

**M**ILITARY dictatorships are generally condemned as evil, and unacceptable to western liberals. For do they not contradict the ideal of democratic control of civil society?

Too often, however, these generalisations skate over the realities of everyday life.

And on the key issue of land reform, we have now come to realise that "democratically-elected" Parliaments are the fiercest opponents of any change designed to diffuse economic benefits among the masses.

For there is usually an intimate relationship between the landowning class and politics, which ensures that the majority of people are relegated to a subservient role within the system . . .

**W**E ALSO NOW know that authoritarian governments, usually composed of army officers, have led the way to reform.

In some cases, they have exercised military power to enable them to force through changes which would theoretically benefit the majority of people.

Peru is a leading example.

In 1968 the army took control, and immediately began forcing through changes which were impossible under the pre-existing "democratic" style of politics.

What had the majority of people lost by this assumption of control by the army? Not very much.

Almost half of the population was composed of an illiterate, disenfranchised group of peasants who had previously not enjoyed the benefits of political democracy.

And those who were permitted to vote did not enjoy democratic access

## LATIN AMERICA Cont. from P.35

established part of the Latin American legal, political and social framework has always been the existence and protection of private property. Notwithstanding the permissive nature of many of the laws, one example being the Colombian agrarian reform law passed in 1961, the legislators turned to the concept of the 'social function' of land in order to rationalise the type of expropriation of estates which was theoretically allowed by law. In this concept the counter-reformist was provided with a powerful tool to justify the expropriation of only a few estates and to exempt the majority.

The concept provided that when

# Dictators v. Democracy THE CASE OF PERU

**1968** - Gen. Juan "The Chinaman" Velasco ousts civilian president, begins "military road to socialism."

**1969** - land reform law drafted.

**1975** - 5.7m. hectares distributed to date. Right wing opposition mounts. Police and navy rebel. Gen. Francisco Morales Bermudez ousts Velasco in palace putsch.

**1976** - experiments with worker participation and profit-sharing in industry accelerates.

**1977** - corruption, bureaucratic inefficiency and huge purchases of military equipment weigh heavily on economy.

**1978** - under half workforce efficiently employed. Food price riots. Central Reserve Bank runs out of foreign currency, defaults.

**1979** - 400 farmers occupy a co-operative: six peasants shot dead.

**1980** - election promised on May 18, returning government to civil control.

to the things which mattered - access to the nation's natural resources.

For the land was owned by a dozen oligarchic families.<sup>1</sup> And they had successfully thwarted the emergence

land was being put to productive use it fulfilled its social function but not so when it remained unused or when used 'inefficiently.' But, of course, what is tricky about the use of concepts like 'efficient' or 'adequately managed' as criteria for expropriation is that they cannot be objectively defined, especially when left in the hands of the landowners! The social function shifted the reasons for expropriation away from 'social justice' for the *campesino* and onto the neutral ground of land use, and was used to introduce a new concept of social justice - for the landed elites.

In the same manner that it diverted attention away from the injustices inherent in a sharply unequal distribution of land resources, so the social function allowed that expropriation need not be undertaken on a long-

of a class of industrial entrepreneurs who might have widened the employment prospects of landless Peruvians.<sup>2</sup>

Under a military dictatorship, then, the peasants had little to lose but their chains - as Marx would have put it!

**T**HE ARMY officers began to implement a striking programme of change. The first, and most important, was land reform.

Their central problem, however - the one which doomed the military rule to ultimate failure - was the absence of a coherent strategy.

The junta explicitly rejected both the capitalist and communist models. So their attempts to spread wealth more widely, and give people direct control over their lives (at the economic level, at any rate) was characterised as "socialism."

Fidel Castro quickly recognised that the Peruvian generals were different from the norm. One of the greatest ironies of modern Latin American history is that Peru's right-wing treated the military with suspicion and, eventually, open hostility.

*For the stranglehold on the economy by the 12 landowning families was crushed, as estates were broken up and redistributed to the people who tilled the soil.*

But the absence of an effective programme meant that there could not be a balanced development of

scale basis, but rather on an estate-to-estate basis only. Similarly, instead of permitting that reform be carried out on the best soils and in the best (and most densely populated) areas, legislation, as in Colombia, provided that reform be carried out first on public land and on private lands only "if it appeared necessary." So provisions in the laws served the objective of diverting the land reform to outlying districts where land does not usually fulfil its social function. In this manner have "colonisation schemes been the tranquillisers of the landed elite and counter-reformers in the Americas," as Ernest Feder, a foremost authority on the Latin American agrarian scene, puts it.<sup>3</sup>

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

both the rural and urban sectors, to ensure employment and prosperity for all.

**T**HE RULERS set out to redistribute 10m. hectares to nearly 2.25m. peasants, a sixth of the population, by 1976.<sup>3</sup> They failed to achieve this target, but they were nonetheless remarkably successful in what they *did* accomplish – compared with similar attempts in other countries.

But physical reallocation of land by itself is no guarantee of success, as the Peruvian case demonstrates.

The family farm unit prescribed by US advisers was to be the model under which land would be reallocated. This emphasis was eventually abandoned, however, because there was not enough land to apportion among the millions of landless peasants.<sup>4</sup>

So large collective enterprises were created, which could absorb a larger number of people. But these, as experience eventually showed, could not keep pace with the demand for jobs. In addition, they did not yield the predicted economies of scale.

Their record, in fact, was disastrous, leading to the astonishing result that more and more land fell into disuse.<sup>5</sup>

And so we now see land invasions by peasants who want to break up the collectives and create family units – swinging the change in the rural structure full circle back to where it started!

**T**O BE EFFECTIVE, land reform has to be integrated into a strategy which aims to simultaneously increase urban employment.

tions. Unfortunately, the constitutional texts were rarely adapted to the ends which the agrarian reforms sought to achieve. The complex and dilated proceedings for the acquisition of private property tended, more often than not, to favour more the proprietors than the reform agencies.

Many of the factors which obstructed the implementation of programmes were deliberately built into the agrarian reform machinery. One technique, as Alan Gilbert says in his book *Latin American Development*, "was to produce legislation which was too complex to implement quickly and effectively. Such was the case with the Peruvian and Chilean legislation. Another common technique was to place difficulties in the way of the agency in charge of land

## PERU: land redistribution 1969-1979

|                                                         | Units        | Area<br>hectares:<br>m. | Bene-<br>ficiaries |
|---------------------------------------------------------|--------------|-------------------------|--------------------|
| CAP (agrarian production cooperatives): excluding sugar | 566          | 62.09                   | 79,354             |
| Sugar CAP                                               | 12           | 0.12                    | 27,783             |
| SAIS (agrarian societies of social interest)            | 60           | 2.80                    | 60,930             |
| Communities                                             | 408          | 0.71                    | 110,971            |
| Other collective units                                  | 809          | 1.81                    | 45,320             |
| Individual parcels                                      | –            | 0.54                    | 31,918             |
| <b>TOTAL</b>                                            | <b>1,855</b> | <b>8.10*</b>            | <b>356,276</b>     |

**SOURCE:** *Financial Times*, Peru supplement, 2.10.79

\*Figures do not add up due to rounding.

This model for development in the Third World was described in a previous issue of *Land & Liberty*.<sup>6</sup> It entails the taxation of land values, which would ensure full economic use of land, provide incentives to wealth-creators, and generate funds to meet public expenditure.

Peru's generals, however, allowed land to be employed at below-optimum levels, while squeezing earned incomes in the rural sector as hard as they could. Not surprisingly, therefore, food imports rose and investment in agriculture declined.

It remains to be seen how events unfold under a civilian government. Peru's new constitution is likely to encourage the break-up of collective farms, and there is no limit on the permitted size of individual holdings. The right-wing political parties, which are seeking power, are pressing for the return of land to private ownership.

So the opportunities created by authoritarian power are likely to be

dissolved into the mists of time as Peru reverts back to the pre-revolutionary period of the 1960s, with a new landowning class emerging to reassert its monopolistic control over the economic, and therefore over the political, life of Peru.

### REFERENCES

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redistribution. Frequent changes of directors, selection of men who could be manipulated, restrictions in funds . . . . . were all employed in different countries."<sup>4</sup>

The same thing happened with compensation proceedings. The compensation price usually reflected the relative bargaining position of the landowners and not some simple economic feature of the land. For example, in ten municipalities where the Colombian reform agency, INCORA, was in action during the 1960s, evaluations of rural farmlands produced an average increase in values of 143%!<sup>5</sup> Such costs, carried over to the reform agencies, have been important not only from the point of view of financing reform proceedings but also because they became reflected in onerous terms for

the *campesino* beneficiary. He has had to justify his entitlement by his ability to produce sufficient surplus to meet his payments for his 'new-found land.' Lacking many of the essential inputs or the capital to acquire them, many beneficiaries failed to meet the terms of their entitlement, prompting the machiavellian attitude that the peasantry are incapable of using their land efficiently. This idea, nurtured by the counter-reformists, was not lost upon the governments of the '60s.

The narrow dependence of beneficiaries on the paternalistic reform agencies, and relegation of reform to the poorer areas, further tended to minimise the potential for success. Loading the dice this way has provided valuable ammunition to discredit land reform. Theoretically, of course, the reform agencies have