Chapter 8

Agrarian Reform Issues and Initiatives in Three Andean Countries in South America

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This chapter looks at agrarian reform issues and trends in the countries of Bolivia, Ecuador and Peru in the Central Andean region.[1] These three contiguous countries share many historical, demographic, socio-economic and agro-ecological characteristics. They face several similar agrarian problems as well as many others specific to each country or to diverse sub-national regions.

These three Central Andean countries cover about 2.7 million square kilometres, which is an area five times the size of France and three fourths as big as India. Bolivia and Peru, with 8 and 25 million inhabitants respectively in 1998, divide nine tenths of this area almost equally between them, while Ecuador with 12 million people includes the remaining one tenth. The region's total population of 45 million is only slightly more than that of Colombia (with nearly the area of Peru) to the North. These three Central Andean countries include about 12 per cent of all Latin America's and the Caribbean's land area, and 8 per cent of its population. Peru and Ecuador are bounded on the west by the Pacific Ocean that supports important fisheries. Peru's coastal strip is mostly desert interrupted by productive irrigated valleys while Ecuador's becomes humid enough as one moves north to support rain-fed agriculture; Bolivia lost its coast to Chile over a century ago and is now a land-locked state. The central Andean high plains and valleys have constituted these countries' traditional agricultural heartlands. The bulk of the region's indigenous population live and farm in this agro-ecological zone lying between 1,000 to 6,000 metres above sea level.

All three countries include large Amazonian forest zones extending east to the Peruvian frontier in Ecuador, to the Brazilian frontier in Peru and Bolivia. Some of these Amazonian areas were heavily populated by sedentary agriculturists before indigenous populations were decimated by the European conquest and the epidemics that accompanied it. This zone is now the scene of many land conflicts among indigenous groups, poor colonists mostly from the highlands but some from elsewhere, larger commercial farms and estates, land speculators, agro-industries, transnational companies exploiting timber, petroleum and other natural resources, and various state agencies.

When the Spanish arrived five centuries ago, the Inca Empire, centred in Cuzco (Peru), ruled from present-day central Chile into Colombia but most of its subjects were in what are now Peru, Bolivia and Ecuador. The Quechua-speaking Incas and several other linguistic groups under Inca control had dense agrarian populations with highly sophisticated agricultural and irrigation technologies supported by intricate hierarchical social structures. They had mastered vertical integration of their food

[1] It is based largely on the following reports: Eguren with Urioste and Navarro, 1998; Eguren and Cancino, 1999; FEPP, 1996; and Urioste and Pacheco, 1999.

system drawing food supplies from the sea and irrigated valleys of the Pacific coast, the high plains and the eastern valleys extending into the Amazonian lowlands.

Such bits of geography and ancient history are essential for understanding several current agrarian issues. The vast majority of the region's rural poor are of indigenous descent. A high proportion in rural areas communicate only in indigenous languages and retain many traditional customs. Nearly two thirds of Bolivia's population is considered "indigenous", followed in all Latin America by Guatemala (over half), Peru (over 40 per cent) and Ecuador (nearly 40 per cent). Most of these countries' indigenous peoples live in rural areas, are extremely poor and are engaged in agriculture. Not surprisingly, current class-based agrarian conflicts in these countries inevitably become conflated with indigenous peoples' centuries old struggles to preserve their ethnic and cultural identities.

All three of these central Andean "lower-middle income" countries are confronted by serious problems of rural poverty, food insecurity and environmental degradation. About one third of their total populations are employed in agriculture. The vast majority of their rural (mostly agricultural) populations are estimated to be living below national poverty lines, and over one third are living in "absolute poverty". Total populations have more than doubled since the 1950s, but agricultural populations have been increasing very slowly in most of the region during the last two decades. This is largely due to rural to urban migrations. These countries' rural poverty rates all remain about twice as high as their urban ones. This widespread rural poverty contributes to endemic agrarian conflicts.

At national levels, all three countries, but especially Bolivia and Peru, are dependent on imported food to meet growing demands from rapidly expanding urban populations. They have abundant natural and human agricultural resources, but except for a few export crops, such as bananas and shrimp in Ecuador and soya in Bolivia, growth of food production has been sluggish. Food aid plus subsidized commercial food imports in the 1980s are estimated to have accounted for about one fourth of total food-energy consumption of Peru's and Bolivia's populations.[2] This has depressed markets for peasant food producers and reduced political pressures from urban consumers and other state support groups for governments to adopt popularly based development strategies that would significantly benefit poor food producers. Ecuador was less dependent on food imports than its two southern neighbours.

Environmental degradation negatively affecting the agricultural sector is severe and has been accelerating. Soil erosion and salinization, desertification, deforestation, biodiversity loss and pollution are widespread. These processes are frequently driven by careless exploitation of natural resources for profitable exports of primary commodities which are the region's major source of foreign exchange earnings.

These problems have complex systemic origins in how these nation states and their socio-economic structures evolved and how they interact with the world system. Analysis of the evolution of their agrarian structures is particularly relevant for proposing policies intended to reduce poverty, improve food security and enhance

[2] Peru's food imports including donations in 1998 were estimated to be about 27 per cent of the total value of domestic food consumption (Eguren, 1998).

ecological sustainability. Reforms of property rights regulating the terms of access among social groups and organizations to land, water and other resources together with democratic participation by the poor in policy making and execution are crucial for approaching "sustainable development". So too is the availability and distribution of credit, appropriate technologies, market access, information, infrastructure and social services. These are the principal components of agrarian structures.

Land reforms sanctioned or decreed by the state took place in all three countries beginning with Bolivia in the early 1950s and culminating in the 1970s in Peru and Ecuador. These land reforms accelerated trends already well underway towards the disintegration of traditional quasi-feudal *haciendas* and several other large estates. Many low-income tenants, workers and indigenous communities benefited by obtaining access to land on better terms. These land redistributions and limited reforms of broader agrarian structure were insufficient to promote equitable and sustainable agricultural development. Social relations are always very resistant to reform. In the Andean region they are imbedded in political and socio-economic institutions that evolved during five centuries to exploit indigenous and other subordinate groups as well as natural resources for the benefit of ruling oligarchies and their foreign and domestic allies.

Agrarian reform has to be viewed as an ongoing struggle for better access to land, water and other resources on more favourable terms for the rural poor. Land reforms involving massive and rapid redistributions of land rights took place in many areas of the region. These partial reforms were a necessary step towards greater equity, productivity and democratic participation of the rural poor, but they were not sufficient in themselves. They were soon followed by counter reforms reconcentrating land ownership, often in frontier regions. Actual and potential low-income beneficiaries of these land reforms had little influence over subsequent government policies, and especially over macroeconomic and social policies affecting their livelihoods and participation only indirectly. Popularly based development strategies responsive to the aspirations and rights of low-income groups and democratically accountable to them are essential for maintaining initial gains by the rural poor from land redistributions. They are necessary by definition for approaching sustainable development.

The remainder of this chapter briefly reviews the evolution of current agrarian structures and conflicts in the three countries until the 1980s. It discusses current agrarian problems and initiatives by NGOs and the state to deal with them. Finally, it discusses possible roles of popularly based organizations, the state and other actors in dealing more effectively with current agrarian issues identified in the country reports.

Evolution of Agrarian Structures in the Central Andean Countries

Immediately after the conquest, Spanish invaders assigned custody of indigenous communities to influential colonists in areas deemed propitious for extracting agricultural and mineral wealth. These allocations of people were called *encomiendas* and their overlords *encomenderos*. The *encomenderos* were made responsible for bringing Christianity to the heathen and exploiting their labour and wealth for the good of the Spanish empire. These *encomiendas* were soon converted into territorial estates that became private properties under colonial laws. Many land grants were of

small and medium sizes, but most land was assigned in large holdings. Large estates primarily dedicated to tropical export crops, such as sugar, mostly in lowland coastal valleys, were commonly called plantations, while those pursuing mixed cropping and cattle ranching, mostly in highland plateaux and valleys, were called *haciendas*. Native populations working or living in these estates were in effect serfs of the estate owners who had life and death powers over their subjects. Indigenous communities not incorporated into *haciendas* and plantations were mostly relegated to marginal or inaccessible lands. They were required to pay tributes to the conquerors in kind and in labour services.

Harsh treatment, ennui and old world contagious diseases to which the native Americans had no resistance quickly led to a demographic collapse. Indigenous populations declined by more than four fifths in many areas. This spurred the consolidation of quasi-feudal social relations based largely on the control of land backed by coercive military force. Restricting access to land by the remaining indigenous populations was essential for mobilizing labour by colonial rulers. The colonial authorities required indigenous populations and increasing numbers of low-status residents of mixed European and indigenous descent (*cholo* or *mestizo*) to provide labour services for colonial projects such as agricultural estates, mines and roads. The initial allocation of land, wealth and labour principally in large colonial estates has dominated agrarian structures, with many modifications, during subsequent centuries and is still reflected in many embedded agrarian institutions.

Independence from Spain in the 1820s failed to weaken these feudal social relations. On the contrary, it probably reinforced them. Most criollo oligarchies supported the revolt against Spain and dominated the newly independent nation states. While much of their revolutionary rhetoric was taken from the North American and French revolutions, their principal material interests lay in increased lucrative direct trade with industrializing countries of Northern Europe and North America that had been forbidden by Spanish rule. Among these oligarchies' top priorities for the newly independent states were facilitating access to foreign export markets and to cheap imports, to obtain credits for developing their enterprises, to protect their property rights including their implicit ones over labour, and to construct roads and other useful infrastructure for commerce. Providing land rights, services and political participation for the rural poor were not these newly independent states' primary objectives. With the advance of "liberal" economic policies as a ruling class ideology in the region during the nineteenth and twentieth centuries, income gaps widened and social exclusion of rural indigenous and other low status groups remained rigid. Bolivian indigenous populations, for example, were discouraged from learning Spanish until after the 1952 revolution in order better to keep them subordinate. Capitalist logic and accounting guided resource allocation by its propertied classes, but social relations, especially in agricultural sectors, remained mostly quasi-feudal within a global capitalist mode of production.

These countries' high dependency on primary commodity exports led to recurrent economic booms and busts triggered by fluctuations in world markets. Favourable world prices for agricultural export commodities such as cacao and sugar frequently led to new investments, expansion of crop areas and more "employment" on export producing estates at the expense of peasant agriculture. Depressed export crop markets often meant a resurgence of relative peasant autonomy with renewed

production for self-provisioning and local markets. Good export prices led to bonanzas for plantation owners, merchants and many government officials and agencies. There was seldom much new investment in the local food production, industries and infrastructure required for broad-based sustainable development.[3]

The socio-economic and political viability of large traditional agrarian estates became increasingly questioned by intellectuals, populist political leaders and many others including progressive estate owners in the Andean region as the twentieth century advanced. The Mexican revolution beginning in 1910 sent shock waves throughout Latin America. It was radicalised by agrarian uprisings reclaiming lost community lands in the large estates and it culminated in a radical land reform that dismantled most of Mexico's very large traditional *haciendas* and plantations. During the 1920s and 1930s there were several strikes on coastal commercial plantations in Peru and Ecuador. In the highlands, labour unions took root in many large mining enterprises while "invasions" of "unused" lands in large *haciendas* by dispossessed indigenous communities became increasingly frequent.

During the 1940s and early 1950s there were good markets for many of the region's agricultural and mineral exports stimulated by the Second World War, post-war reconstruction and the subsequent war in Korea. Many large estates expanded at the expense of smallholder communities. Plantations and mines greatly increased their demands for labour. Workers were still provided in some areas mostly in the form of unpaid labour from traditional *haciendas* and indigenous communities, but wage payments became increasingly common. Urbanization accelerated as did urban-based upper, middle and working classes. Labour unions and political parties with populist or radical programmes came into increasing contact with rural workers still living under quasi-feudal relations. The centuries old dominance of traditional large landholders over national political and financial institutions had been eroding for over a century but this decline accelerated during the 1940s and 1950s.

While power relationships among national elites were changing, agrarian structures remained relatively static. In the 1950s in Peru, for example, nearly three fourths of the land in farms was included in some 10,000 large privately owned farm units, while 500,000 very small privately owned units included less than 1 per cent of all agricultural land. Because of ownership of more than one large holding by many estate owners, the concentration of land ownership was even greater than these data

[3] An illustrative extreme case was seventeenth century Potosi in upper Peru (now Bolivia). By 1650 it had become one of the highest, richest and most populated cities in the world with nearly 200,000 residents. Its prosperity and growth was based on rich silver mines in hills rising from a bleak windswept plain over 4,000 metres above sea level. Tens of thousands of conscripted Indians and numerous imported African slaves worked the mines and foundries under harsh conditions. A high proportion of them perished in the process, but the city boasted fabulous wealth. Food was imported mostly from Argentina and other "state-of-the-arts" merchandise and services from Spain. There were few linkages with the rest of the colonial Bolivian economy. Over a century later when Bolivia became independent from Spain only 8,000 residents remained in Potosi following exhaustion of the richest mines and less attractive prices in the European market for Bolivian silver. Comparable booms and busts occurred in the late nineteenth century associated with rubber exports. When rubber from the Amazonian basin fetched high prices for export to North America and Europe, the Peruvian city of Iquitos, and Manaus in Brazil, briefly became fabulously rich, but with few links to local economies other than extracting raw rubber. When rubber prices fell, both cities lost their newly acquired wealth and populations.

indicate. Concentration of land ownership in Bolivia was similar to that in Peru, but with a smaller proportion of independent very small individual ownerships and a higher proportion of the rural population residing in indigenous communities. The concentration of land in large estates was only slightly less in Ecuador. In all three countries, the rural poor with unacceptable livelihoods even by low local standards exceeded three-fourths total rural populations. Most poor families operated small scattered parcels of land and also did occasional work for others inside or outside their communities. No meaningful estimates could be made of the numbers of landless workers in Peru, Bolivia, or Ecuador for such reasons (Barraclough and Domike, 1966).

Other features of agrarian structures were similarly concentrated to benefit large estate owners. They received nearly all formal agricultural credit. Roads and other infrastructure were constructed almost exclusively to serve estate owners' needs. They had access to many modern technologies through various private channels. State research and extension services were rudimentary, but to the extent they existed at all they primarily served large and medium sized commercial producers. Markets tended to be segmented with most sales by small producers confined to their local communities. Large estate owners usually had access to the transport, financial capital, business connections and information needed to reach national and international markets. Difficult terrain, however, made high transport costs a major obstacle for developing integrated domestic food systems in these countries in addition to those imposed by the concentration of wealth, income and political power.

Land Reform Issues and Initiatives in Bolivia

Surprisingly for many observers, the first important land reform in the Andean region occurred in Bolivia, which was the poorest and least "modernized" of the three countries. As in Mexico earlier, the 1952 Bolivian revolution began as a power struggle among different factions of the country's elite for control of the state. Land reform in the Bolivian highlands was rapid and massive with little initial intervention by the state. The vast majority of the rural populations in the high plains and valleys were Quechua- or Aymara-speaking indigenous peoples. They included nearly 70 per cent of the rural Bolivian population at the time.

Before the revolution, land invasions of partially abandoned *haciendas* together with demands for access to education and the abolition of feudal labour service obligations had been endemic for decades. The bloody four-year Chaco war that Bolivia lost to Paraguay in 1936 was a decisive factor leading to revolution and land reform in the 1950s. It had exposed many thousands of *campesino* conscripts to army disciplines that were authoritarian but less feudal than their *haciendas* and indigenous communities. They had fought and died with poor conscripts from other rural regions, as well as from the mines and cities, many of whom had experience in labour unions and political movements. Bolivia's defeat had shown the weakness of the state. Periods spent as forced workers in the mines in the 1940s further exposed many illiterate *campesinos* to monetary wages, a few modern consumer goods and labour unions with radical political agendas. Clandestine peasant unions in *haciendas* and indigenous communities proliferated during the 1940s. They were principal actors in initiating the land reform.

The popularly supported urban-based 1952 revolution that brought exiled Paz Estensoro and the MNR to power had been partly sparked by rampant inflation hurting urban workers and middle classes. When the landlord supported conservative government collapsed, peasant unions, often with the encouragement of the new MNR administration seeking political support in the countryside, took over most of the high and upper valley large *haciendas*. Many *hacienda* buildings were sacked and burned while others abandoned by frightened owners were left intact. Hacienda tenants and workers continued to work their customary small parcels that had been allocated to them before the reform in return for labour obligations to the *patron*; they divided among themselves fields formerly cultivated by the *hacienda* owners or managers, while indigenous communities reclaimed lands taken from them by the *haciendas*. Agricultural production was apparently not seriously disrupted in most of the region, but marketed agricultural products for the cities decreased sharply. Peasant producers kept more to eat for themselves after the elimination of forced deliveries to the *hacienda* management. Local markets proliferated but they lacked the non-food consumer goods needed to induce peasants to sell their food and other products to traders from urban centres.

The new government's 1953 agrarian reform law was in large measure a legal recognition of a social process already taking place. It prohibited feudal production relations and required expropriation of "unproductive" large estates. Former owners received little or no compensation, but if judged to be "productive" they could keep part of their lands. Peasant beneficiaries, who usually included the estate's workers and tenants together with neighbouring communities that had recently lost their lands to the estates were not required to make payments for their parcels or pastures. The expropriated large estates included more than half of Bolivia's agricultural land at the time of the reform, mostly in the Andean highlands and valleys. About a million *campesinos* (some 250,000 families), over half the country's rural poor, benefited by receiving access to land on better terms. The government's procedures for issuing titles, however, were very slow and onerous. By 1972 only about one third of the land reform beneficiaries had received legal titles and a great many still had no titles in the 1990s.

The revolution and land reform helped ease acute rural poverty only marginally. Its greatest accomplishment was to weaken the rigid class and ethnic structure of Bolivian society imposed centuries earlier. Indigenous peoples in rural areas were legally recognized as being full citizens with rights to vote, to own land, to be entitled to have access to social services etc. while maintaining their languages and customs. This was a major accomplishment of the revolution.

Agrarian structures evolved only slowly in response to these legal breakthroughs. In the highlands many former estate owners and their allies have continued to dominate local power structures. Agricultural production and population have increasingly become centred in the Amazonian lowlands that include over half the country's total area. There, land tenure had been little affected by agrarian reform. Agricultural output and population have been growing rapidly and the concentration of land ownership has tended to increase. This helps to explain national level data showing a

proportion of land in large estates almost as great as it was in the 1940s.[4] There have been vast changes in many of Bolivia's social and economic institutions since the 1950s. These changes were greatly accelerated by the 1952 revolution and the 1953 land reform. Agrarian issues, however, remain central for approaching more sustainable development.

Following the 1952–53 revolution, the new administration increased public investments in agriculture and social services. Public investments in agriculture rose from 1 per cent of the government's budget before the revolution to 14 per cent by 1964 with an important portion directed to the *campesino* sector benefiting from the land reform. After 1964, however, while public investments in agriculture increased slightly, the portion going to projects in the predominantly poor peasant sector decreased sharply. Most public agricultural investments were directed to promote industrial crops and agro-industries in the eastern lowlands. The share of peasant production in national food supplies in terms of food calories dropped from 75 per cent in the 1950s to only about 50 per cent by the early 1980s. The remaining half originated from food imports (a little over 25 per cent of the total) and from the agro-industrial sector (a little less than 25 per cent) (FIDA, 1986).

Food aid and highly subsidized commercial food imports from the United States contributed to this decline in the share of peasant production in national food supplies. The United States recognized the need to reform the quasi-feudal agrarian sector but feared that the revolution would become radical and "socialist". It also wanted to promote private "efficient" commercial farms and agro-industries. Its generous food aid allowed national minimal food needs to be met more cheaply by importing enough to cover food deficits than by stimulating peasant production. In effect, the imported food could be sold in local currency. This provided investment funds for the government and also for millers and other private investors. Political pressures for the government to invest in increasing peasant food production were eased. When a series of authoritarian military governments replaced "democratic" ones after the mid-1960s, they tended to neglect the peasantry even more when allocating public resources (FIDA, 1986).

When a popularly elected civilian administration replaced a corrupt military dictatorship in the early 1980s, it was confronted with a collapsing market for tin (Bolivia's chief mineral export) as well as many other political and economic difficulties. Social conflicts were fanned by high inflation that became hyperinflation in 1985–1986. Illegal coca exports exceeded the value of all legal agricultural exports and probably provided livelihoods for nearly one fourth of the agricultural work force in one way or another. A newly elected civilian administration in the mid-1980s was forced to adopt harsh stabilization and structural adjustment measures under tutelage of the international financial institutions and major donor countries. Unemployment

[4] In the early 1990s, available data showed 90 per cent of the country's agricultural land to be in units of over 100 hectares each. This is very misleading, however, as much of this area consists of extensive pastures. In some areas, 100 hectares could not even provide subsistence to a poor family. Only about 8 per cent of this land in farms was under cultivation. Large *latifundia* estates employing over a dozen workers are concentrated in the eastern lowlands, but a few can still be found in the more densely populated Andean highlands. Over half of Bolivia's cultivated land is now in the lowland province of Santa Cruz and two thirds of this cultivated area is dedicated to industrial crops, principally soya (Urioste, 1999).

increased sharply. Many mines and industries closed or sharply reduced their work forces and the government reduced public sector employment. Peasant producers, however, tended to benefit slightly from the reduction in inflation. With a more stable economy, agricultural production increased rather rapidly during the late 1980s and the 1990s. But most of this increase was due to agro-industrial expansion in the Santa Cruz region, and especially soya production for export.

This agricultural growth took place in a stagnant national economy. There were few alternative opportunities to gain livelihoods for poor *campesinos*. Migration to the towns and cities continued but the gap between the rural poor and those in urban areas narrowed. This was not because incomes of the rural poor improved, but because those of the increasing numbers of urban poor fell. Opening Bolivia's markets indiscriminately to foreign competition had many negative consequences both for small agricultural producers and for small and medium-sized domestic industries. Many unemployed miners and desperately poor highland peasants migrated, to booming coca producing areas of the lower eastern Andean slopes such as the Chapare and to the agro-industrial lowlands of Santa Cruz.

These regions' populations grew rapidly. In the lowlands especially, this generated many conflicts over land rights. There were numerous overlapping claims among competing claimants. These included some 150 indigenous groups that had used these lands for centuries, and a few agricultural colonies with land rights granted by earlier governments (these included relatively prosperous Japanese and Mennonite settlements and a few others settled by poor *campesinos* brought from the highlands to participate in rural development projects). Other groups competing for land included poor migrants from highland mines and peasant communities, large ranchers and speculators some of whom had questionable land rights granted by corrupt agrarian reform agency officials, large commercial farmers and agro-industries with land rights often conflicting with those of earlier claimants, as well as enterprises and agencies exploiting the region's forests, gas, petroleum and mineral resources. Some areas were subject to several overlapping claims. The country's fastest growing region accounting for well over half its agricultural production clearly required some kind of land reform to promote more equitable growth that benefited the rural poor and resolved conflicts equitably over land rights. Land reform had acquired a bad name among many national and international agencies, but there was no other solution that could avoid chaotic social conflict.

During the 1990s there were several promising "land reform" initiatives by the government and civil society actors to confront issues of rural poverty and environmental degradation as well as for resolving conflicts over land rights more equitably for the poor. Organized political pressures by peasant and indigenous groups supported by progressive NGOs were crucial for putting such initiatives on the public policy agenda and gaining needed support from political parties or leaders, professional groups, labour unions and even a few far-sighted large landowners and other "private sector" actors.

A new land law was adopted in 1996 aimed at dealing with the controversial agrarian issues described above. Before looking at the content of the new law (INRA, 1996) one should note a few earlier reforms that helped prepare the ground. A constitutional reform of 1993 recognized that Bolivia is a multi-ethnic plural-cultural society. This

was accompanied by educational reforms aimed at putting these concepts into practice and administrative reforms recognizing customary authorities of indigenous communities as legally sanctioned municipal officials. In 1994 a decentralization process was launched to promote broad-based popular participation in local governments. The central government decided to assign 20 per cent of the national budget to the municipalities to spend for locally determined priorities as part of a broader decentralization process.

Among other provisions, the 1996 land law recognized the property rights of indigenous communities to their lands, as well as those of private landowners. It called for natural resource protection consistent with "sustainable development". It recognized that different agrarian groups had different capacities to protect their lands in the market place and therefore provided instruments designed to protect the rural poor in a segmented land market. Commercial owners with access to financial resources were free to buy and sell lands at market prices. Poor peasants' plots and the lands of indigenous communities could not be sold as if they were commercial commodities. Unproductive or socially repressive large estates could be taken over and redistributed to meet public needs. A tax reform proposed in 1986 had been shelved following determined resistance by indigenous groups and other poor peasants who had no means to pay a land tax no matter how small. The 1996 law avoided this difficulty by excluding from taxation indigenous communities and other low-income land occupants with usufruct rights. Only larger landowners who could operate in the market economy were subject to the land tax. The tax would be based on self-declaration of the property's value which would also be the basis of compensation if the owner failed to pay taxes during two consecutive years or if the property were expropriated for other reasons. The law launched a 10-year programme of clarifying land rights and legalizing titles. It protected agricultural workers by including them under the provisions of national labour legislation. It also assigned several specific disputed areas to indigenous communities.

Like the earlier decentralization and popular participation programmes, this agrarian legislation is among the most advanced in Latin America concerning indigenous peoples, land and labour rights, natural resource conservation, land taxation etc. Whether or not it can be effective is another matter. Many other countries, for example, have very sophisticated laws protecting human rights and requiring progressive taxation of land and other property that have little to do with reality. Much will depend on maintaining high levels of popular mobilization to press for honest enforcement. Peasant unions and indigenous organizations, such as the CSUTCD, CSCB, CIDOB etc. with technical support from NGOs, such as TIERRA, played a key role in proposing these pro-*campesino* policies and in getting them approved as law. They will find that getting good laws enforced effectively and honestly is usually much more difficult than getting them adopted. Fortunately, they recognize this (Urioste and Pacheco, 1999).

Ecuador

Land tenure changes in Ecuador after the 1940s in many respects paralleled those taking place in Bolivia and Peru. Ecuador, however, escaped some of the early violence and social chaos associated with land reform in Bolivia, as well as the peasant insurgencies ruthlessly repressed by the army in Peru that led to a sweeping

land reform imposed by a military regime. In the 1990s, Ecuador had an agrarian structure similar to its two geographically much larger southern neighbours and it confronted many similar agrarian issues.

In the 1950s, Ecuador's coastal region accounted for about 45 per cent of its agricultural workforce and a slightly higher proportion of its land in agricultural uses (Barraclough and Collarte, 1972).[5] Ecuador's agriculture in the coastal zone, however, accounted for about three fourths the estimated value of the country's agricultural production and nearly all of its agricultural exports. Agricultural commodities amounted to about half the country's total exports at the time. The coastal agricultural population was primarily *mestizo* with some indigenous groups and descendants of African slaves. Indigenous populations were concentrated in the much poorer highlands (the Sierra). Various indigenous groups also inhabited the Amazonian lowlands that included nearly 60 per cent of the nation's total territory and many of its potentially valuable natural resources. In the 1950s the Amazon region was populated mostly by indigenous peoples and there was almost no commercial agriculture. One can readily see from these crude estimates that rural poverty, as in Bolivia and Peru, was inevitably most acute for largely indigenous populations in the Sierra.

Ecuadorian export-oriented agriculture in the coastal zone producing sugar, cotton, cocoa, rice, bananas etc. had been "modernizing" rather rapidly, especially since the 1940s. Many large producers were adopting new imported technologies and several estates were substituting quasi-feudal labour relations with more capitalist ones. There had been considerable foreign investments in profitable export production and the infrastructure required to support it. Many estate owners had become, or replaced by, capitalist entrepreneurs who tended to evict estate residents with obligations to provide labour in return for their precarious rights to access to some of the estates' land and other resources for their own subsistence. Other estate owners allowed or encouraged their tenants to become small- and medium-sized capitalist producers in return for cash rents or for shares of their crops, but whose tenure rights remained precarious.

Workers on capitalist coastal estates frequently joined labour unions and strikes occurred to demand improved working conditions, better wages and more job security. Renters and sharecroppers on transitional estates often demanded greater security of tenure and more favourable rentals. Landless and near landless workers living near large estates demanded access to estate resources. Some estate owners found it profitable to subdivide their properties for sale to relatively prosperous tenants or others. There were numerous agrarian conflicts. Agrarian structure in the coastal zone was changing rather rapidly even without official land reform policies. These changes failed to benefit large numbers of the rural poor, however, and there were many political pressures on the state to intervene.

In the Andean highlands and valleys similar "modernizing" processes were advancing much more slowly in the absence of profitable export markets and foreign investments. Most land in the Sierra was still held in large traditional *haciendas* in the

[5] These data are very approximate as the 1954 agricultural census did not cover many areas of the country and as many of the political subdivisions for which census data were available do not correspond with geographic criteria of coast and sierra.

early 1960s. A few estate owners were beginning to "modernize" their technologies and to promote capitalist social relations. Invasions of *hacienda* lands by members of neighbouring indigenous communities and other rural poor were frequent. Large estates' residents owing feudal labour obligations to their *patron* (called *huasipungueros*, *arrimados*, *peones*, etc.) were becoming increasingly resentful. Progressive estate owners were already beginning to mechanize some of their operations and to substitute cash wages for traditional labour services. Some were donating or selling small plots, usually on poor hillside soils, to their *huasipungueros* who could get partial self-provisioning from their new holdings but who would have to work on the *hacienda* when needed for low wages in order to have enough cash to purchase family necessities.

These agrarian changes taking place in the coast and much more slowly in the Sierra provided the rural setting behind Ecuador's 1964 agrarian reform law. This law was also inspired by the "1962 Alliance for Progress" promising increased United States aid to countries undertaking "liberal" land reforms. The law prohibited a series of quasi-feudal labour obligations and it specified maximum sizes for large estates. It permitted expropriation of areas above these limits and of estates not complying with some other provisions of the law. Also, it greatly strengthened the Ecuadorian Agrarian Reform and Colonization Institute (IERAC). In practice, IERAC had neither the resources or political backing that it would have required to expropriate estates from unwilling owners. It did, however, acquire for redistribution to their resident *campesinos* and neighbouring peasant communities a few large estates held by government agencies and by the Catholic Church. A second agrarian reform decree in 1970 explicitly aimed to legalize some of the agrarian changes mentioned above occurring in coastal rice, cotton and other plantations. Former estate lands were legally transferred to co-operatives of former tenants and others actually cultivating them, but the co-operatives seldom really existed. In practice, ownership of these estates was subdivided into smaller farm units operated by those former tenants and workers or others who had gained access to them. A third 1973 agrarian reform law provided rigorous criteria for expropriation of poorly managed large estates, but these provisions were seldom, if ever, enforced.

These laws were followed by few expropriations of private estates and redistributions of their lands to peasants. The threat of possible expropriation, and making quasi-feudal labour relations illegal, however, undoubtedly accelerated the agrarian changes discussed above. During the two decades after the first 1964 agrarian reform law, IERAC oversaw distribution of over 700,000 hectares of former large estate lands to nearly 100,000 new owners. Most of these transfers, however, were merely formal recognition of *de facto* land redistributions that had already taken place. Also, it had assigned over 2.5 million hectares of "vacant" state lands, mostly in the Amazonian forest region, to some 60,000 colonists. Some of this colonization was spontaneous, but much of it in the Amazon lowlands was promoted by the Ecuadorian military to solidify Ecuador's claims over disputed areas also claimed by Peru.

"Modernization" and subdivisions of many large estates were stimulated by the agrarian reform laws. It was also promoted in the 1970s by a petroleum boom that provided the government with unanticipated additional financial resources and attracted foreign investments. Income from petroleum exports spurred urban construction, services and growth. It also generated many new agrarian conflicts,

especially in the Amazonian region where most of the petroleum was found. Overall, except for large agro-industrial estates mostly in the coastal region and new speculative large holdings in the Amazonian lowlands, there was a dramatic decomposition of large *haciendas* and plantations in the 1960s and 1970s. The agricultural land in large estates of over 500 hectares declined from 45 per cent of the total to 30 per cent, a decline of one third, between 1954 and 1974. Colonization of forested areas, mostly in the eastern lowlands, became the official substitute for agrarian reform after the mid-1970s. The numbers of rural poor and the degradation of natural resources, especially undesirable deforestation, increased sharply during the 1980s and 1990s. So too did conflicts over land rights similar to those already described in Bolivia.

The vast majority of Ecuador's rural poor towards the close of the twentieth century continued to reside in the Andean highlands. Migrations to urban centres and to agricultural frontiers in the lowlands had slowed rural population growth in the highlands and also in many rural Pacific coastal regions, but the numbers of rural poor continued to increase. Good agricultural land was increasingly being incorporated into commercial farms, as well as urban or industrial uses or environmental protection. Densely populated indigenous communities in the highlands were losing access to many natural resources that had sustained them earlier. Most big traditional highland *haciendas* had been subdivided. A few of their former residents became commercial farmers but most had received rights only to small hillside plots insufficient to provide minimal livelihoods, forcing them to supplement self-provisioning with precarious part-time employment in agriculture and other activities.

Most of the rural poor in the highlands were indigenous peoples who still communicated among themselves primarily in indigenous languages and retained many traditional customs. Of some two million indigenous residents in the highlands region, most were included among its rural poor. They had limited access to inadequate public educational and health services. Their customary land and water rights were becoming increasingly insecure with the government's promotion of land and water markets. In theory, individual owners of small plots could benefit by being able to obtain credits when needed by pledging their land as collateral. In practice, institutional lenders such as banks seldom even considered loans to very small holders because of high transaction costs and perceived risks. Traditional moneylenders charged high interest rates, while land markets facilitated their selling the possessions of poor borrowers who defaulted.

The situation of the rural poor in the coastal zone was more diversified. The rural population was predominantly *mestizo* with fewer indigenous groups and numerous Afro-Americans. Agro-exports offered more employment opportunities than in the highlands. Rural poverty, however, remained widespread. In the eastern lowlands—over half the country's territory—some 100,000 indigenous peoples belonging to diverse linguistic groups faced invasions of their customary lands by petroleum companies, timber merchants, land speculators, would-be ranchers and industrial crop producers, poor colonists from the highlands and many others.

During the 1980s and 1990s these processes were taking place in a nearly stagnant national economy. Average per capita economic growth nationally spurred by the petroleum boom had been over 5 per cent annually from the mid-1960s to 1980. In the

1980s, however, per capita income growth was negative. Long-time competition between coastal oligarchies and those rooted in the highlands for control of shrinking state resources and patronage intensified contributing to political instability.

Many indigenous mobilizations in the 1980s demanding recognition of their territorial and cultural rights including secure and equitable access to land, water, credits, public services, etc. placed agrarian issues on the national political agenda. Sporadic organized indigenous resistance to alienation of their lands had been latent in the highlands for centuries. In the 1970s indigenous groups in the Amazonian lowlands began to organize at the regional level to protect their territories from invasions by petroleum companies, colonists, land speculators and others. In 1986 the highland indigenous umbrella organization *Ecuarunari* and the Amazon regional indigenous confederation CONFENIAE united to form the Ecuadorian Confederation of Indigenous Nationalities (CONAIE).

CONAIE's membership included regional federations representing 12 indigenous nationalities and claimed to represent over 70 per cent of Ecuador's indigenous population. It opted for non violent "uprisings" such as erecting road blocks, marches and occupation of public buildings as a tactic for pressing indigenous demands politically. A nation-wide "uprising" in 1990, and a second in 1992 with a march from the Amazonian province of Pastazo to the highland capital city of Quito, brought several concrete positive results. A new constitution in 1993 recognized Ecuador to be "pluricultural" and "multi-ethnic", similar to the new Bolivian constitution already mentioned. Its demand for a bilingual educational programme enabling indigenous students to study in both their native language and Spanish resulted in a pilot programme that commenced soon afterwards. Territorial rights of some Amazonian indigenous groups were legalized. Some provisions of legislation in 1994 were blocked on the grounds that they would benefit agro-exporters at the expense of the rural poor, but other provisions of the agricultural developmental low ended the official agrarian reform. IERAC was abolished and land markets were promoted. This will probably make access to land even more difficult for poor peasants. CONAIE has failed to obtain a greater degree of legal and political autonomy for indigenous communities but this issue is still on its agenda.

CONAIE's participation was probably decisive in popular protests resulting in the resignation of Ecuadorian President Bucaram in 1997 and President Mahaud in early 2000. Moreover, CONAIE has joined with non-indigenous social movements and organizations in creating a political movement, *Pachakertik*, that has captured several local and regional elected offices as well as a few seats in the national congress. While many CONAIE member organizations are highly sceptical of these attempts to work within the "corrupt and repressive political establishment", this strategy has so far produced several positive outcomes for the rural poor (Collins, 2000).

Several NGOs have played important roles in attempting to improve opportunities for Ecuador's rural poor. The Catholic Church-sponsored Fondo Ecuatoriano Populorum Progressio (FEPP), for example, was created in 1976 to support peasant groups in obtaining better access to land, credits and other essentials to improve livelihoods of the rural poor. By 1990 FEPP had helped 65 peasant organizations and 1,700 poor families gain better access to land and credit. In 19989 FEPP obtained a fund equivalent to 6 million US dollars in a purchase of external Ecuadorian debt by the

Ecuadorian Episcopal Conference to use to finance social projects. During the 1990s it worked with nearly 500 peasant organizations and to finance better access to land and credit by some 12,000 poor households. This is impressive for a small NGO, but it amounts to reaching only about 2 per cent of Ecuador's rural poor. The government has created a special fund in its National Development Bank, based on FEPP experiences, to help needy peasants purchase land. But so far, at least, results have been meagre. There would have to be a major pro-peasant reorientation of Ecuador's national development strategy and of international aid priorities in order to make much of a dent on the country's rural poverty.

Agrarian issues still remain gigantic in Ecuador in spite of CONAIE's achievements in the 1990s. The economy remains stagnant and the foreign debt burden unpayable. The neoliberal policies adopted by the government at the behest of conservative national elites and international financial organizations remain essentially anti-*campesino* in their practical social, economic and environmental impacts. Ecuador's recent adoption of the US dollar as its national currency will almost surely make things worse for many of the rural poor. The Argentine experience with its Currency Board pegging the value of the local currency to the US dollar suggests that in the Latin American context this can easily contribute to economic contraction and increasing poverty.

Demands for better access to land and to other needs of poor peasants were always among CONAIE's priorities. Combining these concrete agrarian issues with indigenous people's struggles for unity, dignity and autonomy has proved to be an effective strategy in both the Ecuadorian and Bolivian contexts. Perhaps this is in part because the armed forces in these two countries were (for a complex combination of country-specific reasons) less harshly repressive of peasant movements and "uprisings" than those of neighbouring Peru which is discussed below.

Peru

Agrarian structures in Peru in the 1950s resembled those of Bolivia and Ecuador. Some 10,000 large privately owned "multi-family" *haciendas* and plantations controlled three fourths of the country's agricultural land. They also included a large proportion of the rural poor. In coastal irrigated valleys most good land and water rights belonged to big modernizing sugar and rice plantations. In the highlands, large *haciendas* included most agricultural land and a large share of the rural population, but much of the highland rural population resided in indigenous and *mestizo* peasant communities relegated to marginal areas. Colonization of Peru's vast Amazonian lowlands was only commencing in the 1950s. Labour relations remained predominantly feudal, especially in the Sierra. Coastal estates produced both for export and domestic markets. Highland estates produced primarily for domestic markets and self-provisioning of their resident workers and tenants. Indigenous communities' produce went mostly to self-provisioning and local markets. Highland *haciendas* had lost their traditional export markets for wool earlier in the century. A few plantations in the eastern lower Andean valleys producing tea, coffee, cacao, coca and other export crops were emerging in eastern Amazonian valleys following better control of malaria. Their labour relations remained largely feudal in the 1950s.

Peru's coastal irrigated valleys had attracted foreign investments in agro-industrial crops such as sugar, cotton and rice. They also produced a wide variety of other cash crops. The United States-based shipping transnational W.R. Grace & Co. was already producing Peruvian sugar in the late nineteenth century and cotton in the early twentieth century. Such big agro-industrial plantations had adopted modern technologies and management practices. These were in varying degrees made compatible with the quasi-feudal labour relations still prevailing on most large Peruvian estates in the 1950s. Labour unions of permanent workers in many of these agro-industries were already strong before the Second World War. Strikes were common and often violently broken. Wage payments increasingly replaced obligatory labour services in return for access to estate resources for self-provisioning.

Many of the plantations' temporary workers, however, were indigenous illiterate *campesinos* recruited from the highlands. They were often serfs from highland haciendas rented by the *haciendado* to a labour merchant (*enganchador*) for a fixed price and period. The *enganchador* in turn collected most of these workers' wages from the plantation management to cover his "costs" of bringing them to the coast and returning them to the highlands (Klaren, 1977). This exploitive system, however, was destabilizing for the traditional *hacienda* system as it exposed many of their young resident serfs to labour unions, political parties, modern consumer goods and capitalist labour relations. It was merely one of the many "modernizing" processes that were undermining quasi-feudal land tenure systems in Peru and other Andean countries. These processes were also strengthening a "liberal" entrepreneurial faction of the ruling oligarchy linked with dynamic transnational enterprises and finance at the expense of a "conservative" faction whose wealth rested primarily on the control of land and cheap labour.

Labour protests and strikes on coastal plantations and "invasions" of highland *haciendas* by neighbouring indigenous communities that had lost their lands to the big estates became increasingly frequent in the 1960s. Several rural guerrilla movements, some inspired by the Cuban revolution, were active in the highlands and in eastern Andean valleys. In response, the police and army became increasingly repressive. Most highland *haciendas* provided their usually absentee owners with low economic returns, but agro-industrial crops in the eastern valleys tended to be more profitable.[6]

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[6] In the eastern Andean valley of "La Convention" bordering the Amazonian lowlands there were a few relatively prosperous tea, cocoa and coffee plantations in the 1950s after the elimination of malaria and extension of a road and rail connection to highland Cuzco. These were worked by tenants and their sub-tenants brought from the highlands who owed labour obligations in return for access to land for their own self-provisioning and some extra income from sales of plantation crops grown on their small land allotments. These quasi-feudal labour relations provided fertile grounds for a Trotskyite-led guerrilla movement that was eventually violently repressed by the army. A military government in 1962 imposed a land reform in La Convention that benefited most of the larger tenants, but that practically excluded their sub-tenants and other groups of the rural poor. The reform was designed by *mestizo* military officers and government agricultural professionals who had little sympathy for the large estate owners, but who also had little empathy for indigenous peons and a poor understanding of the larger social issues involved. The large estates were partially expropriated in 1962. Owners received deferred compensation in the form of bonds. Tenants received the areas they had been working while some of their sub-tenants received small plots of more marginal land and others were left landless. This led to many violent conflicts later, but from the army's standpoint it was successful in contributing to pacification in the area. It was an important prelude leading to the army-decreed agrarian reform in 1969 (Barraclough, 1991).

A civilian administration negotiated a very moderate agrarian reform law providing for expropriation of traditional *haciendas* in 1964. There were few expropriations but the threat speeded subdivisions of estates and expulsion of their workers in several areas (Zaldivar, 1974). The army took control of the government again in 1968 and in 1969 promulgated a radical top-down agrarian reform. The Velasco-Alvarado military government expropriated nearly all the very large *haciendas* and plantations in Peru.

Reform officials attempted to convert most of the expropriated estates into worker-managed co-operatives. In the highlands, co-operatives on expropriated *haciendas* were supposed to share some of their resources and income with neighbouring indigenous communities that had earlier lost lands to the estates. These co-operatives were seldom profitable so that there were usually only losses to share. Very few of the highland *haciendas* had been profitable before expropriation. To become profitable most of the new co-operatives would have required large investments and more favourable price relationships no matter how skilfully they were managed. Co-operatives that were installed on coastal plantations also soon dissolved. Declining terms of trade for their agro-exports accelerated this process. Most of the land reform co-operatives had disintegrated by the 1980s. Their members subdivided most of the co-operatives' lands and other resources among themselves.

This led to an agrarian structure characterized by small independent holdings in most of the country. Nearly all the big estates had been expropriated. They were subsequently subdivided into small and some medium-sized holdings except for a few large integrated agro-industrial estates near the coast.

About two fifths of the country's agricultural land, mostly of poor quality in the highlands, was held by some 5,500 *campesino* and indigenous communities with a population of over 2 million. These communities' better agricultural lands were customarily subdivided into family-sized units, usually in several parcels to take advantage of diverse ecological sites. Low value natural pasture and brush land, however, were mostly used communally. Families were free to exchange, rent, subdivide or bequest land among other community members and their own heirs, but the land belonged to the community and could not be alienated without community consent.

The 1994 agricultural census showed the following distribution of agricultural land:

Table 8.1: Distribution of agricultural land by farm unit size class and by type of land use, Peru, 1994

	Cultivated and irrigated (per cent)		**Cultivated non-irrigated** (per cent)		**Natural pasture** (per cent)		**Brush and woods** (per cent)	
Size class in hectares	**Farm units**	**Area (ha)**	**Farm units**	**Area (ha)**	**Farm units**	**Area (ha)**	**Farm units**	**Area (ha)**
Less than 5	79.2	38.9	66.4	25.7	53.8	1.2	36.7	1.0
5 to 20	17.9	36.5	24.8	35.9	31.5	3.7	41.8	6.0
20 to 100	2.4	12.5	7.8	27.4	11.0	7.2	18.5	14.3
Over 100	0.4	12.1	1.1	11.0	3.8	87.8	2.9	78.7
Total	**792**	**1,729**	**1,173**	**3,748**	**551**	**16,906**	**361**	**9,054**

(thousands)									

Source: Third National Agricultural Census, 1994 (Eguren and Cancino, 1999).

These census data suggest that small farm units of less than five hectares constitute more than two thirds of the country's some 1.9 million farm units. They include, however, nearly two fifths of all irrigated cropland and one fourth of the rain-fed cultivated land, but very little natural pasture and brush or forest land. On the other hand, large farm units of over 100 hectares have only about 12 per cent of all cultivated land but over four fifths of the natural pasture, brush and forest land that are included in farms. If operators of these farm units were their owners and if present land use were close to potential land use, this would suggest an exceptionally equalitarian distribution of good quality agricultural land in Peru. Small farms would include nearly 30 per cent of the area in farms measured in hectares of a standard productive value while the 1 per cent of farm units that were over 100 hectares each would include only about 15 per cent of agricultural land converted into standard hectares. These estimates, however, are misleading as they do not show patterns of land ownership and control or land quality in different uses. One owner may control multiple farm units. Also some of the land in extensive uses in large units may be suitable for cultivation. A clearer interpretation of these census data would require considerable complementary research. They do show clearly, however, that small and medium-sized farm units include most cultivated land and that the concentration of good agricultural land in large estates was very much greater in the 1960s than it is after the Valasco administration's agrarian reform.

The military government's sweeping land reform was in part a response to increasing peasant discontent. This had been expressed politically in increasing numbers of labour union petitions and strikes in agro-industries and by land invasions of highland *haciendas*, non-payment of customary obligations to the *patron* and countless other ways. What most concerned the military, however, was the support of armed guerrilla groups by peasant populations in several areas. These were usually ruthlessly repressed, but they seemed always to spring up again. Many army officers trained by United States "advisors", some fresh from Viet Nam, discussed the social roots of revolution and guerrilla movements in agrarian settings. A consensus emerged among many younger officers about the need for a radical land reform. The military's land reform was rapid and massive but it was top-down with limited participation by intended beneficiaries (Sabogal Weiss, 1976).

Army officers tended to view land reform as a military exercise designed to quell peasant unrest and thus eliminate support for guerrillas among the rural poor. But spontaneous peasant organizations or mobilizations were viewed with great suspicion as it might conceal penetration by leftist guerrillas or by agitators sent by the large estate owners to sabotage the reform. The government initiated a programme to promote popular participation (SINAMOS) in 1971 that did some impressive work. It was used by many government officials, however, as a useful instrument for mobilizing political support. The structural barriers to democratic participation in the reform process by the poor, mostly illiterate and often non-Spanish-speaking *hacienda* tenants and peons were probably insurmountable.

The established Peruvian peasant organization, the CCP, had been fighting during past decades for land reform and better working conditions for peasants and rural

workers. Its base was mostly in the Sierra. The CNA was created in 1972 to represent peasants and workers in coastal co-operatives and agro-industries. Both worked closely with SINAMOS.[7] This proved difficult in practice as participatory consensus takes time and patience while the reform was moving ahead with military timetable precision. The peasant confederations lost credibility with many of their constituents when after co-operating with the military government's land reform programme they were ineffective in influencing successive post-reform governments to try to meet the new small producers' needs for credit, inputs, technical assistance, more favourable prices, etc. The dominant policies of successive governments neglected the vital interests of small agricultural producers following the land reform. This contributed to eroding the legitimacy and mobilizing capacities of the civil society organizations and the political parties associated with them that had historically attempted to speak for the rural poor in the national political arena.

The military regime encountered serious economic difficulties after 1972. These were primarily attributable to the debt crisis and deteriorating terms of trade affecting all Latin America. During the Morales Bermudez administration from 1975–1980, Peru's policies became increasingly orthodox neoliberal under pressure from international financial institutions and their domestic allies. This trend accelerated with the elected Belaundé administration during the early 1980s. The APRA candidate won the 1995 elections on a more populist platform. The Garcia administration was able to stimulate economic growth including agricultural output rather briefly with expansionist fiscal and monetary policies, but these soon were accompanied by accelerating fiscal deficits and inflation. In any event, APRA's historic concerns for the rural poor were subordinated to the demands of rapidly growing urban populations. Economic growth on average during the 1980s was negative. Financial constraints sharply limited successive governments' scope for policies in support of most land reform beneficiaries and other groups of rural poor through conventional government interventions and subsidies.

The socio-economic and political priorities of post-land reform administrations were increasingly urban-focused. Urban populations were growing rapidly exceeding 70 per cent of the total population by the early 1990s. The numbers of urban poor were expanding even more rapidly, although poverty still remained more extensive and deeper in the countryside. Moreover the deteriorating incomes of urban lower and middle classes were viewed as being more dangerous politically than was continuation of misery in rural areas.

A main concern of post-land reform administrations was necessarily the growing strength of a few guerrilla movements, and especially of *Sendero Luminoso* that had adopted terrorist tactics and was penetrating into poor *flavelas* (slums) of Lima and other cities. Its activities in rural areas were augmenting flows of poor *campesinos* to urban centres as well as disrupting economic activities. In what was becoming a serious civil war the armed forces became increasingly influential in determining government policies. Military leaders no longer believed land reform was a solution to rural unrest and they soon reverted to earlier repressive measures.

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[7] The Confederación Campesina d'el Peru (CCP) was formed in the 1940s and its member federations were primarily based in the Sierra. The Confederación Nacional Agraria (CNA) was founded in 1972 during the agrarian reform with a membership primarily in the coastal valleys. The National Agricultural Society (SNA) representing large commercial estate owners was dissolved in 1971.

A closely related problem was the growing financial and political clout of the Mafia organizing the production, processing and export of illegal coca from the eastern valleys and lowlands. By the late 1980s and early 1990s, the export of coca paste and cocaine probably exceeded the value of all legal agricultural exports. Coca production was the most dynamic agricultural sub-sector with Peru surpassing Bolivia as the world's biggest producer. Its production, processing and trafficking probably supported the livelihoods of over 100,000 rural families. There were large migrations of the poor from the Sierra to coca growing regions in the east. Coca dollars helped finance *Sendero Luminoso* as well as much construction and other economic and financial activities in urban centres. They contributed to chronic overvaluation of the Peruvian currency (the *sol*) as well as to flagrant corruption at all levels of society. They also contributed to increasing militarization with United States aid to the army in futile efforts to eradicate this lucrative peasant crop that benefits from an insatiable demand in the United States and many other developed countries.[8]

The Fujimori administration in 1990 was elected on a platform promising a human face to structural adjustment policies and neoliberal orthodoxy. During the decade of the 1990s, however, neoliberal policies were rigorously pursued in a rather authoritarian manner in close collaboration with the armed forces, major foreign and domestic investors, big "aid" donor countries and the international financial institutions. Economic growth as conventionally measured picked up in the 1990s from the disastrous 1980s. Agricultural production gyrated wildly, mostly due to climatic conditions, but was on average a little better than in the previous decade. In spite of some positive growth, agricultural production per capita in Peru in the late 1990s remained below what it had been in the 1950s, 1960s and 1970s. The military defeat of major guerrilla groups possibly contributed to some of this partial recovery. Nonetheless, rural poverty continued to widen and deepen. Dependency on food imports and food aid for over one fourth of the country's food consumption failed to decrease. Environmental degradation was unabated.

The "liberalization" of land and water markets creates severe difficulties for the rural poor, especially those in *campesino* and indigenous communities. In the dominant neoliberal legal and political framework many community members perceive diminished risks by obtaining individual titles. Their traditional communities are vulnerable to legal manoeuvres by outsiders coveting community resources. Community authorities have lost several traditional functions in an increasingly commercial rural economy. On the other hand, these same *communeros* want to preserve their communities. The NGO CEPES is attempting to help the communities to strengthen local leadership, to improve community understanding of probable risks and benefits of the new land legislation and to promote intra- and inter-community co-operation. Surveys suggesting that a majority of community members want both individual titles and to preserve their communities highlight the dilemmas faced by these groups of the rural poor. In Peru, legislation has failed to recognize the rights of customary communities to the extent it has in Bolivia and, to a lesser degree, Ecuador.

[8] Why rich cocaine consuming countries such as the United States should place the burden of eradicating the scourge on poor Andean peasants instead of on correcting the social conditions that create the demand and bonanza prices is easily explicable politically. It appears rather irrational and reprehensible, however, if judged by these rich countries own loudly proclaimed ethical and socio-economic standards.

At a more macro-level, only about 10 per cent of Peru's nearly two million farm operators receive formal credit or have access to modern technology. A bimodal agricultural structure based mainly on access to capital, markets and appropriate technologies is replacing the earlier one based only on access to land and water.

Conflicts over land tenure remain acute in many regions. Titles originating from the agrarian reform are frequently disputed in the courts, for example. The most serious land tenure conflicts in the 1990s were in the Amazonian region. The 1969 land reform did not reach this eastern half of the country. There, petroleum, mining and timber companies, over 1,000 indigenous communities that have used the land for centuries, big ranchers and speculators, industrial crop and coca producers, migrant colonists from the highlands and many others are competing, often violently, for secure land rights. The situation is similar to Amazonian regions of Bolivia and Ecuador. Indigenous peoples in the region, however, are beginning to mobilize in efforts to protect their territories. The Peruvian Interethnic Association of the Forest (AIDESEP) and the Amazonian Confederation of Peru's Amazonian Peoples (CONAP) have had some limited success in gaining control over their natural resources and obtaining representation in local governments.

Peasant organizations and NGOs are co-operating in confronting numerous rather specific problems posed by recent neoliberal policies and legislation. For example, many coastal peasant communities risk losing part of their lands under the new land law. Highland communities risk disintegration from the promotion by the state of individual titles to the land each community member cultivates. Refugees fleeing from rural violence have great difficulties in returning to their ancestral lands. Indigenous communities are engaged in conflictive relations and difficult negotiations with big petroleum, logging and mining companies. Local governments are frequently insensitive to the acute problems of the rural poor.

Specific local issues such as these have to be confronted by well informed and well organized demands by the *campesino* groups that are at risk of being negatively affected. NGOs can play a crucial supporting role. Such issues, however, can seldom be resolved locally in ways that promise to improve the livelihoods and prospects for Peru's rural poor. This requires an enabling framework both nationally and internationally. Popularly based national strategies leading towards socially and environmentally sustainable development are required. These are out of reach without organized democratic pressures from the rural poor, but they require much more.

Neoliberal policies in the Peruvian context will have to be modified by effective state interventions that protect the livelihoods of the rural poor and provide them with new opportunities. Without influential allies nationally and internationally that understand the obstacles facing diverse groups of the rural poor and the need to overcome them for the long-term interests of the whole of society, degenerative development is likely to continue following past trends.

Some Wider Implications

Current agrarian issues being debated in the central Andean countries have numerous common features as well as many that are specific to their national and sub-national

contexts. Land reforms during the previous four decades had followed different paths in each of the three countries. These differences were reflected in government agrarian policies and in civil society organizations during the 1990s.

In all three countries, land tenure systems in the 1950s had been dominated by privately owned large estates. The estates were worked primarily by labourers who provided labour services to the estates' owners in return for precarious access to some of the estates' resources for self-provisioning. Labourers providing services with practically no or very low monetary wages farmed small parcels either inside the estates boundaries or in neighbouring smallholding communities. The CIDA studies called these land tenure patterns, common throughout Latin America, *latifundia-minifundia* bimodal systems. In the 1990s, however, the Andean countries' land tenure systems were dominated by small- and medium-sized holdings operated primarily as family farm units. A few big traditional *latifundia* remained, but these were mostly found in the Amazonian lowlands. There were also several big agro-industrial estates, especially in the eastern lowlands and in coastal valleys. These were usually capital-intensive commercial farms employing wage labourers.

In some ways, however, land tenure systems were still bimodal. A relatively few big, medium-sized and small commercial farms had good access to urban markets, credit, modern technologies and services. The vast majority did not. These newer bimodal systems could not be reformed merely by redistributing good land, although this could help in many places. But merely redistributing available credit, markets, machinery, fertilizers, services, etc. more equitably would not solve the problems. These components of agrarian structures have to be viewed as a package and they are only effective at certain levels. There is much scope for better distribution. The principal problem, however, is to increase their supplies and their suitabilities for the needs of small producers pursuing sustainable agriculture, as well as their distribution.

Domestic markets for peasant-produced food crops is a good example. If production of potatoes, maize, rice, quinoa or wheat were to increase sharply, their prices would fall far below costs of production. The neoliberal solution to food deficits is to obtain needed food from the financially cheapest source available. This is fallacious for developing countries with "superfluous" rural populations and ample resources of land and water to increase domestic food projection. Peasants who cannot compete with cheap food imports and food "aid" should, according to neoliberal doctrine, move to more productive sectors. Increased migrations to Lima, La Paz, Santa Cruz or Quito, however, only increase urban poverty in the absence of alternative employment opportunities. Migration on a massive scale to the US, Europe or Canada is politically unrealistic. Importing one fourth of Peru's and Bolivia's food consumption from these developed countries is irrational in the absence of an equally liberal international market for labour. In effect it amounts to importing unemployment for Andean peasants who could be producing these countries' needed food given suitable support in access to markets, resources, technologies and price incentives. This is the challenge posed by the goals of development that is socially and ecologically sustainable.

There is a big potential for expanding domestic markets for these products. The Andean countries are importing much of their food and most of their poor are hungry. But creating an effective demand for nationally grown foods and producing the

supplies needed to match it poses extremely difficult technical and political problems. This does not mean these problems cannot be solved, but it does suggest that simplistic approaches such as market liberalization, or merely increasing protective tariffs, will be ineffective by themselves and could make things worse for the poor in many contexts.

Agrarian reform remains a key issue in urbanizing Latin America. It is much more complex, however, than redistributing titles to land. Peasant leagues, labour unions and other popular organizations will have to play a leading role in bringing about such reforms. The issues in neighbouring countries such as Brazil, Colombia and Paraguay are similar to those in the Andean countries, even although there are also a great many deep differences. The MST (landless workers' movement) in Brazil has shown that even in a big rapidly industrializing country, a well organized peasant movement can help to secure important gains for the rural poor. NGOs and international development organizations can sometimes help. Without dynamic, strong participatory organizations representing the perceptions and interests of the landless and near landless supposed to benefit from agrarian reforms, there is little outsiders can do to reduce rural poverty.

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