the .10 level of significance.

Another consequence of land concentration and population growth has been greater crowding onto the minifundia farm regions and accelerated fragmentation and sub-division of already tiny sub-family farms. Dorner and Felstehausen report that increased population pressure has caused major destruction of soil resources due to intensive cropping and poor soil management practices.[8./] A rather dangerous ramification of

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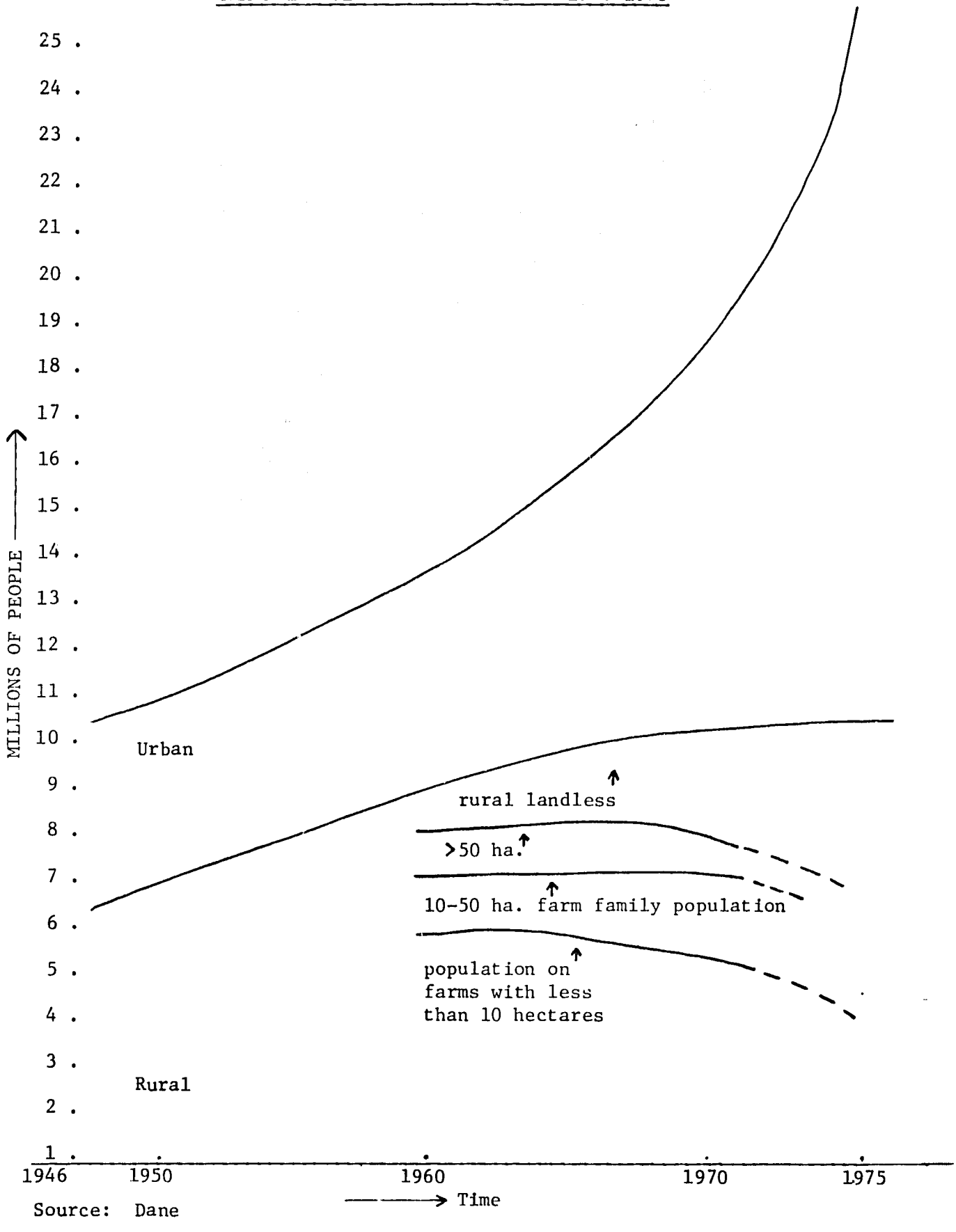
[7] Piet Spijkers, "Agricultural Mechanization and Population Composition in Colombia," Paper presented at the Latin American Studies Association national meetings, November, 1977.

[8] Peter Dorner and Herman Felstehausen, "Agrarian Reform and Employment: The Colombian Case," International Labor Review, Volume 102, No. 3, (September, 1970), p. 224.

GRAPH 1--COLOMBIAN POPULATION 1946-1975



Source: Dane

fragmentation and intensive farming of the cloud forest zones in the higher altitudes is that it severely disrupts the hydrological systems of lower areas.

The result of these trends on the landless and near-landless in Colombia is that, despite an estimated annual outflow of 200,000 migrants, and a continued relative decline in the agricultural population, thousands of new families are being absorbed into the densely settled areas of the country through the process of land fragmentation. Haney concludes that "this demographic pressure not only adds further menance to the rapidly depleting resource base in the minifundia regions, but appears to be leading toward decreasing average levels of living in some areas."[9./]

III. Public Policies Affecting the Rural Poor in Colombia

In Colombia agrarian reform has been concerned primarily with government owned land. Between 1961 and 1969, 2.8 million hectares were allotted, but 96 percent of the land was government-owned, and 91 percent of the titles granted represented *de jure* recognition of applications of farmers already cultivating this land. Although agrarian reform has been considered as the principal instrument for achieving a better distribution of wealth, the general strategy for the agricultural sector in Colombia puts principle emphasis on aggregate growth and pays no attention to modifying property relationships. A finding of the 1970 agricultural census is that INCORA, the land reform agency, failed to achieve any substantial redistribution

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[9] Haney, *op.cit.*

of land, in fact, that the concentration of landholding increased. INCORA's own projections about the dimensions of landlessness in 1970 are as follows:

families without land:	190,000
families on minifundias:	658,000
families with parcels from 5 - 10 hectares:	37,000
tenants and sharecroppers:	50,000

10./

Two major problems with the land reform to date have been the need to enable more land to be expropriated; and problems with the form of tenancy after land reform has taken place. When INCORA was established in 1962 it settled families on individual farms. When these proved to be inefficient the decision was made to establish communal farm operations but to date no plan has evolved for how to do this.

In the absence of a favorable political climate which would enable INCORA to redistribute latifundias, is there anything that can be done to improve income and employment in the minifundia sector? It is interesting that CIAT (Centro Internacional de Agricultura Tropical) thinks not. In its 1974 annual report CIAT stated:

> Data from rural development projects in the highlands of Mexico, Peru and Colombia suggest that agriculture is often only a minor part in the total income of subsistence farm families. Furthermore, the situation of small farmers in the highlands is often one characterized by limited land and a lack of well-developed infrastructure. Efforts to ameliorate that poverty should focus on the development of rural industries, rural education, rural public works programs and nutrition supplementation.

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[10] Politica Agraria, op.cit., p. 117.

> The role of new agricultural technology in promoting the welfare of these rural poor is limited and in many zones would be of lower priority than other programs mentioned above. Furthermore, the agriculture of the highlands has evolved over long periods of time on relatively infertile soils and is believed to be operating at a level near its potential. With these traditional but efficient systems, the probability of substantially increasing food supplies through new agricultural technology is low.
>
> The lowlands of Colombia appear to have a greater potential for increasing the small farm's total food output. Some factors known to limit production are subject to manipulation through new technology. These limiting factors include unfertile soils, insects, diseases and weeds. Water control is a frequent problem in many areas.[11./]

IV. Socio-Economic Conditions and Characteristics of the Landless and Near-Landless

To analyze further the living conditions and income-earning possibilities among the rural poor, let's examine the minifundia sector. Adams and Schulman distinguish three types of sub-family farms: independent minifundia; the commercial minifundia and the dependent minifundia.[12./] The independent minifundia is one where the family's labor supply is devoted to the direct exploitation of the small farm and production decisions are oriented principally by direct consumption needs rather than market conditions. Large landholdings seldom affect this type of minifundia and off-farm employment is not an important factor.

The commercial minifundia also absorbs much of the family's labor supply but most production decisions are closely tied to market conditions

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[11] Centro Internactional de Agricultura Tropical (CIAT), Annual Report 1974, pp. 221-222.

[12] Dale W. Adams and Sam Schulman, "Minifundia in Agrarian Reform: A Colombian Example," Land Economics, Volume XLIII, No. 3, (August, 1977).

and not to direct consumption needs. Small units of this type tend to be concentrated in the coffee regions, the tobacco areas, and in the margin around large cities where truck farms are common.

The third type of minifundia--the dependent type--is distinguished by the fact that a substantial part of the family's income is derived from off-farm employment. To give an idea of how large this last category is, Albert Berry claims that approximately the bottom half of income earners in rural Colombia receive by far the largest part of their income as agricultural laborers on other farms. Berry says that it seems unlikely that the lowest five deciles of his income distribution study--those with 10 hectares or less--earn much less than 75 percent of their income this way.[13./]

Subtypes of this dependent minifundia could include small parcels located either on or nearby large estates; or a subfamily farm located relatively near an urban center. In the latter subtype some production is for home consumption, but commercial crops are also grown. A majority of income of this latter type nonetheless comes from day labor on large holdings, work in urban centers or from artesanal activities within the home itself.

Adams and Schulman surveyed income earning possibilities in the town of Sopo, 23 miles north of Bogota where they found 450 minifundia units, about 200 of which were "dependent" types. They concluded that

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[13] R. Albert Berry, "Land Distribution, Income Distribution, and the Productive Efficiency of Colombian Agriculture," Food Research Institute Studies, Volume 12, No. 3, 1973.

parcel consolidation would be of little use since only a handful of the minifundistas could benefit from combining several scattered parcels. Such measures as supervised credit and the formation of cooperatives--which have success among commercial minifundia--have only limited applicability among dependent minifundias due to the absolute lack of land and also to a lack of managerial experience of the minifundistas themselves.

As for a policy such as labor legislation, Colombia has a rather complete labor code to regulate working conditions of farm laborers. It includes a minimum wage; severance pay based on length of service; annual vacation and bonuses; extra pay for work done on Sundays and holidays; and medical benefits. But Adams and Schulman found that aside from occasional gratuities given to estate workers by the large landlords, few of the elements of the labor law were actually being fulfilled. There was an almost total ignorance on the part of workers in the Sopo area of their rights under the law; and even those who knew of some elements of the law were afraid to demand their rights for fear that dismissal might follow.[14./]

Another alternative for the dependent minifundio would be to obtain more land for these units, perhaps through expropriation parcelization, commercial parcelization, or inducing large landowners to rent or sell more land, perhaps by raising land taxes. After his recent study of income distribution, Albert Berry concluded that unless employment is created outside the agricultural sector, "there is no short-run (10-20 years) solution for the unequal distribution of income that does not involve land distribution."[15/]

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[14] Berry, op. cit., p. 227.

[15] Adams and Schulman, p. 280.

V. Needed Future Research

No accurate statistics seem to exist on the number of rural laborers without land. Census figures are presented in terms of the size of the farm unit, and not in terms of tenure rights, security of access to land, etc. Such presentations tend to underestimate the number of landless laborers, especially those who do not hold permanent jobs. Although it is difficult in every country to arrive at accurate estimations of landlessness, an additional way that this could be monitored in Colombia is by measuring seasonal migration to coastal estates, demand for labor, and wage rates. Selected sampling of this phenomenon would give valuable information about trends in rural (un)employment.

As land concentration and over-crowding of minifundia areas increases, research attention must be paid to the "escape valves" which equilibrate the imbalances between human needs and physical resources. Studying Fómeque, a minifundia community in the department of Cundinamarca surrounding Bogotá, Emil Haney observed that through such means as land fragmentation, land use intensification, reduction in the levels of living, high mortality rates and migration to other parts of the country, the burgeoning population of the community had always adjusted to shortages in local physical resources. Present day indicators suggest to Haney, however, that the previously cited stabilizing forces no longer provide the same degree of flexibility and potential as they did in the past. Declining mortality rates have increased the absolute number of those who depend upon the land. At the same time migration opportunities in Fómeque have been sharply reduced as accessible colonization areas become

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[15] Berry, op.cit., p. 227.

densely settled and seasonal agricultural labor requirements are supplied from growing local labor forces and mechanization.[16./] Demographic/ employment studies need to be done in Fomeque and elsewhere to find out what the response in terms of peasants' income-earning strategies is to these diminishing escape values.

As opportunities for colonization and seasonal employment in other areas decline, Haney suggests that one coping response may be an intensification of cultivation practices. Detailed study of Fomeque seems to contradict some of the opinions expressed in the previously cited CIAT Annual Report. Among the dependent minifundia of Fómeque agriculture was not a minor part of their income, and in fact was the key to their being able to sell fruits and vegetables off the farm.[17./] Peasants in this area were adopters of fertilizers and improved seeds, and differences of up to 10 times in commercial crop yields could be explained by differences in technology and administration. Haney concluded that substantial potential existed for increasing production and employment through extended use of chemical and genetic technology combined with soil improvements and better techniques for using water. A continuing research need of major importance is for social scientists to assist extension and technical research agencies in achieving improved practices that are appropriate to minifundistas.

Central place theorists make recommendations for the placement of goods and services on the basis of identifying what is lacking in an area that would move it to the next higher level of commercial complexity. Given

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[16] Haney, op.cit.

[17] Emil Haney, "El Dilema del Minifundio en Colombia," Dualismo Volume 1, No. 1, (September, 1971), Universidad Veracruzana, Xalapa, Veracruz, p. 152.

the formidable institutional disadvantages faced by minifundista producers in Colombia, this style of research could be useful in identifying and removing obstacles that would move minifundistas from pure subsistence production towards increased income and employment both on and off the farm. The question could be asked: what is lacking in the social, political or economic context of communities that could reduce the power imbalance between minifundistas and local elites and/or enable the former to increase their income? Grunig found that in the Colombian context a successful minifundia farm had the following characteristics: (1) a minimum amount of three to four hectares of good quality land or a larger amount of poor quality land; (2) intensive marketable crop; (3) a stable and remunerative market; (4) situationally relevant technical information (extension) along with available modern inputs; (5) roads and modern transportation facilities; (6) adequate and flexible credit; (7) schools. He noted that provision of any one of the seven requirements would help alleviate the campesino's situation, but that these items would be most effective if the previous requirement in the order had been listed first (i.e., schools; credit; roads; technical information and modern inputs; markets; and intensive crop; land).[18./] More of Grunig's type of research needs to be done that takes important categories of landless or near-landless groups, sorts out the institutional obstacles to their increased economic and political power, and then tries to see which of those obstacles can be removed first, which second, etc.

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[18] James E. Grunig, "The Minifundio Problem in Colombia: Development Alternatives," Inter-American Economic Affairs, Vol. 12, No. 23.

COUNTRY PROFILE: COSTA RICA

Population (1979): 2,100,000

Active Workforce: 44% of the population

Percentage Ag Laborers (1973): 60%

Number of Agricultural Workers: 511,000

Number of Poor Rural Households: 126,000

I. The Incidence of Landlessness and Near-Landlessness

Concerning the number of rural poor, the US Agency for International Development estimated that in 1977, 41.7 percent of the total population of Costa Rica fell below the income level established for minimal living conditions. ($150 per capita in 1969 dollars). This "moderate" estimate (AID notes that both higher and lower estimates have been made) of approximately 800,000 people is divided among regions as follows:

Regional Breakdown of Poverty in Costa Rica[1/]

Region	No. of People	% of Poor	
San Jose urban agglomeration	240,000	30.1%	
Rural Periphery including:	559,200	69.9%	
Central Outer Ring Around San Jose	198,000	24.8%	69.9%
Outer Regions	360,800	45.1%	

[1]US Department of State, Development Assistance Program, FY 1977: Costa Rica, Washington, 1976, pp. 6-7.

AID found that the largest concentration of poverty was the populous ring of rural inhabitants around the metropolitan San Jose area. However in absolute terms the lowest incomes, poorest standards of health, housing, services, etc. are found in the outer regions along the Pacific and Atlantic coasts. AID estimated that of the population of rural poor, 70 percent were not engaged in farming activity--i.e., they were landless. The 1973 agricultural census also reveals the existence of a large mass of agricultural laborers working on plantation estates:[2./]

Costa Rican Agrarian Structure--1973

Farm Size	% Units	% Area	% Labor
Sub-Family	46	2	25
Family	32	10	20
Multi-Family Medium	15	21	13
Multi-Family Large	7	67	42
	100	100	100

If we were to recast these estimates of poverty in terms of the categories used in this study, we arrive at the following estimates*:

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[2]For a discussion of regional poverty, inequalities and levels of services see: Jeffrey Ashe, Rural Development in Costa Rica, Boston: ACCION Internacional, 1978.

*The AID Agricultural Sector Assessment for Costa Rica (1978) estimated that approximately 55 percent of rural families fell below the poverty line to satisfy basic needs. Tenancy is very insignificant; almost all of Costa Rica's minifundistas are owner operators. The majority of the rural poor (55%) are landless, however. Of these, only 10 percent have permanent jobs as agricultural labor. The larger part of the landless seek employment in service jobs or urban areas.

LABORERS	permanent	6,463
	temporary	23,267
CULTIVATORS	insecure/insufficient	18,396
	insufficient	42,923
ARTISANS and others who find work in urban areas		34,901
	TOTAL	125,950

II. Causes and Trends in Rural Poverty

The distribution of land in Costa Rica is highly unequal, as has consistently been revealed by the last four agricultural censuses. The bottom 40 percent of the landholders own only four percent of the land. In addition, 22 percent of the economically active rural workforce are landless.

The explanation for the deterioration of the land tenure situation is complex. Relative equality of landholding began to change with the introduction of coffee cultivation in the 19th century. With the rapid expansion of banana plantations at the beginning of the 20th century, the yeoman farmer was fast on a retreat. The situation did not reach crisis proportions, however, until the 1960s when all land was in private or state hands.

Beginning in the 1960s, the labor force began to increase much more rapidly than employment. Figures show that the share of income captured by the lowest 20 percent of the population declined during the 1961-1971 period from 5.0 to 4.2 percent.[3./]

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[3] ILO, Situacion y perspectivas delempleo en Costa Rica, Geneva, 1972.

Part of the failure to create employment has been due to Costa Rica's high wage structure, payroll taxes and required vacation and bonus payments which totaled 31 percent of all salaries in 1977. Another factor worsening rural welfare is that the subsidized price of capital encourages labor substitution. According to the Central American Common Market Treaty there is a 100 percent exemption of import duties on machinery equipment, plus other high exemptions on materials, fuels and taxes.

Such trends are as evident in agriculture as they are in industry. Carlos Saenz's survey of 300 prosperous farmers in all regions of the country who regularly used hired labor revealed that 70 percent of those interviewed had reduced the labor input per unit of land on their farms since 1950. When asked why they moved away from more labor intensive methods of production, 64 percent of the farmers mentioned the enforcement of increasing minimum wage laws and/or the cost of compulsory contributions to welfare programs. Another factor mentioned was the relative ease of obtaining credit for certain labor-saving activities, notably beef production. Favorable credit terms for the purchase of farm machinery also provided incentive for heavier mechanization.

In the case of one export crop, coffee farms have reduced labor inputs primarily by substituting herbicides for manuel tools and by using coffee varieties which require less pruning. Heavier reductions have been carried out in the processing and selection of the coffee beans. In one instance the use of labor in the selection of processed coffee beans was reduced 90 percent by the installation of a mechanical sorter.[4./]

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[4]Carlos Saenz, "Population Growth, Economic Progress and Opportunities on the Land: The Case of Costa Rica," Madison: Land Tenure Center Research Paper No. 72 (1972), p. 64.

The heaviest reductions of labor occurred on farms producing exclusively dairy products. These were achieved in all cases by changing the fodder system from green feeds to permanent pastures.

The worse cases of all, however, occurred where capital-intensive farms not only displaced labor but expanded the land area under their control. This phenomenon has happened in the Guanacaste region on the Pacific coast where the topography allows for extended, efficient use of machinery. It is known that between 1955 and 1963 tractor use in this region increased 12.3 times; mechanical planters 15.4 times; and mechanical harvesters 15.4 times. A number of small and medium farmers have sold their land in this region and in the Heredia and Limon areas.

One indicator of the increasing concentration of landholding is the threefold increase between 1963 and 1973 of minifundia farm units of less than one hectare. These infrasubsistence farm units grew from 3,661 to 14,413 during this period.

One cause for the increasing concentration of landholding is undoubtedly the expansion of the export agricultural sector. Banana production has expanded significantly during the 1970s, as has the production of beef cattle. Bananas are a high technology, land intensive crop. From the point of view of employment the problematic export is beef cattle since most productivity has come as a result of expanding acreage in pasture, and not by increasing technology in order to use land more intensively.

In addition to the relative costliness of labor in relation to capital and the expansion of the export agriculture sector, there is another institutional factor that will undoubtedly have a profound effect on landlessness.

This is the fact that Costa Rica no longer has surplus of unclaimed frontier agricultural land.

III. Public Policies Affecting the Landless and Near-Landless

The government of Costa Rica has initiated a number of programs to redistribute income including high support prices for agricultural production; minimum wage legislation and inclusion of previously uncovered non-contributors in the social security system, etc. It has also expanded services in health, nutrition, education; family planning; potable water and low-cost housing. Indeed, in the 1975 federal budget nearly 40 percent of the total budget was spent for social services.

A low cost rural health program is now providing coverage to approximately 50 percent of the 650,000 people in towns of less than 500 population. The basic mechanism for redistribution is the Family Assistance and Social Development Program which focuses on nutrition; care and feeding of children and pregnant women; potable water; rural housing; and community development. To finance this program the government will increase the general sales tax to eight percent and a payroll tax to five percent by 1978.

In agriculture the government's programs have included making credit available to small farmers; the formation of production cooperatives; and the titling and resettling of landless laborers by the Land Tenure and Colonization Institute (ITCO). Colonization problems in the 1960s were relatively slow, in part because the climate and terrain of frontier settlements made the construction of bridges, roads, etc. a costly, slow process that many times was undone by natural elements. In addition, ITCO received little assistance from the other agencies of the government

of Costa Rica in providing housing, potable water, etc. The costly experience of the 1960s with frontier colonization caused the government to shift its policies in the 1970s to stress "empresas comunitarias"--i.e., investments in areas that already have significant infrastructure. To receive ITCO funding nowadays, all projects are required to show signs of economic solvency.[5./]

Reform in the 1970s has moved ahead with much greater speed than in previous decades. There are a larger number of projects but a smaller number of beneficiaries and area. Some of the empresas comunitarias consist only of a grant of land made to a group of peasants who divided it up and work it individually. But a number of the group farms or rural enterprises formed by this program do operate collectively.[6./]

The strategy of the Government of Costa Rica to create more rural employment is to try to move poor small farmers away from growing basic grains and toward more remunerative perennial crops (spices, fruit trees) or annual crops (potatoes, tomatoes, tobacco). It will have to resolve two kinds of problems to do so. One is that public institutions have too many overlapping functions, too poorly defined responsibilities and a lack of coordination that often limits their effectiveness. A second problem, not unrelated to the first, is that high value crops in Costa Rica today

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[5]Mitchell Seligson, "Agrarian Reform in Costa Rica, 1942-1976: The Evolution of a Program," Madison: Land Tenure Center Paper 115, 1978.

[6]For more information about these reform units see: José Emilio Araujo, ed., La empresa comunitaria: una sistemática reformista en el proceso agrario latinoamerico, San Jose: IICA, 1975.

tend to be quite area specific. The biggest constraints to converting poorer farms to higher value crops are the underdevelopment of off-farm marketing systems.[7./]

Future government plans call for the creation of more employment in industry and agriculture. However an obstacle to this may be Costa Rica's membership in the Central American Common Market, an organization that gives strong subsidies to the importation of capital intensive technology.

V. Research Needs

Costa Rica has a large number of small farmers in the central highlands oriented toward market production. Their technology is fairly high and a wide variety of quality produce is grown. Exports of fresh and frozen fruits and vegetables have just begun in recent years. But marketing efficiency and technology is very low and seems to pose a major drawback for the future. The possibility of expanding employment and production among commercial minifundistas in the highlands should be investigated. Studies are needed to find out what the bottlenecks are towards expanding production among this group.

The efficiency of land use in the formerly frontier coastal regions also needs to be investigated. Are the persons who have title to these lands actually cultivating them? If not, what kind of tax policies, titling, infrastructure or other types of investments are necessary to get more land in these regions into production and more people employed upon it?

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[7] AID, Costa Rica: Ag Sector Assessment, San Jose, 1978, p. 13.

COUNTRY PROFILE: EL SALVADOR

Population (1978): 4,800,000

Worforce (42% of population): 1,722,000

Percentage of Workers in Agriculture: 63%

Number of Ag Workers: 1,094,860

Number of Ag Families: 357,000

I. Incidence of Landlessness and Near-Landlessness

The agricultural census of 1971 enumerated 357,000 rural families in El Salvador, 10 percent of whom cultivated a farm unit of over five hectares. As can be seen from the table below, the total land area held by the farm-size categories is roughly even, but the average size of the farm units (reflecting the number of cultivators in each category) varies enormously. The data suggest that El Salvador's agricultural sector is divided into two populations of cultivators: the agri-business and family plantations versus a large population of landless or near-landless laborers. A report by INCAE says that 67 percent of the campesinos in El Salvador do not own their own land and 80 percent are either landless laborers or work farms of less than two hectares.[1./]

Taking into consideration that the bulk of El Salvador's mini-fundestas must pay rents on the land they farm, then the distribution of rural income is even more skewed than the statistics on farm size alone would indicate.

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[1] Instituto Centroamericano de Administracion de Empresas (INCAE) "Salvadorean Communal Union: Campesino Organization for Social Change," Mangua, 1975.

El Salvador's Agrarian Structure--1971

Farm Size	No of Farms	% Farms	% Area	Ave. Size (Manzanas)*
Infrasubsistence	132,184	44.8	4.8	0.8
Sub-Family	118,911	43.9	22.5	4.3
Family	15,710	5.8	23.1	33.4
Multifamily Med.	3,250	1.2	21.1	147.0
Multifamily Lg.	813	0.3	28.4	791.0

*A manzana is .7 hectares.

Land Tenure Patterns on Small Farms [2/]

Farm Size	Percent of Land Owned	Percent of Land Rented	Percent of Land Share-Cropped	Percent of Land in Other Forms
5 to 1 Ha.	27.7%	53.0%	8.6%	10.6%
1 to 2 Ha.	40.3	46.3	3.4	10.0
3 to 5 Ha.	69.4	25.0	0.0	5.6
5 to 10 Ha.	84.9	11.0	0.0	3.6
10 to 20 Ha.	90.8	6.6	0.0	2.5

[2] U.S. Agency for International Development, Agricultural Sector Assessment: El Salvador, Washington, DC, 1977, Table 10, p. 32.

Major regional variations also occur in the quality of land, a two hectare plot in western coastal areas being equivalent to ten hectares in the eastern region of the country. The largest estates also own most of their land in the best agricultural areas of the country.

If we recast these figures in terms of the categories used in this study we arrive at the following calculations*:

LABORERS	permanent:	37,385
	temporary:	66,461
CULTIVATORS	insufficient:	13,978
	insecure/insufficient:	55,912
TENANTS	insecure/sufficient:	27,957
	insecure/insufficient:	111,826
ARTISAN, OTHERS		25,962
	TOTAL	341,600

*Calculations used to determine the LNL households were as follows:

35,000 (families over 5 ha.)	1,094,860 (Ag Labor force)
x 2.5	87,000
87,000	1,007,000 (poor rural majority)
251,095 (cultivators w/LT	1,007,000
x 2.5 5 hectares)	627,738 (cultivators)
627,738--insecure/insufficient cultivators	379,272 (landless)

Among the landless, 36 percent were figured as permanent laborers. Among cultivators, one-third were figured as owners (167,938) and two-thirds as tenants (334,796). The divisions between the "secure/insufficient" and "insecure/insufficient" categories were 20 percent/80 percent. Artisans, petty merchants, etc. were estimated as constituting .20 of the landless labor force.

The previous totals compare thusly with the figures from the 1971 agricultural census:

Category	1971 Census Families	1971 % Families
Families without access to land	85,000	24%
Families w/LT 1 ha. (insufficient)	133,000	37%
Families w/1-5 ha. (more sufficient than previous category)	104,000	29%
Families w/GT 5 ha.	35,000	10%
TOTALS	357,000	100%

Rural Poor Target Group: Extended Farm Families and Landless Rural Workers

Region	Number of Farms	Farm Family Population	Landless Population
West Region	47,979	275,623	--
Central (West)	62,565	356,025	--
Central (East)	36,664	213,272	--
East Region	77,348	475,079	--
All Regions	224,556	1,320,099	720,508

Total Target Group Population (Farm and Landless) = 2,040,607.

Source: AID Agricultural Sector Analysis (1979) Table 25.

II. Causes and Trends Affecting the Landless and Near-Landless

From 1950-1970 the population of El Salvador doubled. El Salvador has also come to the point where it has no agricultural frontier land. Further increases must come from the export sector moving onto the lands of the subsistence sector or vice versa.

Institutionally, El Salvadorian agriculture is characterized by a high concentration of resources in the hands of agricultural exporters. To give one example, coffee occupies more than one-fifth of the national land under cultivation. Four percent of the country's growers control about 60 percent of the coffee land and 75 percent of the national production.

Large landowners not only wield enough political influence to kill policy proposals aimed at modifying the tenure structure, but they are also able to maintain low wages free from any governmental attempt to enforce minimum wages or the provision of other social benefits. Shortages of agricultural labor within El Salvador at these low wage rates and bad working conditions are simply offset by the migration of tens of thousands of workers each year from Guatemala and Honduras.

One economist well expressed the mentality of El Salvador's elites in not making an attempt to raise the wages of agricultural laborers when he said:

> Each of El Salvador's main agricultural exports (cotton, coffee, sugar) appears to require plantation-type farming. Plantations require abundant supplies of low cost human labor, particularly at harvest time. Due to lack of export diversification it is hard to see how El Salvador can compete on world markets with these particular crops unless people are willing to keep plantation wages and living standards low.[3]

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[3] David R. Reynolds, Rapid Development in Small Economies: The Example of El Salvador, New York: Praeger, 1967, p. 19.

The land tenure situation deteriorated significantly between the 1961 and 1971 censuses. The number of farms under one hectare increased from 107,000 to 132,000. The same trend was observed for farms of less than 10 hectares. It is likely that this deterioration has continued since the 1971 census.[4./]

The farm size situation alone does not reflect the seriousness of the land tenure problem. In the 1971 census, 60 percent of all farms were being operated under some kind of lease or rental arrangement. Demand for land to rent is very high among many small farmers and consequently rents are high and farmers have little leverage in negotiation agreements with land owners. In 1976, land rents ranged from US $40-120 per manzana for a single crop period of eight months. Land purchase prices are also high and because long term credit is not available, land purchase is usually not an alternative for the landless or near-landless.[5./]

In addition to the serious and deteriorating land tenure situation, several other aspects of El Salvadorean agriculture constrain income earning possibilities among the peasantry. Coffee, an important cash crop grown by minifundistas, (almost two-thirds of the coffee farms are less than one hectare in size) tends to have low yields in El Salvador in comparison with other countries.

Agroindustry, potentially a major consumer of primary agricultural products, especially the food processing industries, tends to be plagued by marketing problems which restrict its ability to stimulate production

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[4] AID, Agricultural Sector Assessment, Washington, 1977, p. 3.

[5] Ibid., p. 9.

among small farmers and employ more landless labor. In vegetable production, for example, vegetables can only be grown in the dry season in El Salvador because of weather conditions whereas they can be produced all year round in Guatemala's climate. As a result, instead of purchasing locally grown produce, the major vegetable buyers prefer to import from Guatemala, even during the dry season, in order to insure steady supplies during the rest of the year. Large bottlenecks exist in extending the backward linkages of the food processing industry to small and poor farmers. Small farmers produce only 14 percent of the raw farm product consumed by agroindustry; the balance is supplied by large farmers and imports.

III. Public Policies Affecting Landlessness

In June, 1975 the Government of El Salvador passed a law creating the Salvadoran Institute of Agrarian Transformation (ISTA). Its aim was to improve the social and economic conditions of the rural poor, primarily by establishing more equitable and secure land tenure rights for lower income agricultural families. However, when ISTA announced its first project which included expropriation of approximately 380 farms (56,000 hectares) in the country's cotton and livestock area, the private sector launched a massive opposition campaign. The government received little or no support from any influential sector of the society and thus negotiated with the private sector and sent an amended law to the legislature which was rapidly passed. ISTA will continue to function, but on a much reduced scale; it cannot unilaterally expropriate cultivated lands. ISTA's program is now restricted to cash payments and relies on the voluntary sales and

confiscation of farms which do not comply with the government's social betterment and maximum productivity requirements.[6./]

In an effort to assure fair treatment to a large number of farmers (60 percent of the total) who are farming under some form of rental agreement, the Government of El Salvador passed a Rent Law in November 1974. This law set guidelines for tenancy agreements and reorganized the agrarian reform agency. It stipulates that: (i) all land rental agreements must be in writing and notarized; (ii) the minimum term for rental agreements shall be three years and are automatically renewable; (iii) maximum rents shall be set by their farms in basic grains (corn and beans) with the percentage to be determined by the Ministry of Agriculture; (iv) cotton and sugar growers must plant a part of their farms in basic grains (corn and beans) with the percentage to be determined by the Ministry of Agriculture; and (v) sharecropping arrangements are prohibited. The result of this is unknown since there has been no evaluation made to date of the impact of this law on farmers who are renting land. Some parts of it, however, are being enforced and many observers feel the net effect has been a reduction in land available for rent. p. 10[7./]

At least one observer has strongly advocated that in terms of changing El Salvador's land tenure the political situation is such that proposed laws to expropriate land and initiate agrarian reform processes directly are likely to fail. He suggests that the kind of

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[6] Ibid., p. 73.

[7] Ibid., p. 10. See also Ivo P. Alvarenga, "Alternative Strategies for Land Reform: The Case of El Salvador" in Land Reform, Land Settlement and Cooperatives, (UN/FAO), 1977, No. 1, pp. 25-30.

legislation most appropriate at this point are efforts to force more land into productive use. These would include a reduction of absentee landlordism; greater government supervision of rents and salaries, etc.[8./]

Other financial efforts to change the land tenure system include a program by the Bank for Agricultural Development to finance 96 small farmer cooperatives with a membership of 10,400 peasants. This project has been allocated US $6.3 million (FY 1978-80) to buy land and get the cooperatives started. Another public agency, CORFINTA, is also being set up to extend credit for and purchase over long periods at favorable rates.

In its recent Agriculture Sector Assessment for El Salvador, AID analysts also expressed the opinion that more could be done to shift small farmer production toward more labor intensive, higher value crops so as to increase income and employment. AID felt that one of the major constraints toward achieving this was the El Salvadorean government's preference to be self-sufficient in basic grains, a policy position which did not encourage small farmers to change their commodity mix toward higher income levels. This hypothesis merits closer examination. If a third of the Salvadorean peasantry have no land, and the majority of other small farmers only rent the land they cultivate, this degree of tenure insecurity would seem to make policies to promote commercialization among small farmers inappropriate. Nonetheless, possible opportunities in this area should be explored.

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[8] Ivo P. Alvarenga, "Alternative Strategies for Land Reform: The Case of El Salvador," Land Reform, Land Settlement and Cooperatives, 1977, No. 1, pp. 25-30.

A second area of potential are policies to stimulate off-farm rural employment. Agro-industry in El Salvador is almost twice as labor intensive as all other industries, so it is a cost-effective way of generating employment. Small scale industries with the highest returns and greatest potential for expanding profits are also the ones that would generate the highest employment for rural workers. The following kinds of activities were found to have the the greatest potential:

Labor Intensity Rankings for Agroindustries
(Based on Direct Production Labor)
(All Manufacturing 100)

Very High Labor Intensity		High Labor Intensity		Median Labor Intensity		Low Labor Intensity	
Sugar/Panela	712	Fruit & Veg.	170	Textiles	93	Edible Oils	39
Wood Prod.	317	Shoes	143	Fishing	78	Cereals Milling	38
Clothing	276	Candy Prod.	130	Tobacco	68	Drinks	22
Furniture	242			Meat Prod.	66		
Baking	204			Coffee	65		
				Fish Prod.	62		
				Milk	59		

Source: Annex II.

Agroindustry may be an appropriate policy to assist specially disadvantaged groups such as impoverished female-headed households. Surveys indicate that female employment tends to be concentrated in certain industries such as clothing, baking, candy, fruit and vegetable processing. Women are also likely to be working in the very small cottage industries rather than in medium and large size establishments. The challenge is to find effective ways to extend credit, technology and marketing exercising a more explicitly political role than the SCU had previously played, as well as adopting a stronger orientation toward landless labor groups, the building of strike procedures, greater agitation

for reform and implementation of labor laws, etc. Speculation was that the SCU would continue to work with a number of groups in the countryside rather than focus on any one occupational group because in this way it stood a better chance of maintaining funding from international sources.[9./]

Groups like the Union Communal Salvadorena and Parcelaciones Rurales have been important in assisting small farm renters and landless laborers with land purchase and financing and by providing technical and marketing assistances. But these private sector agencies reach only a limited number of poor rural families, and increased public support could greatly accelerate such programs. These peasant organizations are limited by finances, personnel, poor access to many rural areas, inadequate public institutions serving the agricultural sector, and rightwing landlord terrorism.

V. Research Needs

Data is largely lacking on wages, working conditions, migratory patterns and organization among temporary and permanent laborers on plantation estates.

No monitoring has taken place of the effects of the Government of El Salvador's rent control laws. Has it displaced renters? If so, to what extent? What services are lacking in order to place rental arrangements on a more legal basis? How can this law be selectively enforced in certain areas without causing major displacement of small tenants?

In terms of creating employment for the landless, research is needed on the development of backward linkages in order to supply agro-

[9] INCAE.

industries with raw materials. One study found that for about eighty percent of the farms from 3-10 hectares, potential exists to expand the area under cultivation 30-50 percent. Lack of labor or technology does not appear to be an obstacle for these farms, but marketing problems loom large. Research is needed on what saleable crops these small farms could find a market for.[10./]

Agricultural economists have complained that the commodity mix on small farms whereby minifundistas grow corn and beans rather than employing multiple cropping techniques to produce more renumerative cash crops is a major cause of low incomes in the agricultural sector. Given the underdevelopment of public institutions to assist the landless and near-landless, possibilities for private groups such as the Salvadorean Communal Union to orient minifundistas toward higher paying commodity mix should be explored.

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[10] AID, Agricultural Sector Assessment, p. 49.

COUNTRY PROFILE: GUATEMALA

Population (1977): 6,000,000

Workforce (45% of the population): 2,700,000

Percentage of Workforce in Rural Areas: 70%

Rural Workers: 1,890,000

I. Incidence of Landlessness and Near-Landlessness

Data gathered by the UN Economic Commission on Latin America (1965) indicates that nine percent of the economically active persons in agriculture were employed in the lowest income-earning strata.[1./] The CIDA study of Land Tenure and Socio-Economic Conditions in Rural Guatemala (1966) claims that 88 percent of all rural families are subsistence farmers.[2./] These two estimates seem to be the higher and lower boundaries of an agrarian structure characterized by a very high proportion of poor rural people.

The three major occupational categories among the rural lower classes are minifundistas, temporary (seasonal) laborer and permanent workers on plantations (called colonos in Guatemala). CIDA found that only about 10 percent of the cultivators were tenants; 57 percent owned their land; and the rest were agricultural laborers.

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[1]Primary source: DESAL, America Latina Yna U Multiple, Santiago, Chile: Ed. Herder, 1968, Volume I, pp. 246-247. Secondary source: INCAE, "Technical Note on the Guatemalan Social, Economic and Political Structure, 1960-1972," Managua, Nicaragua 1976, Exhibit 5.

[2]Comité Interamericana de Desarrollo Agricola (CIDA), Tenencia de la Tierra y Desarrollo Socio-Económico de Sector Agricola: Guatemala. Washington: Pan American Union, 1964, p. 59.

With such a high degree of rural poverty it is not uncommon that most economically active people depend on the same types of activities to earn a living (a combination of subsistence farming, seasonal labor in agriculture, and artisan or petty commerce activities). In terms of income earning differentials, the critical variable is not so much what occupation or tenure status a peasant has, but rather where he works. To be able to have a subsistence plot on the more fertile lowlands of the coast is much more valuable than a highland plot of the same size. Indeed, the worst poverty exists among the highland subsistence farmers where poor natural resources and excessive population pressures are worsened by cultural backwardness and racial discrimination against the Indian populations who live there. It is a widely held desire to obtain a plot and/or a permanent position on a coastal estate. Institutional factors block this, however. Large estates hold much of the land and they refuse to take responsibility for the Guatemalan peasantry except to meet their peak seasonal labor needs at harvest time. Hence the bulk of the peasantry combines subsistence farming with seasonal migration which is necessitated by an inability to satisfy minimal food requirements from the subsistence plot alone.

Because this subsistence farming/seasonal migration pattern is so pervasive (almost insured by the prevailing land tenure and political institutions), differentiating occupational categories is not as relevant for Guatemala as it would be for countries that do not have plantation economies. Nonetheless, we estimate the following distribution of occulations among the landless and near-landless in Guatemala*:

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*As to how these calculations were made, the 1964 agrarian census reported these numbers of families in the following occupational categories:

CULTIVATORS	"parvifundistas" (GT 2 ha)	215,000 families
	"microfundistas" (LT 2 ha)	85,000 families
	Cultivators who do not own their own land	130,000 families
	Agricultural workers (excluding seasonal migrants)	100,000 families

The migrant labor workforce that came to coastal estates in 1965-66 was estimated to be between 300,000 - 400,000 workers.3./

In a 1970 publication the Guatemalan Government estimated that the yearly rate of increase among these tenure categories was as follows:

parvifundistas:	5,800 families
microfundistas:	2,300 families
tenants:	3,200 families
agricultural workers:	2,500 families 4./

These rates of increase seem somewhat inflated, especially when applied to 1964 census data in order to yield 1977 estimates.

The 1977 figures, therefore, were brought roughly in line with the occupational proportions in the 1966 CIDA study. The CIDA estimate of 88 percent of the rural workforce as being landless or near-landless was also accepted to determine number figures.

[3] Lester Schmid, "The Role of Migratory Labor in the Economic Development of Guatemala," Madison, Wisconson: Land Tenure Center Research Paper No. 22, 1967.

[4] Report of the Guatemalan Government on Colonization, Agrarian Transformation, Rural Development and Agricultural Labor, Geneva: UN/ILO, 1970, pp. 22-23.

		FAMILIES
LABORERS	permanent	90,000
	seasonal	175,000
CULTIVATORS	insecure/insufficient	290,400
	secure/insufficient	114,900
TENANTS		50,000
ARTISANS		35,963
	TOTAL	756,263

II. Causes and Trends in Landlessness and Near-Landlessness

Institutional Factors. Guatemala closely fits the prototype of a plantation economy. There is a vital connection between small farms and large fincas: the peasants need off-farm income in order to survive and the plantations need cheap labor. If somehow subsistence farmers had enough land and were not compelled to go the fincas, there would be a labor shortage and the agro-export system would be in danger. The whole agricultural economy--plantations and the minifundia sector--work as a single system. The chief requisites to make it function are large concentrations of land and a large labor force at subsistence levels to harvest the surplus of the land cheaply.

If we examime the fragmentary evidence available on income trends, the tendency has been for the average earnings of persons in the subsistence sector to decline.

Part of the reason for this downward trend in income of the rural lower class is attributable to the fact that employment in the plantation sector is not expanding. Given the limited world demand for primary foods such as coffee, cotton, sugar cane, the outlook for increased demand for labor is not good.

Relative Shares of Eight Minifundista Departments in Guatemala's Total Population, Gross Domestic Product, and Per Capita GNP, 1951-1966 [5]

	1951	1964	1966
Gross Domestic Product, %	16.0	8.0	6.4
Total Population, %	41.9	39.1	38.7
Subsistence Sector Per Capita GDP (in quetzales)*	97	62	51

*The quetzal is equal to the US dollar.

Also, several of these export crops are moving away from the intensive use of labor. Cotton, for example, is now highly mechanized in almost all aspects of production and uses labor-saving inputs such as pesticides, herbicides, etc. Although sugar cane is still cut by hand, the planting, cultivating and hauling operations are largely mechanized. Although cattle production is not mechanized, it is carried on at very low technological levels, making extensive use of land and labor and paying little attention to pasture improvement, good breeding practices or control of parasites and diseases.

Another obstacle to raising the income of the rural poor is the imbalance of economic and political power between the subsistence and plantation sectors. Ninety percent of all farm units in Guatemala controlled less than 20 percent of the farm area in Guatemala in 1964. At the other extreme, less than three percent of the farm units controlled 60 percent of the area in farms. Commenting on these large farms a group of agricultural economists from Iowa State University stated:

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[5] Lehman B. Fletcher, et.al., Guatemala's Economic Development: The Role of Agriculture, Ames, Iowa: Iowa University Press, 1970, p. 24, Table 2:4.

> While producers of some crops use modern methods and improved technology, many of the large farms in the commercial sector appear to be farmed neither intensively nor efficiently. There is a high degree of absentee ownership. Large farms are also wasteful of land in that they encompass a much larger area than is used for production.[6./]

Another factor which may significantly influence the rural poor in their struggle for subsistence is that Guatemala is characterized by a high level of para-military rightwing violence. Amnesty International estimates that some 20,000 have been killed in political violence, particularly highland peasants liquidated in "counter insurgency" operations. The hand of the Guatemalan military and police forces--and of the rightwing extremists within them--has been strengthened by international support. Between 1966 and 1972 approximately $40 million is known to have been spent on modernizing the Guatemalan military and police forces, with most of the money coming from the US government. In 1977 Guatemala joined with other Latin military regimes in rejecting US military aid in protest to US congressional hearings on Guatemalan civil rights.[7./]

III. Public Policies Affecting the Landless

Since the overthrow of the nationalistic Arbenz regime in 1954, most of the policy measures directed toward the peasantry have consisted of coercion to repress them. Major counter-insurgency operations carried

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[6] Ibid., p. 151.

[7] "Guatemala: Land and People," International Affairs Reports, Volume 24, No. 4 (June, 1977), p. 5.

out by the Guatemalan military with the support of and at times the active participation of the US Government began sweeping over rural areas in 1965. Counter-insurgency operations are still being carried out today, in addition to the extra-legal violence of right and left wing terrorists and landlord groups. During the same period, proposed policies to increase the wages of migrant workers or improve working conditions have been defeated, as have proposals for voluntary (paid) land reform and land taxes. There are major political parties in Guatemala who favor more rational use of the land and rural unionization. Up to this point, however, they have been excluded from control of the regime.[8./]

The current government of conservative President Kjell Laugerud has made efforts to control some of the extra-legal violence and extend more education and health services out into the countryside. Laugerud has sponsored some colonization projects in the sparsely populated northern department of El Peten, and the formation of cooperatives among peasants in order to overcome poor natural resources and lack of roads and markets once they got there. Although surplus land is available in El Peten and other regions, colonization does not appear to have great potential to alleviate problems of rural poverty in Guatemala because of the lack of political will to carry it out. Not only is the budget for colonization underfunded, but most of the good lands available have gone so far to

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[8]For a current analysis of political forces in Guatemala, including the more progressive parties, see International Affairs Reports, op.cit., pp. 4-8.

individuals with large landowning or military interests.[9./] No coalition of political forces has come to power since Arbenz with enough power to oppose in effective ways the interests of large landowners and agro-exporters.

IV. Wages, Income, Working Conditions Among the Landless and Near-Landless

Perhaps the best micro-study for any of the Latin American countries exists on the incomes and working conditions of migrant Guatemalan laborers thanks to the research of Lester Schmid.

Schmid sampled a group of 120 highland peasants who migrated down to work on 43 plantations growing coffee, cotton and sugar cane. He found that at least two-thirds of the plantation labor was obtained through labor contractors. Contractors are often money lenders in the subsistence sector; thus a large number of plantations laborers are procured through debt. Since the contractors recruit from the same areas all the time there is no escaping debt obligations to them unless a peasant is willing to abandon his home and plot in the highlands. Most labor contracts are made only with the head of a family or with the head and older sons. Wives and younger children often contribute to fulfilling the obligations of the migrants, but in most cases they are not acknowledged workers and are therefore unable to receive food rations, payment of passage, etc. Typically, laborers are contracted for 30 day periods at a time in order to give farm administrators more flexibility in fulfilling their labor needs.[10./]

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[9] NACLA, Guatemala, New York, 1974, pp. 21-22.

[10] Schmid, op.cit., pp. 15-16.

As for wages and the way they are determined, on coffee fincas the picked coffee was measured by means of a wooden box into which the loose coffee was dumped. The box by law is defined to hold 100 pounds, but on three fincas where Schmid measured it, the box held 123, 135 and 150 pounds respectively. The average wage paid per box was $.72 - $.75.[11./]

On cotton plantations, the standard measure for determining wages was 100 pound lots of picked cotton. The standard deduction is supposed to be five pounds for the weight of the sack, moisture, foreign materials, etc. Schmid found, however, that discounts ranged anywhere from 10-25 pounds. Wage rates per lot varied from $1.08 to $1.30.

With sugar cane wages varied from $.40 - $.80 per ton cut.

All of the coffee workers, most of the sugar cane workers and a quarter of the cotton workers said they were paid the seventh day as required by law. Seventy percent of the coffee workers, 50 percent of the sugar workers and eight percent of the cotton workers were also paid official holidays. Coffee and sugar fincas were more likely to pay for holidays of the finca; give compensation to workers when ill; supply free medicine; and allow the picking of fruit.[12./]

Housing varied considerably from finca to finca. On a few cotton farms and most coffee farms shelters consisted of a roof supported by poles without walls or partitions of any kind. There was one finca employing thousands of workers with no shelter whatsoever. However there were other fincas with shelters made of concrete blocks with

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[11] Ibid., p. 21.

[12] Ibid., p. 24.

screens on the windows. On most fincas workers slept on the ground, in hammocks or on straw mats. About 30 percent had sanitary facilities or electricity. Ninety-five percent of the large farms had water supplied by a well.

The amount of food supplied in rations was generally below the amount workers said they ate in their home communities. About half said they either brought food with them or that they purchased food while on the finca.

Seventh percent of the workers said they had been ill some of the time or all of the while working on the finca. Many had dysentary; 25-30 percent said they had malaria; some had poisoning from insecticides. Most of the fincas had a clinic and 23 of the 43 had a nurse to staff it.[13./]

As for length of employment and earnings, migratory workers on cotton fincas worked an average of 74 days per year; on sugar cane farms, 99 days; and on coffee plantations, 126 days.

The average amount earned on the fincas was $103 for 101 days work. Of this, about 53 percent was taken back to the community, the rest being spent for food (32 percent), clothing, debts to the labor contractor and incidentals. The earnings brought back to the home community nearly eliminated the deficits incurred by living expenses in home communities. IT IS SIGNIFICANT THAT FOR MARRIED WORKERS A DEFICIT STILL EXISTED.[14./]

In general living conditions were better for permanent labor on the plantations than for migratory workers, and for procured work for

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[13] Ibid., pp. 18-20.

[14] Ibid., pp. 26-28.

themselves rather than those recruited by a labor contractor. The permanent workers were usually able to have a house of their own. Over one-third had electricity; 60 percent of the houses had windows; and 25 percent had cement floors. Almost all of the houses had laminated or tile roofs.

A majority of the coffee and sugar cane fincas aided their aged residents and widows in one way or another. Most of the coffee and sugar cane fincas also furnished schools and paid teachers salaries.

Schmid found, however, that the opportunity for migrant workers to remain on the fincas was extremely limited.

V. Research Needs

Previous agrarian censuses have not paid much attention to ascertaining the exact tenure status of cultivators (squatters? sharecroppers? customary tenure?) and other economically active people in rural areas. Such information would be valuable in understanding the constraints faced by farm families in increasing on-farm employment and income.

Policy advisors have recommended that more attention be given to the diversification of production in the subsistence sector, and particularly to the technical improvement of corn and beans, which would release land for diversification and make peasants more able to try new crops.[15./] An important need is to adopt this technical research to the cultural milieu in which the subsistence cultivator functions. Information is scarce about how much disposable cash income peasants have to afford inputs; how many disposable days of adult labor are

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[15] Fletcher, et.al., op.cit., p. 199.

available at what times of the year for on-farm employment, etc. Because many subsistence farmers employ part-time farming strategies, we need to be more familiar with how and why peasants calculate to allocate time and other resources to on-farm versus off-farm employment. It may be that many cultural and socio-economic obstacles exist which must be modified in order to increase basic food yields.

Another important area of needed research is the contracting procedures for seasonal laborers. In some instances individual peasants can contract to hire themselves out without paying a contracting middleman. In other instances whole villages--indeed, regions--are contracted by individuals who establish and maintain with peasant laborers a continuing relationship based on debt. How much room for maneuvering does a peasant have in obtaining seasonal work? Does this depend on his personal skills; his economic position; the nature of the community or region in which he lives; the kind of export crops he's harvesting; or the particular plantation on which he works? The design of labor legislation throughout the Latin American region would be aided by knowing more about cultural, political and economic variables which increase or decrease the contractor's power vis-a-vis migrant workers.

A final research need of major importance is to have more accurate information about the real wages and real costs of migratory labor. Real wages must be calculated not simply in terms of male, head-of-household migrants, but in terms of all family members who perform migratory labor. Does it benefit a family to be paid strictly in terms of cash or cash and kind? What variables determine why migrants prefer one form of payment over others. How much opportunity and mobility is

there for migrants to discover information about wages, working conditions and real costs associated with working at different plantations? What are the factors that are critical to increasing the seasonal migrant's (or, migrating family's) decision-making ability and real income derived from the sale of their labor?

COUNTRY PROFILE: MEXICO

Population: 60,500,000

Workforce (1975): 18,704,000

Percent Workforce in Rural Activities: 40.6%

Number Rural Workers: 7,600,000

I. Incidence of Landlessness and Near-Landlessness

The agrarian structure of Mexico is one of the most complex in Latin America. Because of its proximity to the United States, penetration by foreign capital, and post-1940 agricultural modernization policies, Mexico has a sector of commercial agriculture that is as technologically advanced as any that exists in the industrialized capitalist countries.

Due to a social revolution which eliminated the hacienda social structure and debt peonage, Mexico also has a very large number of self-employed cultivators owning small parcels of land. Originally the Mexican government's policy during the period of rapid, massive land reform which occurred during the 1930s was to keep reform beneficiaries together in a collective farm structure called an *ejido*. But post-1940 policies promoted fragmentation so that 80+ percent of all ejidatarios today have become in effect minifundistas.

Finally, there is a sizable population of subsistence cultivators whose production habits are determined more by a low, steady-state technology and traditional social practices than by anything else. The bulk of these traditional farmers are of indigenous extraction.

As an indicator of their numbers, the 1970 census registered 3.15 million persons who still regularly spoke Indian dialects. The largest concentrations of indigenous inhabitants were found in the states of Oaxaca, Puebla, Chiapas, Veracruz, Yucatan, Mexico and Hidalgo.[1./]

Delbert T. Myren estimated that the number of farm families falling into these three general categories was as follows:

* Modern (Commercial) Ag Sector: 20% farm families
* Transitional Ag Sector: 45% farm families
* Traditional Ag Sector: 35% farm families [2./]

Except for showing concentrations of dialect-speaking peoples it is difficult to say exactly where these sectors are located geographically. The standard literature on Mexican economic development says that a sector of commercial agriculture formed in the irrigation districts of the Pacific Northwest. But large scale irrigation projects have become uneconomical in the northern Mexican states and government investment has shifted to the central states. Commercial agriculture followed this

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*The modern sector was defined as cultivators consuming less than 25 percent of what they produce. The transitional sector consumes between 25-75 percent of what is produced. The traditional sector consumed in excess of 75 percent.

[1]Centro de Investigaciones Agrarias, La Estructura Agraria de Mexico, Mexico, 1972, Volume I, p. 482.

[2]Delbert T. Myren, "Integrating the Modern Market into the National Economy of Mexico," Land Tenure Center Paper No. 46, Madison, Wisconsin, 1968.

shift so that today it does not correspond to a particular area, but to irrigated districts all over Mexico. Also, the commercial sector and the transitional sector of cultivators are not physically separate but exist in a symbiotic relationship, the former drawing land and labor from the other at will.

To further break down Myren's gross categories, recall that the result of social revolution and land reform was to fragment landholding and fail to form a sector of collectives that could absorb new persons entering the labor force. On top of this, commercialization concentrated resources in the rural sector, so that Mexico today is characterized by a large number of landless or near-landless.

Occupational Category in Agriculture	% Workforce (1975)	No. Persons (1975)
Employer	2.5	190,000
Salaried Worker	5.2	395,200
Day Laborer	43.7	3,321,200
Self-employed	22.2	1,687,200
Ejidatario	16.0	1,216,000
Unpaid Family Labor	10.4	790,000
TOTALS	100.0	7,600,000

For the purpose of delineating a target group for its own poverty programs the Mexican government in 1973 estimated that there were 12 million people in rural areas whose per capita incomes were less than US $100 a year--roughly half of the population in the countryside.[3./]

[3] News release of the World Bank No. 77/136, June 1977.

If we look, however, at the productive resources controlled by the various size-categories of Mexican farmers, as many as four-fifths of the cultivators appear to be landless or nearly so.[4./]

A factor complicating the estimate of the rural unemployed in Mexico is the close proximity of the high wage US economy. Estimates are that approximately 5.2 million illegal Mexicans work in the US economy for some period of time each year.[5./]

Division of Land and Value of Production Among Size Categories of Mexican Farms, 1960

	% Farm Units	% Value of Production	LAND AREA % Cultivatable	LAND AREA % Irrigated
Infrasubsistence or Sub-family	84.1	23.1	34.0	2.7
Family	12.6	24.4	20.0	25.6
Multifamily Med.	2.8	22.0	15.1	32.7
Multifamily Lg.	0.5	32.3	30.0	39.0

This is what probably keeps the poverty category closer to the 50 percent estimated by the Mexican government rather than the 84 percent indicated by the figures on farm-size above. However, a large percentage of the workforce in Mexican agriculture would additionally slip down into the poverty category if employment opportunities for them in the United States were to constrict significantly.

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[4] CIDA, op.cit.

[5] Wayne A. Cornelius, "Illegal Migration to the United States: Recent Research Findings, Policy Implications and Research Priorities," Cambridge, Massachusetts: Center for International Studies, Massachusetts Institute of Technology, No. C/77-11, 1977.

Accepting for now the Mexican government's figure of 12 million rural poor, we then estimate that there are 4.8 million economically active persons below poverty levels. To place them into the categories employed by this study the occupational proportions of the 1970 census for agriculture were used.

LABORERS (47.5%)	permanent:	270,500
	temporary:	1,014,375
CULTIVATORS (24%)		
	secure/insufficient:	378,700
	insecure/insufficient:	270,500
TENANTS		*
ARTISAN, others (11.2%)		302,960
CONSTRAINED AG REFORM BENEFICIARIES (17.3%)		467,965
	TOTAL	2,705,000 Families

II. Causes and Trends in Landlessness and Near-Landlessness

Surveys indicate that income inequality is increasing in Mexico. For example, in 1950 the lowest 50 percent of income recipients accounted for 19.1 percent of all personal income; but by 1958 they received only 16.7 percent and by 1969 only 15 percent. During the same two decades the share of the wealthiest 20 percent grew from 60.4 percent to 64 percent of all disposable income. Within this process the unequal

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*To explain why certain categories were left blank, permanent laborers in Mexican agriculture are often skilled workers who do not fall into the poverty categories. Renters and sharecroppers are often large farmers or agri-businesses. Mexico does not have widespread toleration of the practice of squatting in rural areas. Title insecurities where they do exist, are principally among ejidatarios.

distribution of economic benefits between urban and rural people has been especially clear. A survey conducted by the Banco de Mexico in 1969 showed that although 40.8 percent of Mexican families had incomes of 1,000 pesos or less a year, the proportion of farm families reached 66.1 percent while non-farm families had only 25.6 percent.[6./]

The above inequality has been heavily influenced by institutional factors. The Mexican government has played a major role since 1940 in accumulating capital in the hands of the upper income strata and in transferring resources from agriculture to urban/industrial development. For example, Cynthia Hewitt de Alcantara analyzes how a dual structure of supply was set up for large private farmers on the one hand and ejidatarios (land reform beneficiaries) and minifundistas on the other. The inefficiencies and poor service of government credit, seed, fertilizer and marketing agencies made factor costs higher and factor quality lower for small producers--putting them at a disadvantage to compete with larger commercial farmers even when the quality of their land was the same.[7./]

Competence aside, government agencies have at least offered services to ejidatarios and small farmers possessing irrigated lands. The majority of land reform beneficiaries and private minifundistas posessing rainfed lands, forest areas, etc. have operated practically in a vacuum of public concern for their well-being. Although half of the country's

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[6] Cynthia Hewitt de Alcantara, Modernizing Mexican Agriculture: Socio-Economic Implications of Technological Change 1940-1970, Geneva: UN Research Institute on Social Development, 1976, p. 119.

[7] Ibid., see Chapter 2.

cultivatable land had been formed into ejidos during the radical phase of the land reform, during the 1940-1970 period nothing was done to organize ejidatarios, improve their practices and make ejidos efficient in terms of production. Consequently most ejidos fragmented with members each receiving land to work by themselves. In the absence of production credit many ejidatarios rented their land to larger private farmers, left it fallow, or turned to hard-bargaining local money lenders. Thus a new system of social domination emerged in the post-land reform period, much as it is doing in Bolivia today. The new system in Mexico is based less on visible ownership of large extensions of land, and more on control via marketing and credit. In comparison with the previous hacienda system, most observers have agreed that the domination mechanisms operating in Mexican agriculture today are more complex, more impersonal, and much more difficult for the peasant to identify exactly who it is that is removing his production surplus.[8./]

Two additional factors are important in establishing the distribution of productive resources in rural Mexico. One is the increasing penetration of US investment in food processing and in the export of fruits and vegetables to the American market. Control mechanisms are no different than those regularly operating in the commercial and transitional sectors:

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[8] Rodolfo Stavenhagen, "Social Aspects of the Agrarian Structure in Mexico," in Agrarian Structures and Peasant Societies in Latin America, Stavenhagen, ed., New York: Anchor Books, 1971. For an example of the renting of ejido lands see, A. Rene Barbosa and Sergio Maturana, El Arrendamiento de Tierras Ejidales, Mexico, Centro de Investigaciones Agrarias, 1972. An example of commercial penetration of agriculture and the difficulties of minifundistas in opposing it is: "Del Monte: Bitter Fruits," NACLA's Latin America and Empire Report, Volume X, No. 7, pp. 12-15.

credit and production quotas. Taking the strawberry industry as an example, Ernest Feder discusses the dangers such investment represents for improved income distribution and employment in rural Mexico. US demand for the Mexican agro-exports fluctuates like a roller coaster. If Californian or Texan producers expand cultivation, or if demand in the US economy for fruits and vegetables slumps, Mexican production quotas are the first to be viciously cut back. And since US buyers do this unhampered by the Mexican government, no social criteria are used in determining whose production gets cut back. On the contrary, Feder's findings show a bias against government-organized ejidatarios and small producers and in favor of large private farmers.[9./]

The other factor affecting the distribution of resources in the countryside is the Mexican political institutions which effectively prohibit possibilities for peasant organization independent of government control. During the Cardenas Administration the Mexican state eliminated agrarian leagues independent of its control and formed a National Peasant Confederation (CNC). Today the CNC has made alliances with and extended its influence over all agrarian organizations in Mexico except one. The ability of the regime to preclude class-based organization among landless laborers, minifundistas and ejidatarios has been instrumental in allowing the commercial sector to concentrate land and water and to pay wages well below the established minimums. Considering that the Mexican peasantry has a history of social revolution and given the fact that the bulk of the rural work force are affected by the fluctuating expansion and contraction of commercial

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[9] Ernest Feder, Strawberry Imperialism, The Hague: Institute of Social Studies, 1977, Research Report Series No. 1.

production, one sees how important these political mechanisms are to the efficient, peaceful functioning of Mexico's agricultural economy.

As to the overall trends on rural income and employment, if one believes Barbara Tuckman's figures (shown below) they indicate a tendency for incomes to have moved upwards in the rural areas between 1960 and 1969.

The Green Revolution and Agricultural Income in Mexico:
Monthly Agricultural Income by Regions
1960 and 1969 (%) 10/

	Income Brackets (pesos)	Mexico	North	Pacific North	Central	Gulf	Pacific South
1960	up to 499	89.93	87.78	74.83	92.16	91.29	93.71
	500-2499	8.26	10.17	22.20	6.16	7.06	5.06
	2500 + >	1.79	2.03	2.98	1.68	1.64	1.25
1969	up to 499	77.02	74.17	30.20	80.28	84.03	89.38
	500-2499	20.97	23.05	64.69	18.07	14.61	9.53
	2500 + >	2.02	2.79	5.12	1.66	1.36	1.10

On the other hand, Cynthia Hewitt de Alcantara's agrument--also based on analyzing the 1970 census--is that while minimum wages for landless labor rose, opportunities to work declined. Thus the real income of landless laborers fell from 850 pesos in 1950 to 700 pesos in 1970.11./ As for minifundistas, analysis of census data shows that

[10] Barbara H. Tuckman, "The Green Revolution and the Distribution of Agricultural Income in Mexico," World Development, 1976, Volume 4, No. 1, Table 5, p. 23.

[11] Hewitt, op.cit., p. 133.

infrasubsistence farms provided those who worked them with an average of 291 pesos in 1969. CIDA calculated that in 1960 the same farm-size category produced an average of 500 pesos.

The most accurate thing that can be said is that analysis of income trends shown by the 1970 agricultural census are still not conclusive.

III. Public Policies Affecting the Landless and Near-Landless in Mexico

The Mexican government is carrying out three policies to increase rural employment and decrease differences in rural/urban income. One policy is for the Ministry of Hydraulic Resources (SRH) to concentrate more attention on the poorer central and southern regions of the country. A relatively neglected problem with the SRH, however, is the question of corruption with regard to the distribution of water. Political will seems to be lacking to enforce laws that apportion water among the various sizes of farms. So the social value of decentralizing irrigation infrastructure is going to be significantly diminished if more attention isn't paid to how the water is distributed.

A second redistributive policy has been to expand CONASUPO, the government price and marketing agency to acquire and sell food stuffs. Whereas CONASUPO formerly bought from large commercial farmers, it now buys more from smaller producers and has also furnished the latter with expanded warehouse and storage capacity. CONASUPO also dramatically increased its number of retail outlets during the Echeverria Administration (1970-76); it now has over 5000 stores. During Mexico's recent

bouts with inflation, devaluation and monetary stabilization--all of which have inflicted heavy punishment on lower class income and consumption--CONASUPO has played a useful social function in holding down prices of basic items so that lower classes had a bit more access to them.

The third and most important government policy is to decentralize planning and the delivery of services by dividing Mexico into 100 micro-regions of rural development. The Investment Program for Rural Development (PIDER, in Spanish) has so far invested about $500 million since 1973 in 86 of these micro-regions; and an investment of another $700 million is planned over the 1977-82 period. By 1982 the PIDER program is calculated to affect one quarter of the rural population--approximately five million people--either directly through permanent jobs in rural industries and temporary public works employment, or indirectly through the construction of feeder roads, water and electric supply systems, schools, etc.

Seventy percent of PIDER investment for the 1977-82 period is scheduled for directly productive activities such as small scale irrigation; production credit; development of livestock, fruticulture, forestry and fisheries projects; and small scale rural industries to employ the landless. The rural industries include food processing; small industries producing low-cost goods for local consumption and labor-intensive artisan industries. In addition, another 22 percent of the 1977-82 PIDER investment is earmarked for the construction of feeder roads using labor-intensive methods; rural marketing programs, organization and training of farmers; and extension service to promote improved farming methods.

These last three emphases have been very neglected aspects of Mexican government policy prior to just recently; so it is significant that public investment is being made in the social-organizational aspects of rural development in addition to constructing infrastructure and providing more services.

The PIDER program responds not only to the priorities of the Mexican political elites who are quite conscious of the country's serious problems with employment and income distribution, but also to the urging of the US government that more rural employment be created in order to stem the flow of Mexican migrants into the American economy. US-backed lending agencies such as the World Bank and the Inter-American Development Bank have approximately matched funds with the Mexican government to finance PIDER. This in itself is a significant development because whatever initiatives the regime in Mexico can take in terms of rural development are conditioned to a significant extent by willingness in Washington to increase grants, loans, import quotas, etc. So it is significant that the Carter Administration is showing willingness to cooperate in Mexican rural development activities.

IV. Income and Employment Among the Landless and Near-Landless: Evidence From a Micro Study

A microcosm of the interrelated problems of minifundismo, poverty and rural unemployment which we've been discussing is a study of conditions in the Sub-Valley of Toluca done by Dr. Rene Barbosa-Ramirez. This particular area is interesting because it is located in an industrial growth pole formed between Mexico City and Toluca, a state capital to the northwest. So what the study reflects is not simply opportunities

on the land, but opportunities (or better, the lack of them) afforded by urban industrialization.

When it was surveyed in 1970 the Sub-Valley of Toluca had approximately 40,000 farm units; and the proportion of ejido to private farm units was approximately 2 1/2 to 1. The characteristics of the area included excess population; too little land useful for agriculture; a deficient technology; insecure tenure due to lack of documentation; little or no technical assistance or credit; plus the existence of early or late frosts and hurricane-like winds. What is income and employment like under such adverse institutional and physical conditions?

Calculating that each worker had 252 disposable days of labor, Barbosa found that the average time spent cultivating the land was 10.3 percent of this amount. If off-farm employment was added on, the average total time worked was 34.7 percent of the disposable man-days of labor.[12./] Data on the income of these farm families is indicated on the next page.

V. Research Needs

The political elites are aware of the critical social problems in Mexico. Attention is needed to monitor the PIDER program, particularly its success or failure in creating employment and its ability to raise incomes among a significant number of people. Making resources for rural development (vs. large farmer agricultural modernization) is in itself a major step forward. But corruption is a virulent disease with Mexican

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[12] A. Rene Barbosa Remirez, Empleo, Desempleo y Sub-Empleo en el Sector Agropecuario, Mexico: Centre de Investigaciones Agrareas, 1976, p. 262.

Farm Size and Net Income in the Sub-Valley of Toluca--1974+ [13]

Strata	No of Hectares	% of Total Ejido Parcels	Total Net Income per Fam Member*	Total Daily Income Per Family Member*
1.	.01-- .5 ha	35.5%	$105.76	$0.29
2.	.50--1.0 ha	25.8%	$ 67.68	$0.18
3.	1.01--1.5 ha	9.7%	$101.28	$0.28
4.	1.50--2.0 ha	11.8%	$ 7.44	$0.02
5.	2.01--2.5 ha	2.1%	$ 39.92	$0.10
6.	2.51--3.0 ha	4.4%	$ 48.72	$0.13
7.	3.01--3.5 ha	-	-	-
8.	3.51--4.0 ha	6.4%	$ 14.56	$0.04
9.	4.01--4.5 ha	1.1%	-	-
10.	4.51--5.0 ha	1.1%	$308.00	$0.84
11.	5.01--5.5 ha	-	-	-
12.	5.51--6.0 ha	2.1%	$117.12	$1.32
PRIVATE PROPERTY				
	Less than 5 ha	99.7%	$112.64	$0.31
	More than 5 ha	2.3%	$563.84	$1.54

+A sampling of farm families was taken. N = 99.

*Monetary amounts are given in US dollars. US $100 was figured by the Mexican government as the minimum necessary income per person.

public policy; so plans to invest money in the countryside will matter little if they are not matched by the political commitment to see that the programs are directly benefiting the most disadvantaged rural groups. Without a doubt, however, PIDER is unmatched in the entire Latin American region for the content and scope of its program--so there is much to be learned from following its progress.

[13] Ibid.

COUNTRY PROFILE: PERU

Population (1977): 15,893,543

Workforce (42% of the population): 6,675,270

Percentage of Workforce in Agriculture: 44.5%

Workforce in Agriculture: 2,970,501

I. Incidence of Landlessness and Near-Landlessness

Any discussion of rural socio-economic conditions must revolve around an attempt to assess the impact of the land reform carried out by Peru's military government since 1968. By 1976 approximately 7 million hectares had been distributed, benefiting some 250,000 families--approximately one-third of the rural population.

The reason it is difficult to estimate the distributive scope of Peru's new agrarian reform is because the organization of reform units is complex and also in its fledgling states. It remains to be seen the extent to which reform units will be able to increase employment and income distribution in the rural areas, or will be converted into closed corporate societies dominated by those fortunate enough to have gained membership when the reform units were initially formed. This is an important question, because estimates of the number of people left out of the benefits of the agrarian reform range from 55-65 percent of the economically active persons in agriculture.

Comparing the pre-reform and post-reform situations, recent policies have not changed Peru's land tenure structure *per se*. Indeed, landholding has become even more concentrated as a result of the agrarian reform. But

enormous estates are no longer in the hands of private landlords; rather, they are ultimately controlled by the government. Jose Maria Caballero commented that the agrarian reform has produced two principle results to date. One is the reordering of capitalist commercial agriculture, making it more dependent on the State. The other is the destruction of archaic relationships of domination and exploitation between traditional landlords ("gamonales") and the peasantry in the Sierra.[1./]

The government's commitment to maintain large concentrations of land and not permit fragmentation is what distinguishes the Peruvian agrarian reform from agrarian reforms in Mexico and Bolivia. The organizational model for doing this in Peru is the production cooperative. Modern commercial plantations on the Coast have been converted into reform units called "CAPs" (Agrarian Production Cooperatives) whose members are ex-estate workers. In the Highlands, large cooperatives (mostly for livestock, although a lesser number principally raise crops) are called "SAIS"--Social Interest Agrarian Societies. In a SAIS, members are juridic persons rather than real persons. Membership in large SAIS cooperatives consists of smaller service cooperatives, peasant communities, etc., each of whom receive a share of the benefits, although participation in actual production varies.[2./] Approximately 76 percent of the land adjudicated by the agrarian reform has been in

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[1]Jose Maria Caballero, "Sobre el Caracter de la Reforma Aqraria Peruana," Latin American Perspectives, Volume IV, No. 3, (Summer, 1977), pp. 146-159.

[2]For a more detailed analysis of CAPs and SAISs see Douglas Horton, Land Reform and Reform Enterprises in Peru, Madison, Wisconson: LTC-IBRD Report, 1974.

the form of CAPs or SAISs.[3./] On the Coast, CAPs are generally run as collectives. In the Sierra, only 23 percent of the CAP and SAIS units are farmed collectively, the other units being divided among the farm families who are its members.

In addition to the reform units, peasant communities have received about seven percent of the adjudicated land; "Campesino Groups" in the process of forming CAPs have received another 10 percent; and private individuals have been given six percent. No priority has been given by the government to the elimination of a large sector of minifundista farmers found mostly in the Sierra. Indeed, in areas with excessively small or fragmented holdings such as the southern Sierra, subsistence farmers have received no land at all. Looking at who has benefited from the reform up to 1973, the majority of those who became CAP members were the wealthier segments of the agricultural workforce--the permanent plantation labor who operated commercial estates on the Coast. A second group who benefited were workers on large livestock concerns in the Sierra. A third group which has emerged with a greater amount of economic power as a result of the reform is the "kulak" class of family and middle-size farmers in coastal areas.

Below is the distribution of land after the reform ended its period of active adjudication of property relationships, according to one recent analysis.

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[3]For a criticism of the weaknesses of this model see: Mariano Valderrama, "Reforma, Agraria y acumulacion capitalista en Péru: el modelo, sus limites y sus contradicciones," Estudios Rurales Latinoamericanos, Volume 1, No. 1, 1978, pp. 97-110.

To now make a determination of the actual numbers of landless and near-landless in Peru, the table below indicates that approximately 40 percent of the economically active persons in Peru are engaged in subsistence agriculture. This estimate is not out of line with the findings of the CIDA study on Land Tenure and Socio-Economic Conditions in Peru (1966). The CIDA study calculated that 89 percent of the workforce in agriculture consisted of sub-family farmers (57 percent); tenants (10 percent); and landless laborers (22 percent).[4./] However, the CIDA study was based on the 1961 agricultural and population censuses, which were before the land reform occurred.

Land Tenure Structure in Peru--1976

Enterprise Type	% Economically Active Persons	% Arable Land
Commercial Collective	1.7	21.5
Mixed Collective*	0.3	3.0
Independent Commercial Farmers	2.5	21.3
Peasant Farmers	40.0	54.2
TOTAL	44.5	100.0

*This category includes CAPS or SAIS such as those in the Highlands which are not yet run on as complete a commercial basis as, for example, the sugar cooperatives on the Coast.[5./]

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[4] Centro Interamericano del Desarrollo Agricola (CIDA), Tenencia de la Tierra y Desarrollo Socio-economico del Sector Agricola: Peru, Washington: Pan American Union, 1966, Appendix I-IV, p. 52.

[5] Caballero, p. 150, Table I.

Trying to assess the effects of Peru's recent land reform on the basis of total income received. Caballero estimated in 1976 that only 22 percent of the workforce in agriculture would have a permanent source of work (salaried or non-salaried) that would yield an income capable of meeting basic family needs. Caballero estimated that another 25 percent of the agricultural workforce would have stable work on the new reform enterprises, although the income derived from this would not be enough to meet basic family needs. Finally, another 55 percent of the agricultural workforce who are landless or near-landless would be excluded altogether from the benefits of the agrarian reform.[6./]

Caballero's estimates are in reasonable accord with those of another analyst, Colin Harding, who wrote in 1974 that if landholding limits laid down in the agrarian reform law were respected, it would still leave 350,000 landless laborers with nothing, quite apart from the 300,000 families with one hectare each. According to legal specifications, there was enough land for 79,916 farms on the Coast with 171,000 families qualified to receive one. In the Sierra the situation was worse: there was enough land for 69,622 family farms with 681,000 potential recipients.[7./]

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[6] Caballero, op.cit., p. 149.

[7] Colin Harding, "Land Reform and Social Conflict in Peru," in Lowenthal, ed., The Peruvian Experiment: Continuity and Change Under Military Rule, Princeton: Princeton University Press, 1975, p. 244.

Based on evidence from several sources, we project the following approximate numbers of economically active individuals falling into the occupational categories employed in this study*:

Peru

LABORERS	permanent	33,330
	temporary	166,650
CULTIVATORS	secure/insufficient	274,972
	insecure/insufficient	99,990
TENANTS		49,995
ARTISANS, Others		208,312
CONSTRAINED AG REFORM BENEFICIARIES		
	individual coop members	166,650
	members of agrarian communities	111,100
	TOTAL	1,111,000 families

II. Causes and Trends in Landlessness and Near-Landlessness

Employment trends in rural Peru have not been encouraging. In the 1960s large coastal estates mechanized heavily and cut their employment drastically. Sugar plantations cut employment in half. In other crops such as rice and cotton, sharecropping and tenancy were reduced. Consequently the rural population on the Coast became increasingly crowded onto the meagre resources of the minifundia sector and dependent upon whatever part-time work could be found.

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*The way in which these figures were calculated is explained in an annex at the end of this country profile.

Originally the agrarian reform increased the displacement of labor. The reform program set out with the orthadox aim of giving "land to the tiller" in family-size units and also consolidating small and medium size private property along commercial farming lines. To consolidate this class of commercial farmers, landowners were given the option of carrying out their own voluntary reform outside areas of declared agrarian reform zones. In the scramble to parcel up estates, permanent and temporary laborers suffered. One author estimates that in the Canete Valley south of Lima, 2000 permanent laborers--40 percent of the workforce--were being thrown out of worker turned into casual laborers because of the smaller labor requirements of the new parcels of land. This trend has now been reversed.[8./]

The result of scarcity of good farm land and the increased competition for it has been a sharpening of social differentiation in the countryside. Some were able to defend themselves much better than others. According to Colin Harding, those who have increased power and social status as a result of the agrarian reform include sharecroppers and ex-laborers on the central coast; estate laborers, agricultural workers and government technocrats on the Southern coastal estates, and former resident laborers in the Sierra. If we look at one example of pre-reform and post-reform division of income, it can be seen how change has dramatically favored the permanent (vs. temporary) labor force.

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[8] Henry Pearse Garcia, "La Reforma Agraria Peruana en la Crisis del Estado Oligarquico" in Estado y politica agraria.

Changes in Income Distribution on the Coastal Sugar Estates[9]

Year	Workers		Administrators		Day Labor		Owners	
	% pop	% income	% pop	% income	% pop	% income	% pop	% income
1968	77	47	11	25	11	3	.03	36
1972	70	73	15	23	15	4	--	--

Horton reports a similar sharpening of cleavage among the peasantry in the Sierra. On SAIS units in the Puno, for example, the conflict is between ex-estate workers and the peasant communities and private holders on the edges of the reform property. In an area where unemployment is critical, the peasant communities and minifundistas want the idle cropland held by the SAIS. But cooperative members prefer to mechanize before allowing more families into the cooperative by letting them use idle farm land.[10]

The natural tendencies of reform beneficiaries to prefer to form closed corporations are exacerbated by government policies that have maintained and probably increased the advantages of large estates over small farms in the acquisition of resources and improvement of production methods. Nearly all government assistance to agriculture is concentrated on the production cooperatives; less technical assistance is available to small farmers than before the reform; and it appears that large cooperatives

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[9] Santiago Roco, "The Peruvian Sugar Cooperatives: Some Fundamental Economic Problems, 1968-1972," Economic Analysis and Workers' Management, (Belgrade) 9:1-2 (1975), Table 3.

[10] Horton, op.cit., p. 153.

are disproportionately favored by government priorities in the acquisition of machinery, fertilizers, seeds and irrigation water. While this allocation of resources may increase food and fiber marketings in Lima, it may well lower the total value of agricultural and livestock production and the welfare of rural and provincial people. This, then, may be the most important trend in Peru today.

A final political trend which may have important bearing on the plight of the landless and near-landless in Peru is the fact that the military government has received little popular support from the implementation of agrarian reform, despite the amount of land that was expropriated. In part this is due to the fact that two-thirds of the agricultural workforce have not benefited from the reform in direct, tangible ways. Even reform beneficiaries are leery of further dealings with the government. As Cynthia McClintock's research shows, this is partly because they do not want to share land with outsiders and partly because they do not want to share land with outsiders and partly because the existing organizational structures to give peasants greater participation in decision making and/or control of these estates is weak.[11./] This lack of popular support for the government and its cooperative programs may cause the regime to invest its funds where it gets the greatest short-run economic and political returns. Horton speculates that:

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[11] Cynthia McClintock, The Impact of Agrarian Reform Organization on Attitudes and Behavior of Organization Members in Peru, Ph.D. Dissertation, Massachusetts Institute of Technology, 1974, p. 11.

> Since the returns (to government funds) are likely to be calculated in terms of productivity and not participation, more is likely to be spent on credit and technical assistance than on adequate leadership and cooperative training of peasants. Moreover, government funds are likely to be invested in areas already most productive and best integrated into the market system. To the extent that this is true, government policies are likely to improve the best reform enterprises and disregard the poorest ones.[12./]

III. Public Policies Affecting Landlessness

By the Peruvian Government's own estimate, 66 percent of the rural labor force is underemployed and unable to earn an income sufficient to meet their minimum basic needs--this calculation being made in 1974, a full six years after the onset of agrarian reform.[13./] The government has taken several steps to cope with this enormous unemployment problem. The formation of CAPs and SAISs is only one step in the transformation taking place. These reform units have been united into large regional central cooperatives for purchasing inputs as well as machinery and for marketing products as well. The government has also created a large purchasing corporation, (EPSA).

The regime admits that there is not enough land in Peru for everyone to be included in the agrarian reform, especially in the Sierra where most of the SAIS cooperatives engage in labor extensive livestock raising. The government plan is therefore to create food processing industries,

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[12] Ibid., pp. 181-182.

[13] FAO/IICA/CENCIRA, Cambios Contemporaneos en la Estructura Agraria Peruana, Lima (1976), Table 21, p. 36.

textile and artisan industries, mining operations, etc. The apparatus to generate off-farm rural employment and at the same time service agrarian reform beneficiaries are large central cooperatives called "Integrated Projects of Rural Development" (PIARs) which group many units within a region together. By April, 1973 there were 52 PIARS in existence, and another 53 planned by the end of 1974. International financial institutions have been considering loans to establish textile industries in hopes that greater demand for wool will spur greater production and also create jobs for the landless.

The PIARS have potential to widen the distribution of benefits of the agrarian reform and create more employment, especially since one of their objectives is to equalize the levels of productivity and income among base level units. Problems arise, however, with the permanent workers on wealthier cooperatives who are reluctant to share profits with outsiders. For example, Horton found that in many highland reform enterprises cropland now lies idle. When questioned about how this land could be brought under cultivation, cooperative leaders and members universally advocated mechanization rather than turning it over to families outside the cooperative for cultivation. Horton also concluded that neither the Ministry of Agriculture's nor financial institutions' experts are willing to sacrifice profits for employment. His comment was that, "Everyone passes the buck, and the employment effect of the land reform and its associated diversification projects seems destined to be minimal."[14./]

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[14] Horton, op.cit., p. 169.

Another problem is that even when there is no direct conflict between people, they just do not have the same interests. In most coastal valleys there are a mixture of crops. There are also pastoralists. Tremendous amounts of diversity in any micro region. Groups are more likely to have ties to Lima than with one another.

Another obstacle to creating greater rural employment is the decapitalization of the rural sector that occurs as a result of the agrarian reform debt. Nineteen million soles (US $300 million) must be repaid by land reform units for equipment, installations, cattle and land. But the government has decreed that landlords can only invest these funds in urban industrial development rather than in agriculture or rural industries.[15./]

As for what policies can be directed specifically to the landless and near-landless, one labor economist, C. D. Scott was pessimistic about possibilities of unionization to raise wages of casual laborers because supply is so great that it would be relatively easy to undermine labor boycotts. Another alternative, subsidized credit to set up rural industries for the LNL and share income between richer beneficiaries and poorer rural residents did not seem politically feasible to Scott. His conclusion was that jobs would have to be created outside the agricultural sector.[16./] As the slum areas ("puebles juvenes") around Lima

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[15] Adolfo Figueroa, "Agrarian Reforms in Latin America: A Framework and an Instrument of Rural Development," World Development, Volume 5, No. 1 & 2, p. 262.

[16] C. D. Scott, "Agrarian Reform and Agricultural Labor Markets," Ninth World Congress of Sociology, Uppsala, Sweden, 1978.

expand dramatically, this in effect is where the rural poor are going.

In terms of the government's capacity to finance rural development for the LNL, approximately 80 percent of the current agricultural budget is being spent on large irrigation projects on the coast to produce more food and agricultural crops for Lima.[17./] These projects were begun many years ago and involve long-term investment, so the regime is locked into these spending priorities. A recent review of all agricultural and rural projects financed by the World Bank and the Agency for International Development found that there was almost no direct beneficial impact for the landless anticipated in any of the projects.[18./]

V. Needed Future Research

Careful monitoring is needed concerning three aspects of the agrarian reform: (1) the 25 percent of the economically active rural population who are "constrained agrarian reform beneficiaries"; (2) the plight of the rural majority of landless and near-landless who were not directly incorporated into reform organizations among the peasantry; and (3) the extent to which genuine participation in decision-making and political representation are created, or whether the new reform units will become dominated from above by political bosses and government bureaucrats. We need to know what is occurring in the consolidation period.

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[17] E. V. K. Fitzgerald, The State and Economic Development: Peru Since 1968, New York: Cambridge University Press, 1976.

[18] Guy Gran, Development vs. the World System: A Model Policy Planning Study of Peru, Washington: Agency for International Development, March, 1978.

Peru Annex--Landless calculations were determined as follows:

Ag Workforce (A) for 1977 =	2,970,501	
	- 653,510	(Ag Workforce able to meet basic family needs--.22A)
	2,316,991	(Ag Workforce not earning enough to meet basic needs)
	- 742,625	(Constrained Agrarian Reform Beneficiaries, .25A--now called "B")
	1,574,366	(Landless or near-landless population not receiving benefits from agrarian reform--"C")

"B" was divided as follows:

CONSTRAINED AGRARIAN REFORM BENEFICIARIES	individual members of cooperatives	=	.60 B
	members of agrarian communities	=	.40 B

"C" was apportioned thusly:

LABORERS	permanent	=	.04 C
	temporary	=	.20 C
CULTIVATORS	secure/insufficient	=	.33 C
	insecure/insufficient	=	.12 C
TENANTS		=	.06 C
ARTISANS		=	.25C

A decision was made to divide "C" into 20 percent laborers, 25 percent artisans and 55 percent cultivators of various sorts on the basis of the CIDA study, and also in recognition of the fact that a large number of rural people work on artisan and other off-farm activities due to the scarcity of cultivatable land in Peru.

The 'Cultivator' category of "C" was disaggregated according to the proportions reflected in the 1972 Agrarian Census, which supplied the following information:

1972 Census of Cultivators With 20 Ha. or Less

Tenure Category	% Cultivators
Proprietor	56.0
Customary Proprietor (30+ years on land)	8.0
Cultivator with Rights in Adjudication	4.4
Precarious Proprietor (LT 30 years on land)	6.5
Renter (with contract)	7.4
Communal Cultivator	8.4
Hacienda Worker (feudatario)	6.4
Other	3.3

Hacienda workers were listed as "permanent laborers" in the landless categories.

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