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## Notes On Salvadoran Land Reform Program: Brief History, Arena Government Plans

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**Historical Background** By 1980 more than 70% of El Salvador's cultivable land was owned by less than 1% of the population. At least 40.9% of rural families owned no land, and another 49.4% had title to plots ranging from microscopic to less than two hectares. On March 7, 1980, a military junta ordered a land reform, designed and financed largely by the US. The reform program as originally conceived was to have three stages. In the first stage, farms larger than 1,235 acres, or 15% of the country's agricultural land, were scheduled for expropriation with compensation to owners. A total of 517 cooperatives were reportedly created under this phase since 1980. By December 1981, at least 35 cooperatives some containing thousands of acres had already been abandoned for lack of credit or other difficulties. Over 60% of the plots affected in this stage of the program were not prime agricultural land, comprised instead of pastures, mountainous terrain, or forests. Finally, since landowners had advance notification, many owners parceled out their larger holdings to family members. The second stage, calling for the takeover of farms of 247 to 1,235 acres, was considered the centerpiece of the program, affecting the largest number of properties, 1,700. Coffee lands were the main targets of this phase. The Nationalist Republican Alliance (ARENA) managed to gut the program during a bitter fight in the National Assembly. A compromise was inserted in the 1983 Constitution, calling for expropriation of farms larger than 605 acres. As of July 1989, no second-phase land has been redistributed. Owners circumvented the law by dividing their farms or by saying they had been expropriated illegally because they were divided before 1980. The third phase (known as the Land to the Tiller Program) proposed the distribution of 17-acre plots to peasant sharecroppers. Distribution of agro-export lands under this stage was suspended in 1982 by the National Assembly "to stimulate greater agricultural production." Later, thousands of families (52,000 according to Lindsey Gruson of the New York Times) were permitted to purchase small plots (totaling an estimated 240,000 acres) under stage three. Since 1980, the land reform program has affected some 782,000 acres or an estimated 22% of farm land. The land was redistributed to about 525,000 peasant families, an estimated 25% of the rural poor. The program did not affect 1.8 million landless families. Many rural poor who did benefit received too little land to feed their families or land only marginally suitable for farming. A study three years ago by the Agency for International Development cited by Gruson of the Times found that 95% of the cooperatives were unable to pay interest on the debt they were forced to acquire to compensate landlords. The country's 517 existing cooperatives owe \$800 million. Dr. Segundo Montes, dean of the political science department at the University of Central America in San Salvador, and director of the school's Institute of Human Rights, told the Times: "The agricultural debt is like Latin America's debt unpayable." Some of the reasons for the cooperatives' financial failure are low farm prices, mismanagement by farmers with no experience as owners, mismanagement and corruption by government officials, government failure to provide technical assistance and adequate credit, and cooperative members' huge debt burden. An example of the results of corruption is the Ojo de Agua cooperative southwest of San Salvador where more than 250 acres of fertile land lie fallow. A government official embezzled the cooperative's bank loans and fled to Canada. Members cultivate subsistence crops on small

plots. Other fertile agricultural land in cooperative holdings has been abandoned because tens of thousands of peasants fled to escape the war. The air force and the army created huge free-fire zones in rural areas. Recent developments, ARENA government plans Agricultural production has declined sharply, especially on redistributed land. Agricultural exports dropped by almost 30% between 1980 and 1987, the last year for which statistics are available. In 1989, exports are expected to drop 60% due to weather problems, according to government statistics. Coffee production fell by 24%, sugar cane by 27%, cotton by 81%, and the harvest of basic grains by about 33%. President Alfredo Cristiani and extreme rightists claim that the land redistribution is responsible for the decline in agricultural output. Cristiani and Antonio Cabrales, a dairy farmer who is Secretary of Agriculture, say they will not seek direct repeal of the reform program. Cristiani et al. say they hope to raise productivity by giving cooperative members title to individual plots of land and by turning the cooperatives into marketing and service organizations. Member of the oligarchy and extreme rightist, Orlando de Sola, has said, "The agricultural reform has done more damage to this country than the war." The Cristiani government is also preparing to reduce import tariffs and grant charters to private banks that would compete with government institutions in making agricultural loans. Cristiani and supporters argue that these changes should ensure that profitable farms get priority. Critics say the government's plan is nothing but a thinly veiled attack on the land reform program. They note that given the debt burden of the cooperatives their members will not be able to compete in the private financial market. Consequently, say the critics, it will be impossible for the cooperatives to obtain credit, and therefore force members to sell the land to the highest bidder. Dr. Montes said, "It's the beginning of the end. I foresee the economic failure of most peasants." Next, the Salvadoran court system has ruled in favor of claims for repossession of former landowners. One case is the Lourdes cooperative, 20 miles west of capital, co-owned by 600 families who grow corn, coffee and sugarcane on 849 acres expropriated in 1980. In late May, the Salvadoran Supreme Court ruled that the land was seized illegally and ordered it returned to its previous owner. The ruling was the fifth consecutive in favor of the landed gentry. In the next year, the Court is expected to hand down decisions on 21 similar claims. The former owners are widely expected to win most, if not all, of the cases. Peasant and union leaders say attempts to force subsistence farmers from the tiny plots they received have increased. Some have been forced off at gunpoint. [Basic data from New York Times, 07/21/89; Enrique Baloyra, *El Salvador in Transition* (Chapel Hill and London: University of North Carolina Press, 1982); Barry, Wood and Preusch, *Dollars & Dictators* (Albuquerque, NM: The Resource Center, 1982)]

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