

THE *CAMPESINOS*' PERSPECTIVES IN LATIN AMERICA*

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This article deals with the aborted attempts at land reform in Latin America during the 1960's and outlook for 1970-1980. It has long been evident to the sophisticated—and even to less alert—observers of the Latin American panorama that land reforms are both an essential prerequisite for improving the welfare of the hard-pressed *campesinos* (peasants) and a cornerstone of general economic, political and social progress.

1. In the following paragraphs it will be unavoidable to allude to agrarian reforms. They are always involved, explicitly or implicitly, in a discussion of agricultural development because there are no alternative solutions to the agrarian problems with the conditions which exist in rural Latin America. But major attention will not be on what ought to be. Sooner or later, real massive reforms will be carried out. It is only a question of time. But our hypothesis is that no serious changes in the land tenure structure of Latin American agriculture will take place during the coming decade, at least. What will happen to the peasantry until this moment of a true transformation of the agrarian structure arrives? What are some of the tenure trends observable at the present time? What are the main strategies now being *en vogue* to “develop” agriculture and how do they affect the *campesinos*?

2. The fittest way to begin this analysis of current trends and strategies is to sketch in large brush strokes the situation of Latin America's peasantry and the efforts made by Latin American governments to improve their lot.

It is fortunate that during the 1960's—the decade of the aborted Alliance for Progress—an impressive amount of new information has been forthcoming which sheds light on many, if not most, aspects of the conditions under which *campesinos* live and work. This new material stems from the impulses which the Charter of Punta del Este of 1961 gave to those who believed in (and wanted proof for the validity of) the Charter's main theory that development is a function of institutional changes and not merely of more investments, more output and more efficiency.

It has now become almost heresy to plead ignorance on the major institutions shaping agriculture and its performance and on the structural obstacles to economic, social and political progress. In the first place, the scope and nature of poverty in agriculture. In 1960, in all Latin American nations except Cuba the rural population counted approximately 99 million people, or

* The opinions expressed in this article are those of the author and do not necessarily represent the views of the organization (ECLA) with which he is associated.

about 17.2 million families of which 12.6 million families (or 73 per cent) were poor. This is a conservative estimate. The poor are the smallholders and the members of their household, living on plots of land inadequate in size and quality to provide employment or a decent living. And they are rural workers without access to land who work, full-time or part-time, under some form of employment with, or at times, without wages, for those who have land. (Table 1) By far the largest number of poor were in Brazil—4.5 million families, or 36 per cent of all the continent's poor.

Table 1. Rural Poverty in Nineteen Latin American Countries

	1960	1970
Rural Population	98,720,000	114,000,000
Rural Families	17,240,000	20,300,000
Poor Rural Families	12,642,000	15,000,000
Annual Increase (all families)	271,000	319,000

Each year since 1960 the number of rural families increased by an estimated 271,000 (net, i. e. after rural-urban migration).¹ The bulk of the new families are new *poor* families. By 1980 there will be between 90 and 100 million poor in agriculture.

3. Why is such a large portion of the people in agriculture poor? Why do the poor not only not disappear but multiply so fast? The reason is the structure of land ownership, the nature of the access to the land resources and how the land is being utilized. It is beyond doubt that the degree of concentration of ownership of land is much higher than previously suspected and that the large landowners, individually or as a group, are effectively and systematically preventing *campesinos* from gaining access to land except under onerous and at times inhuman conditions. The most detailed data available on the distribution of farm land are from ten countries which represent 70 per cent of the total rural population of Latin America.² In these countries approximately 2 per cent of all producers (145,000 out of a total of 7.2 million) controlled 46 per cent of the farm land. (Table 2) But census figures on land distribution do not reflect the true degree of land concentration. The owners of large estates often under-report the size of their farms, and in some countries they have apparently done so systematically for the most recent censuses. In some countries this has resulted in a very substantial lowering of the amount of land reportedly controlled by them. The censuses also do not mention how many *hacendados* have more than one *hacienda*. Cases such as those in pre-revolutionary Mexico where one estate owner owned 90 estates scattered throughout the countryside are perhaps not too frequent, but ownership of 2, 4, 8 estates is not uncommon. Some owners, in their hunger for more land, buy up indiscriminately small and large units. Finally there is

¹ Actual increases in the rural population reported by censuses appear to exceed growth rates calculated by population experts.

² Argentina, Brazil, Chile, Colombia, Ecuador, Guatemala, Peru, El Salvador, Honduras, Nicaragua.

the phenomenon of entire families rather than single-estate owners owning many estates. In most countries it is more correct to speak of estate owning families rather than estate owners. So, fewer owners or families own perhaps as much as 50 or 60 per cent of the farm land instead of the previously mentioned 46 per cent. As a matter of fact, the popular method of showing distribution of land only amongst producers is misleading, as it leaves out all the farm people without access to land. If these are included the proportion of large *hacendados* of all farm families shrinks still further. (Table 2, col. 4.)

Table 2. Distribution of Farms and Farm Land in Ten Latin American Countries, 1960 and Distribution of Families of Producers and Non-producers, 1960

Farm Class and Workers	Number of Families (thousand)	Hectares (millions)	Percentage of Producers	Percentage of All Farm Families
Producers				
<i>Minifundios</i>	3,844	14.8	53	32
Family Farms	2,196	110.6	30	18
Multi-family Medium	1,088	159.8	15	9
Multi-family Large	145	241.0	2	1
All Farms	7,273	526.2	100	60
Workers Without Land	4,760	—	—	40
Total	12,033	—	—	100

4. The crucial question is now: As the size of the *campesinato* increased, what exactly has been its access to new land? And, to what kind of land? Two examples, Brazil and Guatemala, are revealing. Brazil's agriculture underwent a drastic expansion during the 1950's. Its area increased by 33 million hectares (or by 17 million if one uses the final agricultural census of 1960 rather than the preliminary census).³ This expansion has been characterized both by the fortification and growth of the *latifundio* sector and a rabbit-like multiplication of smallholdings. If one uses the more plausible preliminary census of 1960, 257 new *haciendas* of 1,000 hectares and over captured almost 7.5 million out of the 33 million hectares of farm land added during the decade. But about 800,000 new smallholdings up to 10 hectares in size obtained less than 3 million hectares.⁴ Since each new smallholder had access to less land than the average smallholding had in 1950, the average size of all smallholdings decreased from 4.3 hectares in 1950 to 3.9 hectares in 1960. It is true that the average size of all farms over 100 hectares also declined (mainly through the process of inheritance) but the problem is serious only for the smallholders whose land base is too small for more than subsistence living to start out with. In a country with enormous land resources

³ The preliminary census was published in 1963; the final census in 1965.

⁴ The adjustments made in the preliminary census of 1963 were unusually large, but only with respect to large farms. The final census now shows less land in farms of 1,000 hectares and over than they had in 1950. This leaves the impression that *latifundismo* had lost out in Brazil. For that reason the data of the preliminary census are used here.

(Brazil has 850 million hectares altogether), this has been an absurd development. It implies that smallholders, on the average, must become poorer. Under the circumstances it also implies that poverty is being exported to the newly-opened agricultural communities. Obviously, land is a limiting (or, as the economists like to say, scarce) factor only for the rural poor. Each new producer in Brazil on farms exceeding 500 hectares accounted for over 116,000 hectares. Hence, the average size of these farms increased from 15,115 to 16,700 hectares. In Brazil, then, access to land for the *campesinos* means access to more *minifundios*.

In Guatemala, the development was even more serious. In addition to a declining average size of smallholdings, the increase in the number of such holdings was inadequate to absorb more than a small proportion of all the families of smallholders added between 1950 and 1964, the two census-years. As a result, the number of families without any land increased more than twice. The information for both countries is summarized in Table 3.

Table 3. Access of Farm Families to Land and Changing Status of Farm Families, Brazil and Guatemala

Status of Family	(Thousand Families)			
	Brazil		Guatemala	
	1950	1960	1950	1964
Producers				
<i>Minifundios</i>	465	1,072	308	365
Family Farms	807	1,273	33	44
All Multi-family Farms	792	1,004	8	8
All Producers	2,064	3,349	349	417
Landless Workers	3,340	3,290	69	149
Total	5,404	6,640	416	566

Indications are therefore that in Latin America *rural poverty increased significantly in absolute terms and remained stationary in relative terms*. In countries without a notable geographic expansion of agriculture, the natural increase in rural families had to lead to more families without land. Where agriculture expanded smallholdings could increase and absorb, like in Brazil a portion of families without land. To repeat: these conclusions are valid after taking alternative employment opportunities in other sectors of the economy into account. It can also be observed from Table 3 that the bulk of the new families added during the inter-census period are new poor families: in Brazil 65 per cent, in Guatemala 92 per cent.

5. How do the *hacendados* keep *campesinos* from getting more land? The answer must be given in two dimensions. In the well-established traditional rural communities, the control of the *hacendados* over the land is nearly absolute, and the *campesinos* have no resources (no capital, credit, cattle, tools). The *hacendados* occupy most of the land—and the best land at that—and if they ever sell it, which happens infrequently, the buyer is always another

hacendado or a wealthy urban investor. The land is high-priced and beyond reach of the *campesinos*. If smallholdings multiply, nonetheless, in these communities, they are established principally on unused or unclaimed land of which there is always a certain amount, or through parcellisation of the smallholdings. At times smallholdings spring up around metropolitan areas where the *hacendados'* control is waning and where land can even be subdivided at enormous profits.

Spontaneous migration and settlement in outlying areas accounts for the remaining new smallholdings. For example, in one state alone in Brazil (Maranhão) 140,000 new farms of less than 10 hectares sprang up during the decade, 19 per cent of all new farms of this category in the country. In these areas the *latifundistas'* control over the land resources is still less absolute. However, the establishment of the smallholdings there is only a prelude to the fortification of *latifundismo* because once the settlers have cleared the land and invested their labor efforts in the land and in building new communities they are driven out. Either they are forced to migrate again or they remain and accept employment as laborers for the *hacendados*.

6. Spontaneous settlement of outlying regions can take up only a portion of the net-increase in the poor families. It requires some financial resources and a great deal of courage. It involves separation from home and adjustment to new (often unfavorable) climates. Hence, more and more families have to share the available farm employment opportunities at home. Most of these exist on the *haciendas*. In Brazil, for example, the multi-family farms employed 81 per cent of the hired labor.

This brings us to the next important question: What contribution do multi-family farms, particularly the largest estates, make to new employment opportunities?

Although these farms employ most of the available labor, they give work to considerably fewer workers than they potentially could. This is the direct result of the pattern of land utilization. It has been demonstrated convincingly that only a small portion of the land controlled by these estates is cultivated intensively. This is a common phenomenon throughout Latin America, at all levels of farming: in the aggregate and in the smaller communities. For example, in the seven nations for which detailed data are available on land use—Argentina, Brazil, Chile, Colombia, Ecuador, Guatemala and Peru—only 4 per cent of all the land in *latifundios* was in annual and permanent crops. The remainder of the land is fallow, in extensive uses, or unused. Even on plantations which are usually presented as models of intensive agriculture, only a small portion is in plantation crops. For example, sugar plantations have areas devoted to pasture which exceed by a multiple the area in sugar-cane—allegedly to raise oxen for the transportation of sugar cane, although it is never clear why this has to be pure bred-cattle. The potential employment opportunities on multi-family farms is much greater than the number of poor farm families and can, in fact, be large enough to absorb many generations of new poor farm families if only the land were

used more intensively.

Another related obstacle to greater employment is the systematic separation of "agriculture" (cropping) and "livestock farming." In all developed agricultures this dichotomy has been eliminated or is disappearing, to the extent that ecological conditions permit it. In Latin America, this dichotomy seems to be on the increase. Only rarely can one find *haciendas* which combine "agriculture" and livestock. On the small farms, where livestock could be an important means of absorbing underemployed family labor, the land base is too small for keeping a herd of cattle and even if it were not, the banks would not give the smallholders credit, or if they were to give credit it would be on such onerous terms that the smallholders consider themselves wiser not to apply for it.

Lack of intensive cultivation and the persistence of extensive cattle operations, which consume most of the available land resources and which always belong to the *hacendados*, are responsible for a high level of unemployment and underemployment in agriculture. Typically, farms with immense areas of land and herds of thousands of cattle employ only a handful of "cowboys", although some of the land could be cropped. These "cowboys" may have a romantic occupation, but they do not add to rural employment. The prevailing pattern of land utilization on the estates, which is shaped for the convenience of their owners, is part and parcel of the *latifundio* agriculture of Latin America. It can only be eliminated through land reforms and through effective implementation of entirely new national policies directed toward an intensification of land use combined with large human labor inputs.

7. In the beginning of the 1960's a new era seemed about to begin in Latin America. The Cuban land reform and the Alliance for Progress set the basis for a continent-wide land reform movement. Peasant organizations were beginning to exert pressures on their governments to obtain land. In Peru, in the early 1960's, about 300,000 *campesinos* participated in a vast effort to obtain land in the Sierra alone. In Brazil, the *ligas camponeses* seemed to mark the beginning of a real transformation of the agrarian structure. Most countries passed land reform laws and set up new land reform institutes financed by the national budgets allegedly to expropriate *haciendas* and redistribute them to the peasants. Today only El Salvador has no land reform law. In Chile, even two laws were passed: one in 1962, the second in 1967. But to date practically no reforms have been carried out. The number of peasants who have benefitted from the laws has been insignificant. This justifies a few comments.

In the first place, the stated desire to carry out reforms was paralleled by a policy aimed at destroying the peasant organizations. In Peru, a large military expedition in the Sierra, of which traces can still be found today, put an end to the land claims of the *campesinos*. In Brazil, the new military regime of 1964 eliminated all peasant unions. By the mid-1960's the political pressures in favor of land reform had abated. This left the way open to the type of land reforms which the new laws, inspired by the Cuban revolu-

tion and the Alliance for Progress, had in mind.

8. These laws aim to bring about peaceful, rational land reforms, carried out within the framework of the constitution and the Law and within the existing political power structure. They were enacted by parliaments whose members are mostly big landlords and their friends. Including the few cases where the legislation was issued as a decree by military governments, the laws and the land reform institutes reflect the mentality of the *hacendados* and the existing power structure. For example, the peasants have no voice whatever in the land reform programs. They cannot request expropriations in a legal manner. They are excluded from the planning and execution of all land reform projects undertaken by the institutes. If they want to exert pressure on the government, they are forced to do so by illegal means, such as invasions of land. The laws allow them no alternative. Of course if they resort to illegal means, they are liable to be repressed by the forces of law and order. One does not have to stretch one's imagination to discover that the peasants are more the victims than the initiators of land reform under the existing conditions.

It goes without saying that land reform projects actually authorized by the institutes must be acceptable to the landed elite. This is the natural consequence of the manner according to which the land reform programs can be implemented. The institutes are nominally managed by a director. But his powers are severely limited. All activities of the institutes are directed and controlled by a board whose members are representatives of the large landowners' associations, of the banking institutions most closely allied with the landed elite sector, or of the military. The board also includes one or two representatives of the peasants, usually the head of a government sponsored peasant union who represents only a fraction of the *campesinato*. He is outvoted 8 to 1 by the other board members who, by and large, are fanatic opponents of any type of real land reform. The board decides what projects shall be carried out. Most of the projects are colonization, irrigation and highway construction schemes. As strange as it may seem, the majority of the activities of the land reform institutes are just as profitable to the *hacendados* or construction firms as to the peasants, and on occasion much more so.

To say that the boards make all the decisions on land reform projects is perhaps exaggerated. All real land reform projects—expropriations of privately-owned *haciendas* and their redistribution to the peasants—must be signed by the president of the country, and since the laws do not prescribe any time limit within which the signature must be forthcoming, only few expropriation decrees have ever been signed.

9. Of course, the boards of the land reform institutes are guided in their actions by the provisions of the laws. These do not aim at expropriation of *haciendas* and their allocation to peasants on a national or regional scale. Quite the contrary. They are written in such a manner as to force the institutes into atomized programs of small settlement schemes in outlying districts, with the highest priority being given to publicly-owned land (which

is not land reform in the first place) and then, if necessary, to privately owned, but unused or abandoned farm land. If an expropriation of such marginal, privately-owned land in outlying districts is actually authorized, it can result in a profitable operation for the owner of the land, given the methods of appraisal of the land and of compensation to the owner. Even with the best intention it is not possible to qualify such a program of isolated, scattered projects as land reform: they hardly make a dent in the existing agrarian structure and do not diminish the concentration of ownership of farm land. In essence they are designed to gain time and appease the peasantry by making it appear as if concessions are being made to their justified demands for more land.

10. The results of the so-called reforms of the 1960's have therefore by necessity been discouraging from the point of view of the peasants. A close analysis of the programs—including those of countries which have spent large funds on publicizing their “land reform” activities—shows that annually at best around a thousand farm families have received land (not always on expropriated private estates) from each of the few institutes, except for Venezuela which “gave land” to about 10,000 peasants annually under its reform program which began prior to the Alliance for Progress and was the result of large-scale peasant invasions. For example, in Colombia less than 4,000 families benefitted from land settlement between 1961 and 1968. In Peru practically none. In Brazil 100 families were given land annually between 1964 and 1968. Assuming that on the average 16 countries (excluding Mexico, Bolivia and Cuba) settled 500 families *per annum* and Venezuela 10,000, then only 160,000 farm families were given land by the institutes altogether between 1961 and 1969. By the end of the 1960's most land reform programs had however slowed down to a near halt. At the rate at which Colombia's program is carried out, it would take about 1,300 years to give land to three-fourth of the poor families which existed in 1960; in Brazil it would take about 34,000 years—without counting the population increase. In reality the programs are not capable of making a dent in the panorama of rural poverty because the number of new poor rural families exceeds the number of land reform beneficiaries by at least 17 times.

11. Aggregate output, productivity per worker or per unit of land, and the export sector are lagging today in Latin America. It is now demonstrated beyond any doubt that the poor performance of agriculture is caused principally by prevailing antiquated land tenure conditions. Nonetheless most policies and strategies are directed towards improving the “performance” of the agricultural sector without improving its basic structure. This tends to reinforce rather than solve the existing land tenure problems. And we must now discuss briefly the implications of these policies and strategies.

Their common denominator is *modernization of agriculture*—a concept which began to be much *en vogue* a few years ago. It became part of the Declaration of the Presidents of America of Punta del Este of April 1957 and is now the guideline of inter-American agricultural policy. It replaces the Alliance

for Progress doctrine that progress must be brought about by social reforms. No one has ever defined the meaning of modernization of agriculture or of rural life. In one official document it has been advocated as a means of reducing urban-rural market barriers through into national integration programs and through the modernization of marketing arrangements and institutions. This must however be a misconception. Obviously there exists a sharp gap between the urban and the rural sectors, but this gap cannot be bridged by integrating marketing institutions: these are already highly integrated (i. e. monopolistic). Actually the modernization of rural life has probably a broader meaning. It is aimed not only at improving the efficiency of marketing (reducing marketing losses, eliminating the excess capacity of processing plants, reducing marketing margins, "making the pricing system more efficient" and the like) but also at making agricultural enterprises more productive and more efficient (by introducing modern technology, including motorized equipment, better seeds and more fertilizers, by increasing the quantity and lowering the costs of loanable funds) and bring about great productivity of labor and land. Since most of the land is owned by large producers and policies and programs are managed by institutions associated with them, modernization of agriculture is automatically directed principally towards the estate sector. The mentioned measures would be directed towards an improved use of physical resources, and not towards the improved status of the peasants, except that by implication agricultural workers will benefit in the long run from the increased returns of agricultural entrepreneurs. *Modernization of rural life is therefore the 1969-version of the trickle-down theory applied to agriculture* which says that the rural working classes will benefit from the improved welfare of the well-to-do. Some of its proponents actually have made very questionable statements to that effect, for example that agricultural development brought about by policies designed to improve output and efficiency would lead to more equal income distribution. With the existing political power structure and distribution of resources, the opposite is more likely to occur.

12. It is to be expected that the push for more output and greater efficiency without structural reforms will continue to receive highest priority and support. It will be endorsed by politically-influential sectors on the continent as well as in developed countries—in their case because of their large capital investments in Latin economies. Technical and financial assistance will be given by the industrial nations with the explicit or tacit understanding that social and structural reforms will not be undertaken.

Take, as a first example, the effects of efforts made to increase the adoption of new technologies in an agriculture which is now and will continue to be heavily dependent on manual labor. Most countries still have to import modern agricultural equipment from the industrial countries although a few countries have recently begun to manufacture or assemble tractors domestically. Even in the latter case, tractors are usually foreign. This equipment is adapted almost entirely to conditions existing in the agricultures of the

industrial economies and therefore to large-scale farming operations. Hence wealthy estate-owners are the only ones who can afford to buy them. The entire system of merchandising the equipment, of financing its purchases or of its upkeep is geared to this small market. If equipment is sold on a cash basis, this excludes automatically the *campesinos*. If the dealers or banks finance the sales, credit is extended only for a short term. Longer-term loans for agricultural machinery are practically unavailable. If a *campesino*-co-operative wishes to buy a tractor, banks extend credit only on condition that each member remains fully responsible for the aggregate amount of the sale—an effective method to discourage *campesinos* from engaging in a deal which banking policies consider suitable only for large producers. As a result smallholders have no modern equipment and family farms only in rare instances. It is not likely that the policies of equipment dealers or banks will change in the near future. Why should they? Their efforts will continue to be directed towards the small and profitable market of wealthy estate owners as their interests are purely commercial and not social. Governments could establish, of course, new policies aiming at assisting small producers: manufacturing models adapted to small-scale farming, or fostering cooperatives which could employ big equipment, or establishing publicly-owned tractor stations. Neither of these three alternatives are likely to be adopted as long as Latin American agriculture is dominated by the *latifundio* sector.⁵

It is to be expected that the adoption of modern equipment will be speeded up in the next decade for several reasons. The ownership of modern tools has become for estate-owners a question of prestige, just as the control over many "hands" has been and continues to be a matter of prestige. Some producers see in their acquisition a way to solve all or part of their labor problems: they shift all their cropping into motorized methods of planting, cultivating or harvesting, or they reduce and modernize their cropping area and simultaneously turn to extensive livestock operations and dismiss their labor force. A few producers will be genuinely interested in improving their operations and use modern management methods for the purpose of intensifying the use of their land and raise output and productivity. In addition, two more important reasons must be cited: government policies and dealers' and manufacturers' practices. Governments are now subsidizing to an ever-increasing degree the manufacture or import of equipment by giving facilities to local industrialists, or by reducing tariffs. Such subsidies are strong economic incentives to encourage the adoption of modern tools at the detriment of the *campesinos*. Dealers and manufacturers once established will increase their sales to justify their existence. Such policies and practices are reinforced, if not actually engendered, by the financial assistance and export policies of industrial nations. For example, Colombia received in 1968 a loan of 15 million dollars to finance imports needed by the country's commercial farms.

⁵ In any event such government policies would have to be coordinated with other policies aimed at increasing the use of manpower in order to solve the massive problem of unemployment in agriculture.

The counterpart of this loan are to be used for infrastructure projects oriented to rural development and agrarian reform. The loan is tied to policy and institutional reforms aimed both at encouraging private investment in large-scale commercial agriculture and at accelerating the distribution of land titles.⁶ But it is obvious that a given amount of capital for commercial farms helps their owners a great deal more than an equivalent amount for the *campesinos*, given that the latter outnumber the former by about 1000 to 1.

13. It is difficult to avoid the conclusion that in combination, the policies and strategies aiming at the adoption of modern tools are of little, if any, benefit to the *campesinos*, under the conditions which prevail in a *latifundio* agriculture. This conclusion by itself may come as a surprise to many. But in what sense can they also be harmful to the *campesinos*? By reducing, or failing to expand, employment opportunities in agriculture or worsening (or failing to improve) the terms of employment of rural workers. And by increasing the inequality in the distribution of capital resources and incomes. As has been pointed out earlier, large estates do not provide sufficient employment opportunities for the rural labor force at the present time. Modernization is likely not only not to result by itself in greater intensification of the aggregate use of land nor in the quality of farm management—i. e. it may not result in an increase in the cropped area of the estates and may actually result in a decrease, nor in better treatment of the soils and therefore in higher yields—but it will reduce employment opportunities to the extent that modern equipment replaces manpower. Obviously this can have disastrous effects on the peasantry and further increase rural unemployment. Manpower replacements may occur only on a relatively few farms at any one time, but they assume large proportions in the light of the steady increase of the rural poor. Employment may increase on a few enterprises of progressive producers who intensify their operations and their labor inputs, but their efforts are likely to more than offset by the other producers who replace human labor by motorized equipment or shift to extensive livestock operations.⁷ It is in the very nature of a *latifundio* agriculture that on balance underemployment or unemployment will be maintained in order to preserve, as in the past, a large supply of labor obliged to work at subsistence wages, under onerous terms of employment and unorganized. The replacement of men by machines in industry is always accompanied by some publicity—but

⁶ See: *Colombia—A Case History of U. S. Aid*, Committee on Foreign Relations, U. S. Senate 91st Congress, 1st Session, Feb. 1, 1969 Wash., DC, 1969, p. 83. Since Colombia has not carried out land reform, during the 1960's, the use of counterpart funds for "land reform" is of doubtful value. Another example of the disproportionate aid given estate owners is that Colombia received a loan of 12 million dollars to be used in the livestock industry (i. e. for the "cattle kings" of Colombia) and 18.5 million for super-vised credit for small farmers of which there are hundreds of thousands. The loans for the few livestock growers were given "to allay fears which had been engendered among ranchers by the agrarian reform law"! *Ibid.*, p. 82.

⁷ Due to inefficient management on most large estates, soils are being exhausted and yields declining. This has been a powerful factor inducing producers to shift to livestock.

in a *latifundio* agriculture is goes on unnoticed.

Finally the inequality in the distribution of capital assets other than land is now considerable larger than in the distribution of land. As the access to modern equipment by estate owners is broadened, this inequality is bound to increase, and with it the income gap because the markets of the products produced by modernized enterprises become more profitable in relation to those in which smallholders sell, and the bargaining position of the former will increase still more in relation to the latter's.

14. Similar conclusions must be reached with respect to efforts to increase the use of fertilizers, improved seeds and better farm management methods. Such inputs now benefit almost exclusively the large producers, and some of them are almost inaccessible to the bulk of the *campesinos*. To this must be added that technical assistance and agricultural research is, at present, directed toward the estate owners and the crops they grow, particularly commercial crops. By and large, smallholders and producers on family farms receive no technical assistance from public agencies because the manpower and financial resources of these agencies are limited, quite apart from the fact that they are not oriented toward solving small producers' problems. No improvement is in sight for any of the conditions mentioned, and on the contrary, the lack of counter-vailing policies is bound to increase the gap resulting from the unequal distribution of the inputs received by the estate sectors and those obtained by the *campesinos*, which is part and parcel of a *latifundio* agriculture. Graduates of agricultural colleges continue to be recruited almost exclusively from well-to-do families and most of them obtain jobs on large plantations or in processing plants and there are no effective policies to enhance significantly the field of activity of agricultural agencies starved for funds.

15. Finally, brief reference must be made to the nature and impact of policies and programs to which many Latin American governments are now resorting *in lieu of land reform* to pacify the restless peasants and meet their demands for land and a greater participation in social, political and economic activities. These policies fall largely into the field of "land tenure conditions," but do not go to the heart of the problem of the distribution of land and other resources, or of income.

It is to be expected that periodically the "land reform" programs, which have been described earlier and which have come to a near halt in the late 1960's, will be revived. Some land will be offered to the *campesinos*, not so much on expropriated private estates because this would be harmful to the estate-sector, but in outlying regions. Colonization, or the settlement of virgin lands, has long been advocated as an alternative to land reform by its opponents, on the argument: Why break up or expropriate large estates which the owners and their forefathers have built up through their initiative and labor efforts when there is still so much virgin land available? It is an appealing argument. It attempts to raise one argument of justice (namely that it is unjust to expropriate estate-owners) against another (that the inequality in the distribution of land is unjust) although it ignores of course

everything about how the estate-owners acquired the land in the first place and about whose fruits of labor have been incorporated in the estates. Nonetheless the argument finds strong support in Latin America and in international lending and some technical assistance agencies. As peasant pressures for a real land reform increases, colonization schemes will multiply, although not all of them will be carried out. Most Latin American nations already spend large public funds or international loans on such schemes, demonstrating once again that there is no scarcity of resources with respect to programs and strategies designed to maintain the social, political and economic *status quo*. Some of the schemes will also involve large-scale irrigation and drainage systems (which take years to complete) on the argument that there is not enough *good* land to go around for the *campesinos* (who, after all, deserve nothing but the best), although obviously cultivable land of fair to excellent quality in the large estates could be made available to the *campesinos* in more than sufficient quantities without any, or with only a tiny fraction of the costs required for the infrastructural improvements, in undeveloped areas. But the high costs of settling *campesinos* in such projects have never been a deterrent. Alternative programs to land reform, such as colonization, will not benefit more *campesinos*, even under the best of circumstances, than they have in the past, and their major objective will be to appease them, and there is little doubt that they are capable of achieving this objective for a short while. However, in the meantime, the number of poor peasants will continue to increase much in excess of the number of peasants receiving land.

Another palliative is "supervised credit," for smallholders. The idea behind this program is sound. Although there is no plausible economic reason for credit to be in short supply, it is a fact that in Latin America there is no credit available for the *campesinos* except from private sources at exorbitant rates of interest. Supervised credit programs are designed to increase the supply of credit to the smallholders at reasonable rates of interest. Since Latin American nations have found it beyond their means to finance such programs on a large scale (or on any scale) the United States have extended several loans to set up supervised credit programs which undoubtedly have assisted thousands of farm people over the past few years. They cannot, however, go to the root of the agrarian problem and they bypass the question of land distribution and of the inadequate land-base of smallholders. Unfortunately, too, the programs are managed by lending agencies whose lending policies are notoriously conservative, which means that they are accustomed to handling loans for wealthy estate-owners, and they have taken over the programs only because of the certain profits derived from handling the foreign loans. The borrowers are strictly controlled by the lending agencies in a paternalistic manner on the assumption that peasants must be taught how to handle money.⁸ Although of real benefit to the re-

⁸ Supervised credit is designed to result in the diversification of the smallholdings but in Latin America the program has been used often to increase the output of com-

ipients and notwithstanding the good repayment experience of the lenders, such programs are small in relation to the total credit needs.

Great popularity can also be prophesized for measures to increase rural taxation. They have as an objective to enhance the availability of public funds so that agricultural programs can be expanded. But this is not the major benefit which some proponents of increased taxation except: they see in it a tool to modify the agrarian structure and an instrument to raise output and productivity, or both. Their reasoning is that since so much land in the large estates is ideal, the owners will be forced to sell out once taxes are raised if they do not raise output. (Nothing is said about who is going to buy this land. In all likelihood it would be purchased by another estate-owner who can afford it, while the *campesinos* cannot.) There is not the slightest evidence that taxation has ever brought about an increase in output (rather, it works the other way around) and much less a change in the agrarian structure. But this has not diminished its popularity. The Brazilian land reform statute of 1964 for example has specifically made use of this theory and stated that "taxes are one of the important determinants of reform." Theoretically, the objectives could be reached if two conditions are fulfilled: if taxes are progressive and if they are very high. It is, however, unlikely that in a country whose agriculture is dominated by *latifundistas*, parliament would pass tax laws which would, for all practical purposes, provide for punitive taxation. This would be as revolutionary as a drastic land reform law. If taxation is not a heavy burden for the estate-owners (which is the case in Brazil) it is probably that under prevailing conditions the costs of increased rural taxation will fall principally on the *campesinos* in the form of lower wages, or a reduced share of the product in the case of share-croppers and tenants, and in a few isolated instances output could be raised slightly to take care of the higher tax. But the land tenure system would not be improved and could in fact deteriorate from the point of view of the *campesinos*.

Finally few, if any, improvements are likely to occur in the next few years with respect to rural labor policies. Any concessions made to labor must involve the solution of the problem of access to land and collective organization of the peasants. The estate-sector which has just recently been successful in repressing the large peasant movements of the early 1960's can hardly be expected to make such concessions and give up part of its political gains. How long the existing power structure can withstand the pressures of an increasing, and increasingly poor, rural proletariat, is of course a guessing game.

mercial crops (say: rice) in which the banks have a special interest. In some cases, this has endangered the success of the program.