

LAND TENURE IN LATIN AMERICA: FROM LAND REFORMS TO COUNTER-MOVEMENT TO NEOLIBERALISM

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Abstract

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Latin America, with a Gini coefficient for land of 0.79, is the world's most unequal region in terms of land distribution. Land inequality is one of the greatest impediments to Latin American societies for achieving sustainable development and economic growth. Many studies have demonstrated how an unequal land concentration affects the quality of democracy and social cohesion and inhibits economic growth. Land is the main and in many cases the only asset for millions of rural households in the region and Land tenure can mean the difference between subsistence and extreme poverty. The present work reviews the agrarian reform processes that were experienced in part of Latin America and examines the impacts of the subsequent neoliberal reforms on land tenure, land and capital concentration. Finally it focuses on the need of a new distribution of land in order to achieve higher levels of Socio-Economic equality and also meet the Sustainable Development Goals in the region.

Keywords: land grabbing, land distribution, economic development, sustainable development.

INTRODUCTION

Socio-Economic inequality is one of the greatest impediments to Latin American societies for achieving sustainable development and economic growth (ECLAC, 2017). Latin America remains the most unequal region in the world. It is estimated that the richest 10% of the population possess around 71% of the region's wealth. If this trend continues, in 2020 the richest 1% in the region will have accumulated more wealth than the remaining 99% (Oxfam, 2016). This economic inequality is closely related to the possession of land, as non-financial assets account for 64 percent of total wealth (Oxfam, 2016). This relationship can easily be proved by verifying that Latin America is also the world's most unequal region in terms of land distribution. The Gini coefficient for land is 0.79 for the region as a whole, 0.85 in South America and 0.75 in Central America. These figures indicate much higher levels of land concentration than in

Europe (0.57), Africa (0.56) or Asia (0.55) (Oxfam, 2016).

Land is the main and in many cases the only asset for millions of rural households in Latin America (Lipton, 2009) and land tenure can mean the difference between subsistence and extreme poverty. If people lose their land, they are very often forced to rent plots or depend on waged temporary work to provide food and other basic essentials for their families (Oxfam, 2016). Many studies have also demonstrated how an unequal land concentration affects the quality of democracy and social cohesion, inhibits economic growth in the long term, affects the quality of public institutions and education systems and environmental health (Griffin *et al.*, 2002; Lipton, 2009; Kay, 2015). On the other hand comparative studies have shown how a more even distribution of land ownership leads to greater agricultural productivity, increasing rural incomes and overall economic growth (Deininger and Squire, 1998; Vollrath, 2004). During much

of the 20th century, significant land reforms were carried out in countries like Mexico, Cuba, Nicaragua and Bolivia, commanded by social movements with important peasant support or by popularly based insurgencies in Peru and El Salvador or by democratically elected regimes as in the case of Puerto Rico, Guatemala, Venezuela and Chile (Eckstein, 1978). The major exceptions to land reform were Argentina, Paraguay and Brazil where no significant agrarian reform took place (Kay, 1997; Chonchol, 2003). In the 1980s through the early 2000s, neoliberal policies, such as the "Washington Consensus", dominated the development debate in the region. These policies emphasized privatization, trade liberalization, and property rights, in place of agrarian reform. Neoliberal economists favoured land policies that emphasized free markets and security of property rights and encouraged governments to introduce measures to facilitate the privatization of the communally held land of indigenous peasant communities and the transformation of the collective reformed sector (Breton, 1997). As already described, Latin America is once again faced with the dilemma of an extremely inequitable distribution of land, which hinders the development possibilities of the continent and allows a high concentration of capital and dominance of export oriented agribusiness (Kay, 2015). How serious is the problem in the region and what may be the impacts in the short, medium and long term, given the fact that the pressure on land is set to increase over future decades, carried out by population growth, urbanisation, globalization and climate change?

The main aims of this the present work, is to highlight the importance of addressing the challenge of inequality in Latin America through land distribution. The first part of this work reviews the agrarian reform processes that were experienced in part of Latin America. The second part deals with the neoliberal reforms and its impacts on land and capital concentration. The third part focuses on the need of a new distribution of land and the benefits of the Neoliberal extractivist model in order to achieve higher levels of Socio-Economic equality an also meet the Sustainable Development Goals.

Rural poverty and land distribution

Rural poverty is strongly associated with poor access to land, either in the form of landlessness or because of insecure and contested land rights. The importance of secure property rights for growth and poverty reduction has long been recognized (Cotula *et al.*, 2006). Greater social peace and cohesion may be achieved only through a more egalitarian land distributions (Cotula *et al.*, 2006). Land reforms compromises laws with the main goal of reducing poverty by substantially increasing the proportion of farmland controlled by the poor and thereby their income, status and power (Lipton, 2009). According to the same author, increasing

people's share of land may raise poor's income in five ways: (1). Increased farm labour, because small farmers depend on labour for most of their income and tend to use more labour per hectare than large farmers, so a more equal distribution of land, by shifting it into smaller farmers, may raise the labour demand. (2). Land is the main productive asset and a major source of income for poor people in almost all the developing world. (3). Income from farm enterprise. (4). Non farm activities and (5). Economy wide effects.

Land reforms in Latin America

The phenomenon of concentration of land ownership which had begun in Latin America in the colonial period, was reinforced after the independence (Chonchol, 2003) when colonial power was replaced by landed oligarchies that concentrated the best land (Wiener, 2011). The hacienda system (latifundio-minifundio complex) expanded from the 1850s to the 1930s and achieved a dominant position within Latin America's agrarian structure. This system was highly profitable for the landed elites who controlled political and economic power since colonial times and allowed them to shape agrarian institutions in their own interests (Barraclough, 1999).

The key agrarian question in the 1960s and 1970 concerned the highly unequal land tenure system and the exploitative labour conditions (Kay, 1997). By 1960 "latifundistas" ("landlords") owned roughly 5% of farm units and about four-fifths of the land (Griffin *et al.*, 2002), while minifundistas (smaller estates) owned four-fifths of farm units but had only 5% of the land. The middle-sized farm sector was relatively insignificant (Barraclough, 1999). Latin America, similarly as nowadays, had one of the most unequal agrarian structures in the world. The high degree of land concentration produced a very inefficient use of resources. Besides that, large farms used land in an extensive manner which resulted in low land productivity, and much land remained uncultivated (Kay, 2002). It is estimated that approximately one-third of the agricultural labor force was landless (Griffin *et al.*, 2002). During the 1960s until the early 1980s agrarian reforms, varying in intensity and outcome, were implemented in several countries as a consequence of increased pressure from peasant movements and left-wing political parties, as well as some centre parties (Kay, 1998). Agrarian reform in Latin America was mainly the result of significant political changes. In some cases as the result of peasants' social pressure to access land (Mexico and Bolivia) in other countries agrarian reforms have been determined by urban political movements seeking a change in the preceding political regimes (struggles against dictatorships, in the cases of Cuba, Venezuela and Nicaragua) or the search for economic and social modernization in the case of other countries (Chile and Peru) (Chonchol, 2003).

By means of developing agrarian reform policies, governments sought to achieve diverse objectives: to remove the power base of the old rural oligarchy that had in the past a dominant power in most Latin American societies, to improve the living conditions of the peasant masses by incorporating them into the market and to facilitate industrialization through the modernization of agriculture. All these were objectives for which the persistence of the traditional latifundio constituted a basic obstacle. It also sought to achieve greater social equity that would consolidate the foundations of a democratic regime, as well as colonize new lands to increase the economic base of agricultural and livestock production (Chonchol, 2003).

Selected cases of agrarian reform processes in Latin America

The development of some of the most important agrarian reforms in Latin America, from the point of view of its magnitude and influence on the rest of the continent and the world, is detailed below.

México

The first major land reform in Latin America, was the result of the Mexican Revolution which began in 1910 and lasted until 1917. The Revolution had been preceded by a generation of rapid economic growth, accompanied by pronounced concentrations of wealth and income under the dictatorship of Porfirio Díaz (1876–1910). During this period peasant villages lost much of their land to the expanding estate sector (Eckstein, 1978). This process was the first precedent in the region on the need to reorganize land ownership as a starting point for transforming the country. Up to 1910, approximately eleven thousand haciendas controlled 57% of the national territory while fifteen million peasants, about 95% of the rural families, had no land (Wiener, 2011). Over half the country's agricultural land was held in about 6,000 large estates of over 1,000 hectares each (some estates were over a million hectares in size). These large holdings were controlled by only about 1,000 landowning families and corporations (Albertus *et al.*, 2016). Although the principle that land should belong to those who worked was recognized by the 1922 land-reform law, massive land redistribution happened only during the 1930s, by President Lázaro Cárdenas. The reform distributed approximately 18 million ha of land to some 800,000 peasant families organized in communally held ejidos (Barraclough, 1999).

Bolivia

Bolivia's land reform was the direct result of the Revolution of 1952. Prior to the Revolution two-thirds of Bolivia's population was rural, with a majority living on traditional haciendas. The vast majority of farmlands was held in units of 1,000 hectares or larger; 82 percent of all owners controlled 1 percent of the land (Eckstein, 1978). 0.72% of the properties or 615 farms with an average

size of 26,400 hectares controlled almost half the land ownership, while 60% of properties less than 5 hectares represented only 0.23% of the land (Urioste and Kay, 2006). During the 1950s, large estates, were taken over by their tenant residents and nearby communities. Overall, food production increased during the reform, but marketed food supplies for the cities declined when most peasant producers increased their own consumption (Barraclough, 1999). The Bolivian revolution of 1952 not only sought to disrupt landed property but also the existing system of servitude (Urioste and Kay 2006). The objective of the agrarian reform in Bolivia was not to restore indigenous property and recognize the land tenure rights of these communities, but mainly to modernize the traditional economy based on latifundia (Wiener, 2011).

Cuba

The Cuban land reform was one of the direct outcomes of the Cuban Revolution. In 1960 the Kennedy administration, alarmed by the initial success of the Cuban revolution and its widespread support in Latin America, initiated the "Alliance for Progress", designed to encourage social reforms in Latin America (Barraclough, 1999). The agrarian reform in Cuba, together with Bolivia was the most extensive with respect to the amount of land expropriated: about four-fifths of the country's agricultural land.

The agrarian reform expropriated the latifundios in hands of Cubans and nationalized those owned by American companies. State farms predominated during the first phase and by the mid-1980s most individual peasant farmers had joined production cooperatives. The Cuban State directly controlled 84 percent of the land and the remainder was left to a peasant sector divided into three types of organizations: peasant associations, credit and service cooperatives; and cooperatives of agricultural production (Chonchol, 2003).

Chile

The absence of indigenous inhabitants in most of the agricultural regions of Chile at the time of Spanish settlement differentiates this country and its land reform experience from others in Latin America (Eckstein, 1978). In 1955 over 80 per cent of the country's agricultural land was concentrated in only some 10,000 properties. The owners of these large estates represented only 3 per cent of the total number of rural families (Barraclough, 1999). During Frei administration, estates larger than the equivalent of 80 hectares of good irrigated land were subject to expropriation, but their owners could reserve up to 40 hectares for themselves ("Reserva"). Land reform was deepened during the government of President Allende (from November 1970 to September 1973) (Chonchol, 2003). Peasant organizations spread and many were "radicalized" by government supporters;

estate lands were occupied forcibly by peasants in several parts of the country, frequently to bring about expropriation. From 1971 until mid-1973, 4,000 estates were taken over for land reform, and the share of the reform sector increased, representing nearly half of all land in farms and two-fifths of the cropland (Eckstein, 1978). A Neoliberal counter-reform redistributed under the military (1974–1980) almost 6000 estates (almost 10 million ha, representing 59% of the agricultural farmland (Bellisario, 2007). In Chile the agrarian reform and the subsequent ‘partial’ counter-reform processes fostered the transformation of the hacienda system toward agrarian capitalism. Under military rule, a selected group (Pinochet’s supporters) became independent agricultural producers, while a large majority of reformed and non-reformed growers were displaced proletarians in a rapidly modernizing but highly exclusionary agricultural sector (Bellisario, 2007).

Outcome of the agrarian reform processes in Latin America

Unfortunately most agrarian reforms failed to fulfill expectations in the region for a variety of reasons (Janvry and Sadoulet, 2002). Among them: Incompleteness of land reforms to provide beneficiaries with the prerequisites for competitiveness and a poor record in solving the poverty problem. Concentrated in an expropriative land reform approach and did not explore different household strategies (according to idiosyncratic livelihood characteristics). Lack of negotiation from the government’s side to explore different politically and budgetary feasible approaches to land reform. Reforms were based almost exclusively on the social functions of the land, and did not consider a regional and territorial development approach and the subsequent economic incorporation of the poor. Land reform was effective in displacing traditional landed elites and achieving political control over peasants, but not in promoting the social incorporation of beneficiaries. In general was imposed without major technical and social transformations, so the impacts on agricultural output, rural poverty, income distribution and social and political participation were at best mixed (Beehner, 2005). Land reform have given rise to a more complex and fluid agrarian system in some countries and in many cases the reforms intended for the benefit of the peasantry, finally favored the development of capitalist farming (Kay, 2002).

Neoliberal reforms of the 80’s and 90’s and its impacts on land and capital concentration

In the course of the late 80s and the 90s, neoliberalism was implemented by many governments in Latin America, largely following the policy recommendations of the World Bank (WB) who was the key promoter of “structural adjustment programs” (SAPs). These structural adjustment

programs produced profound consequences upon rural economy and society (Kay, 2015). During the 1990s, Latin American governments reoriented their agrarian policies and enacted new laws that sought to encourage the land market as a solution to the problem of agriculture. The new neoliberal orientation limited the role of the State as a distributing agent and protector of the land. These preponderant state roles that characterized the agrarian reforms of the previous decades would be carried out by the market in the new neoliberal model (Urioste and Kay 2006). The so-called ‘forces of economic and political freedom’ were freed from the constraints of a welfare and developmental state (Veltmeyer and Petras, 2008). Liberalization policies in land, labour and capital markets were implemented. The opening of the economies to the world markets and the multiplication of free trade agreements (FTAs) between several Latin American States, United States, Canada, Europe, Asia, led to a commodity export boom. It became very profitable to invest in agroexport commodities. Traditional crops like maize and wheat were replaced by agro-exports like fruits (Chile, Argentina, Peru, Brazil), soy (Brazil, Paraguay, Bolivia, Uruguay), afforestation (Chile, Argentina, Uruguay, Brazil), based on plantations for the production of wood and its derivatives as paper, agrofuels (Brazil, Argentina, Bolivia), among others (Wiener, 2011; Kay, 2015). A new model was strongly established. It is characterized by land and capital concentration, ‘land grabbing’, ‘foreignization’ of agriculture, environmental degradation, displacement and disempowerment of peasants and rural labour, conflicts with indigenous groups among others (Chonchol, 2003; Wiener, 2011; Kay, 2015). Capitalist farmers and big corporations have been benefited with this model, since they have access to the financial, land, technology and organizational resources. On the other hand, family producers have in most cases low access to credits and insurance, lack of appropriate land, appropriate technologies, among others (Chonchol, 2003).

Counter-movements to neoliberalism

During the 90s, often in the late 1990s, the reaction against neoliberalism emerged through protest movements of various kinds in the region. This cycle of disputes begun with the Venezuelan revolt known as “El Caracazo”, going through moments such as the Mexican Neozapatista insurrection in Chiapas, or the Gas, Water and Coca Wars in Bolivia (Villagra, 2015). The peasantry in Latin America reacted to Neoliberal reforms in different ways, summarized by Veltmeyer and Petras (2008): (1) Adoption through subsistence farming with marginal production on smallholdings, (2) conversion into wage-laborers, (3) Urban migration and (4) Sociopolitical movements to contest via direct action. Within the latter a powerful counter-movement to neoliberalism has emerged led by indigenous movements, landless rural workers and proletarianized peasants. Among

the most emblematic examples we may mention are the Zapatista rebellion of Chiapas in Mexico, the Landless Rural Workers' Movement (MST) in Brazil, the struggles of the Mapuche people in Chile among others (Vergara-Camus, 2014). Another example is "Via Campesina" which strongly opposes corporate driven agriculture and transnational companies. They defend an alternative agrarian system based mainly on 'food sovereignty' (Kay, 2015). Agroecology has also an important place in rural development in Latin America. Practiced for

decades by traditional communities, indigenous peoples and different rural groups. With a strong scientific base, it is increasingly receiving support from governments through new public policies (FAO, 2017). Agroecological practices contribute to ensuring food and nutrition security and sovereignty and recently was included in the regional agenda for integration, especially within Mercosur and the Community of Latin American and Caribbean States (CELAC) (FAO, 2017).

CONCLUSION

In general terms many problems, characteristic of the situation prior to the agrarian reforms implemented in Latin America, are still present or have been updated: Socio-Economic inequality, highly unequal land distribution, unsustainable exploitation of natural resources, land grabbing, concentration and foreignization of land and capital resources in particular and small groups, export of raw materials without industrial processing, pressure on communal and peasant land, among many others. Extremely inequitable distribution of land, affects the quality of democracy and social cohesion, inhibits economic growth in the long term. In a few words, limit development possibilities of the continent. In general the attempts of Land Reform (LR) to redistribute land ownership have generally failed or the results have been mixed. Land reform policies, besides land allocation, neglected the economic development of the new owners. With the arrival of Neoliberal policies that deregulated the land market and facilitated accumulation, many important advances of LR were subsequently undone.

The challenge of inequality in access to and control over land is crucial for combating inequality and poverty. It is not possible to achieve sustainable development without addressing the problems of land distribution. New land distribution policies should be driven at the country level, with the necessary political support and long-term commitment, learning from the failures of the past and adopting good practices from other regions in the World as for example Asian countries like South Korea or Taiwan.

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