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Analysis of current land-reform in El Salvador

Communal forms of land tenure were abolished in El Salvador in 1881. Evictions of thousands of people who were either Indian or Mestizo made room for large coffee plantations, coffee being more profitable than indigenous subsistence agriculture. This was the beginning of a landed oligarchy raising commercial export crops and removal of lands from the raising of basic food crops. As much as 65% of the population has been left landless. Between 1960 and 1975 the number of landless grew dramatically, coupled with a reduction of rural-urban migration, tensions in the countryside increased. Labor-saving farm machinery replaced laborers and more labor-unintensive crops were planted for export. In addition vast tracts of land were used for cattle-grazing at a time when rapid population growth increased the demand for basic grains. The predominant pattern of employment was migrant, seasonal labour with more than 50% of the workforce unemployed more than 2/3 of the year.

Main Problems:

- Concentration of land ownership in the hands of a few.
- More and more land used for export crops and cattle-grazing
- Inefficient use of the land in terms of the real needs of the people
- Growing landlessness
- Skewed income distribution
- Underutilization of labor

Uprising of 1932: State security forces killed at least 30,000 people. This has been called La Matanza (the massacre). Following the economic crisis of the world economy, El Salvador suffered the effects of plummeting coffee prices in the world market. Social unrest ensued as workers began to organize in the critical coffee-growing areas of western El Salvador. The majority of the workers were Pipil and Nauhautl Indians, descendants of those who opposed the original Spanish conquistadors in the 16th century. They were also descendants of the villagers whose lands were seized from them in 1882 following the abolition of communal forms of property. As important as communist participation was, the revolt was agrarian. Its roots were anchored in the long-frustrated desire for land.

## El Salvador

El Salvador has been under military rule for almost 50 years. Attempts at land reform have been made but failed due to opposition of the large land-owners. With the support of U.S. AID money, a "General Agreement for Economic and Technical Assistance" was signed in 1961 with the aim of modifying the feudal land structure. The actual result was to increase military missions and equipment. Fear of new revolts in the countryside led to the creation of para-military forces and the outlawing of peasant unions (1967).

In 1969 El Salvador and Honduras went to war supposedly due to an influx of Salvadoreans creating over-population in Honduras. However this was not true ~~and~~, Salvadoreans had been crossing the border for years and living peacefully. The actual reason was that Honduras was implementing an agrarian reform project and couldn't get the lands from its own oligarchy so decided to expropriate the lands being occupied by peasants close to the border of El Salvador. This land reform project was paid for by a loan from the Inter-American Development Bank amounting <sup>to</sup> \$7.7 million. Both countries were supported and armed by the U.S. Land reform was seen as necessary to solve the problem of regional instability and to begin the process of creating internal markets for the growing industrial sectors. (USAID fund)

The reason for the failure of these land reforms was that the landed oligarchy refused to cooperate and their power was entrenched in the military governments. They controlled the para military organizations in the countryside and peasant organizing was repressed with more and more severity. Assassinations by vigilante groups increased. The U.S. has spent 12.2 million dollars to support El Salvador's military in the last 15 months. The process of land reform in the countryside has led to worsening repression. While official representatives of the government have given land to peasant cooperatives one day, the next day the peasant leaders would be killed by the vigilante death squads. The violence reached <sup>such</sup> heights that Archbishop Romero (since assassinated) asked members of the army to disobey orders and refuse to participate in any more killings. Reports of the terrorizing of the civilian population include all varieties of modern torture and atrocities. Attempts to form new governments that include civilians have resulted in the civilians resigning and joining forces with the growing coalition of the popular anti-government opposition.

## El Salvador

On March 6, 1980 both a state of siege and a new agrarian reform were announced. In the context of political turmoil the new reforms were to be implemented in three phases. Phase 1 involving 15% of the arable land involves the largest estates. Former owners would be compensated. These properties were to be taken over by cooperative agricultural associations made up of permanent resident laborers and salaried employees. Phase 2 has not been implemented. This phase involves most of the country's coffee estates and is the heart of the agrarian reform. This involves 1500 to 2000 farms. The owners are to be compensated 25% in cash and 75% in agrarian reform bonds. Cooperatives are supposed to be formed similar to phase 1. Phase 3 is Dr. Prosterman's addition and is called Land-to-the-Tiller. This phase converts renters into owners. Owners are to be compensated with 50% of the value and 50% in bonds.

When Phase 1 was implemented the owners removed assets across the Guatemalan border, up to 30% of the total amount of cattle was slaughtered. Through bribery, the military intervened and returned land and assets to owners by a process of re-classification. This coupled with a sharp increase in violence aimed at the peasants who are supposed to be the beneficiaries has made phase 1 a disaster. Phase 2 has not been implemented and appears to be unlikely in the future. Phase 3 is being implemented under the advice of Dr. Prosterman and has the support of the U.S. government. This phase very simply says that the present users of land shall become owners. It is regarded as a politically expedient measure with skeptics regarding it as a pacification program to quell unrest. However the real unrest cannot be stopped in a measure like this because so many of the rural population is landless. The master plan for the Land-to-the-Tiller phase comes from Dr. Prosterman's program in Viet Nam. The implementation in El Salvador lacks an in-depth analysis of the actual social structures already existing and has been implemented hastily. More than 80% of the renting in El Salvador takes place on plots smaller than 2 hectares. It is estimated that it takes 9 hectares to feed a family of six. Most renting occurs on poor land not wanted for cultivating export crops. This new system also ignores the practice of crop rotation and the practice of leaving land to lie fallow so as not to exhaust it. There are many injustices involved in the system which are bureaucratically built in to the new system.

## Land Reform a la Prosterman

Prosterman himself regards land reform in the Third World as "foreign aid". His argument is that monetary assistance has not led to "economic growth or political security in the Third World".

Key to his analysis is "the realization that the less-developed world is still predominantly agrarian". He gives the percentage of landless peasants in each country as his "index of rural instability". Therefore land tenure and revolution are closely related.

Lenin recognized this and implemented a Land-to-the-Tiller law within the first week of the October Revolution. The North Vietnamese were able to win allies to their side because they re-distributed the land. The American government didn't recognize this fact until too late. Prosterman's insinuations are that land-reform will prevent a Communist take-over and land-tenure is the only real significant issue facing rural populations. He lacks any other political analysis such as who controls the government and in whose interests are these reforms being made in the context of the economy as a whole. He neglects corruption and conflict of interests among the population. He doesn't consider the social structure being impacted nor does he consider that his reform is from the top down. He believes that a grassroots can be created ~~by the reform~~ which will be democratic in nature (as if it isn't already).

Prosterman promotes individual ownership of land within a Capitalist economic system. This system would tie the rural population into the market system for a developing industrial sector. This would be part of an international system of export crops and import luxuries/consumer products. An increasingly prosperous countryside will ensure growth of urban industry.

His three priority programs are: "Land-reform, increased food production in the context of land reform, and population control".

American Aid should be used to guarantee payment to the landlords for the value of their land.

### Financing Land-Reform in El Salvador:

U. S. AID estimates the costs of land reform in El Salvador to be one billion dollars over the next 5 years. Most of this is to be financed by the United States and multi-lateral aid. Due to "civil disorder and economic chaos normal commercial international financing is not available to El Salvador".

This financing is to cover 3 major areas:

- 1) compensation to previous landowners, estimated at 800 million dollars.
- 2) administration and implementation costs
- 3) Food imports due to disruption of production.

Some of the burden of loan repayment will rest on the new agricultural cooperatives. The impact of these debts are likely to make the success of the cooperatives doubtful and increase the likelihood of default.

The U. S. is planning to ship huge surpluses of wheat (71,00 tons per year) to El Salvador as part of its P.L. 480 "Food for Peace" program. Much of U. S. food aid is aimed at developing dependence on the U. S. for food imports and providing markets for U. S. farmers.

The total indebtedness of El Salvador will be increased 1000 percent. Ability to repay the debt is in question when foreign investment is negative and over \$400 million of capital has been removed. These additional debts will seriously drain El Salvador's international reserves. Facing serious balance of payments difficulties, El Salvador will be forced to renegotiate its external debt and accept IMF austerity measures which will further delay needed reforms and improvements in the basic standard of living among the poor. It is not too farfetched for El Salvador's economy to totally collapse.