Poverty and greed in a land of plenty

TWO generalisations can be confidently made about the twenty countries of Latin America.

● One is the prevalence of intense poverty. Average *per capita* income is $1,500, which compares with $11,107 for the U.S. (1982).

Very large numbers of people subsist entirely outside the market economy. This means, for example, that for Brazil the *per capita* income is $1,523; but that only applies to people who realize some sort of reportable income. Millions more live by direct subsistence farming, beggary or worse, and so have "incomes" that are statistically indeterminate.

Moreover, even so modest a figure as $1,500 must be seen in the light of the gross disparities between the incomes of people who are incredibly poor and those few who are grotesquely wealthy.

Also, such an average includes relatively "fortunate" places such as Costa Rica ($2,238), Argentina ($2,331), Uruguay ($2,780), Venezuela ($3,639) and Puerto Rico ($3,865). This tells us something about the situation of people at the lower end of the scale in such countries as Haiti ($260), Bolivia ($510), El Salvador ($639), Peru ($665), or Cuba ($840).

No sensitive person who has been to the region can fail to be dismayed by the immense slums in the large cities, the millions of wretched shacks housing large families, the absence of adequate sanitation which can lead one by odor alone to the poverty-stricken shantytowns, and the unbelievable living conditions that prevail throughout most of the countryside in all but a very few countries such as Argentina, Uruguay or Costa Rica.

All this contrasts sharply with the rich splendor enjoyed by a tiny minority of unbelievably wealthy individuals.

● The second generalisation is that natural resources are grotesquely misallocated in favour of a small minority.

LATIN AMERICA

Analysis by JAMES BUSEY

Part 1: Introduction

The result: most farmers eke out an existence on impoverished land, on the margins of society and nature.

Yet, given its natural resources, Latin America *could* be a continent of prosperous peoples.

TOP TEN DEBTORS

		Debt ($ billion)
1	Brazil	93
2	Mexico	89
3	Argentina	44
4	Venezuela	34
5	Indonesia	25
6	Philippines	25
7	Chile	18
8	Turkey	17
9	Algeria	15
10=	Malaysia	12
10=	Nigeria	12

. . . and thirteen unlucky banks

Loans to Brazil, Mexico, Argentina and Venezuela as approx % of share capital

Manufacturers Hanover	240
Lloyds	228
Midland	213
Chase Manhattan	175
Citicorp	170
Chemical	165
Bankers Trust	150
Bank of America	145
J P Morgan	125
First Chicago	115
Continental Illinois	110
Nat West	100
Barclays	75

The reasons for abject poverty, then, have to be found in the institutional processes.

For no other part of the world demonstrates more clearly that profound economic dislocations may have absolutely no relationship to presence or absence of resources, density or sparsity of population, geographical features or anything else outside of social malfunction.

Bolivia provides us with a startling example. Only 5,600,000 people, or about one-tenth the population of France, occupy 424,165 sq. miles, almost exactly twice the area of France. Thus, the population density of Bolivia is 13.2 persons per square mile; in France, it is 252.

Descend from the high Bolivian *altiplano* toward the tropical lowlands to the northeast, and you find 8,500 square miles of rich soil where agriculture readily flourishes in the subtropical climate. There are farms which successfully cultivate potatoes, sugar, coffee, barley, rice, corn, bananas and citrus fruits.

But large parts of these sections have been given over to coca, which enters into the drug trade and is dominated by ruthless individuals in league with local officials and leading military and political figures.

More significantly, high mountainous plateaux of Bolivia are extraordinarily rich in almost every mineral – tin, antimony, tungsten, silver, copper, lead, zinc, gas, gold, iron. Her crude oil reserves are thought to come to about 150 million barrels. But next to Haiti, Bolivia is the most destitute country of Latin America, with an average *per capita* income of $510 annually (1979). By comparison, that of France is given as $8,980 (1980).

Behind the catalogue of statistics,[1] then, lie social factors which need to be uncovered so that the policy-makers – given the will – can transform the societies of Latin America.

1. James W. Wilkie and Paul Turovsky, eds., *Statistical Abstract of Latin America, 1984* (22nd ed.; Los Angeles: UCLA Latin American Center, 1983).

Tyranny and misery – who's to blame?

POLITICAL instability and personal dictatorship are characteristic of most of Latin America. During the past decade, 14 of the 20 republics have endured violent political coups, personal dictatorships of long or short duration, or both.[1]

This omits Mexico, which has been ruled by what amounts to a one-party dictatorship with some ineffective minor party participation since at least 1928; and by one-man *caudillo* rule back to the 1911-1917 revolution and before that to her independence from Spain in 1821; and Brazil, where military rulers have rotated in office since 1964 under a constitution or institutional acts that they imposed.

Bolivia, where no less than 190 different attempted coups d'etat *(golpes de estado)* have occurred during her 157 years of independent history, provides an extreme example. In the 15 years since 1969, nine different *golpes* have thrown governments out of office.

If one goes back 35 years, Mexico is the only country in Latin America that has not undergone some sort of violent political upheavel. Even Costa Rica, renowned for its relative political peace since at least 1902, had a brief revolt in 1948, as well as a short-lived unconstitutional regime during 1917-1919.

Military or other types of non-constitutional dictatorship are common. Some really famous, brutal dictators include Juan Vicente Gómez (1908-1935) of Venezuela, notorious as "tyrant of the Andes"; Porfirio Díaz (1876-1911) of Mexico; Rafael Leónidas Trujillo (1930-1961), bizarre and ruthless "benefactor" of the Dominican Republic; the Somoza family (1933-1979) of Nicaragua; the dreaded François and Jean Claude Duvalier, father and son (1957 to the present) of Haiti; and Alfredo Stroessner (1954 to the present) of Paraguay.

Nor should we omit Cuba's Fidel Castro (1959 to the present), who functions under rather different slogans but whose tenure and methods do not depart substantially from those of the others.

These are but a few of the most notorious such personalities. But they by no means exhaust the list.

Who, for example, has ever heard of Mariano Melgarejo, who ruled Bolivia from 1864 to 1871, was illiterate and often in a drunken stupor? A companion who may have helped to fill in some of the gaps in his administration was Juana Sánchez, his mistress, said to be as cruel as he was, though sober more of the time.[2]

LATIN AMERICA

Part 2: The U.S. Connection

HOW DO WE explain both the distressing economic conditions of Latin America and the endemic political disorder and penchant for illegal dictatorship, usually under military auspices?

It would be fortunate if we could find some common element which is at least partially responsible for both. This is not an impossible chore. In the process we may even be able to offer some tentative explanations for the Costa Rican exception to the Central American norm.

'It is popular to blame the U.S. for Latin America's ills'

A colonial tradition of exploitation and authoritarianism has had influence on contemporary conditions.

The Spanish and Portuguese colonial systems of the sixteenth to nineteenth centuries were not known for any special emphasis on popular participation in government or economic egalitarianism.

However, most of Latin America has been free from colonial control for over a century and a half; and the same colonial system that produced Paraguay, Peru, Guatemala or Nicaragua also produced Costa Rica and Colombia – or even Chile and Uruguay in happier times than the present.

Also, other countries of the world have known previous economic and political miseries (e.g., Finland, Singapore, Botswana, Baltic states except 1918-1940, etc.), and have been able to evolve into more felicitous forms in less than 150 years.

It is a popular theme, especially among Marxists, to blame the United States, and occasionally other foreign countries, for the ills of Latin America.

By turning the whole hemisphere into a sort of factory scene where the owner-employer sucks in surplus value from the exploited working classes, and borrowing from Leninist theories on imperialism as the advanced stage of capitalism, Marxists postulate that the "imperialist" nations (today, usually meaning the United States only) grind down the workers and peasants of Latin America – indeed, whole countries – by taking in far more than is ever paid out in wages or investment. This is presumably managed by offering the lowest possible prices for imports, paying the minimum permissible wages where there is direct foreign investment; and then charging the highest possible prices for exports and services.

Thus, it is argued, Latin America is kept in awful misery; and, conversely, the relative prosperity of the United States (or of other "imperialist" countries) is explained in terms of the poverty of the exploited countries of Latin America and elsewhere in the Third World.

In the sense that U.S or other foreign companies in Latin America tend to go along with local practice and pay lower wages than they would in their home countries, there is no doubt. Thus, the practices of foreign countries in Latin America reflect the

milieu wherein they find themselves.

However, it cannot be demonstrated that conditions under U.S. or other foreign employment abroad are worse than those prevailing in locally-owned industries or agricultural labour, and considerable argument on this may be made to the opposite effect.[3]

What is certainly clear is that miserable economic conditions prevailed in Latin America before the United States existed. Large scale U.S. investment did not begin in Latin America until nearly the end of the nineteenth century, well after conclusion of the Civil War, and Latin America had suffered from wretched conditions, civil war, revolution and tyranny well before that.

Furthermore, nations which have heretofore undergone comparatively little U.S. or other foreign investment (e.g., El Salvador, Paraguay, Haiti; and Ecuador until recently) suffer from every bit as much economic deprivation as do others where such foreign investment is or has been more prominent (e.g., Costa Rica, Honduras, Peru, Bolivia).

Indeed U.S. economic investment in Canada in 1982 ($44,509m) was greater than that in all Latin America put together ($33,039m) and this pattern has prevailed for many years. With respect to trade, in 1982 U.S. exports to Canada ($39,564m) were greater than those to all twenty republics of Latin America ($30,086m) and the same pattern applies to imports from Canada and from Latin America, respectively ($46,477m vs. $32,513m).

Thus, if U.S. investment and trade practices are responsible for the ills of Latin America, then Canada (with less than one-tenth the population of Latin America) should surely be the most wretched and poverty-stricken as well as politically chaotic country on earth. However, her per capita income for 1982 is reported as $10,193 and that for the United States, $11,107 – a difference which confirmed Marxists will no doubt argue is the result of U.S. exploitation of the Canadian people.

THE ARGUMENT about U.S. exploitation of Latin America as a cause of her economic deprivation may be politically expedient for some circles, but comparative analysis fails to support it.

In terms of a deleterious U.S. impact on political events, the evidence is mixed. One may argue about possible U.S. influence in the Brazilian revolt of 1964 or the Chilean of 1973, but it should be noted that effective U.S. military or diplomatic interpositions have generally been confined to northern Latin America.

There, the marines presided over an uneasy peace in Nicaragua from 1912 to 1933, broken only by attempts of followers of Augusto César Sandino to throw them out; but then, the rise of Anastasio Somoza to

'Turbulence would continue without U.S. intervention'

power in 1933 and his ascendency to the presidency in 1936 followed upon the heels of the departure of the U.S. Marines.

There is less obvious connection between the emergence of Rafael Leónidas Trujillo as tyrant-dictator in the Dominican Republic in 1930 and the departure of U.S. Marines from that republic in 1924; but both Somoza and Trujillo received training from the marines, and a lot of unseemly coexistence prevailed between the two dictators and U.S. diplomatic personnel following their rise to power.

JAMES L. BUSEY, professor emeritus of political science at the University of Colorado, wrote this special review of Latin American affairs for *Land and Liberty*.

Prof. Busey is an authority on the region. His *Latin American Political Guide* (Colorado: Juniper, 1980, 17th edn) is a standard work of reference on the politics of the continent. He has also authored detailed studies, notably *Notes on Costa Rican Democracy* (Boulder: University of Colorado Press, 1967), based on extensive fieldwork.

In the case of the Dominican Republic, the return of the marines in 1965 was followed by the longest period of constitutional stability and more or less democratic peace in the history of the republic. Thus, the U.S. may have redeemed itself in some small measure for whatever hand it had in the persistence of the gruesome Trujillo dictatorship.

More to the same effect could be said about the dictator Fulgencio Batista of Cuba, in and out of power at various times from 1940 to 1959; and in a sort of perverse way, the United States probably contributed to the rise to power of Fidel Castro (1959 to the present) as well as of the *sandinistas* of Nicaragua (1979 to the present).

There is no evidence that U.S. occupation of Haiti from 1915 to 1934 had either positive or negative effects on a republic which quickly resumed its more normal practices of chaos alternating with brutal tyranny.

Of course this omits other direct and indirect U.S. impositions, as in Panama, Mexico, Guatemala and elsewhere.

Also, there have been intrusions by other foreigners in both northern Latin America and South America.

For example, there was very direct and quite demanding British and French intervention into Argentine affairs during the earliest years of her struggle for independence and union, from 1808 to at least 1838. The French did not help Mexican tranquility when they invaded the country during 1838-1839, and in 1864 imposed the so-called Emperor Maximilian on a fabricated Mexican throne.

Despite all this, it seems likely that the overall turbulence and authoritarianism of Latin America would proceed along quite nicely, with or without help from the United States or other foreign powers.

In most countries of Latin America, the absence of any U.S. or other foreign intervention for long periods of time has done nothing to calm or regularize their political habits.

THERE CAN BE no doubt that turbulence itself, as well as long periods of grasping tyranny, have been disadvantageous to solution of economic problems, as well as conducive to more of both turbulence and tyranny. Also, the immense contrasts between the poor multitudes and the few who are enormously wealthy

● Turn to p.86

cannot but contribute to the turbulence.

Generally low levels of education are certain to have negative effects on either economic development or political stability and constitutional government. Outside of Costa Rica, illiteracy afflicts at least 50 per cent of the Central American population.

In Costa Rica, schools are everywhere and 90 per cent of her people are reported as literate. Aside from Argentina, Cuba, Chile and Uruguay in the rest of Latin America, no other republic can claim so high a level of education.

The more usual rate of literacy in Latin America ranges around 60 per cent of the population, but of course all such official figures, Costa Rican or otherwise, are open to question. Low levels of education have their impact on economic levels; and in reverse, may themselves result from economic maladjustment and political disorder.

Other factors too numerous to delineate here probably play their roles in specific instances – cultural barriers between European and Indian, climate in some cases, geographical barriers in others, past battles and deep hatreds inspired by previous events, perhaps an influence of religious philosphy or Spanish-Portuguese traditions in some instances, and so on.

However, for each of these possible factors one may find one or more Latin American republics whose conditions are not improved by their absence – or, conversely, are making remarkable economic and political progress despite the presence of one or more of these elements.

Therefore, we have to analyze the possible impact of one factor, prevalent almost throughout Latin America, upon both economic deprivation and political unrest combined with persistent authoritarian rule: *land monopoly.*

REFERENCES:

1. Argentina, Chile, Cuba, Bolivia, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Peru, Uruguay. Exceptions are Costa Rica, Colombia, the Dominican Republic and Venezuela.
2. It is told that one day when the British Ambassador called on President Melgarejo to present his credentials, the dictator was sitting at his desk, beside which stood his burro. Melgarejo, being quite drunk, told the ambassador to present his credentials to the burro, which the diplomat hesitated to do. So, the story goes, Melgarejo had both the ambassador and the burro led outside to the plaza in front of the presidential palace, where the surprised diplomat was compelled to ride around the plaza several times on the burro, facing backwards. That over, he packed his bags and returned to Britain by the first available means, and reported the incident to Queen Victoria, who asked, "Where is Bolivia?" "Here it is, Your Majesty," replied the ambassador, pointing to a map. The Queen picked up a chalk, crossed out Bolivia, and announced, "Bolivia does not exist!" Bolivians get quite indignant about this story, and take pains to deny it ever happened. In 1955, one H Vázquez Machicado published a book in La Paz, entitled *La leyenda negra boliviana: La calumnia de la borradura del mapa* ("The Bolivian Black Legend: The Calumny of the Erasure from the Map").
3. For more details on this, one may consult Thomas L. Karnes, *Tropical Enterprise: The Standard Fruit and Steamship Company in Latin America*. (Baton Rouge: Louisiana State University Press, 1979).

Monopoly landowners wield the real power at the expense of others

LAND monopoly, especially in Third World countries largely dependent on agriculture, has been identified as keeping down wages among both agrarian and industrial workers.[1] Furthermore, land monopoly creates a special class of extremely wealthy, powerful, non-productive individuals who come to play dominant roles in any socio-political system.

Traditionally, and to a large extent to the present day, these theoretical formulations describe almost exactly the condition of most of Latin America.

In Argentina, some 6% of the total number of properties contain over 1,000 hectares (2,470 acres) each and cover about 75% of the total cultivable land of the country. What is perhaps even worse, this extremely rich black soil is largely given over to extensive cattle grazing rather than to food crops. The land monopolists find it easier and less expensive to utilize their vast holdings in this manner, and have by now developed an important world market for their beef exports.

For the most part, the same general pattern prevails throughout the region.

In Brazil, less than 1% of farm properties have over 1,000 hectares each, but occupy 40 per cent of the cultivable land. In Chile, the figures are given as 1.3% of properties having over 1,000 hectares and occupying 72.7% of the land; in Peru, 0.3% of such properties covering 60% of the land; in Uruguay, 5.2% on 58% of the land; and in Venezuela, 1.3% on 72%.[2]

There were sweeping transformations of this pattern in Mexico beginning in the 1930s and in Bolivia after 1952, as well as the programme of land collectivization in Cuba after 1959 and that of distribution of land previously held by the Somozas in Nicaragua. There are some other less significant modifications of the old colonial-tenure system in Venezuela, Colombia, Chile and Peru. One may question whether land monopoly by the political state in Cuba is an improvement over the previous system.

In any event, to a large extent the same semi-feudal features still prevail in most of Latin America as did a generation ago, when a United Nations estimate in 1951 reported that only 1.5% of the total number of farm properties, averaging more than

LATIN AMERICA

Part 3: The land factor

15,000 acres each, contained half of the total agricultural land in Latin America.

The exact statistics have changed somewhat, more in some countries than in others, but the fundamental generalisation is still valid: a tiny majority not only pockets the economic rent produced by whole nations, but also controls most of the socio-political centres of power and makes impossible the development of stable constitutional democracy.

In some instances, so-called "land reform" may not have fundamentally changed anything, except to transfer power from landholders into other tight circles.

In Cuba, previous monopolization by a few Cuban and foreign owners has been changed into monopolization by the political state or class, wherein the National Institute of Agrarian Reform (INRA) manages huge *haciendas* now called "people's farms".

In Mexico, roughly half the agricultural economy is now under auspices of cooperative *ejidos*, and the other half in private hands; but both types are very much dominated by political pressures if they are to

The land tenure system . . .

receive credit from nationalized banks, especially the *banco ejidal*, to say nothing of marketing services such as roads and the nationalized railroads, all of which are not only subject to central political control but also to immense corruption.

PATTERNS of land distribution in most of Central America are similar to those for the rest of Latin America.

For purposes of closer analysis of this region, we will turn our attention to:

- The percentages of surface occupied by the great estates;
- The proportions given over to tiny properties of five hectares (eleven acres) or less which are normally inadequate for family sustenance and, more significantly:
- The proportions of farms of five to 500 hectares, which are of moderate to large but not enormous size, and are usually sufficient to provide both for sustenance and for commercial crops, and thus some promise of adequate human life.

Because of certain unusual features, analysis of Costa Rican land distribution will be postponed until we can review patterns of land tenure in the other four republics of Central America. First, they will be seen in conjunction, and then briefly described separately.

The dictum of Henry Clay, that "statistics are no substitute for judgment" should serve as a warning as we approach statistical reports from Central America. Though compiled by the most reputable and competent institutions and individuals, they are drawn from reports of official government sources, or from UN data which are themselves largely dependent on the same governments for their information. Especially outside of Costa Rica, government agrarian enumerations can be easily influenced by political considerations favourable to dictatorial regimes, and in any event may be less than totally accurate. *Their tendency might be to present their countries' situations in the best rather than the worst light.*

Also, even the most dependable reference *(Statistical Abstract of Latin America)* must depend on sources that are two decades or more out of date – e.g., El Salvador, 1971; Guatemala, 1964; Honduras, 1966; Nicaragua, 1963. There may be some merit to this, in that at least they purport to show conditions of land tenure prior to current disturbances. Finally, such statistics tell us nothing about conditions of individual properties in terms of fertility, location, use, topographical conditions, altitude, prevailing weather or types of crops.

Table 1 presents a summary of the reports from each country, with percentages corrected in a very few instances.

The table tells us nothing about the numbers of plots owned by individual owners. For example, the figures for Nicaragua (1963) were gathered during the Somoza dictatorship, when the Somoza family was reputed to have bought up over a quarter of the cultivable land, and was not highly renowned for statistical reliability.

The figures for El Salvador were obtained in 1971, during the administration of Colonel Fidel Sánchez Hernández, when the Salvadoran military establishment was undertaking some mild social reform or at least trying to gain a reputation for doing so. Also, El Salvador has been long regarded as a country where a few individuals are likely to own large numbers of *fincas* and *haciendas* around the country.[3]

Assuming there is any validity to the above statistics, an important step at this stage is to add the hectare areas of all four countries and take averages of percentages, as in Table 2.

This at least gives a summary of the overall situation thought to prevail in the four republics of Central America above Costa Rica, at the same time that reports for individual countries permit an analysis of each. It will be seen that in the larger area summarized, about 0.35% of the total number of farms are thought to occupy 35.73% of the cultivable area. Of course a very few immense *haciendas* can be expected to occupy a huge portion of a national domain, so it is even more significant to determine how the rest of the land in the region is distributed.

At the other end of the scale, 774,007 microscopic *minifundia* below five hectares in size constitute 79.7% of total number of farms, though only 11.41% of cultivable land (1,363,000 hectares out of a total of 11,943,000). So, of the total number of farms in the four countries, how many and what percentage are what might be called viable but not immense economic units, that is, *fincas* with at least five hectares but not over 500 hectares each? Not more than 20% (193,013) of total farms can be said to be in this category. The remainder are either enormous *haciendas* employing thousands of *campesinos* (peasants), or little plots insufficient for a family to keep body and soul together. Their owners must in most instances find other employment or live in hopeless penury.

Thus, the countries of Central America illustrate the significant rôle played both by land monopoly and by skewered distribution patterns in distorting what might otherwise be satisfactory economic as well as political conditions.

If more evidence is needed, it is provided by Costa Rica.

FOR VARIOUS historical reasons, but largely because the Indians of the area were too ferocious to be

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Table 1

Agricultural land tenure in Guatemala, El Salvador, Honduras, Nicaragua

	0-5 hectares		5-500 hectares		Over 500 hectares		Totals
	No.	%	No.	%	No.	%	No. (100%)
Guatemala							
Farms	364,879	87.4	51,515	12.3	950	0.20	417,344
1000s of hectares	642	18.7	1,566	45.3	1,242	36.00	3,550
El Salvador							
Farms	236,751	86.9	35,475	13.0	206	0.10	272,432
1000s of hectares	288	19.6	1,138	65.1	289	15.30	1,715
Honduras							
Farms	120,441	67.5	57,253	32.1	764	0.40	178,361
1000s of hectares	300	12.4	1,453	60.0	1,163	27.60	2,916
Nicaragua							
Farms	51,936	50.8	47,770	47.70	1,495	1.50	102,201
1000s of hectares	133	3.5	2,116	55.3	1,574	41.20	3,823

Source: *Statistical Abstract*, Table 502, pp. 56-57.

Composite of agricultural land tenure in Honduras and Nicaragua

	0-5 hectares		5-500 hectares		Over 500 hectares		Totals
	No.	%	No.	%	No.	%	No. (100%)
Farms	774,007	79.7	193,013	19.95	3,415	0.35	970,338
1000s of hectares	1,363	11.41	6,318	52.86	4,268	35.73	11,943

enslaved, and valuable mineral resources for export were non-existent, early settlers on the *meseta central* of Costa Rica had to do their own work, so the land became better distributed than elsewhere in Central America.

As in the rest of Central America, agriculture is still the most important economic activity and directly involves about one third of the population of 2.3m; also, as elsewhere in the region, a farm of five hectares (eleven acres) is usually the minimum needed for basic support of a family. Here we find a pattern that has similarities to those we have already reviewed, but close examination (Table 3) reveals differences important enough to suggest some explanation of Costa Rica's rather unusual economic and political characteristics.

At first glance, this seems familiar to other tenure arrangements in Central America, in that 795 *haciendas* (mostly cattle ranches on the Guanacaste Peninsula and some fruit plantations on both coasts) constitute about 1% of the total number of farms and occupy 36% of Costa Rican agricultural territory.

However, in contrast to much larger percentages in other Central American republics, averaging 79.7 (Table 2), the tiny *minifundia* of Costa Rica comprise 46% of her total number of farms.

When we come to the small-to-large *fincas* of between five and 500 hectares, the differing pattern of Costa Rican agricultural life is immediately apparent. In contrast to a norm of about 20% in the rest of Central America, in Costa Rica some 40,960 such farms constitute 53% of the total number. In this comparison, the figures reported from Nicaragua could be troublesome, but as we have explained, are not likely to provide an accurate portrayal of the pre-*sandinista* situation in that country.

Also, most of the Costa Rican small-to-medium sized and therefore economically-viable farms are family-owned affairs, not a matter of several properties under one owner such as the Somoza family. After recognizing that the immense *haciendas* do occupy a large part of Costa Rican territory, the Biesanz team reports:

> One must recognize, nevertheless, that between these two extremes there exists a very large number of properties of medium size. Fifty-three per cent of agrarian properties consist of *fincas* from 5 to 500 hectares; 39% are in *fincas* of 5 to 50 hectares. The most productive type of property is the family *finca;* it utilizes a minimum of paid labour except perhaps a few dozen *peones* during harvests; it is dedicated to a type of cultivation that requires intense labour; it uses fertile soil and produces for its owners some cash profit.[4]

From other statistics offered by Biesanz, we can assume an average of six persons per family, so that something like 240,000 people are dependent on largely family-owned and operated farms. These constitute about one third of the some 700,000 to 800,000 Costa Ricans who are dependent on agriculture for their livelihood, who themselves make up about one-third of the population.

'Conditions are still semi-feudal – so-called land reforms haven't changed anything'

Similar ownership patterns may be found in other sectors of the economy, where over a fifth of the population are *patrones* (employers) or working for themselves. Over half of Costa Ricans own their own homes.[5] For Latin America, this is phenomenal.

At its base lies a distribution of land ownership which, while not perfectly equitable, is at least an improvement over that of most of the rest of Latin America.

IT IS quite likely that the rather more equitable distribution of land in Costa Rica contributes in some degree to the unusual political stability of the country.

It is notorious that in all of Latin America, constitutions were tial system, the so-called checks-and-balances among the three branches of government, statements on civil rights, and in some instances (Mexico, Brazil, Argentina, Venezuela) even the federal system, which had emerged in the United States out of controversies between small and large states, and perhaps even from practices of the Iriquois Indian nation, neither of which were to be found in Latin America!

In Argentina, constitutional farmers even borrowed the unworkable notion of an electoral college – now substantially defunct in the United States – for the indirect election of their presidents, and their renowned Constitution of 1853 contains important phrases and paragraphs lifted directly out of the U.S. Constitution.

> **Such constitutions were total misfits in nations having none of the social features of the United States, and dominated by tiny minorities of landowning elites.**

Costa Rican constitutions, providing as they do for a presidential system, have always borrowed from the U.S. The Constitution of 1949, now in effect, goes farther and through a system of decentralized authority, largely dilutes the role of the president to a much less significant one than is found in presidential systems, especially in Latin America. Its famous Article 12 provides that "the Army as a permanent institution is proscribed". The constitution contains all sorts of ingenious sections designed to protect the sanctity of elections, to guard against tyranny, and to guarantee that all civil rights shall be observed. In many ways, the Costa Rican Constitution, even more than others before it, reflects rather accurately the relatively egalitarian and sociologically democratic nature of the society.

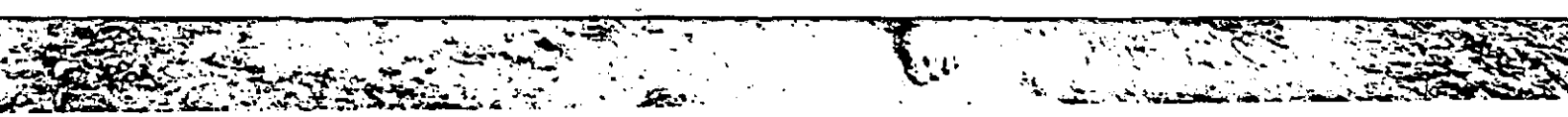
If there is validity to this theory that constitutions and laws incongruent with socio-economic reality contribute to political chaos, and that harmony between the two elements minimizes disorder, it means that there are three possible ways to avoid hopeless conflict between constitutional aspirations and socio-economic reality.

Table 3

Agricultural land tenure in Costa Rica

	0-5 hectares		5-500 hectares		Over 500 hectares		Totals
	No.	%	No.	%	No.	%	No. (100%)
Farms	35,243	46	40,960	53	795	1.0	76,998
1000s of hectares	59	1.8	1,940	62.2	1,123	36.0	3,122

Source: Biesanz, *Los costarricenses*, p. 141.



● Haiti farmer ekes out a pitiful living on his eroded small-holding.

● One is to adjust the legal-political system to the actual economic and social configuration, as was done with remarkable success during the reign of Pedro II of Brazil from 1840 to 1889 – the longest period of constitutional tranquility in the history of Latin America. The monarchy under the Portuguese Bragança family accorded with the political experience of Brazilians as they had known it under Portuguese rules, and while governing in as enlightened a manner as possible, it let itself be guided in large measure by the economic elites.

● A second device is to disregard constitutions and laws, rule by naked force, and change government in the same manner. This has been the pattern throughout most of Latin America.

● A third is to have the good fortune to have a socio-economic system that is not too far out of line with the aspirations of the constitutional system. This is largely the case in Costa Rica, where peace and constitutional democracy usually prevail.

Fred Harrison points quite rightly to the inadequacies of almost any programme of simple, immediate land distribution.[6] It does not take care of new members of the society who can make their claim to land already in private possession, it does not adequately answer the question of justice, it does not assure that lands may not again fall into fewer hands through sale, and it is only over a very long period of time that such division can overcome the new problems of marketing, roads, adequate machinery and technical competence, credit, and all the host of other needs formerly adjusted to a system of immense *hacienda* agriculture.

However, such a system might be more workable if deeply entrenched for long periods of time, with all the habits of inheritance, transportation and marketing which may be developed over many years.

In Costa Rica, a system of rather better distributed land than usual has been in existence since settlers first came to the region in 1560. Of course it is not fully just, because many participants in the system can make a just claim, either to a piece of land or to a share in the unearned value arising from both rural and urban lands. However, the phenomenon of more or less accidental distribution of all types of land means that a very large number of people cannot be easily pushed around, and this can have an important impact on the rights of all.

In any event, our examination or land tenure systems elsewhere in Latin America suggests most strongly that they are a large part of the explanation for both extreme poverty and for almost continuous political disturbance. If confirmation were needed, it is provided in part by the exceptional socio-political system of Costa Rica, which also displays an unusual though by no means perfect pattern of land distribution.

REFERENCES:

1. Fred Harrison, *Land Reform or Red Revolution* (London: Economic and Social Science Research Association, 1980).
2. Derived from James W. Wilkie and Stephen Haber, eds. *Statistical Abstract of Latin America, 1984* (Vol. 22: Latin American Center Publications, University of California at Los Angeles, 1983), Table 502, p.56. There are some limitations to this type of analysis, and it is also important to know how many properties of what size occupy the *remaining* portion of the land of a given country – assuming there is enough remaining portion to be significant. However, if doubts remain on this score, one should consult Solon Barraclough, *Agrarian Structure in Latin America* (Lexington, Mass: D. C. Heath & Co., 1973), which utilizes seven case studies (Argentina, Brazil, Chile, Colombia, Ecuador, Guatemala, Peru) and confirms that this pattern of concentration of land ownership prevails almost throughout. Of course there are special cases such as Cuba or Mexico – or Haiti, which is plagued, not by land monopoly, but by microscopic properties called *minifundia*, as well as forest removal and devastating land erosion, to say nothing of 90% illiteracy and unremitting tyranny.
3. See R. Bruce McColm, *El Salvador: Peaceful Revolution or Armed Struggle* (New York: Freedom House, 1982); Thomas P. Anderson, *The War of the Dispossessed* (Lincoln: University of Nebraska Press, 1982); William H. Durham, *Scarcity and Survival in Central America: Ecological Origins of the Soccer War* (Stanford University Press, 1979).
4. Richard and Karen Biesanz, *Los costarricenses* (San José: Editorial Universidad a Distancia, 1979), p.142.
5. *Ibid.*, pp. 138, 289. In 1959, I carried out research in Costa Rica which depended on documents and studies made in the country by official agencies and scholars. Though the results differed in detail from contemporary findings, the overall patterns were to exactly the same effect: more land and other property is owned by a larger proportion of the population than elsewhere in Latin America. Busey, *Notes*, pp. 60-72. More recent research in Costa Rica provided further confirmation of these findings. Without any statistical backing, simple observation of town and countryside, where separate family homes are to be seen everywhere, indicates a unique style in Costa Rican life. Since at least the eighteenth century, travellers have reported to the same effect.
6. Harrison, *op. cit.*, pp. 15-18, 22-23 *et passim*.