

THE GREAT BETRAYAL

Land Reform & Latin America



By Chris
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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.² 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

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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 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-

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.¹

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

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 redistribution. Frequent changes of directors, selection of men who could be manipulated, restrictions in funds.....were all employed in different countries."²

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%!³ 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.

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