

# THE GREAT BETRAYAL

## Land Reform & Latin America



By Chris  
Baker

Agrarian reform may be termed a 'critical issue': one which potentially or actually re-orders society, affects the interests of important social strata, pits numbers against wealth, power, and prestige, and thus cuts deeply into the political and social system. Hostility and opposition, which are inevitably found, suggest that reversing or changing existing patterns and societal structures is the task for revolutionary elites where effective reform sentiments or organised support is lacking. In Latin America, where both have been wanting, there are two levels of political functioning – the ceremonial and the operational. Needing to maintain publicly acceptable postures, appeals to the abstract ideal of agrarian reform have served to obscure the reluctance of the 'ruling classes' to accept 'indispensable' reforms. Such is the case with agrarian reform.

Let us remember the climate of the early 1960s. A peasant invasion of land, an agrarian-based insurgency or a general political upheaval may do much to stimulate consideration of the total problem of agrarian reform. Such political exigencies became a subject of international concern with the coincidence of the Cuban Revolution in 1959. If peasant discontent were to break out on a wide scale and take an organised form, the existing power structure of the whole Latin American hemisphere could have been upset. The conclusions to be reached were immediately clarified – the best approach to maintain the political status quo and avoid an upheaval was to guide both discontent and reforms into controllable channels, as seems to have been the goal of the Charter of Punta del Este.

Thus the somewhat 'delicately contrived' agrarian reform programmes of the 1960s became something of a holding operation, and increasingly so as enthusiasm for major structural changes waned with the ultimate control of indigenous guerrilla movements.

At the same time, whilst the political stage of Latin America is one upon which the esoterics of the 'counter-reformers' have been easily accommodated, tolerance of the reformer has always been tentative. Under such circumstances, for reform to have been effective would have required a constancy of pressure on administrators that could only have come from the actual and potential clientele of government programmes. Yet the laws on agrarian reform originated without seeking the cooperation of the *campesinos* or their organisations.

Without this active involvement, and relying on the legalistic approach to reform, the consequences of implemented policy were always likely to be quite imperfect – the initiation of change is constantly subject to bargaining processes between a variety of established groups negotiating a settlement designed to safeguard their vital interests. On the one hand, affected elites have had access to the presiding authorities and have thus been in a position to delay, emasculate or circumvent the reform laws and the process of change through 'Compromise bargaining' and legal loopholes, at the same time as they have been able to introduce the 'developmentalist' or modernisation argument (that which denies the need for reform).

Within the context of these influences there occurred, as early as 1963, a reversal in the order of

priorities as spelled out in the basic laws on agrarian reform. Economic growth rather than structural change was to receive the emphasis as an engine to economic development. The first consideration was to enlarge the pie; to divide it more equitably was secondary.

In fact, the progressive de-emphasis on reform found its spokesman in the very same advocate that had pressurised for reform in the first place – the United States.

Whatever the initial assumptions behind the rhetoric of the original Alliance for Progress following the 1959 Punta del Este Conference, it became apparent that both US and Latin American signatories of the Charter were simply engaging in verbal rituals to exorcise the spectre of Castro's agrarian reform. It is beyond doubt that a number of the institutional changes stressed in the Charter would have had a profoundly unstabilising effect on many existing governments.

In this light, as the Cuban spectre receded and the near destruction of the *campesino*/guerrilla movements in the early years of the 1960s brought about a radical change in the political base which a large-scale land reform movement could have counted on as a springboard, the trend of policies was towards a more conservative position.

Thus the 1967 Punta del Este Conference, while paying lip-service to the need to guarantee the *campesino* full participation in the economic and social life of his country, made no mention of the prior necessity of structural changes. And the US Congress (acting on recommendations of the Subcommittee on Inter-American Relations) barred, as from August 1962, the allocation of funds for the purchase of private agricultural land.<sup>2</sup> Throughout Latin America agricultural policy came to mirror the sequential change in the US technical assistance programme.

So the arguments were turned towards attempting to correct an unbalanced picture of agricultural investment. This meant, in effect, a return to the anti-social investment pattern which prevailed prior to the passing of the reform laws and which those laws were supposedly endeavouring to correct.

UNFORTUNATELY, concern for a purely economic approach to reform which accepted the existing social and political structures as given sought only to discover development strategies within these parameters. An

**M**ILITARY dictatorships are generally condemned as evil, and unacceptable to western liberals. For do they not contradict the ideal of democratic control of civil society?

Too often, however, these generalisations skate over the realities of everyday life.

And on the key issue of land reform, we have now come to realise that "democratically-elected" Parliaments are the fiercest opponents of any change designed to diffuse economic benefits among the masses.

For there is usually an intimate relationship between the landowning class and politics, which ensures that the majority of people are relegated to a subservient role within the system . . . .

**W**E ALSO NOW know that authoritarian governments, usually composed of army officers, have led the way to reform.

In some cases, they have exercised military power to enable them to force through changes which would theoretically benefit the majority of people.

Peru is a leading example.

In 1968 the army took control, and immediately began forcing through changes which were impossible under the pre-existing "democratic" style of politics.

What had the majority of people lost by this assumption of control by the army? Not very much.

Almost half of the population was composed of an illiterate, disenfranchised group of peasants who had previously not enjoyed the benefits of political democracy.

And those who were permitted to vote did not enjoy democratic access

## LATIN AMERICA Cont. from P.35

established part of the Latin American legal, political and social framework has always been the existence and protection of private property. Notwithstanding the permissive nature of many of the laws, one example being the Colombian agrarian reform law passed in 1961, the legislators turned to the concept of the 'social function' of land in order to rationalise the type of expropriation of estates which was theoretically allowed by law. In this concept the counter-reformist was provided with a powerful tool to justify the expropriation of only a few estates and to exempt the majority.

The concept provided that when

# Dictators v. Democracy THE CASE OF PERU

**1968** - Gen. Juan "The Chinaman" Velasco ousts civilian president, begins "military road to socialism."

**1969** - land reform law drafted.

**1975** - 5.7m. hectares distributed to date. Right wing opposition mounts. Police and navy rebel. Gen. Francisco Morales Bermudez ousts Velasco in palace putsch.

**1976** - experiments with worker participation and profit-sharing in industry accelerates.

**1977** - corruption, bureaucratic inefficiency and huge purchases of military equipment weigh heavily on economy.

**1978** - under half workforce efficiently employed. Food price riots. Central Reserve Bank runs out of foreign currency, defaults.

**1979** - 400 farmers occupy a co-operative: six peasants shot dead.

**1980** - election promised on May 18, returning government to civil control.

to the things which mattered - access to the nation's natural resources.

For the land was owned by a dozen oligarchic families.<sup>1</sup> And they had successfully thwarted the emergence

land was being put to productive use it fulfilled its social function but not so when it remained unused or when used 'inefficiently.' But, of course, what is tricky about the use of concepts like 'efficient' or 'adequately managed' as criteria for expropriation is that they cannot be objectively defined, especially when left in the hands of the landowners! The social function shifted the reasons for expropriation away from 'social justice' for the *campesino* and onto the neutral ground of land use, and was used to introduce a new concept of social justice - for the landed elites.

In the same manner that it diverted attention away from the injustices inherent in a sharply unequal distribution of land resources, so the social function allowed that expropriation need not be undertaken on a long-

of a class of industrial entrepreneurs who might have widened the employment prospects of landless Peruvians.<sup>2</sup>

Under a military dictatorship, then, the peasants had little to lose but their chains - as Marx would have put it!

**T**HE ARMY officers began to implement a striking programme of change. The first, and most important, was land reform.

Their central problem, however - the one which doomed the military rule to ultimate failure - was the absence of a coherent strategy.

The junta explicitly rejected both the capitalist and communist models. So their attempts to spread wealth more widely, and give people direct control over their lives (at the economic level, at any rate) was characterised as "socialism."

Fidel Castro quickly recognised that the Peruvian generals were different from the norm. One of the greatest ironies of modern Latin American history is that Peru's right-wing treated the military with suspicion and, eventually, open hostility.

*For the stranglehold on the economy by the 12 landowning families was crushed, as estates were broken up and redistributed to the people who tilled the soil.*

But the absence of an effective programme meant that there could not be a balanced development of

scale basis, but rather on an estate-to-estate basis only. Similarly, instead of permitting that reform be carried out on the best soils and in the best (and most densely populated) areas, legislation, as in Colombia, provided that reform be carried out first on public land and on private lands only "if it appeared necessary." So provisions in the laws served the objective of diverting the land reform to outlying districts where land does not usually fulfil its social function. In this manner have "colonisation schemes been the tranquillisers of the landed elite and counter-reformers in the Americas," as Ernest Feder, a foremost authority on the Latin American agrarian scene, puts it.<sup>3</sup>

The effective application of the laws also remained conditional upon the existing constitutional disposi-

both the rural and urban sectors, to ensure employment and prosperity for all.

**T**HE RULERS set out to redistribute 10m. hectares to nearly 2.25m. peasants, a sixth of the population, by 1976.<sup>3</sup> They failed to achieve this target, but they were nonetheless remarkably successful in what they *did* accomplish – compared with similar attempts in other countries.

But physical reallocation of land by itself is no guarantee of success, as the Peruvian case demonstrates.

The family farm unit prescribed by US advisers was to be the model under which land would be reallocated. This emphasis was eventually abandoned, however, because there was not enough land to apportion among the millions of landless peasants.<sup>4</sup>

So large collective enterprises were created, which could absorb a larger number of people. But these, as experience eventually showed, could not keep pace with the demand for jobs. In addition, they did not yield the predicted economies of scale.

Their record, in fact, was disastrous, leading to the astonishing result that more and more land fell into disuse.<sup>5</sup>

And so we now see land invasions by peasants who want to break up the collectives and create family units – swinging the change in the rural structure full circle back to where it started!

**T**O BE EFFECTIVE, land reform has to be integrated into a strategy which aims to simultaneously increase urban employment.

tions. Unfortunately, the constitutional texts were rarely adapted to the ends which the agrarian reforms sought to achieve. The complex and dilated proceedings for the acquisition of private property tended, more often than not, to favour more the proprietors than the reform agencies.

Many of the factors which obstructed the implementation of programmes were deliberately built into the agrarian reform machinery. One technique, as Alan Gilbert says in his book *Latin American Development*, "was to produce legislation which was too complex to implement quickly and effectively. Such was the case with the Peruvian and Chilean legislation. Another common technique was to place difficulties in the way of the agency in charge of land

## PERU: land redistribution 1969-1979

	Units	Area hectares:	Bene- ficiaries m.
CAP (agrarian production cooperatives): excluding sugar	566	62.09	79,354
Sugar CAP	12	0.12	27,783
SAIS (agrarian societies of social interest)	60	2.80	60,930
Communities	408	0.71	110,971
Other collective units	809	1.81	45,320
Individual parcels	–	0.54	31,918
<b>TOTAL</b>	<b>1,855</b>	<b>8.10*</b>	<b>356,276</b>

**SOURCE:** *Financial Times*, Peru supplement, 2.10.79

\*Figures do not add up due to rounding.

This model for development in the Third World was described in a previous issue of *Land & Liberty*.<sup>6</sup> It entails the taxation of land values, which would ensure full economic use of land, provide incentives to wealth-creators, and generate funds to meet public expenditure.

Peru's generals, however, allowed land to be employed at below-optimum levels, while squeezing earned incomes in the rural sector as hard as they could. Not surprisingly, therefore, food imports rose and investment in agriculture declined.

It remains to be seen how events unfold under a civilian government. Peru's new constitution is likely to encourage the break-up of collective farms, and there is no limit on the permitted size of individual holdings. The right-wing political parties, which are seeking power, are pressing for the return of land to private ownership.

So the opportunities created by authoritarian power are likely to be

dissolved into the mists of time as Peru reverts back to the pre-revolutionary period of the 1960s, with a new landowning class emerging to reassert its monopolistic control over the economic, and therefore over the political, life of Peru.

### REFERENCES

1. Andrew Graham-Yooll, 'Military prepares transfer to civilian government', *Guardian*, 4.8.79. See especially Sven Lindqvist, *Land & Power in South America*, Harmondsworth: Penguin, 1979, Ch. 12.
2. Richard Wigg, 'Soldier-intellectuals chart a new course', *The Times*, 2.11.72.
3. Richard Gott, 'Peasants ride on the revolution bandwagon', *Guardian*, 8.7.75.
4. Colin Harding, 'Land reform problems', *Financial Times*, Peru supplement, 2.10.79.
5. *Ibid.*
6. Fred Harrison, 'The ideal land reform for economic growth and social justice', *Land & Liberty*, May-June 1979.

**P. E. POOLE**

redistribution. Frequent changes of directors, selection of men who could be manipulated, restrictions in funds . . . . . were all employed in different countries."<sup>4</sup>

The same thing happened with compensation proceedings. The compensation price usually reflected the relative bargaining position of the landowners and not some simple economic feature of the land. For example, in ten municipalities where the Colombian reform agency, INCORA, was in action during the 1960s, evaluations of rural farmlands produced an average increase in values of 143%!<sup>5</sup> Such costs, carried over to the reform agencies, have been important not only from the point of view of financing reform proceedings but also because they became reflected in onerous terms for

the *campesino* beneficiary. He has had to justify his entitlement by his ability to produce sufficient surplus to meet his payments for his 'new-found land.' Lacking many of the essential inputs or the capital to acquire them, many beneficiaries failed to meet the terms of their entitlement, prompting the machiavellian attitude that the peasantry are incapable of using their land efficiently. This idea, nurtured by the counter-reformists, was not lost upon the governments of the '60s.

The narrow dependence of beneficiaries on the paternalistic reform agencies, and relegation of reform to the poorer areas, further tended to minimise the potential for success. Loading the dice this way has provided valuable ammunition to discredit land reform. Theoretically, of course, the reform agencies have



represented the peasants' interests, but their structures and composition and their very functioning within the traditional political frameworks, made it unlikely that these interests could ever be fully protected.

Only two Latin American countries (Peru in 1968 and Chile in 1970) have undergone significant and genuine reforms within the last twenty years. In Peru agrarian reforms followed a military coup which established a peculiarly left-wing military government committed to changing the inimical structures of the countryside. The 1970s, though, witnessed an abdication of that commitment as the composition of the military hierarchy swung to the Right and much of the valuable work of the agrarian reform of 1969 has been undone.

Nor in Chile was the Allende government able ultimately to get the better of the anti-reformist Latin American political machine. Here was proof that the US was as indulgent in rhetoric about reform as the Latin American governments themselves. When its economic interest is at stake such rhetoric has always gone to the wall. In Guatemala, between 1952 and 1954 the Arbenz government instituted a comprehensive agrarian reform. The succeeding government, installed following a US invasion of the country, reversed the reform, rather proving the point!

Changing the agrarian structure in Latin America has always implied disrupting the social and political balance, upsetting existing institutions and threatening vested interests. For the Latin American governments the rhetoric of agrarian reform has been enough to stomach.

#### REFERENCES

1. Quoted by Dore, R. P., "Land Reform and Japan's Economic Development" in Shanin, T.(Ed), *Peasants and Peasant Societies*, Penguin, 1971.
2. Petras, J. & LaPorte, R., "Cultivating Revolution: The United States and Agrarian Reform in Latin America" in Petras, J., *Politics and Social Structure in Latin America*, Monthly Review Press, New York, 1970, pp. 249-274.
3. Feder, E., "Counterreform" in Stavenhagen, R.(Ed), *Agrarian Problems and Peasant Movements in Latin America*, Doubleday Anchor, New York, 1970, p. 217.
4. Gilbert, A., "Latin American Development: A Geographical Perspective", Pelican, 1974, p. 163.
5. Baker, C. P., "Agrarian Reform in Colombia: Altruism or Political Expediency?" Unpublished Thesis, Centre for Latin American Studies, Liverpool University, 1977, p. 153.

## Violence as junta reveals land plan

AT LEAST one million acres are being redistributed to landless labourers and tenant farmers in El Salvador. But the announcement of the sweeping redistribution of land sparked off a new round of violence, writes Colin Green.

● Left-wing militants stepped up their action. They were aware that their wider socialist goals were threatened by the efforts by the ruling junta to give land to the people.

In the seven days following the announcement of agrarian reform, 70 Left-wing militants were killed, according to Oscar Arnulfo Romero, the Archbishop of San Salvador. The Archbishop himself was murdered on March 24.\*

● But the severest reaction came from the Right-wing, which opposes the reform because it will destroy their political power.

All farms over 1,250 acres are affected: this means that 244 haciendas will lose land. Owners may keep only 350 hectares for their private use.

Peasants who receive land will have to pay for it; 70,000 are expected to work on new communal farms.

The junta is reported to be considering extending the reform to cover all farms over 250 acres.

Meanwhile, some of the impatient peasants who have been seizing farms have been gunned down by the National Guard.

Fifty people died in Cathedral Square during the Archbishop's funeral. And at least 70 peasants were killed near El Oro, about 25 miles outside San Salvador, a few days later.

The left-wing guerrillas, whose opposition to the ruling junta can only strengthen the powerful conservative elements in El Salvador who oppose the land reform plans, have proved powerless to protect the peasants. Twenty-four peasants were found shot dead on April 12, scattered along roads and in fields.

\*This tragedy was foreshadowed in *Land & Liberty*, Jan-Feb. 1979, p. 10.

### EL SALVADOR

Ferdinand Marcos was democratically elected as President of the Philippines in 1965.

Seven years later he became dictator: he imposed martial law in September 1972.

In declaring martial law, Marcos promised sweeping land reforms as a crucial part of the need—as he perceived it—for continuing change to create a "new society" for all Filipinos.

In a decree, he said there was need "to achieve dignified existence for small farmers, free from the pernicious institutional restraints and practices which have not only retarded the agriculture of the country, but have also produced widespread discontent and unrest among our farmers, one of the causes of the existing national emergency."<sup>1</sup>

The fact that, seven years later, martial law still rules, therefore suggests that he has failed to effectively implement a reform of the land tenure system in such a way as to remove the pre-existing discontent which was causing political instability.

His latest foray into the field of land ownership illuminates the kind of thinking which has held per capita incomes to just £250...

ON SEPT. 11 the President announced that all land in metropolitan Manila had been placed under State control.

All urban land, covering 400 square miles, became a reform zone.

"The urban land reform will safeguard our future generation and cause an equal distribution of wealth," he declared in a televised speech marking his sixty-second birthday.<sup>2</sup>

Such a reform, he claimed, marked the foundation of peaceful revolution under the new society.

● 150m. to 200m. pesos (over £10m.) will be set aside for land expropriation.

● No more land can be sold and no buildings constructed without permission of the regulatory commission of the Human Settlements Ministry.

● Landless and homeless people will be given the first chance to buy land.

It is doubtful, however, that these measures will radically alter the maldistribution of income, or lift the ailing economy<sup>3</sup> out of trouble.

For existing landowners will not lose out, the future generation will be no better placed to secure a foothold on the land, and relatively few of today's landless will be able to command the financial resources