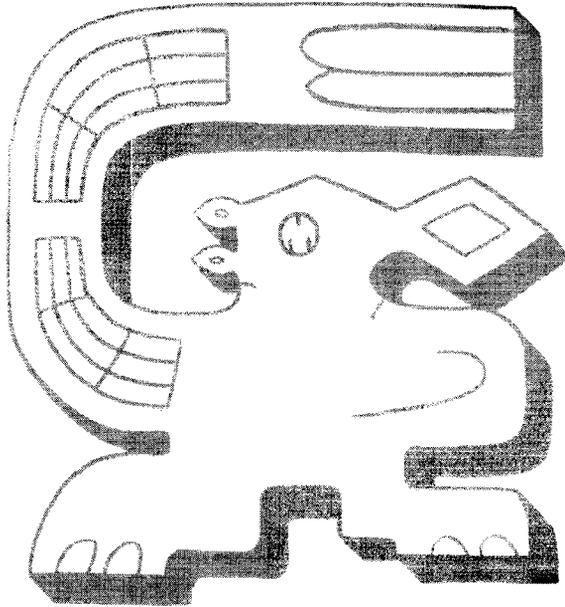


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Land Reform and Peasant Market Participation
on the Northern Highlands of Bolivia

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THE PURPOSE of this article is to describe and analyze the changes which have taken place on the north highlands of Bolivia since 1952 with regard to the extent to which peasants in this area now participate in markets on a cash basis. The land reform, instituted in August of 1953, was the most important factor in restructuring markets and marketing relations in this area. It will be seen that direct results of the land reform have not only been the distribution of opportunities for peasants to earn a cash income and their greater participation in a money economy, but also the creation of a greater number of regional and national markets.¹

I. *The System of Agriculture on the North Highlands Before 1953*

The present study covers 51 pre-reform properties.² They ranged in size from 335 to 9,408 hectares, with an estimated 5,400 families living on the properties

† The research for this paper was done in Bolivia during 1966 within the framework of a larger project—an evaluation of the Bolivian land reform experience and analysis of present tenure problems—which has been undertaken jointly by the Land Tenure Center of the University of Wisconsin, the International Committee for Agricultural Development (CIDA), and USAID Bolivia. The Land Tenure Center is financed by a regional contract with AID Washington. Of course none of the

opinions, interpretations or conclusions is necessarily endorsed by these organizations.

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¹ The data used herein were gathered during 1966 by means of individual and group interviews. Group interviews were used to obtain all historical data, particularly peasant family expenditure data before 1953. Table I and historical parts of the text present the most common answers to questions about markets and purchases made by barter and cash before 1953. Table II represents the most common answers of 100 families interviewed individually using an economics questionnaire. Data in Table II were substantiated on a broader regional basis by unstructured interviews with groups in other areas besides where the questionnaire was used.

Interviews were carried out in 51 peasant communities which before 1953 were landholdings held by individual owners. All of these landholdings have been affected by the land reform and most of the land has been distributed to the peasants. The landholdings included in this study are distributed on what is usually considered the north highlands of Bolivia—that is, the highlands region between the two mountain ranges to the east and west, and between Oruro to the south and Lake Titicaca to the north—which is primarily the Department of La Paz. This region coincides roughly with the major agricultural supply area which serviced the city of La Paz before the land reform. La Paz still is the most important market for agricultural produce coming from this region.

² According to the Bolivian Agricultural Census of 1950 (Dirección Nacional de Estadística y Censos, Ministerio de Hacienda, p. 2 *et passim*), of a total of 82,598 private holdings reported for the country as a whole, 7,924, or approximately 9.6 percent, were farms of 200 hectares (one hectare equals 2.46 acres) or more, representing 74 percent of the total area reported. These same farms also reported 62 percent of the land that was being cultivated that year. At the other extreme, there were 50,483 farms, or 61 percent of those reported, which were smaller than 5.0 hectares, representing .28 percent of the total area reported and 8.1 percent of the cultivated lands. The landholding structure in Bolivia before 1952 was one of the more extreme to be found anywhere in Latin America, then or now.

at the time of the land reform, or a total population of roughly 25,000 people.³

Before the land reform the management of most of the farms in this study can be characterized as absentee ownership. On only five of the 51 farms where interviews were made did the landlord live there or remain there for any extended period of time during the year. The usual practice was for the landlord to visit his farms for a few weeks during the periods of planting and harvesting, with possibly one other visit to the farm during the year. All 51 of the landlords in this study had homes in the city of La Paz. Many had non-agricultural businesses and/or professions to which they devoted the greater part of their time. In some cases farming was of secondary economic importance to the owner in terms of his total income. It was not possible to get data on the other economic interests of pre-reform landowners which would allow generalization.

On all these pre-reform farms the day-to-day management of the farm was left in the hands of a paid white or *mestizo* administrator (in no case a peasant or someone of direct peasant extraction) who had to oversee all farm operations on a yearly basis and carry out the orders of the owner. Beneath the administrator there were several positions which were usually filled by peasants through whom the orders of the administrator and landlord were implemented.

The vast majority of the rural population on the north highlands owned no land whatsoever. Peasant families, in order to have access to land, had to work within the rural institutions or tenure relations which long ago had been set up between those who owned land and the peasant families who owned none. Each peasant family was obligated to render personal and farm labor services

to the landlord in exchange for the right to use a small parcel of land, primarily to grow crops for family consumption and to raise a few animals. The basic obligation of the peasant family was to work a certain number of days per week on the lands which the landlord had reserved for himself. There was no sharing of the production from the landlord's lands.

On the farms included in this study, this basic family labor obligation ranged from three to 12 man-days of labor per week, and was a function of the quantity and quality of land which the peasant received from the landlord. It was not uncommon for an individual peasant family, unable to meet its labor obligations, to hire a single man, a young couple, or a family from outside the landholding, to take over part of the work duties of the family in exchange for the

³If one looks at the pre-reform data only for the Department of La Paz, where this study was carried out, one finds that of the total of 6,221 privately held properties, 1,058, or 17 percent, were farms of 200 hectares or more, representing 96 percent of the total area reported and 81 percent of the land that was under cultivation. In the same Department the number of farms less than 5.0 hectares represented 48 percent of the farms reported in the census but this number had only .09 percent of the total land and only 2.0 percent of the lands under cultivation. From interviews, as well as from data in the National Agrarian Reform Service's archives, it was possible to determine that the total number of holdings which 44 of the 51 different landlords represented in this study was 159 different farms, or a rough average of four per owner. Multiple holdings were common and in 1950 land ownership was even more concentrated in the Department of La Paz than it appears in the 1950 Agricultural Census.

The Department of La Paz also includes various valley regions to the east, known as the Yungas of La Paz, and also valley areas such as Rio Abajo, Luribay, etc. Since the average size of land holdings in these areas was much smaller than on the highlands, and also because most of the holdings of less than 5.0 hectares were found in these areas, one can assume that the north highlands was a region almost exclusively of landholdings 200 hectares or more in size.

use of some of the land to which the peasant had usufruct rights.⁴

The farm labor obligations of the peasants were expected the year round. During the peak agricultural periods of plowing, planting, and harvesting, the peasants were expected to use their own animals, plows, and other agricultural implements on the landlord's lands. For the remainder of the year the peasants were called upon as the needs of the farm demanded, especially for road repair and fence and building construction, or to work on other farms owned by the landlord.

Besides this basic labor commitment to the landlord, each peasant family was expected to fulfill other service obligations, usually of so many consecutive days and by turns among the peasant families. These included making certain agricultural products, milking cows, working as house help or as messengers (either on the farm or in the landlord's house in La Paz), herding the farm animals, or selling farm produce in the landlord's store in La Paz. When the landlord needed additional help on other properties, or when he decided to rent his agricultural labor to another landlord, the peasant was obliged to leave his family and go there to work providing his own meals for the time necessary.⁵

Besides the obligations mentioned above, the peasant whose turn it was to go to La Paz (usually for a nine-day period to work in the house of the landlord) had to take a certain number of eggs which he was responsible for collecting from all the peasant families. The peasants were not paid for these, except on certain occasions when additional quantities of eggs were required by the landlord. At these times the peasants were paid in kind or in cash, but only one-third to one-half their value.

Other obligations, but less widespread than those relating to eggs, were that the peasants were obliged to sell so many cheeses per week to the administrator during the rainy season for the right to have a cow; to give the lard from a slaughtered pig to the landlord for the right to raise pigs; and, in a few cases, to turn over fixed amounts of milk during a specified period for the right to raise a cow. This was made into cheese for the landlord.

In addition to the economic obligations mentioned above there was a set of economic prohibitions which reduced substantially the ability of peasant families to obtain a higher cash income. For example, on most farms the peasant could not sell wood or the grasses that could be made into brooms, even though

⁴Of the 51 properties included in this study, 25 were declared latifundia by the land reform; that is, the landlord lost all the land. They represented 65 percent of the total area of the farms in the study. The other 26 were declared medium or small properties, with the landlord retaining some land for his use. Thus the peasants on 25 farms have realized a substantial increase in access to land while increased access on others would have ranged from substantial to nothing. Under no circumstance is the conclusion warranted that the land reform primarily legalized the usufruct rights of the peasants in this region. Others have come to such a conclusion but based on studies of only a few small properties. See, William E. Carter, *The Aymara and the Bolivian Agrarian Reform* (Gainesville, Florida, University of Florida Press), University of Florida Monograph Number 24, 1964, especially Chapter 8.

⁵Rafael A. Reyeros, *El Pongueaje*, now called *Historia Social del Indio Boliviano*, Second Edition, 1963, La Paz, Bolivia. It is interesting to note that this book was written before the land reform and recommended abolition of the personal service obligations and remuneration of farm labor, as a ". . . simple program, the realization of which would bring peace to the countryside. Also, it would put out the cracking sparks of the rebellious peasants (*indios*), and it may even constitute a stimulus and foundation for their moral and material elevation" (p. 216, the author's translation). On only one farm in the 51 included in this study was the law of 1945 followed which abolished free personal services and stipulated that they must be remunerated.

these came from his plot of land. These were the products of the farm and reserved for the landlord.⁶ Also, in almost all cases, the peasants were restricted in their use of lands for pasture. In five of the study cases there was a limit of five sheep which each family could own, since the landlord wanted to assure proper feeding and care of the oxen and mules which every peasant family had to have to meet the work obligations on the farm. In four cases the families were prohibited altogether from having other than draft animals.⁷

Failure to fulfill both farm and personal service obligations, or failure to abide by the rules within the farm organization, brought fines in money, animals, or agricultural products, or physical punishment and possibly eviction from the farm. No matter how unjust the treatment of the peasants they had no one or no institution outside the farm to which they could take their complaints. About the only recourse they had was to flee from the farm, usually at night, to try to secure better treatment elsewhere. If they were caught they would be returned to the farm. For all intents and purposes the peasant was a slave, the property of the landlord, for whenever properties were advertised for sale the number of families on the property also was included.

Besides granting access to land, the landlord was expected to meet certain needs of the peasants in order to secure their labor services. For example, he was expected to construct and maintain a church, to provide funds for alcohol and food on the major holidays, and to loan money to individual families for marriages, burials, and health expenses. There were no community obligations placed on the landlord except for the church and community fiesta days. The

almost complete absence of educational facilities on the farms studied demonstrates that landlords generally felt no obligation to build and staff a school.

Large landholdings, absentee ownership, and serfdom would be the best general characterization of the system of agriculture and labor exploitation prevalent on the north highlands in Bolivia before 1952. The landlord or his representative had nearly absolute authority within the landholding and acted as the *pater-familias* of the many peasant families. Under this system the landlord realized his income from the exploitation of non-remunerated labor, which had few or no alternatives for other employment or access to land. In the operation of the farm the landlord had few cash expenditures. Seed was kept from the preceding harvest; labor was essentially free; peasants were expected to use their animals, plows, and other imple-

⁶It should be added that, whenever possible, the peasant ignored this prohibition using these to earn a bit of extra cash income.

⁷The above are the more generally found farm obligations and prohibitions other than labor and personal service obligations. In seven other cases the peasants were obligated to turn one sheep per year over to the landlord or to work extra days per week to cultivate additional parcels of the landlords' lands. The sheep, as well as the additional work obligations, were used by the landlord for paying the taxes on his farm. There were other prohibitions of a social nature which maintained and re-enforced the caste-like distinction which had grown up between the peasant or indio and the landlord or *blanco*. In many cases peasants were prohibited from speaking Spanish to the landlord, either on the farm or in the city. Similarly, when a peasant came to the city to work in the house or the store of the landlord dressed in ready-made clothing, rather than the coarse homespun goods which they usually produced for themselves, they had to change into the latter. This was especially true if they wore shoes rather than coming barefooted or in the crude sandals which were common. There is no other explanation for this than that which is usually given for the lack of schools on the landholdings: landlords did not want to encourage learning or the adoption of non-peasant dress and language for fear that the farm labor would leave the rural area for the city.

ments in working the landlord's lands; and even all construction was costless in terms of money outlays, except for items which could not be produced on the farm. This system was perfect for minimizing money outlays within a traditional agricultural system. There was, as a result, little need for the landlord's presence on the farm as a manager.

The pre-reform landholding structure was, if not wholly then in part, responsible for the fact that the flow of agricultural products to the city and mines was not offset in any way by a return flow of private investment funds for expenditure in the rural sector. Such flows might have generated agricultural development and increases in production of agricultural staples. Instead, without them the agricultural system remained static.⁸

II. Pre-Reform Marketing on the North Highlands

Before the Bolivian land reform, as now, the markets for agricultural products of the north highlands area were primarily the city of La Paz and the mines. Given the landholding structure at that time it is not surprising that the marketing structure and all large volume, cash sales of agricultural products were dominated by the owners of land, almost to the complete exclusion of the mass of peasants.

At the time of harvest the landlord visited the farm to make sure that he received the agricultural produce that was due him. Once he knew the quantities it was easy to hold the administrator and the peasants accountable for bringing them to La Paz. At the end of the harvest the major products of all the farms on the north highlands were the same: barley, potatoes, *oca* and *papa-liza* (both tubers), *cañaqua* and *quinua*

(both cereals), and *habas* (broad beans). The landlord usually entrusted to the administrator the potatoes that were to be dried. Barley, a major crop on the highlands, was sold immediately and directly to the brewery in La Paz, or in a few cases to representatives who came out to the farm. Wool generally was taken directly to the La Paz market for sale to the mills, but on some farms the peasant women were obligated to wash, spin, and weave the wool into blankets and rugs to be sold by the landlord. The rest of the produce was stored on the farm or was taken immediately to La Paz for sale or storage.

At the end of each harvest the peasant families were expected to transport all the agricultural produce. In most cases all the produce was taken at the same time under the general supervision of one peasant or *apiri*. The peasants had to furnish the animals and bags, and, in general, were responsible for making sure that stipulated quantities arrived to the city. Generally, there was no remuneration of any kind for these services, even when providing them led to the loss of animals or bags. In the cases where the landlord had contracted deliveries with certain mines the peasants were expected to transport goods there also.⁹

Throughout the year other products were produced on these large farms. For example, animals, especially sheep, were often sold alive on the farm to buyers

⁸ This does not mean that there were not some farms with improved animals, pastures, and some agricultural machinery. These cases were so few that, in trying to generalize about the pre-reform agricultural system, they would not be important.

⁹ In only five cases, all of which happened to be larger farms, all the major products were sold in large quantities to middlemen who came to the farm from La Paz, or all the produce was delivered directly to mines where the landlord had a contract.

from La Paz; less frequently they were taken to La Paz by the landlord to be sold there. On most farms some sheep were killed and then salted and dried; these were sold directly to the mines or La Paz market. Over a longer period of time, usually six to eight months, depending on the length of the rainy season, cheese and a cottage cheese-like product were made on the farms and delivered directly to the landlords on a weekly basis. Eggs were delivered every week in almost all cases. These products were brought to La Paz by the peasants coming in to fulfill various service obligations in the landlord's home.

In the last seven to ten years before 1952 many landlords began to use their own or rented trucks to bring produce to La Paz or they had the products transported by train from areas between La Paz and Oruro or La Paz and Guaqui. In all these cases the peasants were expected to load and unload the truck or train. In seven of the study cases the peasants had to pay the landlord for the transport costs by truck or by train. Any quantity of agricultural produce which was stolen or lost during the trip to La Paz had to be repaid by the peasant responsible for its transportation.

Once in La Paz agricultural produce was stored and subsequently sold in the store or *aljería* owned by the landlord. These stores or the storehouses on the ground floor, in basements, or in second patios of landlord's houses, were exclusively devoted to the agricultural produce from the owner's farms. All but five of the landlords in this study had *aljerías*. These were managed by the landlord or members of his family and the help used in the stores was brought from the farms. The person who worked in the store was called an *aljiri*, which in Aymara means "seller."¹⁰

The specific obligations of an *aljiri* were to go and tell the retailers in the city markets who had done business with the landlord previously of the arrival of products from the farm and to show the products to potential buyers. If the buyer was interested the *aljiri* would call the landlord or someone of his confidence to come and make the sale. The *aljiri* had to transport the products to the home or the market stall of the purchaser. These sales were usually made in large quantities to established retailers in the La Paz markets. Frequently, however, when sales were difficult to make in large quantities at a good price, the landlord would sell directly to consumers in small quantities, using the services of the *aljiri* also. Other products sold directly to consumers were the eggs, cheeses, and brooms which were brought each week from the farm by the peasants who were obligated to come to work in the house.

The production, transportation, and marketing of the landlord's agricultural produce were unremunerated obligations of the peasants. As a result, agricultural production and marketing was nearly costless to the landlord in terms of actual money expenditures and the produce of the landlords seldom entered into local fairs or rural markets in the north highlands region. It was no advantage for the landlords to sell their produce any other way than that described above.

¹⁰ In some exceptional cases where the *aljería* was small, or the owner had few farms, the seller (*aljiri*) and the person (*pongo sabadero*) who came in to render seven to twelve days of services in the house were one. However, in most cases in this study the two functions were separate with the services of the *aljiri* lasting as much as four months at a time. See, Carter, *op. cit.*, p. 44, where he states that the two functions were carried out by the same person.

Primarily the result of the land ownership structure and the predominant system of labor exploitation, cash and volume sales of agricultural produce in the north highlands region were dominated by the owners of large landholdings. The bulk of agricultural produce reaching La Paz markets came from the lands which landlords had for their exclusive use. This does not mean that peasant production of agricultural products did not reach La Paz or the mines either directly or through local fairs. However, the produce of the landlords was more important in supplying both La Paz and the mines.

III. *Peasant Market Participation Before the Land Reform*

The Bolivian peasant was given a plot of land where he could build a house, have a garden, and keep some animals in return for rendering stipulated farm labor and personal service obligations to the landlord. He also was allowed small parcels of land and limited pasture rights in certain defined areas of the landholding, including lands lying fallow. The peasants were expected to meet their needs by working these lands after meeting their labor obligations on the lands of the landlord. As a result, the primary orientation of all peasant families working within this system of agriculture was almost exclusively toward their own subsistence or consumption needs, rather than production for the market. The small quantities of land they were given, as well as the little time they had to work it, precluded their being able to think in terms other than family subsistence requirements. Generally, the only contacts which the peasant families had with markets were through the sale or barter of small

amounts of staple commodities, and sale of some meat, eggs, or cheese.

It was usually by means of the frequent, small-scale barter transactions that peasant production of staple commodities entered local fairs and eventually was consumed in small towns, La Paz, or the mines. These transactions, as well as cash purchases, usually took place in the plazas of rural towns, usually cantonal or provincial capitals, and not on the landholdings, for the peasants were completely free to buy or sell wherever they wanted.¹¹ Usually, peasant families attended only one of these markets once a week or less often, for distances between these fairs were too great for more frequent trips on foot.

The usual marketing practice was for both the men and women to go to the local fair, with women carrying small quantities of staple commodities to barter for condiments, pots, salt, dyes, cocoa leaves, pieces of cloth or quantities of wool, and other household consumption items. There may have been a small cheese made from sheep's milk, or some eggs, which were either exchanged or sold for cash. If an animal or any large quantity of agricultural produce was to be sold, the man usually made the sale for cash. However, these cash transactions were made only infrequently; for example, to obtain cash for fiesta expenditures, marriages, burials, or to make it to the next harvest.

¹¹ In only a very few cases of the 51 farms studied on the north highlands did the landlord sell non-agricultural commodities to the peasant families on his farm. These sales were for cash or credit but were not a way of tying the families to the farm (debt peonage) as was so frequent in Mexico before the land reform there. On about half the farms studied the landlord did sell staple commodities to the peasant families but only when they ran out of their own supplies.

In addition to weekly fairs there were annual fairs held in all of the larger cities, especially provincial and departmental capitals, which coincided with religious holidays held in honor of the specific capital. It was at these larger fairs, as well as when the peasant had to go to La Paz to work in the store or house of the landowner, that the peasant family made its major cash purchases. Usually the family had accumulated some cash before these fairs by taking animals, such as sheep or pigs, or agricultural produce to be sold there. With cash they purchased work animals—oxen for plowing, donkeys and mules for transporting agricultural produce—and agricultural implements. These were needed to meet their labor obligations on the landlord's lands and to work their own lands.

The only agricultural products which were available in these fairs from other regions—coffee, rice, fruit, noodles, sugar, etc.—were considered as specialty goods, to be purchased only on certain occasions such as fiestas, etc. A few manufactured goods were purchased infrequently, such as cotton cloth, wool clothing, agricultural implements, kerosene and dyes, mirrors, combs, ribbons, thread, needles, buttons, candles, pots and pans, cookies, soap, beer, soft drinks, cups, plates, nails, etc. Before the land reform there were few purchases by the peasants that could be considered as consumer durable goods such as a radio or sewing machine.

The tenure system, with its peasant farm labor and personal service obligations to the landlord, as well as outright prohibitions as to what the peasant could produce and sell, was the main cause for the low level of his participation in markets on a cash basis. The effect of these obligations was to diminish the oppor-

tunities available and capacity of the peasant family to earn a cash income. In the case of some of the obligations, eggs for example, the landlord appropriated for himself the peasant production of these high-value, protein-rich products, which he knew had a good market and which he could sell directly to consumers in his store in La Paz. As a result, the subsistence base of the peasant family, that is, potatoes and cereals, had to be used even to a greater extent to meet the cash expenditures of the peasant family.

It is always difficult to try to reconstruct, after the passage of 14 or more years, the extent to which peasants acquired goods by either barter or cash. It is possible, however, by means of group interviews with the older members of peasant communities, to get a good idea of the more common articles and quantities acquired on a regular basis during one year for a family of five before the land reform.

Table I indicates the extent to which a peasant family of five participated in markets before 1953.¹² The total was US\$30.65. Of this amount, \$7.85 worth of common household consumption items was acquired by bartering agricultural staples for them. Cash purchases of household consumption items were made in the amount of \$22.80. There were also infrequent cash purchases of agricultural implements and animals, such as donkeys or oxen, to meet the farm labor obligations. Most of the time

¹² Using present values will allow a comparison with the extent and the basis of the peasants' present participation in markets. See Section V. The author is completely aware that changes in the structure of prices as well as quality of goods between 1950 and the present does not make the two points in time completely comparable but for lack of specific price and quality data in 1950 this is the only way that such a comparison can be made.

TABLE I—ARTICLES, QUANTITIES, AND VALUES OF MOST COMMONLY ACQUIRED GOODS AMONG THE BOLIVIAN PEASANTS IN NORTH HIGHLANDS BEFORE 1952 (1966 PRICES)

Bartered Articles	Quantity	Present Value
Condiments	—	\$.65
Cooking grease	3 lbs.	.60
Noodles, etc.	15 lbs.	1.50
Pots for cooking	5	1.65
Salt	3 panes	.75
Wool	4 hides with wool	2.70
TOTAL VALUE OF GOODS ACQUIRED BY BARTER DURING THE YEAR ON A REGULAR BASIS		\$7.85
Purchased Articles	Quantity	Present Value
Alcohol	5 quarts	\$ 3.50
Bread	30 pieces	1.25
Cigarettes	5 packages	.50
Coca	10 lbs.	4.20
Dyes	2 lbs.	.25
Hats	2	4.15
Kerosene	26 bottles	1.10
Matches	50 boxes (small)	.85
Pants	1 pair	1.50
Sugar	15 lbs.	1.25
Tocuyo (cloth)	10 yards	4.25
TOTAL VALUE OF GOODS ACQUIRED BY CASH DURING THE YEAR		\$22.80
TOTAL VALUE OF ALL GOODS		\$30.65

these were cash expenditures, made only infrequently as replacements were needed.

Little clothing is included in the list of consumption items in Table I since most peasant families made their own from the wool of their animals or from wool and hides they purchased. The more common items of clothing were pants and hats. Peasants bought almost no beds, windows, roofing materials, shoes, medicines, or manufactured goods.

Generally, the items for which peasants bartered, or which they purchased, were to fulfill minimum consumption or subsistence needs; goods stocked for peasants in local, regional, and the La Paz markets were oriented towards these needs. Commonly, these were items of low value, to be sold in small quantities

to peasant families who had little ready cash and whose levels of consumption were determined by their low levels of income.

Thus, marketing in the pre-reform period can be characterized, on the one hand, by the commercially-oriented, large-volume, direct transactions of the landlords whose production was destined for the urban market of La Paz or the mines, with little return flow of investment goods or funds to the rural sector which could have stimulated development there. On the other hand, the market system was made up of labor exchanges, barter and small cash transactions among the many peasant families in markets located primarily in the provincial and cantonal capitals. Peasant sales were commonly staple goods and barter transactions were more frequent. The most important characteristic of this subsistence-oriented marketing system was that, because of the low income of the peasants, the peasantry was excluded from participation at a higher level in markets and in a money economy and there were relatively few sales of simple manufactured goods.

IV. *Land Reform and the Process of Marketing Adjustment*

After winning elections in 1951 the National Revolutionary Movement Party (MNR) was allowed to assume power in 1952 only after a revolt among army units in La Paz forced the incumbent government out of office. The MNR Party began its reform program by nationalizing the three major mining interests and by enfranchising the peasant masses, at the same time creating a national peasant union movement. Peasant unions were necessary to maintain the government in power and to bring about the

passage of the Bolivian Land Reform Law of 1953.

The MNR accomplished the creation and unification of a national peasant union movement by not taking the drastic measures of repression (taken by previous governments in other areas) to put down the popular uprisings and invasions of lands which took place in the Cochabamba region in 1952 and after.¹³ In this area the government chose to work with a rural peasant movement which was aided by members of mining unions and an urban-based, middle-class intellectual group organized into a political party called the Revolutionary Party of the Left.

In areas where popular manifestations for land reform among the peasants did not occur, which was nearly all the country outside the Cochabamba Valley region, the government sent its agents or members of various mining and urban labor unions to advise peasant leaders about the coming land reform and how they should organize themselves in order to acquire their lands. The new MNR government took these actions after assuming power and continued them after the passage of the Land Reform Law in August 1953.

When peasants were informed about the land reform they were told they would receive the lands they worked and should not work any longer for the landlords under the old system. During this time, regional peasant union leaders, who were receiving support from the government and, in some cases, who were receiving or already possessed arms, were making it difficult for anyone to travel from La Paz and other departmental capitals to rural areas. A result of this situation was that, even before the Land Reform Law was signed in 1953, few landlords or their administrators re-

mained on the farms in the region of the north highlands.

Within the context of this revolutionary situation it would be completely erroneous to reason that land reform—the division of large one-owner farms into many small individually worked farms—led to a decline in agricultural production. In the case of Bolivia it would be less incorrect to reason that a popular revolution which led to universal suffrage, to expropriation of the three larger mining concerns, to the creation of peasant unions and armed militias in the countryside and, finally, to a land reform law, would not have helped but have immediate repercussions on the agricultural system and possibly the level of agricultural production—especially on the quantities of agricultural produce delivered to urban centers. To alter tenure relations between the land-owning minority and the non-landowning majority required the organization of peasant unions to undercut the power of the landlords and their efforts at counter-revolution. In this context, the temporary effects on agricultural production or the movement of agricultural products to the cities should be a secondary but still an important consideration. This was the price of beginning to create a new agricultural system and a new popularly based government.

Seventeen farms in this study were idled largely as a result of the political situation created by the Revolution. The lands of the landlords on these farms were left unworked for varying periods of time, beginning in October 1952 or in 1953 and ranging from two years to

¹³Richard W. Patch, "Social Implications of the Bolivian Agrarian Reform," Ph.D. thesis, Cornell University, Ithaca, New York, 1956.

the present. Seven farms were idle for two years, five for three years, four for four years, two for five years, one for seven years, and one for 14 years. A total of 70 production years were lost. On these farms no subdivision of lands occurred during the periods they were idle; the decline in agricultural production was not a result of the subdivision of large farms into small peasant holdings but occurred for other reasons.

Many conflicting reasons were given why lands were left idle. In the one case where lands have not been worked for 14 years the landlord was particularly abusive and the peasants say that he still wants them to work for him under the same system as before the land reform on the lands which he still has. In other cases the peasants say that either their local or regional union leaders prohibited them from working the landlords' lands where the owners had been abusive, or where the new peasant union leader was trying to ensure that the landlords would not return. In some cases the peasants did not work the lands "on orders from La Paz" without specifying from where the orders came. Peasants say also that they were waiting to see to what extent the lands would be expropriated before beginning to work them; that is, they were awaiting official pronouncements from the National Agrarian Reform Service before they dared to work the lands of the landlord. All these reasons conflict with what happened on other farms during the years right after the land reform and with the policy of the Ministry of Rural Affairs, which will be shown later. It seems that confusion within the ranks of the peasant unions on the one hand, and peasants who would not appropriate for themselves what was not yet theirs on the other, resulted in these lands remaining unworked.

On two of the 51 farms in this study the landlords had large areas of pasture lands. The only cultivable lands which they had were parcels worked for their benefit within the holdings of each peasant family. This peculiar situation existed because these two farms had recently been usurped by means of loaning money to individual peasant landholders and neither landlord had reorganized the farm, i.e., consolidated his own holdings. In these two cases the peasants appropriated the parcels belonging to the landlord and worked them once again as their own, cultivating the same crops as before and without leaving any lands idle. In a third case the lands were restored immediately by the government to the peasants from which they had been taken a few years before, without any effects on production.

The work relations on a total of seven other farms were adjusted very rapidly, in accordance with directives from the Ministry of Rural Affairs. On these farms, the lands were never left idle. Instead, the landlords were willing to divide the agricultural produce from their lands with the peasants, allowing them half, with the other half to be brought to the landlords in La Paz, as prescribed in a decree issued by the Ministry of Rural Affairs. If the peasants did not sell their shares in urban areas it would have appeared to residents in La Paz that agricultural production decreased. These sharecropping arrangements lasted only two years on two farms and three years on the other five. The main reasons given by the peasants for terminating these arrangements in two cases were that they did not have the supervision they needed to work the landlords' land as a unit (as before the land reform) and therefore preferred to work them individually; and in three cases

that the lands were declared latifundia—meaning that the peasants had rights to all the lands—leaving the landlord with none. No matter which reason prevailed, these lands were subsequently divided among the peasant families (after 1955 or 1956) to be worked individually.

On eight of the 51 farms, lands were subdivided among the peasant families in 1953, usually with the peasant unions playing an important part in the subdivision. The peasant union leaders had interpreted the Revolution and the talk of land reform as meaning that the peasants now had rights to all the lands. The lands were divided among the peasant families (not always evenly), to be worked individually. These are the only cases of large farms which were subdivided immediately after the Revolution of 1952.

In a total of 34 cases out of 51, all cases except the 17 where lands were idled, the lands were worked continually from 1952 to the present. A few were divided immediately among members of the local peasant union while the rest were worked as a unit under sharecropping arrangements or by the peasant union. In the latter case, lands of the landlord were worked as a unit but the total product was divided between the families who worked the lands. At times the peasant union reserved some of the product for the expenses of the school which the members wanted to construct, or to pay expenses of the peasant union, topographers and agrarian judges which were necessary to begin the land reform process according to the Land Reform Law. On all these 34 farms the peasants say that the same agricultural products were raised and sold after the Revolution as before the Revolution, and in all cases the peasants willingly say that they withheld a part of the products from the land-

lords' land for their own consumption, but sold the rest.¹⁴

A decline in production of agricultural goods may have taken place on all these 34 farms where lands were not idled because of several adjustments begun shortly after the land reform. For example, the peasant family was no longer obligated to work a disproportionate amount of time on the landlords' lands. Some may have decided to take some time off. In the first years after the reform, peasants spent much time at local and regional peasant union meetings. This may have been at the expense of working landlords' lands as intensively as before. The extent to which peasants were unable to work the land of the landlord as "efficiently" (in terms of the exploitation of their own labor), either individually or as a group, as under the agricultural system before 1952, would have reduced agricultural production. Also, the use of natural fertilizers on the landlords' lands may have declined since peasants were not obligated to use them. This was the case especially on those farms where the landlord had sold some or all of his animals, fearing the coming land reform. In other cases peasants were obligated before the land reform to go to other properties to work for the same landlord or were rented to another landlord. This would not have taken place after the land reform. This created a shortage of labor on some properties and did not allow the full utilization of the landlords' lands in some areas.

¹⁴ Military evidence bears this out to some extent because the height and weight of recruits into the Bolivian army from some areas have increased since the land reform, indicating either higher levels of calorie consumption or a general improvement in quality of diet, or both, during the last decade. (Ministry of Defense, La Paz, Bolivia.)

In the north highlands region all of these were major adjustments and probably affected agricultural production temporarily. This should be expected when land reform is undertaken rapidly during a period of political change.

There is evidence that the Bolivian Government was aware of the above adjustments and tried to take some steps to avert a decrease in agricultural production and a disruption in the flow of agricultural produce to the cities. Peasant unions and inspectors from La Paz were asked to enforce Supreme Decree 03375 of April 30, 1953,¹⁵ which made the peasant unions and their leaders specifically responsible for the harvest (from February through May) during that year, and for the planting and harvesting of lands in the succeeding years. There were 19 cases out of the total of 34 farms that were not idled by the land reform where peasants took the landlords' share of production (50 percent) to the ministry of Rural Affairs in La Paz for varying periods of time after April 30, 1953. This shows that the Government was trying to use the peasant unions as a channel of communication to assure that no farm lands would be idled. However, because of the political situation as well as confusion and lack of communication during that period, it was surely very difficult to enforce this decree. Also, peasant unions were not equally organized in all areas at that time.

It has been shown that the greater number of farms included in the study continued producing after the land reform and that little of the landlords' lands were left idle for long. In addition to problems of reorganization and adjustment on the farms stemming from the absence of the landlords or their representatives, the other major adjustment

which had to be made by the peasants was in marketing a much larger quantity of agricultural produce than previously. Immediately after the Revolution there remained only a part of the pre-reform marketing structure, that is, the weekly, subsistence-oriented fairs based on the exchange of small quantities of agricultural staples for other consumption items. Landlords did not dare return to their properties in their own or rented trucks in order to bring agricultural produce to the city as they had done before 1952. As a result the large-volume cash sales made directly by the landlords in La Paz or to the mines diminished. The effect of this was that the stores of landlords ceased to function and the major source of supply of agricultural staples to La Paz markets and middlemen was reduced substantially.

Some middlemen were accustomed to bringing produce from the rural fairs but they were not sufficient in numbers to immediately replace the transportation and marketing functions which the landlord had performed previously. Also, there was not a sufficient number of vehicles owned by persons other than landlords which could have gone to the rural areas to bring commodities to La Paz. Landlords would not risk their trucks or themselves to the regional peasant union leaders.

A major adjustment for the peasants was to become accustomed to dealing in

¹⁵ *Ley de la Reforma Agraria en Bolivia: Leyes Conexas, Decretos, Resoluciones y Circulares*, Servicio Nacional de Reforma Agraria. Departamento de Relaciones Públicas, Supreme Decree 03375, Articles 1 and 2, p. 35. It is necessary to point out that this decree antedates the Agrarian Reform Law of August 1953 by three months, showing once again that farms had been abandoned as a result of the Revolution. Also, the decree is ample recognition of the existence of peasant unions before the Land Reform Law was passed.

larger quantities of produce or in cash on a regular basis at fairs. Most fairs were still distant and their numbers few, as was pointed out previously. The only sales outlets the peasants had were the local fairs at the provincial and cantonal levels, and La Paz. They were forced to work through the same few rural intermediaries which existed before the land reform. These were not sufficient in number to begin handling a larger volume of produce.

As a result of the land reform the full burden of getting agricultural products to urban markets in sufficient quantities became the responsibility of the peasantry and buyers from rural areas and the city. Both were unable to meet the challenge rapidly enough without disrupting the flow of products to the city. This does not mean efforts were not made, for peasants began to come to the city more frequently than previously and men with transportation and others with money combined to go to the countryside to buy products from the peasants, not only in established fairs but also by stopping along the road whenever a peasant appeared who wanted to sell products. This period of adjustment was necessary to begin the creation of a new marketing system based on the sales of peasants instead of landlords. This was the most important adjustment that had to be made in the post-reform period and was the major reason why agricultural produce marketed in La Paz decreased during the first three to five years after the Revolution of 1952.

It is unfortunate that a decrease in agricultural production is associated with the Bolivian Land Reform in the minds of so many. Such a decrease is not shown in indices of production distributed by the United States Department of Agriculture.¹⁶ Neither has it been possible

to find such a decrease officially registered elsewhere. This association between land reform and a supposed decline in production probably comes from three factors. *One*, some farms actually were idled and some lands under-utilized because of the political situation after 1952 and the adjustments which peasants had to make, as have been seen above. *Two*, products were scarce in urban centers. And *three*, Bolivia had to import potatoes in 1956 and other staples—especially wheat flour—after 1952.¹⁷ All these could have resulted from marketing adjustments, as reviewed above, and by weather changes. The year 1956 is the year of least rainfall on record in Bolivia since 1950 for the region around La Paz. The years 1957 and 1958 were also dry. This corresponds exactly with the need to import potatoes (the increased imports of wheat flour after 1952 were a substitution in large part for imports of wheat grain, which had been high for a long period before 1952). The “apparent” decline in agricultural production after 1952, while true in part, is better explained by marketing adjustments and transportation scarcity, and weather phenomena, with the former by far the more important bottle neck to be overcome during that period.

The peasants, their unions and leaders, as well as local officials and middlemen, responded to the bottleneck in marketing and transportation which had been created by the land reform by creating a large number of new fairs and markets and by rapidly increasing the

¹⁶ *Indices of Agricultural Production for the 20 Latin American Countries*, Preliminary 1966, ERS-Foreign 44, Economic Research Service, United States Department of Agriculture, pp. 10-11.

¹⁷ Ministerio de Hacienda, Sección General de Estadística y Censos, La Paz, Bolivia.

number of trucks visiting these areas. Most of these new fairs have started out on a very small basis, with only one or two trucks coming once a week to bring buyers from the city of La Paz to deal with the peasants. In 1966 most of the fairs visited during this study had an average of five to nine trucks coming regularly, and many with 10 to 14 trucks. There are a few post-reform fairs with 75 to 150 trucks coming regularly. The agricultural produce sold in the new fairs and in the older ones consists mainly of agricultural staples most of which are destined for the La Paz market. These are the same products which were grown and taken directly to La Paz and sold there by the landlord before the land reform. The cash income which landlords received from the sale of these products is now received by the peasantry. Ex-landlords generally play no part in these newly created fairs on the highlands.

The new fairs were successful because the two necessary ingredients were present: surplus agricultural production in the countryside plus an unfulfilled demand in the cities. As a result, middlemen or buyers of agricultural produce began going to the countryside in larger numbers. Their need for getting to the countryside to buy products and the increased freedom among the peasantry to go to La Paz when they wished to sell products resulted in a stimulus to the growth of transportation services. With time many new trucks were purchased, whose owners presently serve the function of transporting peasants and buyers of agricultural goods and their purchases. This aspect of marketing readjustment is not yet complete for the numbers of fairs and trucks are growing rapidly. Also, the number of buyers of agricultural produce is increasing. As

a result, there are problems in some areas arising from the fact that established truckers and buyers are trying to intimidate potential competitors but this aspect of adjustment is inevitable.

Peasant families on all but a few of the farms in this study have access to, and buy and sell regularly in at least one and as many as five new fairs, with most participating in two to three. Besides attending these new fairs peasants also go frequently to the older fairs and La Paz. Peasant communities in almost all cases are closer to at least one new rural fair.¹⁸

Peasant movement between markets, including coming to La Paz, is very general now and is a function of price considerations. Peasants in 10 communities of this study do not use newly created fairs at all. These communities are all within two hours of La Paz. The peasants market their agricultural produce directly; that is, they come to the city on trucks or they utilize nearby rail connections leading to La Paz. The creation of new fairs has been a function of distance of peasant holdings from La Paz, as well as distance or isolation from key transportation routes and provincial centers.

The actions of peasant union leaders were very important for the creation of new fairs. It was these leaders who pushed for the creation of new fairs by submitting the necessary papers at the cantonal and provincial levels for creat-

¹⁸ This is substantiated also by data used by Olen E. Leonard for his book, *El Cambio Económico y Social en Cuatro Comunidades del Altiplano de Bolivia*, Instituto Indigenista Interamericano, Serie Antropología Social, 3, Mexico, 1966, especially Chapters VIII and X. The questionnaires and their answers show that most peasant families now are closer to markets than before the land reform. On file. Instituto Indigenista, La Paz, Bolivia.

ing new marketing and administrative political centers. These papers were submitted in the name of the peasant union. In these cases the major reasons given for the creation of new fairs were to give a stimulus to the creation of an urban center, to create a new canton, to increase the commerce coming to the area, and to get better prices for agricultural produce than was possible in the established fairs at the cantonal and provincial levels.

Many times rural communities, desiring to create an urban center or to have their geographical area raised to the administrative level of a canton, pushed for the creation of a fair. Also, buyers of agricultural produce who lived in La Paz but who had family ties in a rural area sought the creation of new fairs in those areas. Lastly, cases were encountered where there were rivalries between communities, one with a fair and the other without, the result being that the one without created its own fair. No matter what the reasons were for the creation of new fairs, the result was the same: each new fair contributed to restructuring the rural marketing system.

Besides the above changes, all the old fairs have increased substantially in importance in recent years. In some provincial capitals, however, especially Achacachi on the north highlands, people familiar with the amount of economic activity concentrated in these centers before the land reform affirm that distributing lands to the peasants has led to economic stagnation at the provincial level. What they fail to discern is that the economic prosperity these centers realized before the land reform was based on a landholding structure which no longer exists and that, with the distribution of lands, these few centers lost volume to the many new fairs and urban

centers that have been or are rapidly being created.¹⁹ By now most of these older centers have recovered their pre-reform economic prosperity, as is seen in the new construction, the greater number of stores and restaurants, and the number of trucks which come to these areas now.

Thus far, one can see that, as a result of redistributing land, the function of selling agricultural produce destined for urban centers redounded to the peasants exclusively, with the buying function passing to the increased number of middlemen coming out from La Paz on trucks to deal with peasants on an individual basis. Increased peasant participation in rural markets was a result of this change.

V. *Peasant Market Participation in Post-Reform Marketing*

There are many farms where the peasant families barter little or nothing today. These farms are usually found close to the city of La Paz, especially in the lower regions where vegetable production is profitable for the La Paz market. Generally, most peasant families still barter the same products as before the land reform—agricultural staples in small quantities for the same consumption items as before the land reform. Barter-

¹⁹ Research in the Cochabamba area also shows that this was the major reason for the decline in economic activity in the city of Cochabamba in the years immediately after the land reform. Other data indicate that provincial leaders in Achacachi before the land reform used their influence to deny the creation, and in some cases destroy fairs in other areas, areas where the people wanted their own fair because they thought the taxes they had to pay to officials in Achacachi to sell goods there were too high. Even the merchants in La Paz have, since the land reform, tried to have legislation passed which would control the creation of rural fairs; they were losing business to merchants who would go to the rural areas to sell goods.

ing continues among the peasants for good reason, which cannot be expressed any better than by a peasant himself:

"We use both barter and sale in our marketing now, just as before [the land reform]. Bartering is generally done by the women, and men deal in money. By means of barter one can exchange much smaller quantities [which would be difficult to sell for cash] for commodities for the kitchen and household."

TABLE II—ARTICLES, QUANTITIES, AND VALUES OF MOST COMMONLY ACQUIRED GOODS AMONG THE BOLIVIAN PEASANTS IN THE NORTH HIGHLANDS: 1966 (1966 PRICES)

Bartered Articles	Quantity	Present Value
Condiments	—	\$.65
Pots for cooking	5	1.65
Salt	3 panes	.75
Other food items in small quantities		2.00

TOTAL VALUE OF GOODS ACQUIRED BY BARTER DURING THE YEAR ON A REGULAR BASIS \$5.05

Purchased Articles	Quantity	Present Value
Alcohol	5 quarts	\$ 3.50
Soft drinks	20 bottles	1.75
Beer	10 bottles	2.50
Cooking grease	3 lbs.	.60
Cooking oil	3 bottles	1.25
Fruit and vegetables	various (in season)	2.50
Noodles	15 lbs.	1.50
Bread	75 pieces	3.15
Flour (wheat & corn)	50 lbs.	3.40
Rice	35 lbs.	3.00
Sugar	25 lbs.	2.10
Coca	5 lbs.	2.10
Cigarettes	20 packages	2.00
Matches	60 boxes (small)	.95
Kerosene	26 bottles	1.10
Cloth of all kinds	15 yards	7.00
Dyes	—	.50
Shoes	2 pairs	12.50
Suits	1	12.50
Skirt	1	5.00
Sweaters	1	5.50
Pants	1	5.00
Shirts	2	2.00
Hats	2	8.00
Shawls	1	5.00
Soap	10 pieces	1.50

TOTAL VALUE OF GOODS ACQUIRED BY CASH DURING THE YEAR \$ 95.90

TOTAL VALUE OF ALL GOODS \$100.95

In an agricultural economy such as that of the north highlands, where the peasants make most production decisions based on subsistence criteria and where they have not yet been accustomed to keep *or need* ready cash in all of their day to day transactions, bartering has an important function and still is practiced. However, most peasants agree that now they or their wives barter less frequently than before the land reform.

Table II shows that the annual total value of goods purchased for consumption on a regular basis for a family of five is \$100.95, or three times more than the pre-1952 value shown in Table I. The quantity bartered now is \$5.05 of the total while the regular participation of peasants now in a money economy is over four times what it was before 1952. This has been a direct result of the land reform and the concomitant redistribution of opportunities to earn a cash income in the rural sector.

Tables I and II do not show the entire change that has taken place for these tables are based only upon the transactions made on a regular or weekly basis in local markets or in La Paz. Besides the above, the peasants also make certain infrequent purchases, such as farm tools, implements, and work animals. These have changed little in terms of quality, quantity, or in that they are acquired largely for cash. The infrequent cash purchases, which are more important now and which almost did not exist before 1952, are the purchases of corrugated metal sheets for roofs; also the purchases of windows, cement, sewing machines, radios, and bicycles. Peasants are just beginning to purchase kerosene stoves and, more recently, records and record players.

One former large landholding can be cited to give an impression of the type

of change one can expect to find on almost any of the landholdings which were expropriated by the land reform, namely, the increasing frequency with which the above products are being purchased. In this case there are approximately 200 families. In 1956 there was one house with a metal roof and one bicycle; now there are 40 metal roofs and 80 bicycles. In 1952 there were seven sewing machines; now there are 120. In 1959 there was one radio; now there are 100.²⁰ In most areas of Bolivia this great a change has not yet taken place but in the north highlands region this would not be an exceptional case.

The above does not include the increased purchases of chairs, tables, beds, plates, knives, forks and spoons, cups, metal pots, etc., as well as the construction of larger houses, many with two stories, which the peasants now have. In terms of material comforts the north highland peasant is much better off than previously. All these commodities have been acquired by cash over the years since the land reform.

The items listed in Table II are usually acquired by peasants in the local fairs, whereas infrequent purchases are invariably acquired in La Paz. Most peasants say that these higher valued items can be purchased more cheaply there. When they make these purchases they usually take to La Paz a large quantity of agricultural produce to sell to middlemen or directly to consumers; for, as they say, they receive a better price and might as well do so if they are travelling to La Paz anyway. Other than on these occasions the peasants sell little directly to La Paz unless they happen to be located close to the city.

The new local fairs are even beginning to reflect the peasant demands for items purchased infrequently. For ex-

ample, at one fair created after the land reform and located on a major transportation route, now attended by some 20 trucks once a week, one can find kerosene stoves, sewing machines, new and used bicycles, tires and all bicycle parts and accessories, as well as all kinds of tubes and batteries for radios. Besides these items the fair is filled with many stalls of ready-made clothing, plastic shoes, metal products such as nails, hammers, carpentry tools, and factory-made materials—yarns, school supplies—in addition to the many small manufactured consumption articles and the food products which everyone now takes for granted. It is not unlikely that the purchase of most of the larger infrequent items will be made with greater regularity in rural fairs in the future as price differences between the rural markets and La Paz become smaller and as the demand in the countryside increases.

The peasants on the farms visited in the north highlands area are all in agreement that, in terms of increased market participation, the peasant women have experienced a greater relative change than the men as a result of the land reform. The men still deal in cash in the same products as before but on a higher level. However, the women have been brought out of a largely barter economy, taught how to deal in cash, and are gradually assuming a greater relative importance in terms of marketing than the men.

Women now participate more frequently in the sale of eggs, cheese, and

²⁰ It is fully realized that price changes and increased availability of many of these commodities, especially radios, sewing machines, and metal roofing, would have induced some of the above changes. However, it is the author's opinion that the most important factor determining increased consumption of these articles is the higher level of income realized by the peasant families as a result of the land reform.

meat on a cash basis in the markets. As a result they have learned how to deal in a money economy. Most peasant men have concluded that the woman is better for this kind of activity, a judgment probably based on the greater number of women that they see coming from La Paz to the regional fairs to buy products for the La Paz market. Without the land reform, or with a more gradual revision of tenure relations, the dramatic increase in participation of the peasantry, and especially women, in many new markets on a cash basis would have been impossible.

*Conclusion: Land Reform and
Economic Development*

The significance of the foregoing is how the documented changes relate to increasing possibilities for economic development in Bolivia. It is this relationship, as well as how land reform relates to social mobility and political participation, which is important in determining whether or not land redistribution programs should be initiated in other areas where work relations between landlord and peasant are similar to those which existed in Bolivia before 1952.

In the case of Bolivia the land reform on the north highlands accomplished three things quickly. One, the increased access to land realized by the peasants was equivalent to redistribution of opportunities to earn a cash income. Two, restructuring of the market system began immediately after the redistribution of land, but because it was not accomplished instantaneously, bottlenecks were created and the marketing of agricultural produce in the urban centers fell off. Nevertheless, the process was begun which would eventually lead to the creation of a marketing system in which the peasantry would play a more

important role than before 1952. Three, for the first time those who were producing on the land began to spend for consumption items within the rural sector, not just in La Paz or in foreign countries as the landlords had done.

The peasants, most of whom had never before worked their lands as owner-operators, needed time to adjust to this new situation. Perhaps the most important thing the peasant had to accept was that the land reform was a fact and that it would not be undone by a counter-revolution. Two things—a combination of *revolution and land reform* carried out by the government through the peasant unions, and *time*—were necessary to increase the horizons and expectations of the peasantry. This was only to be expected of people who had worked for centuries as serfs on land belonging to others. In particular, time was needed to increase the number of rural families experiencing the new incentives, attitudes and motivations, all of which derived primarily from the development and use of individual managerial talents.

There are indications that what has taken place so far in the rural sector on the north highlands has increased the possibilities for economic development in other sectors of the economy. For example, a greater number of markets with an increased number of peasants participating in them on a cash basis signifies a greater frequency of contact between peasants and buyers from the city. A result of this is that new channels of communication are created. Markets and commercial contacts can be a source of change in attitudes and of expansion of social, political and economic horizons among the peasantry. The expansion of economic horizons leads to new wants, purchases, and consumption patterns. It also acts as a stimulus to the

manufacture of commodities for a mass market.

Greater frequency of peasant transactions within the framework of a money economy has increased the extent to which specialization of functions can develop within the rural sector and also between the rural sector and the rest of the economy. When peasant transactions are based largely on barter, opportunities for trade and specialization are reduced considerably, especially in terms of the sales of products of one sector against those of another, and in terms of possibilities for creating regional or national markets for agricultural or manufactured goods. It is in relation to this latter point that considerable change has taken place in Bolivia; national markets for agricultural and non-agricultural products have been created since the land reform.

Development within the agricultural sector has been stimulated by the creation of new markets for agricultural products in precisely those areas where the land reform took place. These small but growing markets for agricultural products are for all kinds of fruits, vegetables, coffee, wheat products (such as bread and noodles), sugar, rice, corn and corn flour, wheat flour, and soft drinks and beer. Admittedly, the per capita consumption of these food products is still low, but the tastes for these products have been created and increased consumption and sales in the future will be more a function of increases in income than new market creation.

The creation of new markets for manufactured goods is even more impressive

than that for agricultural products. Widely consumed, locally manufactured goods are plastic and leather shoes, clothing of all kinds, materials, wools and threads, agricultural implements, and the many small items for the home such as doors, windows, beds, tables, chairs, plates, glasses, cups, utensils of all kinds, hand tools, etc. It is the producers of these domestically produced goods who now have access to a wider market than before, assuring to some degree the chances that the domestic production of these goods will continue and grow.

Generally, it can be concluded that the landholding structure and tenure relations which characterized Bolivia before the land reform forced the peasant to produce largely for himself and to consume a minimum of goods not produced on his own lands. This inhibited the development of markets of adequate size for light manufactured goods, domestic or otherwise, which acted as a brake on the development of a manufacturing sector, thus contributing to the slow growth of the country. In this respect the pre-reform landholding structure was inimical to economic development, for the consumption demands of the relatively few landlords could never have created a market of sufficient size to promote development. However, with the redistribution of land—that is, a redistribution of opportunities to earn a cash income from the land—and the greater participation of the peasantry in a money economy, regional and national markets have been created which has given and may continue to give a significant impetus to economic development over the coming years.

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