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**The Progress
of Land Reform
in Bolivia**

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Prefatory Note

IN PREPARATION for research in Latin America, the Land Tenure Center at the University of Wisconsin calls a meeting of faculty members to discuss the land tenure situation of the country in question. Over the last few months, the group that meets to discuss research proposals presented to the Center has been formalized as the "Land Tenure Center Faculty Seminar." It consists of University of Wisconsin staff members who have current research interests in Latin America. Authorities from other institutions are often called in to comment.

In December, 1962, the seminar met to discuss a research proposal on Bolivia presented by Dwight Heath, Associate Professor, Anthropology Department, Brown University. Heath had studied Bolivia twice previously since the Revolution in 1953 and now proposed to assess the progress in land reform over the decade.

Heath's proposed research was submitted to a panel of guests each also with a deep interest and considerable knowledge in Bolivian affairs. In addition to Heath, the discussants were:

Professor Edmundo Flores, Visiting Professor, Woodrow Wilson School of Public and International Affairs, Princeton University
Dr. Richard W. Patch, American Universities Field Staff
Dr. Casto Ferragut, FAO and Inter-American Development Bank
Dr. Thomas Carroll, Inter-American Development Bank

The Land Tenure Center has agreed, because of the importance of the land reform in Bolivia and the interest expressed at the seminar, to send a research team under Heath's direction to Bolivia in the summer of 1963. Charles Erasmus, Associate Professor of Anthropology, University of California at Santa Barbara, and two graduate student researchers will constitute his team. Early in 1964, their research paper should be available from the Land Tenure Center.

What are the effects of gradual change in land tenure? Heath and his team expect to conduct research that might point to the following policy considerations:

1. Is it possible to create new entrepreneurial groups without doing violence to previously existing ones?
2. In a situation of social revolution, what is the prospect for emergence of new leadership groups which are technically competent as well as politically acceptable?
3. How can the nation stimulate the relocation of farm people from overpopulated to underpopulated regions?
4. What are effective means of bringing "subsistence" farm families into fuller participation with the national economic system?
5. How can the build-up of social capital in underdeveloped areas be accelerated?

The proceedings of the December meetings provide good background material to Heath's proposed study. The second day of the two-day session was devoted to a panel discussion. We are including the spontaneous discussion that took place at that meeting, together with the question-and-answer session that followed. The meeting was conducted by Professor Henry Sterling, Chairman, University of Wisconsin Geography Department, and faculty seminar member. An updated paper of Heath's originally printed in *Inter-American Economic Affairs*, Vol. 12, No. 4, 1959, is also included for background reading.

LAND TENURE CENTER
212 Agricultural Hall
University of Wisconsin
Madison 6, Wisconsin

Land Reform in Bolivia

An Informal Discussion

**EDMUNDO FLORES, Visiting Professor,
Woodrow Wilson School of Public and In-
ternational Affairs, Princeton University**

I WOULD like to make a statement about the events that led to my presence in Bolivia and about the things I tried to say to the Bolivians as an adviser.

Towards the end of 1951 I wrote a little paper saying that with all the changes the various South American countries were contemplating, such as teaching the Indians how to read and how to adopt new techniques, the Indians were bound to remain in the same abysmal conditions of living until they got full citizenship—until they were absorbed into their countries and taught to become Peruvians, Colombians, or Bolivians.

My brief angry paper was not published. Then I printed the paper myself and sent it to the various governments, and a number of the Bolivians liked it because it talked about land reform not as a problem of farm management, but as a catalytic agent that would open the way for general change. At just about this time, Mr. Carroll decided I was the right man to organize the Land Tenure Seminar in Campinas, São Paulo, so I set out to visit each of the Latin American countries trying to get delegates for the seminar. In some countries I could recruit them very easily, in others I had no response. When I came to Bolivia, I found them quite ready for land reform. I was invited to lecture and dine and meet people, and suddenly I was asked to join the UN Mission in Bolivia as an adviser to the government on land reform matters.

I went back to the Congress in Campinas and soon I was asking Mr. Carroll and the other FAO men to let me return to Bolivia. After serious hesitation, they decided that perhaps this was not such a bad idea after all, so I left in the middle of the Congress, excited about my reassignment. This was a real assignment. Here was an area where technical assistance was needed, and I hoped I could provide it. What I had to offer Bolivia was based on the years I had spent in the United States learning agricultural economics and working on my thesis, which was a comparative analysis of the agrarian problems of Mexico and Peru.

I went to the President of Bolivia, and he said, "What kind of land reform do you recommend, Flores?"

"You hold the power," I said, "You tell me what kind you would like."

"No, Flores, you are the expert. Assume you have the power. What would you do?"

So I replied, "My idea of land reform is that it is deep surgery. I don't mean the bloodshed or violence, but I mean that you are going to shift the whole basis of society, and this is a painful, overwhelming operation. Let's do it quickly; the quicker we do it, the less painful it will be."

He asked if I guaranteed the operation, and I said, "Of course not, and for all I know the patient might die. Look, for example, at your sick plateau. It's eroded, overworked, overgrazed; many of its plant and animal species are completely degenerated, and the carrying capacity of this whole region is alarmingly low."

I suspect that the President of Bolivia decided to do demagogical social-minded land reform on the *altiplano*; to assume that if the *altiplano* could support so many people before the land reform, it could support that many after the land reform; to give land to every man regardless of consequences, forgetting any non-sensical theories about optimum-sized farms. The idea was to give the peasants here a feeling of citizenship—to give them a symbolic piece of land, if you please—so that for once in history since the Conquest these Indians could feel they were not being neglected. From this, we hoped for political stability.

And then in the area of Santa Cruz, it was planned to use the scientific approach to agricultural development, according to the rules of the game. We were going to use capital from tin exports and Point Four grants to develop our agriculture. We wanted to clear land, plant sugar, start sugar mills, and increase corn production. When this course was chosen, tin prices were very high. Then came the end of the Korean War and tin prices crashed, so the tin industry became a liability instead of the support for agricultural development we had counted on.

I tried to say to the Bolivians who wanted to hear me that land reform was a revolutionary measure, that therefore payments to landlords were going to be negligible. I think of land reform as a primitive, rather brutal measure of income redistribution. In a more modern country you resort to income taxes for income redistribution; in countries like Bolivia you resort to land reform.

When redistribution of land began much of it was done by decree, but there were areas along the Peruvian border that were distributed not at all by economic considerations but by strategic necessity. We knew that the Peruvian government was terribly upset by the reform and its exciting effects on the Peruvian Indians, and we were afraid of an invasion from Peru. So we decided to deal out all the land along the border very quickly, no surveyors, nothing fancy—this is land reform in an underdeveloped country, accomplished with underdeveloped means.

From the beginning, it was assumed that there would be a decline in food supplies, for Bolivia's production is not motivated by the market but by tradition. Farming is a way of life, not a business. The people would continue planting what they had always planted and go on with their normal farm operations. But the peasants themselves were going to eat more after the land reform, and therefore, urban centers would be supplied less adequately than in the past. Indeed we anticipated substantial food shortages in the cities.

The men who formed the Land Reform Council claimed alliance to ten or fifteen different political camps and included a few Trotskyites and Nationalists. It soon became clear, however, that all the men from the high plateau saw land reform for Bolivia in a way inspired by their plateau. The men from the *yungas* generalized the problem in quite different terms, not according to political ideology but according to their own geographic conditioning. The men from Santa Cruz saw the problem from a third entirely different set of commitments. This experience has led me to question the importance of café table ideologies when an economic policy is actually being formulated; I believe to a large extent that most Latin Americans would, like the Bolivians, tend to shape agrarian policy by the experiences they bring from their own surroundings. Naturally, in the Bolivian Decree, we find a number of contradictory things, for all the geographical outlooks had to be compromised and blended.

I happened to believe that the Bolivian Land Reform was a much more drastic step than that of Guatemala, and yet the Bolivians didn't get into trouble at all, while the Guatemalans did. The phraseology used in the two cases accounts for much of the difference. There is also the important fact that most of the properties in Guatemala were owned by Americans, whereas no Americans as individuals owned properties in Bolivia.

RICHARD W. PATCH, American Universities Field Staff

I first went to Bolivia in 1954 at the time the world was beginning to hear something about the striking effects of the Bolivian Land Reform. In 1951-53, I had been on two extensive field trips in Peru, where I had grown rather discouraged about the isolation and passivity of the Indians. I had lived in communities where the feudal patterns still existed, where the Indians were serfs willing to work three to six days a week on the lands of the *hacendado*. They considered themselves simply members of a community in which they were born, were married and died; they did not

think of themselves as part of a larger Indian population, and certainly they did not think of themselves as Peruvians. So it was with keen interest that I heard the reports coming out of Bolivia and went to La Paz in June of 1954.

I saw the vast stacks of papers accumulating in the offices of the Council of Land Reform and got some idea of the projects being carried out in the *altiplano*, but I was not able to get a clear picture from the La Paz files of what was happening elsewhere in the country, and I wanted more intimate knowledge of the densely populated Cochabamba valleys in interior Bolivia. Finally, though after some difficulties, I had the very good fortune to be taken by Eduardo Arze Loureiro, president of the Agrarian Reform Council, to the small Indian village of Ucucreña to observe the first anniversary of the signing of the Agrarian Reform Decree.

Ucucreña, about 45 kilometers from the city of Cochabamba, was the site at which the Decree had been signed in 1953 by the President and the entire cabinet, and there was reason why this small and distant hamlet had been chosen. It was the Indian organization in this area that had forced some of the provisions in the Decree upon the MNR party and that did much to shape the ways in which the law was put into practice.

The signing had been attended by hundreds of thousands of *campesinos*; our first anniversary was of course a much smaller event. A sort of noon banquet was to be held in what had been the house of the former large *hacienda*, still painted pink but now labeled in bold letters "General Barracks of Ucucreña." The President of the Council was not too sure how welcome I would be because this area had been practically sealed off from the rest of the country, and foreigners were highly suspect. I must admit I had some doubts myself when we entered the great square barracks and sat down at a trestle table to drink the maize beer, for pressing close upon the small opening where our table stood was a solid mass of *campesinos* with carbines over their shoulders. Yes, these Indians were organized!

The beginnings of organization among these Cochabamba Valley Indians dated from the years shortly after the Chaco War; veterans returning had done a great deal to stir the Indians out of passivity, first to the notion of renting land, and then apparently to more direct action.

After spending that first year in this region—and other periods of a year each—I am convinced that the redistribution of land in the Cochabamba Valleys was accomplished by the Indian people. It was not the work of a body of men in La Paz—who probably should be credited with the changes in the *altiplano*. Here the Indians had simply taken over the land. They had taken the houses, they had taken the vehicles, they had taken the seeds, and they had divided everything up among themselves. It was only later, during the first period I was there—in 1954 and 1955—that representatives of the Agrarian Reform Council were beginning to come in to try to put into some sort of order that which had already taken place.

It is this aspect that has made me feel most excited about the Bolivian Land Reform. As I witnessed it, it was a social process, something that went

far deeper than a mere law on the books. Whatever the agrarian reform law may have meant in other areas of Bolivia, its function here was simply to recognize what had happened.

The *campesinos'* physical attacks on the land-owning class were driving the land-owners out of Cochabamba into the cities, even into long periods of exile in other countries. Reform did away with the old elite, the aristocracy based on the land, and cleared the way for these Indians who had been serfs in a feudal system to move out of the separate caste of Indian, in which the word "Indian" carries a racial stigma. They moved from caste to a class; true, it was a class at the bottom of the now truncated pyramid, but still it was an upward step in the sense that they could now be mobile within the system. It was no longer wise to use the word "*indio*" in Bolivia. The word is "*campesino*", peasant or rural folk, without the racial attribution.

This taking of the land, this assertion of the Indian population, has tremendous meaning as a social process for the rest of Latin America. What has taken place in Bolivia reveals to us what may take place in other parts of South America in the not too distant future.

DWIGHT HEATH, Associate Professor, Anthropology Department, Brown University

Since we've been talking about various distinct zones in Bolivia—a country the size of Texas and California combined—it might be in order to refresh our memories on its great physical diversity, which induces wide differences in ecology and culture as well.

Through western Bolivia run two chains of the Andes Mountains, with peaks up to 21,000 feet, and between these chains is the high plateau, or *altiplano*, at about 12,000 feet. The *altiplano* is cold, rarely over 60 degrees, often very much colder. This is Bolivia's most densely populated region.

On the eastern slopes we have a number of more temperate valley regions at about 8,000 feet, notably around Cochabamba and in the rugged northern terrain known as the *yungas*. The Department of Cochabamba has a population density of 30 inhabitants per square mile.

The eastern lowlands, low and flat, at about 1,000 feet, include dry pampas in the south and a fairly dense tropical forest in the north. The lowlands comprise the largest area in Bolivia but are virtually unpopulated. For example, the Department of Beni has only about .5 or .6 persons per square mile.

The disparity in population in these zones and in their patterns of social organization dates back to pre-Colombian days: the highland area was part of the Inca Empire, while the lowlands were peopled only by small bands of hunters and gatherers in very loose political organization.

With this background in mind, we can appreciate the widely differing approaches and interests brought to land reform by members of the planning board.

I would like to review for you some of the high points in the Decree itself. I'm sure Mr. Flores is right in saying that a variety of motivation were important in drafting the law and that reading between

the lines can be as informative as the text itself. It seems to me important, however, that throughout much of Latin America, people are looking at the law *as it is written*, as a basis for relating the Bolivian experience to their own plans and hopes. So let's look at the objectives of the Law as they are stated in print, and at some of their successes and shortcomings in practice, regardless of why certain points may have been thrown into the drafting.

In evaluating the Decree or its practices, it is important to remember that this was not an isolated decree but was one feature of a large-scale post-revolutionary program. The party that came into power in 1952 was called the Nationalist Revolutionary Movement, and it lives up to each term in its name. Besides launching agrarian reform, the MNR nationalized the major tin mines, took political power away from the literate and wealthy elite by granting universal suffrage to the masses, and emasculated the traditional army, at the same time forming an army of peasant leagues which are often organized as local branches of the national party. The MNR party is in effect equivalent to the government.

The first objective of the land reform decree was reallocation of the land, the basis of most agrarian reform laws. There has indeed been large scale redistribution of the land, including some expropriations from million-hectare landowners and some assignments to peasants who formerly owned no land at all. The economic impact of this is extremely hard to evaluate; the social impact of it in terms of the Indians' national awareness and political participation has been highly marked, as described by Mr. Flores and Mr. Patch.

The second fundamental objective spelled out in the law is the development of the Indian communities, which are virtually autonomous survivals of pre-Colombian social units. Dr. Ferragut tells me there are over 3,000 of these communities scattered over the *altiplano*, but as yet there have been no active steps to incorporate these peoples into the national economy.

Revision of agricultural labor relations was the third point made. This is a point on which results are hard to generalize. Certainly in many cases where abusive landlords were dispossessed, the peasants have been freed from bonds of a feudal type, though there are also cases where this new absence of any laborer-employer relationship has made the workers less well off than they were before. An extreme example is the coca terraces of the *yungas* where the peasants, left without skills and guidance, have let the terraces for this delicate crop suffer almost beyond repair. There is also a specialized circumstance in the eastern lowlands in which the Decree tends to act against the workers' interests. Here where labor rather than land is in short supply, large owners often used to allow tenants and squatters to cultivate patches for their own uses, but with the new Law they are more chary of this practice lest the workers claim title to the acres on the basis of having tilled them.

A fourth important aim was to stimulate agricultural development, and a number of ways of achieving this were spelled out. One was the inversion of capital, but Bolivia is short of capital throughout the nation. The *campesinos* who have been benefited by

small land allotments simply don't have any cash to return to the land. Nor is it surprising if landlords have hesitated to invest in land precariously owned—especially since many of them really don't have any liquid assets. Many Bolivian landlords are wealthy only in a particular context of land and leisure; they couldn't sell out and go anywhere, and they lack completely the kind of capital with which to buy machinery and fertilizers.

Cooperativism was spoken of as a way of developing agriculture, and there have been a number of experiments along cooperative lines by the Bolivian government and the United Nations. Five years ago none of these had met with any marked success. Another hope was technical aid from outside—agricultural extension work, introduction of fertilizers, machinery, insecticides, and so on. The Bolivian government has been active here, together with the United States Point Four mission, but it has achieved very limited success in most areas. Opening possibilities for credit was a final suggestion for stimulating agriculture, and here again Point Four came into the breach. But the program of supervised credit as based on United States models was too strict to be applicable in Bolivia where the people who need credit haven't any collateral to put up.

In short I might say that there are very few areas which have shown a significant change in agricultural methods or development.

The fifth of the Decree's objectives is conservation of natural resources. The law speaks particularly of brazil nut and rubber trees, plants of the relatively unpopulated eastern lowlands, but so far as I know, nothing has been done with them.

The sixth and final objective in the Law is to promote domestic migration. Because of its extreme range in population density, Bolivia has for decades looked to the eastern lowlands as a frontier, a promised land, and yet a number of planned programs administered recently by the Bolivian government and the UN have failed miserably. Dr. Patch and Dr. Ferragut are better qualified than I to discuss whether the instances of voluntary, spontaneous migration—occurring within the last two or three years—constitute a significant trend that may relieve some of the pressure on the overworked land in the highland region.

Perhaps this framework can help us evaluate microscopic behavior as we see it in our field studies in various communities. Neither the local community study nor documentary work in the capitol cities suffices alone to give a true picture. The two approaches must be integrated to gain a proper perspective.

CASTO FERRAGUT, FAO and Inter-American Development Bank*

The Bolivian agrarian reform was a progressive step urgently required by the nation in order to achieve the most rapid social and economic develop-

* This is an extract from an unpublished report prepared by the author for the Bolivian Government as a result of a period of duty as FAO technical assistance adviser in Bolivia during 1960-61 presented, in part, at the Faculty Seminar meeting.

ment possible. This fact is accepted even by many of the landowners who were affected by the reform. A suffocating economic and social structure was broken up. But the renovating movement was unable to provide direction. The research and planning generally considered indispensable in programs as important as this were lacking. Surely, many problems have been solved, but others have been created. Agriculture has made notable advances in solving the problems connected with *latifundismo*; but a *minifundio* structure, equally undesirable and harmful, has spread.

The Bolivian agrarian reform was inspired more by socio-political than by economic motives. Its first stage developed in an atmosphere of violence in an attempt to satisfy the land demands of large groups of revolutionary peasants. The system by which peasants furnished free service to landowners was eliminated once and for all. Yet in many areas today one can observe landowners demanding these very services—forcing the peasants to cultivate their lands and imposing penalties on those who refuse—under the pretext of giving their time to protect peasant interests.

There is an evident concern for improving the peasant's standard of living; but there is no evidence of an equal concern for increasing agricultural productivity—an essential prerequisite for the first objective.

One of the most manifest failings of the agrarian reform was that it permitted the disintegration of agricultural enterprises (which constituted the best organized units of production in the country). These enterprises were expropriated, broken up, and distributed among the peasants; the loss of production drastically affected the nation's economy. The most advisable course would have been to keep the agricultural enterprise intact, pay the owners proper indemnization and continue operation on a cooperative basis, offering the necessary technical and financial aid to the members of the cooperative.

Many defects in the agrarian reform are due, fundamentally, to the following two factors: 1) lack of the necessary financial resources for implementation of the reform (the government failed to arrange credit facilities for peasants receiving land grants), and 2) a critical shortage of able personnel qualified to perform the various executive functions of the agrarian reform and to offer technical advice to the beneficiaries.

Those responsible for the Servicio Nacional de Reforma Agraria are aware of the imperfections in organization and execution of the reform. At the same time, however, they are confident that these failings can be corrected and they are striving to improve present organization and procedures within the framework of existing possibilities. As a contribution to the proposals for increased effectiveness, we offer below a few brief commentaries on certain aspects of organization and execution of the services of agrarian reform with suggestions for their improvement. The first three points refer to internal aspects; the others to policy.

I. Simplification of Procedures Designed to Accelerate Implementation

Frequently, several years pass between the initiation of legal proceedings and the actual award of titles to the peasants benefited. The new agrarian reform bill now in Congress deals with two aspects which should help speed up the legal proceedings. One establishes the fact that, in the future, agrarian reform actions will be oral—with a single hearing. The sole recourse will be *ex parte* appeal or *ex officio* review by the National Agrarian Reform Council. The other aspect establishes that rulings of consolidation or unexpropriability of properties in favor of owners, after being handed down by agrarian judges, will be taken only by the National Agrarian Reform Council, without having to go to the President of the Republic, as in other cases.

In referring to centralization of the executive functions of the reform, we set forth the reasons for it and possible means of correcting it. Intervention by the President in administrative functions related to the agrarian reform—such as studying and ruling on each case and the signing of deeds—directly delays completion of the various reform procedures. Usually, the President is burdened with so many duties and responsibilities that it is incongruous to assign to him such secondary administrative duties. For example, the President has signed more than 150,000 deeds to date; and if, in the future, new deeds do not carry his signature, the peasants will believe they are invalid.

In the fourteen months between the first half of August 1960, when the present President took office, and the first half of October 1961, the office of the President issued 700 agrarian reform orders, with their corresponding Supreme Resolutions—an average of fifty orders per month. If it is borne in mind that there are at present nearly 2,000 orders in the Ministry of Peasant Affairs pending study and submittal to the President, it must be seen that, at fifty per month, it would take the President more than three years merely to sign all the Supreme Resolutions. It is hoped that, when the new agrarian reform law has been passed, all the orders of consolidation and unexpropriability, representing more than 50 per cent of the total, could be withdrawn from the Ministry of Peasant Affairs, thereby speeding up the processing of the remaining actions.

In spite of the previously offered reasons against making substantial changes in the procedures established for processing agrarian reform actions, it still is possible, without fundamentally changing those procedures, to make certain changes aimed at reducing to a minimum the time taken in studying the actions from approval of the *Auto de Vista* by the National Agrarian Reform Council to the signing of the Supreme Resolution by the President. At present an action is sent to the Ministry of Peasant Affairs, where lawyers and advisers review it and suggest approval of or changes in what has been recommended in the *Auto de Vista* approved by the Council, writing up the corresponding draft Supreme Resolution. This procedure frequently takes several years in the Ministry of Peasant Affairs due to the accumulation there of a great backlog of actions dossiers, which are processed in accordance with the chronological order of

their arrival. Much of this delay could be avoided if enough lawyers and advisers were employed to review and report on these acts, and if they were installed in the National Agrarian Reform Council itself, handing down the Ministry's opinion from there even before the issuance of the *Auto de Vista*. Then, when a dossier left the Council, it would be accompanied by a draft Supreme Resolution, and could be sent immediately to the President for signature. This simple change—which is suggested as a compromise—would surely save more than a year, and in some cases more than three years, of the time now spent on the processing of these actions.

II. Improving the Operational Standards of the National Agrarian Reform Council and Training the Executive Officers

The agrarian reform law assigns the National Agrarian Reform Council various technical functions, most of which it has not been able to discharge for lack of the necessary technical personnel. However, it must be recognized that, if the business of introducing modern techniques and standards in the machinery of the National Agrarian Reform Council is to be accomplished, it must first be provided with the necessary financial resources. A great number of the agrarian judges lack juridical and other technical knowledge which would greatly improve their performance on their jobs. Few more highly qualified people apply for such highly responsible positions owing to the extremely low salaries offered. Another reason for the exclusion of better qualified personnel from executive agrarian reform positions is traceable to the political consideration that only persons who are steeped in revolutionary principles are capable of carrying a revolutionary reform through.

Owing to the previously indicated limitations on the hiring of technical personnel properly qualified to shoulder the technical and executive functions of the agrarian reform, there is a greater need to train the present personnel—especially the agrarian judges—in matters relating to their duties. In the light of this, the following suggestions are offered:

- 1) That the central offices of the National Agrarian Reform Council, its departmental offices, and certain agrarian courts, hire agricultural engineers, veterinarians, lawyers, economists, and rural sociologists satisfactorily qualified to perform fully the functions legally assigned to the Council.
- 2) That the national budget allocations for the National Agrarian Reform Council be increased. This is the only way in which the Council can effectively assume its responsibility for the implementation of this law of greatest economic, social, and political significance ever enacted in Bolivia.
- 3) That the agrarian judges be put through training courses fundamentally aimed at uniform interpretation and application of the law. Also that this training be extended to all technical personnel, with instructions and manuals of procedures covering the problems that can arise in the course of implementation of the reform; and how to solve them, and also defining the responsibilities and duties of each official.

III. Modifications in the Procedures in Use for the Compilation of Agrarian Reform Statistics

At present, the statistics compiled in the National Agrarian Reform Council are based on the delivered deeds, and do not reflect all the work done.

In order to be able to present, in the future, a statistical report which accurately represents the work done under the agrarian reform, the following is suggested:

- 1) That the statistics be based on the Supreme Resolutions signed by the President. To this end the Statistical Department would have a copy of every Supreme Resolution and would extract from the dossiers the basic information not contained in the Supreme Resolutions, from which a statistical control card would be prepared.
- 2) The Technical Department would send the Statistical Department the reports on the issued deeds, indicating the number of the action and the number and date of the Supreme Resolution.
- 3) With the foregoing information, the Statistical Department would make the corresponding entries, in the proper blank spaces on the statistical control card. The department would prepare its statistical reports from these cards. This procedure has the following advantages: (a) duplications in statistical entries would be avoided—it frequently happens that statistically registered deeds are voided and other new deeds are issued and registered, without dropping those which have been voided; (b) it would be very easy to keep strict check on compliance with Supreme Resolution provisions on grants and consolidations thus eliminating the present situation, in which there are more than 400 actions with Supreme Resolutions, some of which were signed five years ago, but on which the deeds have not been delivered or, if delivered, are not yet registered in the statistics. In other cases the Supreme Resolutions are partially implemented, but compliance with some of their important provisions hangs fire without a responsible office or officer to advise the Council periodically of cases of non-compliance.

IV. Credit Services to the Beneficiaries of the Reform

Without adequate agricultural credit services, it is practically impossible to attain the goals of any agrarian reform. In Bolivia, except for the limited resources of the Supervised Farm Credit Service, there has been a critical shortage of credit sources for agriculture. The Banco Agrícola de Bolivia is beginning to receive financial support from different sources which will permit it to expand its operations substantially in the very near future.

Below are the basic points on which credit services to the beneficiaries of the agrarian reform must rest:

- 1) Farm credit must never be for subsidizing purposes, but rather to promote the economic development of agriculture. Accordingly, credit must not contribute to the perpetuation of unprofitable farm production methods.
- 2) Peasant credit must be based principally on the moral solvency and paying capacity of borrowers, and not on physical guarantees.

- 3) The purposes for which credit is granted to farmers must be limited fundamentally to those which contribute directly to the technical and economic improvement of the agricultural operation and to its increased productivity.
- 4) In order to accelerate the processing of requests and to get the loans promptly to the farmers, credit operations must be decentralized as much as possible. However, at no time must supervision and control which must be exercised continuously and intensely over the subordinate organizations in which the credit functions are delegated—be allowed to weaken.*
- 5) Credit to farmers must be accompanied by technical assistance in all cases, for only then will the farmer and the national economy benefit most from it.
- 6) The cost of administering small loans being extremely high relative to the sum loaned, it is suggested that farmers' loans be granted through selling cooperatives, in order to assure maximum supervision and control in the use and recovery of the loans at minimum cost.

V. Technical Counseling

When the Rural Development Plan is put into effect, it is hoped that the various aspects of technical counseling to the beneficiaries of the reform will be taken care of.

It is important to point out that one of the most vital areas in which farmers need technical counseling is soil conservation practices. The degree of erosion observable in vast agricultural zones of the country is alarming. But even more alarming is the fact that in many cases the policy of land distribution followed by the National Agrarian Reform Council is indirectly to blame for this erosion, for they have often granted land in steep, mountainous areas, where the farmers are compelled to till mountain slopes. An example of this occurs in the *yungas* region, where, it is reported, some lands are already being abandoned after only a few years of cultivation owing to the extent to which they have been eroded. Counseling oriented towards the adoption of better cultivation techniques, especially as regards the use of selected seed, fertilizers, insecticides and fungicides, and suitable crop rotation, would eliminate or shorten the long periods over which lands are left untilled, to the substantial detriment of the productive capacity of the plots the farmers generally possess, which are already small enough. The introduction of modern cultivation practices will enable these farmers, whose low standard of living is due for the most part to their low productivity, to produce more on their present plots as the necessary point of departure for improving their economic and social situation.

VI. Fostering Cooperative Organization

The small size of the plots granted to the farmers, fractionalization into large numbers of small plots, and the lack of technical assistance services and of credit

* The author of this report has presented a "Bill of Law on the Organization of Agrarian Credit in Bolivia" to the Bolivian government, which is presently being studied by the Council of Ministers before going to Congress for approval.

facilities which prevents the improvement of farming methods, are factors which directly abet the backwardness and poverty of the Bolivian farmer today.

The situation can at least be alleviated, if not corrected, through organizing the farmers on a cooperative basis. However, most of these farmers are not familiar with cooperative principles, the fundamental aspects of organizing and operating cooperatives. Hence, the first step is to endow the National Cooperative Administration with sufficient personnel properly trained and familiar with problems in the field so that they can work closely and on a permanent basis with the farmers to show them how to organize and manage associations of this type.

The major causes for the failures observed in the cooperative movement in Bolivia are: 1) the political origin of the cooperative, 2) the compulsory enrollment of the farmers instead of allowing them to join voluntarily, 3) the appointing of directors and administrators without consulting the members—the appointees often being persons unknown in the district and ignorant of farming activities, and 4) the lack of honesty in the administration and management of the cooperative.

In order to gain the farmers' confidence in cooperative organizations, it is essential to eliminate these causes of failure. Under the Rural Development Plan, credit and technical assistance facilities will soon be made available to farmers on a cooperative basis, which will in turn encourage them to organize other types of cooperative services and activities.

To date, the National Agrarian Reform Council has distributed more than one million hectares for collective peasant use. In practice, these lands have been divided among the farmers for individual cultivation. A special effort must be made to encourage their cooperative cultivation. This will help make farmers with small, scattered plots amenable later on to the merging of their lands into cooperative farms, which will eliminate many of the obstacles posed today by extreme land fragmentation to economic and social development.

VII. Indian Communities

Although there are no accurate statistics on the size of Indian communities in Bolivia, it can be safely asserted from available information that not less than one-third of the families living in the agricultural zones of the country are members of Indian communities. As regards these communities, the agrarian reform law only guarantees to the people their previous rights to the community lands, but makes no specific provision for incorporating this large mass of peasants into the economic and social development of the country.

Recognized authorities on Bolivia's Indian problems assert that the Indian community used to offer refuge for Indian peasants who found protection there from those wishing to exploit their poverty and lack of culture. At present, however, the existence of the agrarian reform and other laws which protect the Indian effectively now obviates the need for the community as a means of protection. These authorities believe that, if a plebiscite were to be held among the members of the various communities on whether they prefer to maintain the present state of affairs or to pos-

sess individually the land they till, more of them would vote for the latter course.

The problem of the Indian communities is quite complex, and it is not easy to make specific and relevant recommendations on the policy to be adopted for them. It is evident, however, that special legislation is required that will provide for the incorporation of the members of these communities into the economic and social life of the country. But, in order to make the proposed legislation useful and effective, the following is recommended:

- 1) That a commission be assembled, consisting of rural sociologists, agronomists, economists, and lawyers to conduct thorough studies and investigations in the principal communities throughout the country in order to recommend measures to take for the most rapid economic and social improvement of the community populations.
- 2) When the above-mentioned study has been completed, a seminar should be conducted for discussion of its conclusions. The Indian communities should be adequately represented at this seminar, as should also all persons or institutions whose experience or knowledge would be useful.
- 3) A bill of law should then be drafted based on the results of the study and the seminar.

VIII. Rural Unemployment and Under-Employment

For the preparation of the soil, sowing, cultivating, and harvesting the 727,000 hectares under cultivation in Bolivia, I estimate that only about twelve per cent of the labor potential of the rural population would be required. Estimating rather generously the manpower demands in other activities such as domestic and livestock work, the conclusion was reached that only 42 per cent of the rural population's labor potential is needed in its various activities. This means that 58 per cent of the rural population—700,000 persons capable of working—would be unemployed.

It is not possible, under existing conditions, for other sectors of the national economy to absorb the surplus rural labor force. This fact directly helps perpetuate an acute state of poverty from the high unemployment and underemployment index.

It is recommended as an emergency measure that, to alleviate the present state of affairs—not to correct it—experts in rural crafts be contracted to put to use certain traditional skills of the Indians, for the development of several home crafts to absorb part of the existing surplus labor force and to open additional sources of income to peasant families, and thereby improve their standard of living.

IX. Miniature Land Holdings and Their Fragmentation

The problems created by the progressive multiplication of land holdings and by the excessive fragmentation of the plots handed over to peasants are more serious and difficult to solve than the problems associated with giant estates.

The peasants of the plateau and the lowlands often prefer that the plots they cultivate be broken up so that they may own plots of different qualities—some in valleys, some on mountain slopes, and some at higher altitudes—suitable for the different crops on

which they subsist. Consequently, solutions found in other countries for re-grouping fragmented land holdings are not fully applicable to the problem on the Bolivian plateau and in the lowlands.

Nevertheless, an attempt can be made to solve the problem of uneconomical miniature holdings and of their fragmentation, if only partially, by the following means or procedures:

- 1) So guide the land settlement policy as to give preferences to the peasant population centers where these miniature holdings are the rule, for their removal to land settlement areas.
- 2) Offer special credit facilities to the peasants remaining in these centers so that they may acquire and regroup the former holdings of the peasants who move to land settlement areas into economically viable production units.
- 3) Foster the exchange of land holdings among consenting peasants, in order to regroup dispersed plots.
- 4) Encourage the cooperative tilling of land and the establishment of cooperative services. These organizations will be notably furthered by credit facilities.

THOMAS CARROLL, Inter-American Development Bank

My assigned rôle here is to provide you with a few final remarks of a broad nature on the significance and proper place of the Bolivian land reform in Latin America.

Along with the Mexican and Cuban reform, the Bolivian agrarian transformation is one of a very few that can be regarded as "true" agrarian reform, in the sense of accomplishing a drastic and large-scale redistribution of land in favor of the cultivators. As in the case of Mexico and Cuba, the Bolivian reforms were accomplished in the midst of violence, armed conflict and social upheaval. Now this brings me to the first point I want to make: we are confronted with a land reform that is imbedded in a revolution and can be with only great difficulty distinguished from it.

The question that puzzles many of us is whether or not it is possible to have meaningful land reform without revolution. The Bolivian experience seems to suggest that it is not possible in a country that has had a rigid feudal land structure, and where over the years changes have not taken place gradually to let off steam. The evils of the repressive semi-feudal system have allowed tensions to build up to a point where some sort of an explosion was necessary. This drastic shift in the control over resources is therefore closely bound up with (and made possible by) a shift of power, mentioned by Dr. Flores.

The second thing I would like to mention in this over-all view is that we seem to have an example of a land reform from "below" (that is, through action by the peasants), rather than from "above" or through legal and administrative action.

Dr. Patch told us quite clearly that the *campesinos* have really been the sparkplugs of this reform. In Bolivia we have a situation of a *de facto* occupation of land, where legal confirmation of physical posses-

sion has come afterwards. This discrepancy between actual occupation and distribution of titles has even bewildered the experts. In 1955 an FAO adviser reported that at current rates it would take the Bolivians 60 years to finish the redistribution of land. Only five years later, another FAO specialist found that land redistribution had almost been completed. With the process of actual distribution of titles, a secondary feature of the Bolivian land reform process, one wonders again if the other countries attempting to do this through the established legal administrative machinery will be able to shift the tenure of much land during the next few years.

The third point, which is foremost in the minds of economists, is that we have had here essentially a political land reform, rather than a technological one. While in the initial years of disorganization this may have been unavoidable, the fact that little in the way of agricultural development has been initiated after ten years is harder to justify. The technological revolution is still to come. Unfortunately we've had and still have a complete divorce between planning and reform.

This leads us to the next point (or perhaps a sub-point of what I have just said): Bolivia neglected to build up an even half-way effective governmental machinery to follow up on land reform. That is, at the point where an old entrepreneurial system has been dismantled, the need for some kind of governmental guidance is crucial. That's when the need for extension services or other technical groups to replace the old entrepreneurial system becomes acute.

What the land reform in Bolivia has done basically is to change the status of the cultivator, as both Dr. Heath and Dr. Patch have pointed out. The distribution of the land mattered far less than the position of the Indian farmer in society. To the sociologist this means such things as mobility, a change in class, a shift in status. To the economist it means what Professor Parsons likes to call "the enlargement of the horizons of opportunity"—opportunities for investment, for earning income, for migration, for changes in market structure. These opportunities are still waiting. We note that very few changes in economic development have taken place as the Bolivian reform progressed. Perhaps we should not be too impatient: Bolivia has made the first step in the process of development which in Mexico has taken three to four decades.

One final comment on a positive note. As you know, the Inter-American Development Bank is in charge of what is called the Social Progress Trust Fund. Some of you also know that in the spirit of the Alliance for Progress this Fund was created with a special emphasis on investments that would benefit the great masses of people. In Latin America it often is very difficult to make sure that our investments reach the masses of poor people, but in Bolivia we have no such worry. In Bolivia, as a result of the land reform, we know that an agricultural credit program, a road program, a community development program, a marketing program—any kind of program in the rural countryside—will benefit the cultivator. This, I feel, is perhaps the most significant point to remember about the Bolivian land reform. It is not the end product, but the starting point in a dynamic process of growth.

QUESTION AND ANSWER SESSION

Q: Mr. Carroll, does your statement about the impossibility of having agrarian reform without revolution apply just to Bolivia or Peru or would it be true in such countries as Venezuela or Chile?

A: Carroll: It depends on our definition of revolution; I was using the term in the sense of any relatively drastic change in situation. Now, the degree of this drastic-ness, of this violence, depends on the previous pressures that have been built up in the whole system involved in change. Consequently I think that in Argentina or in Uruguay, for instance, reforms are likely to be much less drastic than in Peru or Guatemala.

I'm convinced that revolution has a cost—a cost in terms of the world as we know it, of the distribution of power as we know it, especially of the kind of life we know from the cities and the country clubs in Latin America, as affluent visitors and casual tourists. Much of this has to go. Now if this is revolution, then this is what I mean, and I think there is a cost. This cost may be much less than one realizes; on analysis what exists today also has its cost. And many of the things now going on in the name of land reform are not truly land reform; they're merely chipping away at the edge of a problem without beginning to solve it.

Q: What was the basic motivation of the Bolivian government when they attempted agrarian reform?

A: Flores: Do you mean, was this a revolution from below or from above? Was it a group of intellectuals imposing their views over the peasantry, or was it an aggressive peasantry forcing social change upon a group of opportunistic leaders? I would hesitate to fit Bolivia into either of these categories.

Analysis of Bolivian history will emphasize the tremendous importance of the Chaco War. Old forms of life crashed at the front, where white man and Indian, college student and peasant fought and operated together. You might say that the Chaco War homogenized the Bolivian social classes for a while, and thereafter, the men who took part in the Revolution, in positions of top power or down in the ranks, had an understanding of each other that had not existed before.

The Revolution had to be directed by the literate people who made the proclamations and wrote the decrees, but I'm quite sure that they looked for help and feedback from the masses. I don't think you get a revolution to start from above if it has no response, and vice versa.

Q: On this point, what rôle can we anthropologists, social scientists, economists play in mobilizing the masses and in helping the *campesinos* grow so that they will respond to the intellectual concept of reform?

A: Patch: I have a somewhat related question that bothers me. If in Bolivia in 1952–53 there had been a dominant group of people in the MNR party who really wanted gradual reform, rational reform in a technological and economic sense, would they have been able to achieve it, given the actual conditions of the *campesinos'* demands and pressures? I really wonder.

I think of this question as it concerns Peru. On July 17, 1962, Peru had leaders in its government who were not demagogic or cynical, who saw the vivid necessity for reform before something happened that might be as drastic or more drastic than events in Bolivia. Indeed one, the former Prime Minister, had devoted great study to land reform and had formulated a project of law which was before the now extinct Congress for hearing. And yet when it came down to considering individual cases and particularly what this reform might do to the large valuable plantations on the coast, there were so many defenses built in against the proposed changes, that nothing took place at all. Even if this law had been adopted in Peru, I think its effects would have been small in the way of reform and more in the nature of what Dr. Flores has called a "real estate transaction."

Q: I would like Dr. Flores to compare the Bolivian Land Reform with that of Mexico.

A: Flores: In both cases, you had about four to five percent of the people owning around 90% of the total arable land. The Mexicans started slowly, but fooling around with land reform under these conditions is like opening Pandora's box. Actually I doubt if we knew quite what we were doing in Mexico for a very long time. Also it's illuminating to point out that any time a man came into power he wanted to put the brakes on land reform. A candidate for office was all for land reform, but the minute he became president and was burdened with the welfare of the nation, he became terribly shy about giving away land to the Indians, the illiterates, the people least prepared to handle such responsibility. Well, the leaders' caution didn't matter. Once we had unleashed the forces, they kept on going.

How long is it before reform becomes planned technological reform? Mexico's Land Reform was promoted by politicians and lawyers and revolutionists, not by men with maps and surveying apparatus and plans for farm management (who to my mind are the least effectual men for launching land reform), and ten years after reform started, Mexico was sunk in what everybody called "chaos." The government hadn't paid its employees for six months, the treasury was empty, it was a very discouraging sight. And yet I suspect that at the same time we were setting the foundations for new, modern Mexico, which is still hungry, malnourished and underdeveloped, but which has shown a sustained rate of growth in the last few years in art and education and what have you.

Probably the common lesson in Mexico and Bolivia is this: if you start a land reform, you are going to be unleashing forces you cannot control later on, and you cannot hit from one day to the next the perfect land tenure pattern. It has to be a highly experimental, highly pragmatic phenomenon about which we know very little.

We now have three experiences—I agree with Dr. Carroll that the Mexican, Bolivian, and Cuban reforms are in the same family—and I think we're going to have some more. We must seek understanding, not from the viewpoint of the agronomists or farm managers, but from the wider view of economic and social development. Proper understanding of the three reforms that have happened might simplify future

problems and prevent many of the mistakes that the Mexicans, the Bolivians, and the Cubans have made.

Q: (Professor Henry Sterling, chairman, Department of Geography, University of Wisconsin, and faculty seminar member) As a geographer, my right to speak a word about Bolivia lies in the advantage I have over my colleagues here—I got there first! A geographer wonders about this question: Bolivia presents an extreme concentration of its people and its land use in a small part of the country. I was told by Bolivian specialists working on colonization that there may be as many as 200,000 surplus farm families in the highlands and eastern slopes, and that, at the present rate of establishing group colonies, there is hope of resettling not more than 10,000 of these families in the eastern lowlands within the next several years. I'd like to ask this committee, how serious is this problem of surplus farm families and to what degree will resettlement and colonization solve it?

A: Flores: In Mexico, we found we had about two million *campesinos* whose right to receive land grants had been formally acknowledged by the government but for whom there were no lands we could give them. Perhaps this suggests that an administration that sets out to give lands and settle people—even if there were no corruption or inefficiency to cope with—may soon run out of land, and that agrarian reform has to be followed through almost immediately by a program of general economic diversification. The more successfully you shift land ownership, the higher will be your rate of population growth and the quicker you'd better look for other occupational outlets besides farming. Land reform must be only a first step in general growth, for if you do land reform only and fail to follow through, in a matter of decades you'll find yourself in a situation considerably worse than your initial one because you will not even have the sector of land reform in which to maneuver.

Carroll: Professor Sterling, as a partial answer to your question, it might be of interest that the Bolivian development plan calls for the resettlement of 100,000 families from the *altiplano* to the lowlands over a period of few years. Our bank, in cooperation with the USAID, has recently approved a loan for a fairly large colonization project to help realize this plan. Much of this resettlement will have to be what we call "spontaneous" rather than the "directed" kind.

Sterling: I know there are a number of programs going on in Bolivia, some of them carried on by the AID and other US agencies, and some that the United Nations has been in on. But there has been difficulty to date in coordinating the various efforts. Is this particular ten-year plan you speak of an integrated one, or would it be a collaboration of a number of existing agencies, financed by grants from the IDS?

Carroll: It is indeed very much integrated, but Bolivia does not yet have what we economists would really call a permanent planning group and a comprehensive development plan. I think, however, that this is going to come perhaps more easily in Bolivia than in some other countries. I'm personally not terribly worried right now about coordination; my main concern is to get something done.

Sterling: But *can* you get it done just by contributing a plan and X million dollars and leaving it to existing agencies to carry out?

Carroll: You pick your executive agencies carefully and then you don't worry too much about integration. This is the strategy. We pride ourselves on being a very pragmatic development bank, interested in getting things accomplished even if conditions in the countries are far from ideal; this is the image we like to project. Most banks won't lend to Bolivia. Our concern is to choose agencies and individuals we trust, who are capable of carrying out a program. Often we help to strengthen agencies. We picked the Corporación Boliviano de Fomento for this job because we feel they are the only agency with sufficient experience to carry out the project. We're not going to wait for a new law now in process to create a colonization agency, nor for a permanent land settlement agency to be created.

Heath: The Corporación Boliviano de Fomento is a tentative approach to what we speak of as a coordinating agency, supra- or inter-departmental, and one of its major foci has been the relocation of the people.

On this migration question, let me offer a little historical perspective. As early as 1842, the Bolivian government tried to move volunteers out to the lowlands, and it has promulgated plans on this theme periodically ever since. (Remember too the German government's flurry for colonization there early in this century and the stir to get people from the US down to the Chaco in the '20s). None of the schemes for colonizing this region has had any real success. I don't mean to sound a note of defeatism, but I think we should recognize that population pressure in the highlands has long been a matter of concern and that, historically speaking, planned migration projects have not succeeded in solving it.

Q: I'd like to ask if the *campesinos* in the Cochabamba region are motivated by a genuine land hunger; if so, I can't see large obstacles against their moving to areas where land is available.

A: Patch: I would say that the people in the Cochabamba valleys were possessed by a true desire for land for farming, but before the revolution in 1952 they could not move out to the eastern lowlands because they could not escape from feudal services—the obligations to work a certain number of days per week on the lands of the estate. Remember too that the highway connecting Cochabamba and Santa Cruz was not open until 1954 nor paved until 1956. A very rudimentary road which existed earlier from Cochabamba toward the Chaparé had been settled as far as it made land accessible, but I think that even this land had not been extensively occupied until after the Revolution in 1952. The *campesinos* may have needed the security they got from owning these first bits of land gained by seizure or under the Decree Law—which they could entrust to a father or kinsman, and come back to if things went wrong—before they could risk the major break of going forth to the lowlands and a wholly new way of life. But now it's evident from the surveys in recent years that they *are* going out—perhaps because of this new sense of security—in increasing numbers, along the very few routes

that are open to them. Most of the land is already taken over along the three major routes, and the problem now is more road building, plus some minimal assistance to the new settlers in terms of medicine, credit and direction in learning new agricultural techniques.

Q: Then you're really optimistic about alleviating overpopulation in an area like Cochabamba if roads can be provided to the lowlands?

A: Patch: It's a relative optimism. Even if the rather enthusiastic goal of relocating 100,000 families in ten years is achieved, it still will not solve the problem of overpopulation in the highland areas. Overpopulation is such that it will remain serious, particularly with the present rate of population increase. Movements to the lowlands is only one part of the solution. Certainly economic diversification and improved techniques are also parts, but all these measures together may not bring what you would call a truly satisfactory solution. It is a very grave problem.

Heath: In dealing with land hunger, we sometimes tend to speak of land as if just any parcel of land were equivalent to any other. You know as well as I that there are other values involved in land beyond its ability to provide subsistence. Obviously there are the emotional commitments to a particular area, bonds to friends and relatives, to climate and language. All pieces of land are not equally desirable: fifty hectares in the Oriente may be worth less than half a hectare in the valley area, especially if you don't know how to grow yuca or if you don't like yuca, for that matter. And the psychological bars are even higher if the "other land" is shrouded in legendary horrors. Before the Santa Cruz highway was opened, the *campesinos* had almost no accurate information about the lowlands, that far-off deep, dark, dense, dank jungle full of tigers and headhunters, malaria and leprosy. Now factual news does come through, and they can measure the hazards more realistically. I believe the *campesinos'* better knowledge of true conditions in the Oriente may prove to be the key in opening the gates to migration.

Q: Would any of the gentlemen care to say whether the Communist Cuban Revolution can contribute anything to agrarian reform in Bolivia?

A: Flores: I think that if you're studying land reform in any area of Latin America, you will want to know what has happened in Mexico, Bolivia, and Cuba, and you will want to compare your area for differences and resemblances to those areas in which reform has already taken place. For instance, transferring the Mexican highland experience to the Bolivian highlands makes some sense, if you are aware that the two situations are not wholly comparable. Or if you are studying Puerto Rico, whose land conditions are so similar to Cuba's, your diagnosis of the problem is going to be somewhat similar, and the measures you suggest, whether you call them proportional profit farms as they are called in Puerto Rico or collective farms as they are unfortunately called in Cuba, will have some similarities. If we wonder how land reform will be done in the Peruvian coastal plantations—a big unknown—we may find do's and don'ts in Puerto Rico and in Cuba and in the coastal areas of Mexico. In this

general sense, all experiences of land reform in Latin America are meaningful, and none of them should be disregarded.

Sterling: Would you agree that some of these processes, once under way, are not reversible? For example, I've heard Mexican specialists say, *sub rosa*, that they wished the *hacienda* could be restored, wished they'd kept it a functioning unit as Puerto Rico and Cuba have done. Perhaps Peru should bear this in mind with its coastal sugar plantations and its highland *haciendas*.

Flores: One of the slogans that fascinated Mexicans was "*Haciendas without hacendados*." Nice in theory! But of course when you take away the *hacendado* you create a political vacuum, and it may well be filled by a local leader who is fully as nasty as the former landlord—and with bad table manners thrown in.

Q: I'd like to return to a general problem of strategy. It sounds to me as though we've been judging policy by the criterion that you must make nobody any worse off than he was before, and I doubt if one can use this criterion in the situation we're talking about. In a development problem as vast as Bolivia's, one method of strategy is *not* to tackle the whole economy at once but to take over chunks where you can and start lifting some of the people as fast as you can out of the morass. In land reform, any country that tries to take and transfer title to more than three to five percent of the land in any one year has got a tremendous job on its hands. The Egyptians, in their first land reform program, took titles to approximately twelve percent of the country in about three years' time. They did it with superb administration, and they did it chiefly by taking very large tracts of land.

As you concentrate on this attempt to lift people out of poverty and the traditional subsistent economy, those whom you do lift up may fare quite well. But the people who remain in the traditional sector will be growing even poorer while you're lifting the others up. Now this presents some terrible problems, and the Egyptians are completely aware of this, and I think they're resigned to having some of their people left in dire poverty for quite some time because there just isn't any way to lift all out at once.

The toughest problem in Bolivia's strategy is what to do with the surplus people in the highlands. It may be that a country simply can't do anything better for many of these people than to leave them living in traditional subsistence for a matter of a decade or two until other kinds of work besides farming have been developed in the economy.

Q: I'd like to know how the revolution has affected Bolivia's economy as a whole and whether the government's preoccupation with agrarian matters has weakened other parts of the economy?

A: Heath: At the time of the Revolution, as you are probably aware, metal exports were yielding over 90% of the foreign currency income, whereas the country was importing about 50 or 60% of its foodstuffs. In the past decade, income from minerals has dropped considerably, owing to a complex of factors. The collapse of the tin market was something over which the Bolivian government had no control, but mining income has also suffered from the nationalization of the mines, ex-

haustion of some deposits, poor administration, and featherbedding in the unions. During this period, domestic food production has increased in some crops, notably in sugar, where the nation is now almost self-sufficient, and also in rice and corn. But I understand that the over-all ratio of locally produced to imported foods has not changed appreciably.

The Bolivian government's investments in any sector of the economy have been minimal, and mostly through joint services with the United States' operations, USOM devoted its major emphasis to agriculture, with some marked success in the eastern lowlands in providing machinery for land clearance and building feeder roads to sugar mills—and also with some glaring failures there—but with very little impact on the rest of the country. My hunch is that the Bolivian government's activities have not been a significant force in economic development as a whole, but perhaps Dr. Carroll could clarify this.

Carroll: If I understand the questioner correctly, she was doubting the wisdom of large-scale investments in agriculture and would like to know what the rela-

tive merits of industrial versus agricultural developments are. This is an old and insoluble argument. It can never be an "either-or" proposition. In a country like Bolivia, modern theory indicates that hard-headed, well-chosen investments in agriculture, especially in processing facilities and in certain key crops, are suitable to the country's level of development and are very profitable, quite apart from their welfare functions. At the same time you have to provide opportunities for industrial investment, particularly on the *altiplano* with its population pressures. The share of total investment in agriculture has been very small, not only for "conventional" types of inputs but for human and entrepreneurial development. The dearth of essential services in extension and research is a crucial factor in retarding the growth of agriculture in Bolivia and elsewhere in the region. We must make both kinds of investment and we must be highly selective, but I must confess that I have a bias toward putting larger sums into the very foundations of agriculture at this stage of Bolivia's development.

Implementation of the Decree

A SECTION of the pamphlet, *Land and Liberty: Agrarian Reform in the Americas*, by William H. MacLeish, describes the progress made under the Bolivian agrarian reform decree. Because it summarizes the Bolivian situation, we are reproducing it below by permission of Vision, Incorporated, 635 Madison Avenue, New York 22, New York:

The Bolivian revolution, like the Mexican, relied heavily on the support of the *campesinos*, victims of one of the most archaic land tenure systems in South America. Yet once in office, the Paz Estenssoro government showed no signs of taking up the *campesinos'* cry for land reform. The original idea in La Paz, one backed by the then powerful right wing of the *Movimiento Nacional Revolucionario*, was to resurrect a few mild restrictions on the *hacienda* owner's treatment of his serfs and let it go at that. It was not until August 1953, fifteen months after the revolution began—fifteen months of pillaging, murder, and land confiscation by the *campesinos*—that a stringent reform decree was instituted.

Land tenure, said the law, would be based on the fulfillment of a "useful national function". *Latifundia* were outlawed. Private and communal holdings ranging from the peasant homestead of the *empresa agrícola*—the large commercial farm—were guaranteed protection against expropriation, provided they did not exceed certain size limits. *Campesinos* on the *haciendas* would be considered owners of the land they worked, pending title settlement. Compensation paid to former owners was to be in the form of 25-year bonds bearing 2% interest. The new owners were to repay the state on the same terms.

Implementation of the law got off to a slow start in the confusion of the post-revolutionary era. Prolonged litigation and bureaucratic inertia kept the granting of property titles to a trickle. Roughly 3,406 titles were issued through 1955. By 1960, however, the figures had reached 85,000 and by the middle of last year, the Consejo Nacional de Reforma Agraria estimated the total at 157,153. With the issuance of another 100,000 titles this year, the Consejo predicts that the "legal" phase of the program will be completed. Land reform will then become an integral part of Bolivia's ambitious, 15-year National Social and Economic Development Plan.

The Bolivians have clearly thrown old-time feudalism out the door. Indians who only a few years ago kneeled to kiss the hands of their *taltas*—their landlord masters—now have the vote and the right to organize. The *campesino*, once an economic hermit, is now beginning to buy a few things—bicycles, shoes, radios, and the like. And a start has been made toward educating him: the number of rural schools has jumped from 2,690 to 5,242 in the past ten years.

But then there are the mistakes to consider—first and foremost, the fragmentation of farmland. Politicians in La Paz, bowing to the *campesino's* land hunger, decreed early in the game that "if there is not sufficient land to grant a unit to each family, the size of the grants will be reduced in the proportion necessary to accommodate all those who have legal preferred rights to that land." What began as a political concession now bids fair to turn Bolivia—or at least the highlands—into a maze of dwarf holdings.

Fragmentation joined with political unrest in the countryside, and, more importantly, the lack of anything approaching adequate credit or extension services caused a ruinous drop in food production. Output, nothing to boast about in prerevolutionary days, fell an estimated 50% in the first two or three years of the reform program. It is true that some food crop yields are on the increase today (corn, rice, and sugar cane are 300% above pre-1953 production levels), but the comeback can be traced more to the new lands being opened up for colonization and commercial farming

in the eastern Bolivian lowlands than to the regions of drastic redistribution.

Payment and repayment have become a joke. Few landlords have been compensated, and the thousands of unsettled claims have been rendered useless by Bolivia's rocketing inflation. Conversely, the government has done little in the way of dunning the newly-landed peasants. The reason: the real centers of power in the country are now the *campesino* organizations, continually squabbling among themselves, but unanimously opposed to intervention from La Paz.

Successes and Shortcomings of Agrarian Reform in Bolivia*

Dwight B. Heath

AGRARIAN reform has often been considered a major preliminary step in virtually any program of economic development for underdeveloped countries. Even the most enthusiastic proponents of such reform, however, consider it a necessary but not sufficient means of effecting pervasive and enduring social change in areas where agriculture is the main industry and ownership of land is the basis for the prevailing distribution of income. The most effective way of objectively evaluating the role of agrarian reform in economic development is to study changes which have come about as results of programs formulated and implemented with such specific aims. Bolivia presents just such a case, where agrarian reform was instituted in 1953 as a major plank in a political program admittedly aimed at effecting a social revolution.

The historic and economic background of the Bolivian decree was early summarized by Flores,¹ and the years which have intervened since its promulgation now allow us to make a realistic assessment of successes and shortcomings in terms of the aims

specified in the law itself. Six "fundamental objectives" were cited in the preamble of the decree:² reallocation of land, development of Indian communities, revision of agricultural labor relations, stimulation of agricultural development, conservation of natural resources, and promotion of domestic migration. A discussion of the extent to which these aims have been achieved, and of the changes which have taken place in the way of life of the Bolivian people is important in evaluating this recent experiment.

I. Reallocation of Land

First among the explicit objectives of the Bolivian agrarian reform law was ". . . To allot land to the peasants who do not have it or have very little . . ." (Preamble). At the core of almost every agrarian reform is a protest against concentration of the land in the hands of a wealthy few together with an assertion that the land belongs to him who works it. In the Bolivian instance, the primary objects of attack were large feudal estates where landlords controlled vast expanses of territory and exacted exorbitant rents in labor and produce from tenants who worked there because they had no other means of livelihood. In the temperate high valleys (around Cochabamba, Sucre, Tarija), smouldering resentment against oppressive landlords broke into open warfare when the Indians got arms from the Nationalist Revolutionary Movement Party (MNR), before the land reform was drafted. It is a well documented fact that many farmers who refused to yield their properties to insurgent bands of Quechua peasants in those areas were driven off by force, or shot. There were many landowners who simply abandoned their farms leaving livestock, dairying and farming machinery, and their household and personal effects rather than risk staying where anarchy presented a constant threat. Many men who lost or left the great wealth which

* The substance of this article originally appeared as "Land Reform in Bolivia," *Inter-American Economic Affairs*, vol. 12, no. 4, pp. 3-27, 1959. In this revised version, reprinted with permission of the editor, the author has updated some of the data and introduced a few minor stylistic changes. Most of the data were collected in Bolivia from June 1956 through August 1957, during the author's tenure of a Fellowship for Advanced Study in Latin America, awarded by the Henry L. Grace Doherty Charitable Foundation, Inc. Appropriate revisions stem from a brief restudy in June and July 1962, made possible by a Brown University Summer Stipend.

¹ Edmundo Flores, "Land Reform in Bolivia," *Land Economics*, vol. 30, pp. 112-124, 1954.

² *Decreto Ley 03464*, of August 2, 1953, is entitled "Agrarian Reform in Bolivia," (*Reforma Agraria en Bolivia*). The author's translations from the decree are set in quotation marks throughout this paper.

they'd inherited in the west have moved to the eastern lowland, an undeveloped tropical frontier, to start anew.

Revolt against the gentry broke out on the cold and barren *altiplano* also, and many landlords yielded or fell to violence at the hands of the Aymara Indians there.

It must not be imagined that the Indians acted wholly without provocation. They have a long heritage of submission to the privileged "whites" and, in many instances, were abused as serfs who worked in the landowner's fields as well as contributing other goods and services, in exchange for the use of plots on which they could raise hardly enough to feed their families. Often landlords would extend just enough credit to keep tenants in debt-bondage, bound to the estate, and corporal punishment was freely exercised, in a strictly hierarchical system which had been supported by law since colonial times. But neither were all landlords abusive. In the vast eastern portion of the nation, the relationship between land, owner, and tenant has long been very different. In this sparsely populated area of alternating prairie and jungle, the poorest peasant could work a tract of unclaimed land or could "squat" unnoticed within the broad uncultivated extensions of a large estate. In order to attract workers therefore, landlords were obliged to offer at least as much as a man could have independently for the same effort. Farm laborers were attracted by the security of housing and food for the family, the loan of tools (and sometimes land), and a token cash wage. Despite the fact that isolated large estates constituted virtual communities in the east, tenant farmers could move freely from one to another, and their relationship with any landlord was always more that of employer and employee than of feudal lord and serf. Perhaps this factor is as important as the more obvious one of differential population density in understanding the absence of outbreaks of violence in the eastern lowland, contrasting sharply with the *altiplano* and valleys.

According to the law of agrarian reform, "All Bolivians of either sex about 18 years who devote or want to devote themselves to agriculture will be given land where there are reserves in accordance with the plans of the Government . . ." (Article 77), and orderly procedures for establishing rights and order of preference to allotments were set forth. The "reserves" of land which were to be set aside, from which peasants might be allotted portions include not only all public lands but also all unoccupied land beyond city limits, and forests, which reverted to state ownership (Article 3). Furthermore, specifications were laid down for dividing large estates by expropriation in order to give arable land to more peasants. As stated in the list of primary objectives, areas liable to expropriation were those ". . . which inefficient landlords hold in excess, or from which they enjoy absolute rents not earned by their own personal labor in the field." (Preamble).

The ruling against retention of "absolutely rented" land has been generally interpreted as a blanket statement that a landlord should forfeit to tenant farmers the plots which the latter had worked for their own families (Article 78). Although this has given land to

many peasants throughout much of the country, it has had the opposite effect in the east where many landlords no longer allow their employees to cultivate small plots for their own use, fearing lest peasants claim title to land on the grounds of having worked it.

The specifications of what constitutes "efficient" land use are not at all clear; efficiency is only a partial basis of the key distinction between *agricultural enterprises* which are favored by the law, and *latifundia* which the state declines to recognize. The former are characterized by ". . . large-scale inversion of supplementary capital, the regimen of salaried labor, and the use of modern technical means (except in regions of irregular topography) . . ." (Article 11), and are contrasted with *latifundia*, ". . . extensive rural properties which remain unexploited or deficiently exploited by the extensive system, with antiquated instruments and methods which allow waste of human effort . . ." (Article 12). The differentiating specifications are unfortunately imprecise for a distinction which is of crucial importance—farms considered *latifundia* are subject to total expropriation except for those portions which a member of the owner's immediate family works (Articles 34 and 35), whereas agricultural enterprises are allowed to retain large areas even if some of their employees be tenants without wages, as long as capital investment be doubled and modern techniques be used, (Article 36).

The specification of "excess" landholdings is little more precise. Among types of agrarian property recognized under the law are the following: "The *rural homestead (solar campesino)* serves as a rural residence, being insufficient for the subsistence requirements of a family," (Article 6); "The *small property (propiedad pequeña)* is that which is worked personally by the owner and his family . . ." (Article 7); and "The *medium property (propiedad mediana)* is that which, while having an extension greater than that classed as small but not having the characteristics of the capitalistic agricultural enterprise, is exploited by a crew of paid laborers or using technico-mechanical means . . ." (Article 8). The *agricultural enterprise (empresa agricola)* has been characterized above, in contrasting it with the *latifundium (latifundio)*.

Maximum extensions are set for the various types of landholdings, ". . . taking into account only the economically cultivable areas," (Article 13), and varying in different geographic zones. The zones in which different maxima obtain are ostensibly delineated to allow for vast differences in economic cultivability, due to fertility of soil, availability of water, topography, climate, and other relevant factors which vary enormously in so diverse a country. Unfortunately, any attempt to evaluate the meaning of the zoning system is made especially difficult by two apparent inconsistencies—in the first place, the limits of the zones are not explicitly delineated in the original decree nor by any supplementary directives (it is the local topographer who maps a site who also assigns it to a zone); and, in each of the three sections of the law which specify maximum areas for different types of landholdings, the list of geographic zones is different. For example, in listing the maximum extension of the *small property*, three major zones comprising sixteen sub-zones are differentiated (Article 15); for the

medium property, four zones and nineteen sub-zones (Article 16); for the *agricultural enterprise*, five zones, of which only one has a single subdivision (Article 17). [See Table 1.] Statistical averages of land-area of farms would be virtually meaningless because division among successive generations of heirs has reduced many holdings to less than one hectare (about 2 and 1/2 acres), while there are holdings in the eastern area which still comprise unmapped thousands of hectares.

According to the law of agrarian reform, any farm which exceeds the maximum limits as specified is subject to at least partial expropriation. It is noteworthy, however, that expropriation is not effected immediately in the public interest to build up a reserve of land under governmental domain as might be expected. On the contrary, the slow mechanics of expropriation are set into motion only in response to the filing of a specific petition by individuals who hope to be awarded the land in question.

Impoverished and illiterate peasants are in no position to make any such formal bid for land. Representatives of the incumbent MNR Party early organized the peasants into local *sindicatos*, politically oriented "unions," however, and have secured title to land in the names of these corporate bodies, for subsequent distribution to members. It was not difficult to organize such unions because tangible rewards were offered immediately. The reason for joining, at no expense and little inconvenience, was often not so much the promise of an eventual allotment of land as the coupons which afforded as much as 93 percent discount on certain price-supported goods, and which were given, together with arms and ammunition, to win allegiance to the Party. The opportunity to buy sugar at 50 *bolivianos* a pound when it was selling

everywhere at 800, lured many men to pledge support of MNR. The legal staff of the National Council on Agrarian Reform recognize that this is illegal but do not actively oppose such procedure, in part because there is a heavy volume of precedent and in part because theirs are appointed positions sensitive to political currents.

There are many who dismiss the entire MNR program of universal suffrage, nationalization of the mines, and agrarian reform as nothing more than shrewd demagogic maneuvers planned to gain popular support with power to consolidate their political position. This appears to be an inadequate evaluation because, whatever the original purpose, these moves provide the groundwork for what may gradually become a very real social reform.

While these planks in the party platform cannot be summarily dismissed as political expedients they may in some respects be discredited as such. The land reform law itself is administered by politically-appointed local and regional Agrarian Judges, and membership in the National Council on Agrarian Reform, which is at once a planning and administrative body and the highest court of appeal in land cases, is also appointive. In a country where government has traditionally been strongly partisan it is not surprising that this affects the application of the law. Farmers' "unions" rarely petition for land from estates belonging to MNR supporters, even when these have vast expanses of land not in use, whereas they have occasionally secured expropriation of property belonging to "enemies of the party," even when such holdings were under cultivation and not in excess of legal allowances. To date, expropriation has been almost exclusively from non-party men, and, on the other hand, party sympathizers have been generally protected.

In stating the primary objective of the agrarian reform as the allocation of land to landless peasants, the qualifying phrase is added: ". . . on the condition that they work it," (Preamble). In the decree this important condition is further specified—the new owner is to forfeit land if he has not begun agricultural work within two years, (Article 77). It is not made clear, however, just when this period of grace commences. Even the head of the legal staff of the National Council on Agrarian Reform could not tell the author whether the deadline should be computed from the time when the local Agrarian Judge awards provisional possession to peasants, pending settlement of the appeal (under Article 59 of *Decreto Ley* 03471), or from time of the granting of the final title to a new owner. To date this remains a theoretic problem only, which the National Council has not yet had to face in a specific case. It is doubtful whether the clause will soon be used against a new owner because individual grants, which never exceed the area of the *small property*, are so small as to make litigation hardly feasible, except in areas of extreme land-shortage. In fact, probably a majority who have been awarded land have tilled it from the start, raising produce which is the basis of their subsistence. The fact that they do not bring goods to market can probably be more appropriately attributed to their lack of technical skills and equipment, and the excessive fractionation of the land, as to their supposed "ignorance," "laziness," or "bondage to tradition."

MAXIMUM EXTENSIONS OF AGRARIAN PROPERTIES ALLOWABLE UNDER BOLIVIAN LAND REFORM*

	Smallest Maximum	Largest Maximum
Small Property (Article 16)		
"Altiplano and Puna Zone"	10 ("northern" sub-zone)	35 ("southern" sub-zone)
"Valley Zone"	3 ("viticultural open and closed valleys" sub-zones)	40 ("unwatered open valleys" sub-zone)
"Sub-Tropical Zone"	10 ("Yungas" sub-zone)	80 ("Chaco" sub-zone)
Medium Property (Article 16)		
"Altiplano Zone"	80 ("northern lakeshore" sub-zone)	350 ("south and semi-desert" sub-zone)
"Valley Zone"	6 ("suburban viticultural open valleys" sub-zone)	150 ("unwatered remote valleys" sub-zone)
"Sub-Tropical Zone"	150 ("Yungas" sub-zone)	600 ("Chaco" sub-zone)
"Tropical Agricultural Zone"	500	—entire zone— 500
Agricultural Enterprise (Article 17)		
"Lakeshore Zone"	400	—entire zone— 400
"Andean, Altiplano, and Puna Zone"	800	—entire zone— 800
"Remote Unwatered Valleys Zone"	500	—entire zone— 500
"Closed Valleys Zone"	80 (general)	150 ("mountainous" sub-zone)
"Eastern Tropical and Sub-Tropical Zone"	2000	—entire zone— 2000

*Areas are in hectares; one hectare equals approximately 2.5 acres. Names of zones are translated verbatim from the articles cited. Names of sub-zones have in some cases been abbreviated; lack of consistency is discussed in the text.

In no instance did the author encounter the sale of a tract of land which had been awarded under the law. Speculation does appear in other forms, nonetheless. In the province of Nor Yungas near La Paz at least one landlord's extensive citrus orchards remain intact because, exactly reversing the earlier situation, he is now able to rent land from his former tenants, and retains his role as benevolent autocrat throughout the valley. In the sparsely populated area around the city of Santa Cruz where allotments are large (normally 50 hectares), merchants, mechanics, and other city-dwellers have applied for plots which are being cleared and cultivated by hired laborers. Near Montero, less than one-half of the jungle land awarded to the Monterico Farmers' Union was divided among members who are tilling it; union leaders are using the larger portion only as a source of readily salable lumber and firewood.

Benefited peasants are supposed to pay for land the value which had been declared for tax purposes. Agrarian Reform Bonds, noncapitalizable at 2% interest, are to be paid within twenty-five years, under provisions spelled out in detail in a subsequent decree, *Decreto Ley* 03525. If the strict specifications for payment were adhered to, few peasants would retain their allotted plots, but this phase of the land reform has been virtually ignored to date.

II. Development of Indian Communities

Second of the "fundamental objectives" of the agrarian reform is "to restore to the indigenous communities the lands which were usurped from them, and to cooperate in the modernization of their agriculture, respecting and making use of their collectivist traditions insofar as possible," (Preamble). How many of these *comunidades* persist as virtually autonomous city-states within the Bolivian nation is uncertain, although estimates usually range between 3,500 to 4,500. Scattered throughout the *altiplano* and valleys, they are enclaves where traditional Indian law and administration are respected, and where land is held in common, with allotments rotating annually among members of the community.

In most of these communities, "foreigners" (that is any non-members) are viewed with distrust, and there is sufficient historic reason for this reserve, since "whites" have tried to encroach on communal lands almost continually since the first contacts were made in colonial times.

Although simplified summaries of the land reform decree were promulgated in the Aymara, Quechua, and Guarani, the most prevalent Indian languages, as well as Spanish (Article 175), the law is little known by several Indian groups. Interest in national affairs is exceptional, and illiteracy is the rule. For these reasons, few communities have applied for restoration of land (under Articles 42, and 57-60) which owners of neighboring estates had taken through the years, on the grounds that the Indians who held them since Inca times lacked legal titles. Neither is it surprising that in such socially and economically isolated groups which are dependent almost entirely on farming, there should be suspicion of outsiders who discredit proven traditional practices and offer to introduce new and untried methods which they admit would lessen man's intimate association with *Pachamama*, the divine

Earth-Mother. The United States Operations Mission ("Point Four") and the United Nations Andean Mission have encountered active as well as passive resistance to programs of technical aid, and the Bolivian government has not ventured even to outline any program for introducing change to the communities.

III. Revision of Agricultural Labor Relations

Third of the "fundamental objectives" of the agrarian reform decree is "to free rural laborers from their conditions as serfs, proscribing gratuitous personal services and obligations," (Preamble). That the law was conceived as part of a social revolution with broad implications beyond mere revision of patterns of land tenure is clearly stated. Succinct examples are the following: "The peasant worker is hereby incorporated to the juridico-social regimen of the Nation . . ." (Article 144), and, "The system of wages is [hereby] established as the norm of remuneration in all individual or collective contracts," (Article 145). The Indian was clearly to be liberated from feudal tenantry with its associated complex of perpetual debt, high rent paid in labor and produce, and other autocratic practices.

In large part this has been achieved through dispossessing the landlords. The few who have stayed on small portions of their original holdings which they were allowed to retain are those who never were abusive. Occasionally, in fact, a large estate may be found operating much as it has since colonial times, with peasants satisfied to remain tenants with use but not title to land, earning only a token wage for their work in the fields, barns, and house of the owner. For example, some landlords near Sucre have kept their tenants satisfied simply by introducing 1200 *bolivianos* as a weekly wage (equivalent to less than a dollar in buying-power), to a paternalistic relationship otherwise unchanged. It has already been noted how one farmer near La Paz rents land from Indians who formerly rented from him. The hesitancy of some landlords in the eastern area to let their salaried workers use land for fear they might claim right to it on the basis of having tilled it is another aspect of the complex relationship of employer and employee to the land.

An extreme example of the impact of the law is seen in the *yungas*, a small area of rugged tropical valleys which have, from the time of the Inca empire, yielded great wealth in coca, the narcotic leaf which impoverished Indians chew constantly for relief from hunger, thirst, cold, or fatigue. Construction of small terraces, even before the delicate plant could be set out, required huge expenditures of labor, as did the tedious cultivation and harvesting. As the Indian population increased many times over, and a world demand for refined cocaine grew, the crop increased in importance despite the tremendous cost in human effort, and landlords grow wealthy. Heavy taxes on coca also helped the government. With the promulgation of land reform, peasants took over the estates or landlords abandoned them rather than pay rent or wages. The Indians failed to grasp the value of the coca crop, or lacked the rare combination of self-discipline and cooperative enterprise required to work it successfully. In the past few years, some of the terraces have been eroded beyond repair and production of a major cash crop of this rich area has markedly diminished.

One may well ask what has become of the dispossessed landowners. Many, in fact, had long been absentee landlords living in cities remote from their holdings which were maintained by hired administrators. This was the general pattern in the cold drab *altiplano*, and occasionally held true in the *yungas* and other valley areas. Such men were the cosmopolites of the nation, and most of them are now engaged in banking, politics and commerce. Runaway inflation has consumed savings and personal fortunes so that one almost must have some immediate income. Usually it was only the less wealthy who actually maintained residence on their holdings in the western part of the country. A few of these men have stayed, as described earlier. Others have gone into small retail businesses in the cities, or have become administrators in slowly expanding productive industries, such as cotton, sugar, petroleum, tobacco, and so forth. A few have been active in the rapid development of truck transportation to meet the needs of the newly mobile "liberated" Indians. And a few with a love of the land and pioneering spirit even went to the eastern area where they are opening up new lands for agriculture.

What has become of benefited peasants has no more simple answer. Probably the majority continue to live where they had, and to do small-scale farming on plots only slightly larger than those allotted them as tenants earlier. They have been relieved of rents which they had paid in produce and/or labor (such as farming, herding, providing fuel, maintaining buildings and grounds, and so forth). They have also been relieved of punishment and other occasional abuses. In exchange for this they have forfeited little more than the informal "social security" offered by the landlords in caring for the ill and aged. They retain land for farming and grazing, as well as irrigation water. The greatest lack seems to be that of direction—large scale farming had been under the supervision of foremen, so that with the land fractionated into small private plots and no precedent for collective effort except under strict management, peasants do little more than cultivate kitchen-gardens for family subsistence. There is some truth to the accusations that most new landowners spend little time and effort working their lands. Independence is a heady replacement for paternalistic feudalism. Freed from the restricting schedule of work for the landlords, many accede to a temptation to rest from their lifetime of labor, and to have parties with music and dancing and drinking whenever they can. Others go to the big cities, sites of romance and wonder, where a man can earn enough to eat just by selling some weavings or tools, by working as a porter or even sometimes just by begging. To be sure, there are some who stay on the land and till it diligently, but even they have little surplus produce to take to market.

IV. Stimulation of Agricultural Development

The fourth "fundamental objective" of the land reform decree is listed as "to stimulate greater productivity and commercialization of the agricultural industry . . ." (Preamble). It is unfortunate in a country which spends a large portion of her very limited foreign-exchange assets importing foodstuffs that agrarian reform has yielded little progress in this respect; in fact, agricultural production of many crops has not

yet returned to pre-reform levels, after a long and severe decline. An analysis of the means projected and adopted shows clearly why.

Although *latifundia* appear inefficient in their use of massed manpower with antiquated tools and techniques, they were invariably self-supporting and yielded a small surplus which was sold to urban markets. Reallocation of the land has actually lessened production from most of these estates. The exodus of peasants to the cities, and the lack of organization of those who stay on the land have already been cited. Without leadership and planning, they are loath to work together, especially since the land has been broken up and the individual portions are so small. Those who remain as tillers produce little for sale since they are almost self-sufficient; many Indians buy virtually nothing more than salt, kerosene, and matches.

Then too, they are ill-equipped to grow more than the sparse necessities of an austere subsistence. Their homemade tools for use by hand or drawn by oxen never made work easy. But in the exhilaratingly care-free weeks of the early "emancipation," many sold their tools to buy alcohol or corn for festive drinking. Indians didn't know how to operate the tractors and equipment which were abandoned on a few estates, so stripped them and sold the parts. Stores of grain and other seeds were eaten rather than being saved for planting. Livestock too were butchered with no regard for their productive potential.

The most striking example of the degeneration of an estate is Pairumani, where "Tin King" Simon Patino spent literally millions of dollars creating a model farm, orchards, dairy, and stock-breeding establishment near Cochabamba. Although he never returned from Europe where he found refuge from the anti-Indian prejudice of his native Bolivia, he spent lavishly on having not simply a showplace, but a working farm with excellent facilities for experimentation and demonstration. It also served as a center for the distribution of selected seeds and purebred livestock at less than cost, with the aim of improving yields through the area. Within a few months after the estate was disjointed under the agrarian reform, seed-corn had been made into *chicha*, the Quechuas' liquor; prize cattle and sheep had been butchered for meat, and buildings and equipment were stripped of salable parts. In the following years, the orchards and gardens have become overgrown and gutted buildings only hint at the bold conception which Pairumani once represented.

Among the means offered to stimulate greater productivity and commercialization of agriculture was ". . . facilitating the inversion of new capital," (Preamble). But capital investment does not flourish in a climate of nationalization and expropriation.

It is clear why, in the mountainous western area, absentee landlords did not want to make investments which would undermine the very feudal system which had supported them in urbane luxury. Others were disturbed by the lack of property guarantees and of personal security.

In the eastern lowlands, on the contrary, farms had usually been run by the resident owner, with hired labor. Since there was no threat to their persons, many

owners there chose to stay on the land and to transform their farms into *agricultural enterprises* in order to defend their title to large areas. It has already been mentioned that a few dispossessed landlords came to the eastern area and invested anew in farms there.

Poor peasants benefited by the law could hardly be expected to invest capital which they never had.

Where private enterprise was lacking, projects aimed at increasing domestic food production were financed by national and even international organizations. These have enjoyed only limited success. Both the large sugar refinery and the rice hulling mill near Montero were established and supported by the Bolivian Development Corporation (CBF). Production at the sugar mill remains markedly below the rated potential, and the rice hulling mill is usually idle because charges are so high. With money from the United Nations Children's Fund (UNICEF), and United States' Point Four aid, a milk-powdering plant has been built near Cochabamba. Designed to process about 6,000 gallons daily, it has not been put into operation because the surrounding area produces no surplus beyond its normal consumption and there are neither cattle nor pasture-lands to allow expansion of dairying.

Another of the means proposed for furthering agricultural developments was ". . . respecting the small and medium farmers," (Preamble). *Small and medium properties* are explicitly excepted from expropriation (Article 32, 33, and 39). Such farms, however, are unlikely places "to stimulate greater productivity and commercialization of agriculture," because of their limited scope as defined by the law. Nor have the guarantees of such properties always been adhered to. Around the village of Cotoca near Santa Cruz, all of the land expropriated for a large Indian-resettlement project administered by the United Nations came from medium-farmers who still resent having been given remote jungle land in exchange.

Still another means proposed for stimulating agriculture was ". . . developing agrarian cooperativism," (Preamble). In the years following the enactment of the law, representatives of the National Council on Agrarian Reform established at least two agrarian cooperative organizations in the Department of La Paz, two in Cochabamba, and one in Potosi. Such cooperatives were planned to allow the pooling of a group's resources for the common good (Article 133-4), in a manner more efficient than that of the several individual peasants working their separate small plots independently. That each of these cooperative ventures has failed is taken by officials as an indication that "The peasants aren't ready yet for such progressive ideas," or that "The psychology of the people is basically opposed to cooperativism. They have been too often cheated and so trust no one in a position of authority." It is unfortunately true that such distrust is omnipresent, and even more unfortunately true that it is often justified. Administrators and officers of all cooperatives did cheat and steal openly, shirked their duties, and in general came to deserve the lack of faith shown in them. Although all newly formed Indian cooperative ventures have failed, the success of such organization among Japanese, Italian, and Canadian (Mennonite) immigrant colonies in the Santa Cruz area, and the persistence of the ancient Inca communities in the highlands attests its potential value.

One more means to progress in agricultural development was ". . . lending technical aid," (Preamble). Responsibility for this aspect of the agrarian reform program has been assigned the Inter-american Agricultural Service (S.A.I.), under the Bolivian Ministry of Agriculture and the U. S. Operations Mission. Their immensely ambitious program has accomplished little of enduring benefit, for a variety of reasons. It is popular to view the Indian peasant as "bound by tradition," and this provides a convenient rationale for simply ignoring the problems of the vast majority of Bolivia's farmers. Agricultural extension agents are located in larger towns, where they often offer little more than pamphlets to an illiterate populace, and the sale of fertilizers, insecticides, and outdated seeds at prohibitive prices. Agricultural experiment stations do not publicize their activities nor their offerings. A cattle-breeding farm is located where the only access is by airplane or several weeks' horseback ride from the nearest market town. Even wealthy and well-educated farmers in the Santa Cruz area who adopted the use of modern machinery when it could be rented cheaply were quick to revert to archaic forms of manual labor when realistic rental fees were imposed.

The final means suggested for promoting agriculture was ". . . opening possibilities for credit," (Preamble). This activity too has been administered by Point Four, and has become a focus of anti-U. S. resentment. Not only the small farmers themselves, but also the press and responsible organizations complain of favoritism in this respect. There is no provision for the peasant who must face a year of unusual expenses without income if he is to clear his land, build a house and fence, and plant for the future. Land is accepted as collateral, but only if a man has clear title, and titles are generally not issued under the land reform until a person has put the land into cultivation. Loans are available from other sources, but only at enormous rates of interest.

There are seven provinces (roughly equivalent to counties) where the reallocation phase of the land reform is said to have been completed. The National Council on Agrarian Reform claims to have no more cases pending from Quillacollo, Tarata, Cliza, and Punata provinces in the Department of Cochabamba, nor from Los Andes, Omasuyos, or Camacho in the Department of La Paz, and all peasant claimants there have presumably been awarded free titles to their small plots. In these provinces, the United Nations has undertaken a pilot program in agricultural development, with the introduction of experimental stations which are to work on the wants and needs of the local people, a more liberal program of supervised credit, gradual education of the people to adopt new techniques, and so forth. No marked success can yet be perceived.

V. Conservation of Natural Resources

The fifth "fundamental objective" stated in the land reform decree is "to conserve the natural resources of the nation, adopting technical and scientific means which are indispensable," (Preamble). All unoccupied land beyond city limits and all forests are declared the property of the State, (Article 9). It is especially noted that, "All rubber and brazil nut trees revert to public domain," (Article 70), and a program for the exploitation of those valuable products under governmental

franchise is outlined. Restrictions of this program have not yet been imposed on the single company who enjoys a virtual monopoly in handling these products.

There is little indication of the scope or means envisaged for conservation. If agriculturally productive land itself be counted, the outcome has been far from satisfactory. We have already mentioned how ancient coca terraces in the *yungas* are being destroyed by neglect, and how a former model orchard at Pairumani now yields only a little firewood. Throughout the mountains and valleys, elaborate terraces and irrigation systems are falling into disrepair. The bulldozers used by Point Four for clearing land on the eastern plains scrape off humus and rich topsoil as well as trees and brush, exposing the sandy substratum which is readily leached during torrential seasonal rains.

VI. Promotion of Domestic Migration

Last among the "fundamental objectives" of the agrarian reform is ". . . to promote currents of domestic migration of the rural population, now excessively concentrated in the interandean zone, with the objective of obtaining a rational human distribution, of strengthening national unity, and of integrating the eastern area of the Bolivian territory economically with the western," (Preamble).

The marked geographic diversity of the country, which is explicitly recognized in differential application of the land reform in various zones has already been mentioned. The Andes cut from north to south in two chains which tower along the western frontier and through the center of the country. Some rugged peaks more than 21,000 feet high are perpetually blanketed in snow, but the wealth of mineral deposits there, which have long been basic to the national economy, has probably been as important to the natural barriers to transportation in causing and perpetuating an extremely irregular distribution of population. The *altiplano* is the barren high plain which stretches monotonously cold and dry between these ridges and barely supports the Quechua and Aymara Indians who farm there with difficulty. The tropical *yungas* (near La Paz) and other more temperate valleys (near Cochabamba, Tarija, Sucre) which cut into the eastern chain of mountains are more fertile and comfortable. These zones which comprise the western half of the country support more than four-fifths of the total population, while the tropical lowlands jungles and prairies which stretch east from the mountains remain virtually unsettled. Extremes in population density may be noted between the Departments of Cochabamba (27.0 per square mile), and Beni (0.77 per square mile) according to the 1950 census.

Accordingly, domestic migration was proposed "with the objective of obtaining a rational human distribution . . ." It is not surprising, however, to find that people are not wholly rational in their reactions toward being redistributed within a country as large as France and Spain combined, and incomparably diverse. Because the land in the *altiplano* and valleys cannot support the dense population there except at a uniformly, and absolutely, low standard of living, there have been numerous short-lived programs throughout this century for mass relocation of young landless peasants from there to the unsettled and apparently fertile eastern lowlands. The incentive of free

land alone did not suffice; the most recent and most generous offer is in the agrarian law itself: ". . . any peasant laborer from the region of the *altiplano* or valleys will be given 50 hectares in the eastern area on request, and on his pledge to begin work within two years," (Article 91). When this offer failed to attract people on their own initiative, more direct action was undertaken by both national and international organizations. The National Army has formed a "Colonial Division," composed of nineteen-year-old conscriptees who are brought from the west to the northern Santa Cruz area where they clear land, build roads, and work on large farms. Throughout this program, fewer than twelve percent have taken advantage of the offer of a small house and 50 hectares of land at the end of their year's service. Personnel of the United Nations consider it a satisfactory year when just eight percent of the people they bring from the *altiplano* and valleys stay at their resettlement project in Cotoca near Santa Cruz. There are a multitude of other reasons to account for this, quite apart from the Indians' supposed "hereditary love of the mountains," which "whites" invariably note as being an integral part of racial character. The climate of the tropical lowlands is as different from that of the highlands as is the altitude, and the diet also differs markedly. Racial prejudice is all the harder to overcome because the newcomers speak a wholly unrelated language; the special resentment of local people who were displaced from their farms despite legal guarantee has already been mentioned. And even agriculture, the basic family occupation, is wholly different with new crops, different seasons, no irrigation or draft animals, and so forth. In sum, the east is a hostile and bewildering new world which holds little appeal for Indians from the west, however "rational" their removal might be.

From promoting currents of domestic migration it was hoped not only that a more efficient distribution of the population might be achieved, but also that Bolivian national unity might be strengthened and the eastern area integrated economically with the western. The Andes had long cut off the densely populated western half of the country from the virtually unexploited eastern half. The few travelers who did make the arduous journey over rugged mountains and through dense forest had long brought back glowing reports of "an Eden," "the potential bread-basket of the entire South American continent," and so forth. Inhabitants of the eastern area for the most part had little to do with the rest of the country, or of the world. Priding themselves on their "pure Castillian" heritage, they were virtually self-sufficient on their isolated estates and even today, in an archaic dialect of Spanish, ridicule people of the west as *kollas*, "lazy ignorant Indians." In 1954, a dream which had long been cherished by Bolivian federalists was realized—with money, personnel, and equipment from the United States, a highway was completed between Cochabamba and Santa Cruz. Only about two hundred miles apart, there was nevertheless little commerce between these regional centers because the truck road was a perilous two-weeks' trip in good weather, impassable otherwise. The new paved road can be driven in twelve hours, so that those who spoke of the eastern area as a rich underdeveloped frontier which could produce the foodstuffs needed to make Bolivia self-supporting rejoiced that a means of trans-

port would at last provide the outlet which would stimulate realization of the great potentialities there. Results have not been all that they expected. There has been heavy traffic on the highway, but it has been leather, cotton and alcohol rather than fresh produce which has come out of the east. In fact, more food has gone in the opposite direction: wheat, rice, and vegetable oil given by the U. S. government, and milk, butter, and cheese from the Cooperative for American Remittances to Everywhere (CARE). Mechanization of agriculture, we have noted, opened larger areas for cultivation but land so cleared is good only for brief periods. To date, the only major crop innovation in the area has been the introduction by Point Four of Cuban Yellow corn; this has a much higher yield than native varieties but the people simply do not use it. Sugar cane production has increased markedly in recent years, but alcohol as much as refined sugar has been the yield. In sum, the agricultural potentialities of the east seem to have been grossly overrated, but iron and petroleum are there in commercially significant quantities.

VII. Conclusions

While the focus of attention throughout this report has been the agrarian reform decree and its consequences, it would be misleading and unrealistic not to mention some other relevant forces which have made for the cultural change in Bolivia during the last few years.

It has been noted that land reform was not an isolated innovation but part of a broad program of social reform on a nationalistic base. Sharply increased governmental spending coupled with diminished production and national income caused a financial crisis which was only aggravated by wholesale issuance of paper money without backing. Runaway inflation reduced the value of the *boliviano* from 220 to the U. S. dollar in the spring of 1952, to a low of 14,000 to the U. S. dollar in the fall of 1956. Governmental price supports, multiple exchange-rates for various imports, and other regulatory devices often hurt national industries and constituted a fertile field for partiality and corruption. Enormous sums in financial as well as technical aid from the United States did not curb the spiral which put Bolivia in the first place among the 86 nations in the United Nations' cost-of-living index, until, in December 1956, a series of sweeping reforms was aimed at achieving economic stabilization through the austerity of an abruptly freed market and drastically increased taxation. Stabilization at about 11,000 Bs. per dollar has endured for a couple of years.

Lack of working capital and of even semi-skilled labor has hindered Bolivian industrial development. Having partially achieved its basic revolutionary aims, the incumbent party appears to be looking toward correction of some of its shortcomings and consolidation of its gains before pressing for the realization of any new major goals.

The granting of universal suffrage broke the traditional political dominance of a tiny wealthy and educated "white" minority and gave it to the mass of poor illiterate Indians, opening the way for democracy or demagoguery.

Nationalization of the large mines took strength and wealth from a few monopolistic companies, but has cost the government dearly in diminished production and revenue. Mismanagement, "featherbedding," and other abuses have combined with a large drop in the world price of tin, the major export, forcing them into deficit operations in order to get foreign exchange. A painful but valuable lesson learned this way has been the necessity of diversifying the national economy.

Governmental control approaching totalitarian methods appears to be gradually lessening. Party-organized "trade unions" serve as channels for exerting pressure upon opposition and rewarding conformity. Popular support of the government (which is, in effect, congruent with the MNR Party) is thereby enhanced.

Aid from the United States in the form of food, money, equipment, and technical assistance has often been diverted or misused, helping a few individuals but creating general distrust and ill-will. Projects undertaken by the United Nations have also engendered dissatisfaction. In both of these cases, the greatest lack seems to be of awareness about—or concern for—the needs and wants of the Bolivian people themselves.

Improved means of transportation have put most Bolivians at least on the fringe of a money-economy, in which national currency may sometimes displace barter as a means of exchange, although regionalism persists as a strong force with racial, linguistic, and cultural differences marked in diverse zones which have little communication.

Feudalism has been virtually abolished. In few other respects have the objectives of the agrarian reform been realized. As a consequence of excessive fractionation of the land and lack of motivation and direction, new peasant owners produce little for market. Many even leave the land and go to cities, creating a new class of "liberated" but impoverished Indians. If popular education becomes widespread, it is possible that *indigenismo* (Indianism) may gradually diminish over a long period of time, and the present social structure along caste lines be replaced by one simply recognizing socio-economic classes, and allowing greater mobility.

If production continues to rise and proposed diversification of the economy becomes a reality, Bolivia may recover and eventually deserve the reputation which it once held among much of Latin America's progressive youth as an example of the virtues of a nationalistic revolution. Bolivia's program of economic development may succeed *in spite of* her thoroughgoing program of agrarian reform rather than because of any impetus it provided.