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Inequitable Land Tenure in Latin America: Putting Land Reform Back on the Development Agenda

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Inequitable Land Tenure in Latin America
Putting Land Reform Back on the Development Agenda

As is the case for most people involved actively in social justice issues, there is usually a significant life experience that causes a personal awakening of one’s “social energy” and forces us to see the world from a different perspective (Hirschman, 1984). For me this occurred in December of 1990 in the country of El Salvador.

I was working for an international development NGO (non-governmental organization) at the time and one of my projects was located in a small rural agricultural village just outside of San Salvador. I was working with a group of twenty farmers who each were farming their own individual “milpas” in the hills surrounding the village. Only one of the twenty owned his own land, the rest rented their plots from a rich landowner who owned most of the property in the area but lived in San Salvador. These farmers planted corn and beans year after year. They used their harvest to feed their families throughout the year and sold their excess in the San Salvador market. Unfortunately their annual yield was going down each year in spite of their hard work. I realized why this was the case when I visited their farms. Their milpas were located on steep sloped hillside more conducive to downhill skiing than planting corn. The farmers jokingly told me that they had to be part mountain goat to work their fields. It was obvious that their yields were decreasing because their soils were being washed away at an alarming rate into the murky river below. I asked them why they had to farm on such terrible land—they said there was no other land available. I asked them why didn’t they build dikes to protect the soil—work, it wasn’t the land, it was improve it the land the rent payments.

The farmers initially they wanted to start a program. They needed seeds, fertilizers and fields. This type of from local banks, but of an outside NGO training in agriculture gave them a grant would be their responsibility and collect them way the project could.

The project began recovery rate in the community due to the strong leadership knew what people in the community.

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The farmers initially approached me because they wanted to start an agricultural credit program. They needed credit in order to buy the seeds, fertilizers and pesticides needed for their fields. This type of credit was unavailable to them from local banks, so they needed the assistance of an outside NGO. After providing some initial training in accounting and group formation, I gave them a grant of $5,000. I told them that it would be their responsibility to disburse the loans and collect them with interest after harvest. This way the project could continue into the next year. The project began in 1988 and had a 100% loan recovery rate in the first year. This was primarily due to the strong indigenous leadership who knew what people were good credit risks in the community.

One of the leaders of the group was a man named Rafael. He was in his early 50's and was well-weathered from a hard life as a campesino. One day he invited my wife and me to his house to talk. His daughters and grandchildren lived with him in a one-room mud and bamboo house. Farming was obviously not helping him get rich; rather just the opposite. He told me that he was dropping out of the project because it was costing him more to buy the fertilizer for his field than he was earning in his harvest. He could no longer afford to borrow any more money. He therefore was packing up his family and moving into a barrio near San Salvador where his wife and daughters could possibly find work as maids.

Rafael also told me that one of his daughters was pregnant and that he could not afford to feed another child. He asked my wife and me if we would take the baby and raise it once it was born. We felt deeply honored and humbled by his request. We also became immediately aware of the tremendously difficult choices and sacrifices that a landless farmer in the Third World must make.

didn’t they build some terraces or stone barriers to protect the soil—they told me it took too much work, it wasn’t their land, and even if they did improve it the landowner would just raise their rent payments.

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After talking with his daughter we consented to their request. Our son Rafael was born in December of 1990 and named after his Salvadoran grandfather. The land tenure debate has taken on a very personal meaning for me because of this event.

Six out of ten households in the Third World make a living from the land. One-quarter of them—100 million households—do not own the land they work on. Among the rest, land distribution often continues to be highly unequal. Hence, access to land and secure land rights are of central importance in determining living standards (IFAD, 1995).

The issue of grossly inequitable land ownership has been a persistent problem in Latin America for many years and the region today still has the most unequal landholding pattern of any of the world’s cultural realms (Clawson, 2000).

There have been many attempts at initiating national land reform programs throughout most countries of Latin America, but the success of these programs has been arguable and none has fulfilled its intended goal. Land Reform was a major issue following the 1950s revolutionary movements throughout the region. It was a tool in trying to relieve the plight of tenant farmers. However, these movements have eroded and the region has transitioned into market economies, the land reform programs disappeared from political agendas and strategies and the land registration systems that the land reforms of the 1950s were built on have eroded, which has complicated farmers’ access to land. Nevertheless, this doesn’t mean that land reforms of the 1950s have disappeared. In fact, they have only transitioned into more modern and legally binding processes such as land registration systems that ensure secure land rights for farmers and are an essential component for development. The need for effective land registration systems is crucial as it ensures that farmers have access to land and are able to use it for their livelihoods.
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The problem of land concentration among the wealthy is increasing and can be seen in negative social indicators such as increased indices of landlessness and near landlessness, abuses of human rights, urban and international migration, rural poverty, hunger (Brown, Flavin and French, 2000), and ecological degradation (Dorner and Thiesenhusen, 1992); all indicate a need for further consideration of land reform policies. The demand for land and reduction of the concentration of ownership remain the main components for mobilizing Latin America’s small farmers and are important issues in rural development. The new UNDP World Development Report 2000/1 succinctly states that more national actions need to be taken for the equitable distribution of assets. The report specifically mentions land reform as an important method of distributing these assets. Land tenure has different meanings and contexts depending on which part of the world one is looking at. It is a debate that is more volatile in some areas of the world than it is in others. In Europe and North America it is not the inflammatory topic that it is in agriculturally based economies like Latin America and Africa. Industrialized countries simply have more urban-based employment opportunities to absorb the landless than do other areas. There are even significant differences between Africa and Latin America. In Africa it often is the state which holds the largest amount of land, while in Latin America land is divided up unequally between the elites and a large underclass. The land structure of latifundio-minifundio has its roots in the colonial “encomienda” system where Spanish lords forcibly expropriated large tracts of land from the indigenous people and made them work as virtual slaves on their own land. The body of knowledge on the historical causation of inequitable land tenure regimes is expansive, and although it is important for this discussion I will not be focusing on it due to space limitations.

Land Tenure as a Development Issue

The relevancy for land tenure as a development issue is simple—the landless and land poor are...
its main focus. This is the segment of society that has empirically been shown to be the poorest and most vulnerable segment of society. If development policy holds the alleviation of poverty as an objective, then land tenure must be taken into consideration. Land reform benefits the landless in the following ways:

1. Peasant Mobilization

One of the hallmarks of rural development is its emphasis on building capacity in local organizations. Land reform programs have shown to be effective stimulants for peasant mobilization. In Chile, the Frei and Allende reforms led to the political participation of many more peasants than ever before. Political enfranchisement and participation in civil society were actually at the highest point during the time of greatest land-reform activity from 1970 to 1973 (Kay and Silva, 1992). Even modest reform programs have been shown to contribute to the empowerment of the poor and have motivated them to become more involved in the political process.

In the 1970s and 80s peasant mobilization in Central America took the form of armed insurrections in both Nicaragua (FSLN) and El Salvador (FMLN). The mantra of both of these revolutionary groups was that of equitable land distribution. Although the wars were devastating and bloody for each country, at least one important result came out of the wars. That is that today both of these former guerrilla groups are now legally recognized political parties in their respective countries. They have created a plurality in the political process that never before existed. In fact, just this past spring in El Salvador the FMLN (former rebel army) gained a political majority in the General Assembly after national elections.

2. Positive Response to Environmental Degradation

The process of land concentration and accumulation by large landowners has pushed subsistence farmers off fertile agricultural lands. Painter says, “the crucial issue underlying envi-
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Inequitable Land Tenure in Latin America is gross inequity in access to resources" (1995). The options for the landless are limited. They can either relocate to the cities and try to find work there in the informal sector; they can work as tenant farmers on a piece of unused land that someone might be willing to rent; or, they can move further into the frontier and cut out a piece of farmland from the forests. All three options have environmental ramifications.

Cities are growing rapidly in Latin America from landless farmers who come looking for any kind of job. The urban populations are growing so rapidly that the infra-structural capacity of the cities is overloaded and cannot handle the increased traffic, sewage, water, housing and crime demands. Third World cities are in a terrible environmental crisis.

The second option a landless farmer has is to move to a piece of open land. They may migrate further into the frontier areas of the country, move onto marginal and unwanted land, or squat on someone else’s land until they are kicked off. Studies have shown that when farmers migrate further into frontier areas they create problems of deforestation (Dorner and Thiesenhusen, 1992). Additionally, tropical rainforest soil is highly susceptible to water erosion when deforested and crops are prone to plagues of pests and diseases. Crop yields fall drastically after a couple of years once the soil’s nutrients are de-
pleted, and the once lushly forested land becomes useless except to be used as pasture.

The third option a farmer has is that of tenant farming. This is when a landowner rents a piece of land and pays either a fixed cash rate or a portion of his harvest in rent. In this case the farmer most likely is farming on very marginal land that is prone to severe soil erosion and rainfall runoff. Even though runoff may be great and the farmer knows that it is destroying the soil’s productivity, he has no incentive to improve the land.

Tenant farmers have no long-term security that they will be farming the same parcel in subsequent years, and even if they do try to improve the land the landowner may decide to raise the rent for their “improved land.” The lack of ownership becomes a real disincentive for the farmers to make any improvements on the land. Stonich’s research in Honduras showed that short-term contract renters who had insecure tenure on small plots tended to exhibit the poorest conservation practices. They tended to grow mostly annual crops, to farm the worst and steepest property, to burn crop residues, and to clear the land of all trees. In contrast, small-holders who owned their properties farmed intensively but preserved trees, constructed rock-wall barriers to prevent erosion, and followed other soil conservation measures (Stonich, 1989).

Therefore, if lack of secure land ownership is a cause of deforestation, urban overpopulation, soil erosion and water pollution, then we can assume that development policies that assure equitable land tenure are an effective means of alleviating these problems.

3. Increased Farm Income and Labor Levels

Income levels are found to be higher among farmers who own their own land as compared to landless and land-poor tenant farmers. Seligson’s research in El Salvador after the 1980’s land reform program there indicated that landless and land-poor Salvadorans earn per capita incomes that are less than two-thirds of those of small farmers and that renters and sharecroppers only earn one half the income of fee simple owners (Seligson, 1994). The income of tenant farmers was found to be lower than the average industrial worker; meanwhile, small farm owners have about the same income as those in industry (Jackson, 1993). Land ownership and the amount of land they own has a direct relationship on family income, while the income of the landless is far below national income averages.

Small farms have also been found to employ more labor than large farms. Research in El Salvador found that the amount of labor employed per hectare increases as the size of holding decreases. The reason for this direct relationship is due to the fact that:

1. Small farmers are less likely to have access to or need for expensive labor-saving technology.

2. Labor is cheaper than technology, which often requires a capital investment that the small farmer cannot afford.

3. Smaller farmers tend to be less educated and have less access to technical assistance, which would help them understand how to use it to farm better.

4. Many small farms in El Salvador are on rocky hillside that are difficult to access with machinery such as tractors and plows (McReynolds, 1998).
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Lack of access to land has often been the cata­
lyst to political conflict throughout Latin America. 
This has been well-documented in the literature 
pertaining to revolutions in Mexico, Guatemala, 
Bolivia, Chile, Nicaragua, El Salvador and Cuba. 
Prosterman and Riedinger found that when the 
number of landless peasants reaches over 25 per­
cent in a country the chance of political conflict is 
high (Riedinger, 1996). Some authors point out 
that once a substantial number of the landless 
poor acquire their own farms, the likelihood that 
revolutionaries will secure a base of popular sup­
port in the countryside diminishes appreciably. 
In this regard land reform has been used by gov­
ernment officials in many parts of the world as a 
means of depriving Marxist guerrilla forces of 
grievances to exploit (Rabkin, 1985). However, a 
closer study of history shows that land reform is 
only effective as a deterrent to political violence 
when it is coupled with social transformation.
“Fundamental land reform without social transformation is a logical and practical impossibility. This is the reason why land reform as a counterrevolutionary strategy, such as the ill-fated ‘land-to-the-tiller’ program attempted in Vietnam, is bound to fail. The inequality in land-ownership that land reforms are designed to correct is a major cause of revolution” (Paige, 1996: 127).

5. Improved Agricultural Productivity

The common notion held in the North is that small farms are backward and unproductive. This is often the argument given against land reform and the redistribution of large-landholdings into small farm holdings. Rosset presents research that disputes this claim and shows that small farms are actually more productive and efficient than large-scale farms. He uses evidence from Northern and Southern countries to demonstrate that small farms have the advantage of being “multi-functional”—more productive, more efficient, and contributive to economic development than large farms. Small farmers can also make better stewards of natural resources, conserving biodiversity and safeguarding the future sustainability of agricultural production.

Rosset further says that one of the strongest virtues of small farms is that they achieve higher and more dependable production from their land than do larger farms operating in similar environments. Small farms sustain the natural environment through their labor intensive practices such as maturing, limited tillage, ridging, terracing, composting organic matter, and recycling plant products into the productive process, which enhance soil conservation and fertility.

He makes the argument that we must think more in terms of total output versus yield. It may be true that large monoculture farms have a larger yield, but small farms have a greater total output. Total output is the sum of everything a small farmer produces: various grains, fruits, vegetables, fodder, animal products, etc. He says that there is a growing number of agricultural economists including those at the World Bank which agrees on the relationship between output and productivity (Rosset, 1999).

Evidence indicates that small farms contribute more to the overall output than do large farms in an area. Farming on small plots is shown to contribute overall improved environmental quality, better housing, cleaner transportation, and provide more recreation.

6. Cohesiveness

In 1997 the World Bank’s position on land reform gives it as a means to increase the overall productivity and to create more landowner-farmer family responsibility (Peace, 1997). The cohesiveness is often an overlooked virtue but one that cannot be underestimated.

Obstacles to Agricultural Development

A deeply held obstacle to land reform of “comparative advantage” has long held the position that a land reform should base its development on the crops that the region is best suited for. Crops like coffee, sugar, and bananas were found to thrive in certain regions and it was believed that concentrating on these crops would establish their marketability and it was required to develop in this manner, so the promise of land reform was seen as necessary. However, the development of Land Reform, however, has not initially promised.
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agrees on the premise that there is an "inverse relationship between farm size and output" (Rosset, 1999).

Evidence indicates that small farms contribute more to the total economic development of an area. Farm resources generate wealth for the overall improvement of rural life—including better housing, education, health services, transportation, local business diversification, and more recreational and cultural opportunities.

6. Cohesiveness of Families

In 1997 the Vatican produced a landmark document which clearly spelled out the church's position on land reform and the high priority it gives it as a means of overcoming poverty. One of the attributes of land reform that other proponents had not mentioned was that land reform creates family-sized farms and contributes considerably to strengthening the family by developing its members' capacities and sense of responsibility (Pontifical Council for Justice and Peace, 1997). The importance of family cohesiveness is often an overlooked aspect of land reform, but one that certainly should not be underestimated.

Obstacles to Agrarian Reform

A deeply held ideology can be a tremendous obstacle to land reform. One such ideology is that of "comparative advantage." Economists have long held the point of view that Latin America should base its economy on the production of crops that the rest of the world wants. Commodities like coffee, sugar, bananas and cotton were found to thrive in the tropical environment. These were products that the rest of the world wanted and it was believed that Latin America should concentrate on these export commodities and establish their market share. Large landed estates were required to grow these crops in an efficient manner, so the process of land consolidation was seen as necessary for the post-war economic development of Latin America. This policy, however, has not rendered the success that it initially promised. Criticism against the compara-
tive advantage ideology keeps mounting as land scarcity becomes more prevalent in the region (Lappe, Collins, Rosset, 1998). Until this ideology is reconsidered as an appropriate development model, the odds of further land reform initiatives look bleak.

Access to land has historically been an extremely contentious issue. Thousands of people in Latin America have lost their lives either fighting to forcibly acquire a piece of land to survive on or died trying to hold on to the land they have. It threatens the status quo and upsets the balance of political and economic power. It implies a change in power relations in favor of those who physically work the land at the expense of those who traditionally accumulate the wealth derived from it. It is on account of this that land reform efforts have been relatively unsuccessful; there is not the political will to change the entrenched power structures in Latin America.

Since the end of the cold-war, international bilateral and multilateral development organizations have backed off from financing most of their comprehensive land reform initiatives. They have made a strategic decision that it is too much of a political risk. The conflictive nature of land reform initiatives has seemingly scared them off from addressing issues
Most subsistence farmers in El Salvador are forced to farm on marginal hillsides which are prone to severe erosion.

of land acquisition for the poor. Development funds are most commonly dedicated to strengthening the capacities of the not-so-poor and providing direct service relief to the most poor. They have adopted development strategies which boldly contradict exhaustive evidence and pleas from the landless poor and development experts alike, who clearly state that access to land is a key component to breaking the cycle of poverty and allowing people to live self-sustaining lives.

Agrarian reform has been replaced as a development policy by global economics and the free market system. Emphasis has now been put on debt-servicing by means of farm consolidation and export agriculture (Liamzon, 1996). Now when the World Bank and U.S. Aid talk of land redistribution it is in the form of "market-based" approaches to land exchange. This is where land is sold on the open market based on willing sellers matched with willing buyers. In the last 15 years U.S. AID has spent no funds on agrarian reform efforts (Thiesenhusen, 1996).

The probability deficiency between "developed" and "developing countries" accords that NGOs are development organizations being resistant to a large extent to market driven strategies as part of the new development strategy to transform the "global economic" NGOs, thus the NGO (The Ecumenical Movement of the World NGOs) states that "NGOs cannot satisfy USAID's demands and its search of the needs of the landless poor beneficiaries" (Hoy, 1996).

Future Prospects

The land which is likely to disappear in the near future is environmental sustainability and migration, the greater economic and land poor classes will continue to organize in the Philippines and World NGOs to present the issue to the world.

Farmer or Southern NGOs have organized international workshops to speak of the "global comprehensive strategy" as part of the Global Forum's twelfth Anniversary in 1995 in Quebec, unequivocally.
The problem is that there appears to be a discrepancy between what people from “developing countries” are asking for and what Northern NGOs are delivering. The poor from the South accuse Northern non-governmental development organizations of not being interested and even resistant to addressing agrarian reform issues in spite of numerous pleas to the contrary. This “inattentiveness” might be traced to the fact that NGOs do not look for alternative development strategies as they once did. They are now involved to a large extent in state-funded programs. More and more the trend is for the federal government to transfer development funds through NGOs, thus compromising the neutrality of the NGO (The Economist, 2000). Paula Hoy says bluntly that “...NGOs now package their projects to satisfy USAID’s requirements, with little thought of the needs and desires of the intended beneficiaries” (Hoy, 1998).

Future Prospects

The land reform debate is not one that will likely disappear from popular discussion any time in the near future. The mounting issues of environmental sustainability, urban and international migration, the rights of indigenous groups and greater economic disparities between economic classes will keep the issue in the forefront (Dorner, 1999; Thiesenhusen, 1995). The landless and land poor masses from the South will continue to organize as they are in Brazil and the Philippines and speak out on the issue. Third World NGOs and peasant organizations will keep the issue on the development table.

Farmer organizations, popular groups and Southern NGOs have taken the opportunity at international conferences, summits and workshops to speak up for renewed global efforts for comprehensive reform programs. At the NGO Global Forum on Food Security during FAOs Fiftieth Anniversary Celebration held in October 1995 in Quebec, NGOs from the Third World unequivocally stated the need for a renewed effort to bring agrarian reform back to the fore of the international development agenda (Liamzon, 1996). At the IFAD Conference on Hunger and Poverty in 1995 Southern groups once again placed it at the forefront of the development agenda. They spoke from their own reality, convinced that land reform is a key development strategy towards alleviating poverty, environmental degradation, and democratic disenfranchisement.

In 1997 the Food First Information and Action Network (FIAN) hosted a conference in Paris that was the kick-off for an international initiative to bring agrarian reform back on the development agenda. They have built a coalition of NGOs and development professionals that seek to bring renewed attention to inequitable land tenure. At this conference farmers expressed their frustration with Northern NGOs working in development. They made condemning statements against northern NGOs for their lack of movement on agrarian reform. They explained that farmers are being hurt both by modern agrarian policies as well as apathy on the part of development organizations and the state. “Peasants are without allies and neither the NGO’s nor the academics are interested in their problems (FIAN, 1997).” This is an issue than will not go away, but rather will become more critical as Third World nations are pushed to consolidate their landholdings to concentrate on...
export products in order to meet the demands of international structural adjustment policies.

Some argue that NGOs have the important role of providing financial credit and technical assistance to new landowner beneficiaries which enables the farmer to maintain ownership (Blum, 1996). Others say that NGOs serve the poor best when they can help them organize to fill the vacuum left by the breakdown of government programs because of structural adjustment programs (de Janvry, Key and Sadoulet, 1997). Others say that NGOs have an important role in advocacy in pressuring the larger political arena to pay attention to this issue (Paniagua-Ruiz, 1997). There is little doubt that international NGOs can play crucial roles in movements aimed at approaching more socially and ecologically sustainable styles of development. The question is are they assuming this role especially in regards to land reform and in light of all the benefits it offers.

There is a paucity of literature that confronts the lack of attention that Northern NGOs have paid to the issue, either because they do not hear the voices of the landless or because they are adhering to a development strategy that does not stress land equity. My own preliminary research on the ten largest U.S.-based relief and development organizations has found no mention in their promotional literature of equitable land acquisition as one of their development project initiatives. I believe that this is wrong and that these organizations have taken a development agenda that ultimately is not responsive to the real needs and desires of the poor. The amount of U.S. government grant money that many NGOs receive has increased drastically in the past few years. It might appear that NGO partnership with U.S. government funds has limited their strategic development alternatives and global capitalism is dictating the agenda. Extreme poverty in Latin America will never be alleviated until there are social transformations at the local and international level. Providing access to land for all people is an important step towards that transformation.

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