LAND-RELATED PROBLEMS: CENTRAL AMERICA

I. The Economic and Social Rationale for Improving Access to Land

The distribution of agricultural land and other assets plays a major role in determining the distribution of benefits from agricultural growth. 1/ In Central America, as in other developing countries, the lack of access to land is intimately related to rural poverty, low agricultural productivity, and social and political unrest. The lack of secure tenure arrangements also inhibits the husbanding of land resources. Especially when combined with rapid population growth, it leads to deforestation, soil erosion, and other forms of environmental degradation. 2/

Research in recent years has revealed that a broadly-based agricultural development strategy involving small cultivators in commercial production offers the best prospects for rapid, sustained, and equitable rural development. 3/ Small farms tend to be more employment-intensive than large farms. From an economic efficiency standpoint, they tend to achieve higher output relative to the scarcity value of their total factor inputs than do large farms. 4/ The impact of extensive land tenure reform has usually been subject to controversy. 5/ In some cases, it has been clearly successful. In Japan and Taiwan, extensive agrarian reform after World War II -- with substantial U.S. government involvement -- had favorable economic impacts. 6/

The pattern of agricultural growth in Central America has been distorted, at least to some extent, by government policies such as overvalued exchange rates, subsidized interest rates, and fiscal and tariff policies that have encouraged large producers to adopt capital-intensive technologies. Mechanization, however, often simply replaces labor with capital while affecting production negligibly, if at all. Capital-intensive growth has thus limited the growth of the incomes of the poor. Displaced agricultural workers, especially if they are illiterate or lack industrial skills, cannot be fully absorbed by urban industry. Many have remained in the countryside, some with small plots of their own and some living with relatives, finding occasional wage labor. The result has been the creation of a large landless and near-landless population, whose numbers continue to expand because of rapid population growth.

Capital-intensive growth and factor price distortions reflect underlying inequalities in the distribution of assets -- both physical resources and human skills -- in the society. 7/ Support for such distortions comes from the politically and economically powerful, who benefit from cheap capital and protective tariffs.

Factor price reforms should increase wage employment opportunities for the rural poor. Additional access to income-earning opportunities can be provided through private ownership of assets. As traditional agrarian structures break down (during the process of development) large numbers of people lose relatively secure niches and are unprepared to take

advantage of new opportunities. Many of the jobs created by more realistic factor pricing will still be beyond the reach of the rural poor. With secure access to land and water they would be better able to take care of their minimum needs, even at low income levels, during the difficult transition from an agrarian to an industrialized society. An increase in asset acquisition helps to increase the political power of the rural population and their ability to influence development policies at both local and national levels. An example of this from U.S. experience is described in the following quotation:

> In the Midwest, where the distribution of assets has never been highly skewed, large numbers of people have made a relatively smooth transition from rural to urban life. For landless sharecroppers of the South whose opportunities were narrowed by mechanization of the cotton harvest, the transition has been much more traumatic. In both cases, farms (or operating units) were being enlarged and labor productivity was increasing rapidly.... Emigres from the Midwest typically had high school or even college level training. They were members of property owning families which had exercised strong influence over state and local school systems. As workers on family enterprises, they had gained valuable experience which augmented their formal training. Southern sharecroppers (particularly black sharecroppers) had exerted no such influence over local policies. Neither did they have a secure base from which to seek and prepare for new opportunities. Most had fewer than six years of schooling, and outright illiteracy was not uncommon. Many found that attractive jobs in the North were as scarce as subsistence opportunities in their old communities. 8/

A wider distribution of assets therefore can increase production and productivity in many instances by offering realistic incentives for effort, use of inputs, conservation of soil fertility and long-term investments. 9/ Such incentives are lacking in tenancy and sharecropping as well as in the colono 10/ (hacienda) systems

where landowners have alternative investment opportunities. A more equitable distribution of assets, as noted above, tends to increase the efficiency of agricultural production; but the extent to which this occurs depends on the access small farmers have to efficient and effective delivery systems for credit and production inputs and to transportation, storage and marketing channels for their products. Raising the incomes and purchasing power of the rural poor can also contribute to effective demand and help stimulate local industries.

II. Dimensions of the Problem of Inequitable Land Distribution

Three key dimensions of land distribution problems in Central America are: a) the concentration of landholdings, b) insecurity of tenure arrangements and c) rural landlessness.

A. Concentration of Landholdings

One frequently used measure of the concentration of landholdings is the Gini index of inequality.. [11/] Like any statistic which attempts to describe a complex phenomenon in simple terms it can also distort reality. The Gini index does, however, provide one useful way of analyzing land distribution problems. The Gini indices presented in table I refer to landholdings, any part of which was used for agriculture without making any distinction among different

qualities of land or even whether the land was actually cultivated. For example, the high Gini index for Costa Rica reflects the existence of generally small farms in the rich coffee growing areas near population centers, and large farms and ranches in the more remote areas of the country, typically involving land of much lower value.

Given these caveats, it may be seen from Table I that Guatemala has the most highly skewed agricultural landholding pattern in the region (GI = 85), followed closely by pre-reform El Salvador (GI = 83). Data are not available to calculate a Gini index for El Salvador since the reform was initiated. However, Phase I of the reform has converted the largest farms in El Salvador which include 219,832 hectares (15% of the land in farms) into farmer cooperatives with 32,317 members for an average of 6.8 hectares (17 acres) per member. This shift alone has already made a significant change in the concentration of landholdings in that country.

It may also be seen from the data presented in Table I that all of the countries in Central America have Gini indices significantly higher than the average (GI = 67) for sixty-seven developing countries. However, concentration of holdings must also be considered in light of such other factors as population pressures, proportion of the population which is rural, and availability of land in the country. The problem of concentration is especially severe in

Guatemala because its population density is second highest in the region, particularly in the central highlands where most of the indigenous population is concentrated. Much of the additional available land in Central America is found in Nicaragua, Costa Rica, Honduras and Panama.

Table II provides data on the distribution of farms by size categories. These are the data from which the Gini indices were computed. The 1979 census in Guatemala found that 88 percent of the farms were smaller than 7 hectares (17 acres), but they comprised only 16 percent of the land in farms. At the other end of the spectrum, farms larger than 44.8 hectares (114 acres) accounted for 2.6 percent of the farms but 65 percent of the land in farms. The story was essentially the same in pre-reform El Salvador. Costa Rica has 43 percent of farms in the smallest category and only 12 percent in the largest. The data for Mexico indicate that distribution there is not much better than elsewhere in Central America. However, excluded from these data are nearly two million farmers on 60 million hectares (152 million acres) of ejido-type farms. 12/

The data presented for the United States show that in 1969 about 29 percent of the farms were larger than 100 hectares (247 acres) and occupied 82 percent of the land in farms, while nearly half of the farms were between 20 and 100 hectares (49-247 acres). Of the 52 million hectares (128 million acres) of total land in Central America, 5.3 million is in crops, 8.1 million is in permanent

pastures. The great bulk of the remainder is in forest, although part is also in roads, water bodies, towns or otherwise unused. The Food and Agriculture Organization (FAO) estimates that as much as 24.1 million hectares (60 million acres) are suitable for cropping and that 15.8 million hectares (39 million acres) are suitable for use as pasture or woodland. These figures, however, include vast, sparsely populated areas of eastern Honduras, Nicaragua and Costa Rica as well as the Peten region of Guatemala, for which sustainable productive technology has not been developed and which are virtually devoid of infrastructure. Given current agricultural practices, potential cropland is also overstated because sizeable areas must be fallowed in order to maintain the land's productivity. According to these FAO estimates, 46 percent of the land in Central America could potentially be cropped, compared with only 25 percent of the total land area of the United States. In order to realize this potential, however, substantial investment in infrastructure as well as technology development will be required.

Concentration of land holdings per se may not be detrimental to the economic social and political development of a country. However, concentration of holdings in situations where land is under-utilized and under conditions of abundant rural labor, coupled with a lack of non-farm employment opportunities (characteristic of the Central American countries), may indeed prove to be a major obstacle to increased economic development. While the development process should eventually result in a declining agricultural population, the urban

sector in Central America is not yet able to absorb sufficient labor for this to be a near-term solution. In the meantime, increased availability of productive assets in agriculture can increase the productivity and incomes of low-income groups.

B. Insecurity of Tenure Arrangement

In most of the Central American countries, a large proportion of farms are operated under insecure tenure arrangements. While the degree of insecurity varies from renters and sharecroppers to colonos and squatters, all of these tenure forms are less secure than outright ownership. It is not suggested that land tenure security is the only factor leading to rural poverty, but there is no question that it has a strong influence. Insecurity of tenure affects the economic choices available to the farmer in that lack of title may restrict access to credit; it may affect decisions to invest in land improvement (fertilizer, erosion control, irrigation and drainage works, etc.); and it restricts the farmer's freedom to sell out or acquire additional land.

For a farmer, tenure security is almost synonomous with economic security. The farmer's desire to control his own economic destiny is a culturally determined characteristic which is well established among Central America's largely Hispanic and indigenous populations. This often expressed, almost organic craving of farmers to control their own plot of land should not be ignored or minimized.

A 1973 survey of 531 Costa Rican compesinos by type of tenure, income and education level, indicated that rural poverty is not only related to landlessness but to the tenure security of small holders as well. 13/ Incomes of plantation laborers, sharecroppers and untitled landholders were lower than those of titled landowners even though educational levels of the former groups were higher.

Data presented in Table III from the most recent censuses of agriculture indicate that Panama and Honduras have the greatest percentage of farms within the insecure tenure group. Since the 1971 census, Panama has established a number of collective farms and Honduras has launched a titling program (described below) in response to this problem. The data for El Salvador show a significant decrease in owner-operated farms between 1950 and 1971. Again, the current reform in El Salvador has already improved tenure security for large numbers of former renters and sharecroppers.

C. Rural Landlessness and Near Landless

People who neither own land nor have use rights through rental, sharecropping, or other arrangements but who depend on agricultural employment are considered landless. Those with landholdings too small to provide enough production and income to meet minimum family needs are classified as "near landless." These people depend primarily on seasonal agricultural employment for their livelihood. They may be members of rural landowning households who cannot be

fully employed on the family plot or individuals who have left the land because further subdivision became irrational. The proportion of population in the landless and near landless categories has been growing rapidly in most of the Central American countries. More than 30 percent of the rural population in the region is landless or near landless.

III. Current Regional Responses to Land Related Problems

A. Distribution (Concentration of Ownership)

Certainly the most far reaching attempts to remedy highly skewed concentrations of ownership have occurred in Nicaragua and El Salvador. It is reported that at the end of their regime, the Somoza family and their supporters owned as much as 20 to 25 percent of Nicaragua's farm land. The Sandinista government expropriated all lands held by the Somoza family, and authorized the acquisition of all lands classified by the government as abandoned or grossly underutilized. To date, most of the farms affected by the expropriation have remained intact. The titles are held by the State, and they are operated by groups of farmers who share management responsibility with the central government.

In El Salvador under the sweeping agrarian reform program initiated in March 1980, over 20 percent of the land in farms has been affected, and 500,000 rural people have benefitted to date. Table IV provides a one-page summary of the current status of this reform.

Since the fall of the Arbenz government in 1954, Guatemala has concentrated efforts on the distribution of government-owned lands. Between 1955 and 1982 nearly 665,000 hectares were distributed to 50,000 beneficiary families. About 44 percent of this land was distributed in family-sized farms with the title vested in fee simple to the individual head of family. A quarter of the land was titled to groups of farmers and a another quarter in mixed ownership patterns (individual ownership of crop land and communal ownership of pastures). The remainder was distributed in small-sized plots averaging 4.7 hectares (12 acres).

Since 1968, Panama's agricultural policies have sought to improve the productivity and living standards of the rural population by organizing small farmers into collective settlements (asentamientos) or cooperatives; by providing them with land, credit and technical assistance; and by facilitating marketing of their output. Initially, these efforts were oriented towards land acquisition and settlement, peasant organization and provision of social and economic services such as education, health and feeder roads. Between 1969 and 1972, the Government acquired 330,000 hectares (one-sixth of the total land in farms in 1970). Since 1973, the emphasis shifted towards the consolidation of settlement efforts in lands already acquired and the expansion of production. In mid-1975 over 8,000 families remained established in 200 collective farms and 300 other cooperative units.

Honduras has a program supported by the Inter-American Development Bank developing the Aguan-Valley, where 7,000 families will produce citrus and palm oil products in an integrated farm-to-market agricultural settlement.

In 1980, with AID funding Costa Rica initiated an agrarian settlement program in Costa Rica. This included financing for roads, housing, community infrastructure, farmer training, production credit, and other activities. This project has suffered several delays, but to date about 2,000 families have been settled.

B. Tenure Security (Legal Title)

The land reform measures in El Salvador mentioned above in III. A. also address the problem of tenure security for renters and sharecroppers through the legitimization of property rights to the land they have been farming. To date 51,000 farmers have filed claims to 81,000 hectares of land under this program (see table IV for more details). The more modern titling and registration system (described below) being used in Costa Rica is also being installed in El Salvador.

AID, over the years, has funded cadaster projects in several Central American countries designed to create a technically and legally sound property registry system to serve as a basis for land titling. In 1982, AID provided funding in Honduras for a small farmer titling

project. The project is designed to streamline the process of establishing a legal claim to land, verifying and registering such a claim, and processing, issuing and registering title to the land. This project is expected to benefit about 70,000 farm families by handling 15,000 claims per year.

The settlement program in Panama described above in III. A. was much like colonization projects in other countries except that many of the settlers were already squatting on the land. The program then legalized their status and also made available credit, technical assistance and markets. It was designed to both distribute government land and provide improved tenure security.

The government of Costa Rica is modernizeing its land titling and registration process. This has involved a shift from the system inherited from Spanish colonial times wherein property titles were filed in the land registry under the name of the owner, to a system whereby properties are registered by location. Therefore to locate the registration of a particular property it will not be necessary to search through a large number of files. The old system was suitable when only a few hundred individuals owned property, but now that hundereds of thousands of people own property (a sign of progress) it is exceedingly cumbersome.

C. Landlessness and Near Landlessness

The chronic problem of landlessness and near landlessness and the parallel concerns for rural unemployment, underemployment and excessive migration to overburdened urban centers have been addressed primarily through labor-intensive employment schemes. In Guatemala, for example, the government launched a labor-intensive farm-to-market road construction effort which began in 1978. During 3 1/2 years of activity, 58 roads totaling 325 kilometers were constructed or improved. Over one million person days of labor were employed. Honduras also has a labor-intensive rural trails construction program underway. This type of construction and maintenance work is often used for other community infrastructure projects such as irrigation works, soil conservation work and reforestation, and may also include PL 480 food for work as compensation. Many of these efforts have been supported by AID.

IV. Country Options

As indicated earlier, the urban sector is not yet able to absorb the landless rural population in Central America, so solutions in rural areas are needed for the present. Increasing the accessibility to land is one means of achieving this. This sections describes the major options availalble for increasing access.

A. Expropriation and Redistribution of Land

In Central America, land has long represented the principal form of wealth and the principal source of economic and political power; the land tenure system reflects social class structures and relations. A restructuring of these systems with their rules and procedures involves changes in the political, social and economic power positions of several groups within the society.

For this reason redistributive reform is a contentious political, economic and social issue, but changes in land distribution also can dramatically affect incomes of the poorest groups. A major issue in redistributive reform is the method of land acquisition. Expropriation of privately held land with compensation by the state, similar to the reforms of Mexico, El Salvador and Japan, is the most direct and comprehensive option. A common feature is a maximum size limit on the amount of land one family or individual can hold. Often the limit has been determined as the size of unit which can be operated by the farmer with his own family labor.

Another alternative designed to both improve tenure security and redistribute land is a land-to-the-tiller program wherein land previously rented or sharecropped is expropriated (with compensation) and title given to the tillers. Payment is usually structured in an amount not to exceed former rental payments. Phase III of the El Salvador reform is an example of this type of program.

Implementation of reform programs has often created great uncertainties for those potentially affected, leading to deferral of agricultural investments and declines in agricultural output. To avoid this, the reform must establish a compensation scheme based on valuations other than market prices existing prior to the reform. If compensation is at full market value it may fail to meet the distributional goals.

B. Development of Commercial Land Markets

One alternative to expropriation is the development of commercial land markets. The objective of land market development is to enable rural residents to gain access to adequate size parcels, even though they have limited funds for down payment. Existing land markets in the dualistic societies of Central America operate in an extremely imperfect context. For example, there may be large landholdings which owners would be willing to sell, but the institutional and financial mechanisms to facilitate their transfer to a large number of smallholders are not in place. Such a program, then, would require the establishment of facilitative legislation and a financial institution specifically authorized to promote land sales to small farmers. While transfers of land would be voluntary in such a program, the government could provide incentives to large landholders such as exclusion of the resulting capital gains from taxation or tax incentives for reinvesting land sale proceeds in key industries. The government might also establish an upper limit on land holdings and allow individuals to voluntarily reduce their holdings.

C. Progressive Land Taxation

Another alternative reform is progressive land taxation. Land taxes should increase incentives to utilize land resources fully and penalize inefficient land use. Progressive rates (by size and quality of holding) would reduce incentives for large holdings. Where taxes were based on potential production rather than actual income, taxation can create powerful incentives for voluntary sale to smaller producers of under-utilized land. This could also drive down land prices. Land taxation can be politically and administratively difficult to implement.

D. Colonization

Colonization projects have generally included relatively high-cost, complex infrastructure (e.g. housing, irrigation and drainage, potable water systems, and community centers,) combined with settlement of families on government-owned lands. For this reason, these efforts often fall short of providing desired access to productive resources (land and markets) for the large majority of landless peasants, and the generally high cost per beneficiary indicates a need for simple project designs and for alternative strategies.[14/]

Government policies which would provide only the essential infrastructure (i.e. all-weather penetration and market roads,

a clearly defined cadastral system, land set-aside for future school and community structures, minimum and maximum limits to the size of a claimable homestead) could be used to induce spontaneous, but "controlled" colonization at a much lower cost and for significantly larger numbers of people. The movement of settlers into new areas is seen as a gradual process where the head of household or an older child will go to the settlement, begin to clear and plant part of the land. Meanwhile the family continues to subsist as before. Over a period of several years, the family will enlarge the acreage planted in the settlement area, construct a house and eventually move to the site. The need is for the government to facilitate this process. Infrastructure such as schools, water systems, health care facilities, etc. can be developed over time, in part by the government and in part by the settlers.

E. Titling Improvement Program

A less politically sensitive program which can help address the problem of tenure security is issuance of titles to squatters on national land and other farmers who have de facto titles or provisional titles. In many cases, dealing with the issuance of a large number of titles places a tremendous burden on those agencies of the government which are charged with titling. In some cases, the methods employed in title issuance and registration are archaic and need to be modernized. Here, technical assistance and modern computers, word processors and photogrammetry equipment can make a

major impact on accelerating this process. Improving secure tenure through titling can have many payoffs in terms of political and social stability, investment, access to inputs, and increased production and income.

FOOTNOTES

1/ See, for example, Marvin Sternberg, "Agrarian Reform and Employment: Potential and Problems," International Labour Review 103 (May, 1971): 53-76; William R. Cline, "Interrelationships between Agricultural Strategy and Rural Income Distribution," Food Research Institute Studies 12 (1973): 139-157; Irma Adelman and Cynthia Taft Morris, "A Typology of Poverty in 1850," Economic Development and Cutural Change 25, Supplement (1977): 313-343.

2/ See Erik P. Eckholm, Losing Ground: Environmental Stress and World Food Prospects, Foreword by Maurice F. Strong (New York: W. W. Norton & Company, Inc., 1976).

3/ The rationale for such a strategy is clearly presented in Bruce F. Johnston and William C. Clark, Redesigning Rural Development: A Strategic Perspective (Baltimore: The Johns Hopkins University Press, 1982).

4/ See R. Albert Berry and William R. Cline, Agrarian Structure and Productivity in Developing Countries (Baltimore: The John Hopkins University Press, 1979).

5/ See Dale W. Adams, "The Economics of Land Reform in Land America and the Role of Aid Agencies," AID Discussion Paper No. 21 (Washington, D. C., 1969); Peter Dorner and Don Kanel, "The Economic Case for Land Reform," Land Reform in Latin America: Issues and Cases, ed. Peter Dorner, Land Economics Monograph No. 3 (Madison: Land Tenure Center, University of Wisconsin, 1971), pp. 39-56.

6/ Among the most successful agrarian reform programs were those implemented in Japan and Taiwan, with substantial U.S. government assistance, after World War II. For a first-hand account by a major architect of these programs, see Wolf Ladejinsky, Agrarian Reform as Unfinished Business: The Selected Papers of Wolf Ladejinsky, ed. Louis J. Walinsky (New York: Oxford Universtiy Press for the World Bank, 1977).

7/ See Hla Myint, Economic Theory and the Underdeveloped Countries (New York: Oxford University Press, 1971).

8/ Marion R. Brown, "Agrarian Reform and Rural Development In Developing Countries: An Overview," in Background Papers for the United States Delegation (World Conference on Agrarian Reform and Rural Development, FAO, Rome, 1979).

9/ This is what Raup refers to as "Accretionary Capital Formation." See Philip M. Raup "Land Reform and Agricultural Development," in H.M. Southworth and B.F. Johnston, Agricultural Development and Economic Growth (Ithaca: Cornell University Press, 1967).

10/ Colonos are residents on large estates who are given use rights in exchange for (at least partial payment of) labor services rendered on the estates. They continue to enjoy use of the plot of land only if they remain employed on the estate.

11/ The Gini Index of Inequality, when applied to agricultural land is based on two variables: farm size and amount of land. The number of farms in each size category is compared to the amount of land in each category. In a perfectly equal distribution the Gini Index would equal 0. The higher the index, the greater the concentration of land.

12/ An ejido is a communal land holding established under the Mexican agrarian reform.

13/ Mitchell A. Seligson, Peasants of Costa Rica and the Development of Agrarian Capitalism (Madison: The University of Wisconsin Press, 1980).

14/ See Michael Nelson, The Development of Tropical Lands (Baltimore: The Johns Hopkins University Press, 1973), which reviews the experience of 24 colonization projects in Latin America. Nelson finds that benefit-cost relationships are generally more favorable for spontaneous colonization than for directed colonization projects.

Table I

Distribution of Agricultural Land: - Gini Index of Inequality

Country	Year	Index of Inequality	Year	Index of Inequality
Guatemala	1979	85	1950	86
El Salvador	1971	83	1950	81
Nicaragua	1963	80	1950	76
Costa Rica	1973	81	1950	83
Honduras	1974	78	1952	76
Panama	1971	78	1961	73
Average 67 Developing Countries	Various	67		

Source: World Handbook of Political and social Indicators, Yale University Press 1964 and 1972.. Hough, Richard, Land and Labor in Guatemala: An Assessment, 1982 and unpublished FAO paper: World Synthesis of Agriculture.

*/ The Gini Index of Inequality, when applied to agricultural land is based on two variables: farm size and amount of land. The number of farms in each size category is compared to the amount of land in each category. In a perfectly equal distribution the Gini Index would equal 0. The higher the index, the greater the concentration of land.

Table II

Percentage Distribution of Farm Holding and Area in Farms by Size Categories

Country	Census Year	Percent of Farms				Percent of Land in Farms			
		<5 Ha	5-20 Ha	20-100 ha	>100 Ha	<5 Ha	5-20 Ha	20-100 Ha	>100 Ha
Costa Rica	1950	62.4	21.1	14.2	2.3	1.4	8.7	29.1	60.8
	1973	43.2	21.9	22.3	12.6	1.9	6.0	25.1	67.0
El Salvador	1950	80.7	13.2	5.1	1.0	12.4	14.5	23.2	49.9
	1971	86.9	9.1	3.3	0.7	19.6	16.4	25.1	38.9
Guatemala	1950	76.2	19.9	3.7 1/	0.3 2/	9.0	13.7	27.0 1/	50.3 2/
	1979	88.1 3/		9.3 4/	2.6 5/	16.2 3/		18.7 4/	65.1 5/
Honduras	1952	57.0	29.9	11.3	1.8	8.1	18.3	27.2	46.4
	1966	47.2	35.6	14.8	2.4	5.5	17.3	29.3	47.9
Nicaragua	1952	19.8 6/	31.7	35.9	12.6	0.8 6/	4.8	24.0	70.4
	1963	35.4	28.4	25.1	11.1	1.5	5.1	20.5	72.9
Panama	1950	52.0	34.0	12.4	1.6	8.3	22.3	33.9	35.5
	1971	45.4	30.5	20.8	3.3	3.6	13.1	37.5	45.8
Mexico 7/	1950	73.6	14.0	7.6	4.8	1.3	2.3	5.2	91.2
	1960	66.8	16.8	9.6	6.8	1.1	2.2	5.3	91.4
United States	1969	5.9	17.5	47.8	28.8	0.1	1.2	16.4	82.4

1/ Includes farms 20-500 hectares
2/ Includes farms 500 hectares and larger
3/ Includes farms up to 7 hectares
4/ Includes farms 7 to 44.8 hectares
5/ Includes farms 44.8 hectares and larger
6/ Does not include farms smaller than 1 hectare.
7/ Does not include ejido sector

Source: FAO, World AGricultural Structure, General Introduction - Number and size of Holdings, Study No. 1, Rome 1961; OAS Instituto Interamerican de Estadistica, La Estructura Agropecuaria de las Naciones Americanas, Washington, D.C., 1957; OAS, Instituto Interamerican de Estadistica, America en Cifras - 1974, Situacion Economica (No.1), Washington, D.C., 1974; and agricultural census publications for the dates given in the table.

Table III

Percentage Distribution of Land Holding by Tenure Categories

Country	Census Year	Secure Tenure (Owner/Operator)	Percent of Farms Collective	Insecure Tenure 1/
Costa Rica	1950	81.1	-	18.9
	1973	85.4	-	14.6
El Salvador	1950	62.0	-	38.0
	1971	39.4	-	60.0
Guatemala	1950	55.6	-	44.4
	1979	88.0	-	12.0
Honduras	1952	21.3	33.9	44.8
	1966	22.4	24.7	52.9
Nicaragua	1952	-	-	-
	1963	38.6	8.0	53.4
Panama	1950	12.8	-	87.2
	1971	11.6	-	88.4
Mexico	1950	49.1	50.2	0.7
	1960	44.9	53.1	0.2

1/ Includes, renters, sharecroppers, Colonos, squatters and mixed tenure farms.

Source: FAO, World Agricultural Structure, General Introduction - Number and size of Holdings, Study No. 1, Rome 1961; OAS, Instituto Interamerican de Estadistica, La Estructura Agropecuria de las Naciones Americanas, Washington, D.C., 1957; OAS, Instituto Interamerican de Estadistica, America en Cifras - 1974, Situacion Economica (No.1), Washington, D.C., 1974; and agricultural census publications for the dates given in the table.

Table IV

Current Status of the Agrarian Reform Program in El Salvador

Phase I deals with properties of 500 hectares (1,235 acres) and over, and with smaller properties voluntarily offered for sale.

- Some 426 properties are now included in Phase I. This is a total of 219,832 hectares or 15.1% of the country's land in farms.
- The land claimed is turned over to farmer cooperatives, formed with government assistance. There are 317 functioning production cooperatives, most of which are completing their third year of operation.
- The operating farms have 32.317 cooperative members, who with their families are estimated to total 194,000 rural people.
- As of the end of July 1983, compensation to former owners by the Salvadoran Government totaled $102.8 million, including $7 million in cash, and $95.8 million in agrarian reform bonds.

Phase II deals with properties of 100-500 hectares, or 247-1,235 acres.

- Because of administrative and budgetary constraints, the Salvadoran Government has postponed this category of reform indefinitely.

Phase III allows former renters and share-croppers to claim the land they worked under those arrangements, as of May 6, 1980, up to a maximum of 7 hectares, or 17.3 acres.

- As of the end of July 1983, some 51,089 farmers had filed claims for land they had rented. A total of 80,858 hectares, or 5.6% of the country's land in farms, had been claimed. Including family members, approximately 306,500 rural people now benefit from improved tenure security to the land they till.
- 43,186 provisional titles to land have been issued.
- 2,691 final titles have been issued.
- Compensation to former owners now totals $6.2 million of which one-half ($3.1 million) is in cash, and one-half in agrarian reform bonds.

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