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Notes and explanation of symbols

The following symbols are used in tables in the *Review*:

Three dots (...) indicate that data are not available or are not separately reported.

A dash (—) indicates that the amount is nil or negligible.

A blank space in a table means that the item in question is not applicable.

A minus sign (-) indicates a deficit or decrease, unless otherwise specified.

A point (.) is used to indicate decimals.

A slash (/) indicates a crop year or fiscal year, e.g., 1970/1971.

Use of a hyphen (-) between years, e.g., 1971-1973, indicates reference to the complete number of calendar years involved, including the beginning and end years.

Reference to "tons" mean metric tons, and to "dollars", United States dollars, unless otherwise stated.

Unless otherwise stated, references to annual rates of growth or variation signify compound annual rates.

Individual figures and percentages in tables do not necessarily add up to corresponding totals, because of rounding.

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From agrarian reform to associative enterprises

*Emiliano Ortega**

The challenge of agrarian reform lies not only in the expropriation of farms or the recovery of public lands, but also in the capacity to generate new forms of organization and socioeconomic linkages for the peasant. A review of the examples of agrarian reform after 1960 reveals that almost without exception they considered at some time that associative forms of organization of production could fulfil those objectives.

This article centres on the use made of such associative approaches as theoretical and practical instruments for agrarian reform. It is based on case studies carried out in eight countries of the region by national specialists working on previously discussed and agreed methodological bases in which agrarian reform and associative enterprises were seen as a single undivided nucleus of theory, action and results.

The achievement of the objectives sought through such reform depended largely on the quality of design, the structural characteristics, and other aspects of the associative enterprises which were formed.

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This article is a version of that originally published in the book *Reforma agraria y empresas asociativas* which was published by the ECLAC/FAO Joint Agriculture Division and contains the results of the research in connection with the project "New agrarian structures and agricultural policies in Latin America" carried out by the Division under an agreement between ECLAC and the Netherlands government.

Introduction

Studies conducted in 1987 on associative forms of production and labour in Latin American agriculture responded to the Joint ECLAC/FAO Agriculture Division's interest in understanding the origin and development of these new production structures arising out of the agrarian reform processes in the region. The challenge of agrarian reform does not lie in the expropriation of land or reclamation of public land alone, but in the capacity to generate new forms of organization and socioeconomic relationships for the peasant.

The research was based on case studies in eight countries of the region by national specialists, who based their work on previously discussed and agreed methodologies. The countries studied were: Colombia, Chile, the Dominican Republic, Ecuador, El Salvador, Honduras, Panama and Peru. In El Salvador, the research was based on secondary information gathered by the Joint ECLAC/FAO Agriculture Division.

The agrarian reform experience since 1960 demonstrates that there was an almost universal conviction at one time that associative forms of productive organization could play the above-mentioned role. Thus, in the case of Peru, Act No. 17 716 of 1969, in addition to putting an end to the *latifundium* system, established the associative enterprise as the principal form of land-holding and hence of rural social organization. The same occurred in Colombia between 1968 and 1976, and in Panama after 1969. In Chile, associative forms began to be created in 1965; the same has been true in Honduras since 1967 and in El Salvador since 1980. In Ecuador, associative forms have been in operation since 1968. In the Dominican Republic, some were already established in 1972, despite the preponderant State component in the management of the enterprises, which considerably weakened their associative character.

Agrarian reform and associative enterprises were considered in the present study as a single core of theory, action and findings. The goals which the reforms hoped to achieve largely depended on the quality of the design, structural characteristics and other aspects of the associative enterprises being established. This fact was used as a guide for the present study, whose analysis centres on the associative experience as a theoretical and practical tool of agrarian reform.

I

Historical and ideological elements of agrarian reform

In the 1950s, the socioeconomic and political situation of most Latin American countries tended to change. The population grew at a rapid rate; migration from the rural areas to the city created new urban problems; the diversification and growth of the economy became priority social tasks; industrialization progressed to varying degrees, depending on the country; the State intervened increasingly in the economic and social order; and, lastly, public administration became stronger and public services were extended. While this was occurring in the cities, it was increasingly difficult in the rural areas to make the technical, productive and social adjustments appropriate to the ideological and socioeconomic change in general, and to the needs of the peasants in particular.

Around 1950, technical progress in the primary sectors of the Latin American economies was uncertain. ECLAC¹ noted at that time that the region had entered a "new stage in the general spread of technology, although technical methods are still far from having been assimilated completely in primary production". Agricultural production was mainly based on land and labour as decisive factors. Modern technological inputs were put to limited use. Besides low productivity, the rural population, which represented 54% of the regional population in 1950, suffered from an unequal distribution of income and poor living conditions.

For this reason, ECLAC related industrial development to agricultural technification as a whole. As Prebisch pointed out in 1954, "industrialization is an ineluctable requisite of economic development and constitutes an essential complement to technical progress in agriculture".² ECLAC also referred to land tenure as an

obstacle to economic development. The fact that "a considerable portion of ... land ... remains in the hands of a relatively small number of persons ... makes it almost inaccessible to the landless farmer ... Hence the unusual phenomenon of the minute subdivision of the land into numerous small uneconomic holdings that constitute a small part of the total area, while an insignificant number of landowners holds the greater part of available land ... The solution to the problem of land tenure is only a part of the general problem of economic development, if the considerable proportion of persons gainfully employed in Latin American agriculture is taken into account".³

Throughout the 1950s, the conviction grew that there was an inescapable need to deal with the agrarian problem through structural transformation—from the dual perspective of distributive justice and rising productivity—with an increasingly integral connotation. This is how agrarian reform took on its full meaning as an instrument of socioeconomic development since the 1960s.

In Bolivia, Cuba and Guatemala, agrarian change during the 1950s helped promote the agrarian reforms being analysed in the present study, which have been on the rise since 1960.

In Latin America, discussion of agrarian reform focused on the relationship between proposals for redistribution and those for raising productivity. The importance given to productivity was based on the assumption that its increase would facilitate redistribution, since at least part of it could come from the margin previously unexploited in traditional agrarian systems.

In this framework, it was possible to characterize the holdings which were fulfilling their *social function* or which were being used in the

¹ United Nations, *Economic Survey of Latin America and the Caribbean*, 1949 (E/CN.12/164/Rev.1), New York, 1951. United Nations publication, Sales No. 1951.II.G.1.

² R. Prebisch, *International Co-operation in a Latin American Development Policy* (E/CN.12/359), New York, September 1954. United Nations publication, Sales No. 1954.II.G.2, p. 6.

³ R. Prebisch, *Theoretical and practical problems of economic growth* (E/CN.12/221), Santiago, Chile, CEPAL, 1952.

public interest, and thereby discriminate between them. This new view of the role of property was established as a basic *principle* in the agrarian reform laws, and in some cases even acquired constitutional status. There was a

remarkable similarity in the treatment of the concept in all these laws, including the norms applied in cases of non-fulfilment of function, such as farms which are not being operated at all, or which are poorly or indirectly managed.

II

Political and legal aspects of agrarian reform

Agrarian reform was implemented at the government's initiative, in accordance with legal instruments and in response to economic and social development projects and international conventions signed by the State. The reform was essentially the result of initiatives, decisions and actions undertaken by governments. Pressure by the peasants, although it occurred, was not a crucial factor. Agrarian reform in the 1960s and 1970s was preceded by political changes which helped it to become viable.

Since agrarian reform was a legal instrument of social change, institutionalized by the State, its orientation, from the point of view of what was reformed, how and for what purpose, depended in each case primarily on the political programme of the government in question, the negotiations or agreements between the various interest groups and the succession of these groups in the government over time.

All the agrarian reform laws or decrees established the requirements for receiving an allotment of land, with clear preference being given to peasants and workers who had farmed the expropriated estate.

In all the countries in which agrarian reform laws were applied, without exception, the obligations of the recipients were specified with regard to the terms and conditions of payment for the adjudicated lands. As a general rule, the land allotted to the peasants had to be paid for. A second element common to all the laws was the value charged for the lands, which in general represented the highest price paid by the State through the competent body as compensation in the case of expropriated land, or an amount

based on real estate register values in the case of public land. Terms were usually from 10 to 30 years; it was also common to have grace periods of three years on average, as well as equal and constant annual payments, with no interest except in cases of late payments.

In the agrarian reform processes studied, the land allocation models, because of the institutional and legal nature of the intervention, were designed at the technical/administrative and political levels. Before the reform process began, during the preparation and establishment of the legal instruments, new optional ways of organizing the reformed agriculture were defined. These were of three types: a) family agricultural units, allocated to heads of household, which allowed for family farming and advancement; b) agricultural units allocated in fee or in usufruct to peasant associations; and c) mixed units, allocating to each head of household a fairly small plot of land for family farming, or allocating larger plots of land suitable for market farming to the peasant association for group use and production.

In the cases studied, it was observed that when the agrarian reform institutions proceeded to the final allotment of land through the granting of titles, they took into account, firstly, the background, dimensions, resources, productive potential and population of each expropriated unit. In other words, the expropriated agrarian social structure was of enormous significance in the determination of each unit allocated to the peasants. New agrarian organizations were established on the basis of the traditional estate structures, the vast majority of which coincided, both in physical boundaries and number of bene-

ficiary families, with the situation prior to the reform.

In the agrarian reform of the 1960s and 1970s there were phases or times in which the managing institutions showed a clear preference for allocating land collectively, without dividing up the estates, and for distributing them in fee to the peasant associations. At the various inter-American meetings of agrarian reform executives, a number of reports were given on this predisposition to establish associative labour and production enterprises in the reformed area of agriculture. At the fourth such meeting,

organized in 1972 by the Inter-American Institute for Co-operation on Agriculture (IICA) (formerly the Inter-American Institute of Agricultural Sciences (IAIAS)) in Panama, it was held that "... these associative or community forms are the most appropriate way of ensuring the freedom and dignity of peasants, linking them to the national decision-making process and stimulating the establishment of a more authentic culture".⁴ Similar recommendations were made at earlier meetings, so that an ideology favourable to labour and production associations in agriculture tended to be created.

III

Conceptual and empirical bases for the establishment of associative enterprises

Essentially, these enterprises are characterized by an identity of ownership between productive resources and labour, and by the fact that the peasants, as workers, participate to varying degrees and at varying levels in the management of the enterprise.

The definition which appears to be most in line with experience is that of J. Ortiz Egaz,⁵ who defines the enterprise as an associative form of production arising out of agrarian reform, which produces primarily for the market by making sound use of the available resources. It is composed of peasants who share certain values, principles and motivations, accept given norms and adopt a system of common ownership and control of the factors of production, the use of part of the profits for the benefit of the community and the distribution of the surplus in proportion to the labour contributed by each member and his family.

J.E. Araujo⁶ notes that, in the associative enterprise, "... the motivation for the activity is the advancement of the collective farm for the benefit of the community", and therefore "... the farmer who joins a community association must be basically prepared to change his way of life, renounce his independence as an owner or tenant and change his working methods".

Thus, the term "associative" is considered to be the most general term to refer to any enterprise in which the possession, use, management and distribution of the benefits are of a social nature, as opposed to the enterprise, which is private from the point of view of ownership and profit-taking, or the collective or public organization, the hallmark of which is the State's protagonist role.

Certainly, various distinctions may be drawn within each category some of which recognize the communal nature of a specific form of associative enterprise, or the different levels at which the associative nature of the enterprise may manifest itself. The same may be said of State

⁴IICA (Inter-American Institute for Agricultural Sciences), *Fourth Inter-American Meeting of Agrarian Reform Executives*, Panama City, 14-20 May 1972, p. 32.

⁵J. Ortiz Egaz, "La empresa comunitaria como base para un reordenamiento territorial", *La empresa comunitaria: una sistemática reformista en el proceso agrario latinoamericano*, J.E. Araujo (comp.), San José, Costa Rica, IICA, 1975.

⁶J.E. Araujo (1974), *Una opción humanista del desarrollo rural de América*, serie Desarrollo institucional, No. 1, San José, Costa Rica, IICA (Instituto Interamericano de Ciencias Agrícolas).

participation, levels of ownership, private use of land and entrepreneurial services and benefits.

The experience of countries in which the situation and evolution of associative forms of agricultural production have been studied shows that the creation and organization of such associations were based, first of all, on operative aspects which facilitated the agrarian reform processes. Thus, replacement organizations were immediately established on the expropriated holdings to avoid any discontinuity in the production and administration of the productive units. The division and subdivision of the large holdings would have required a relatively long period of time to carry out the surveys and studies needed to delimit the family units. This in turn would have implied a complete interruption of the use of the land, infrastructure and capital, all of which presented serious technical problems and frequent ecological limitations which were difficult to overcome when the family units were being formed.

A second fundamental aspect of the establishment of associative forms was the desire to achieve a certain degree of participation of the beneficiaries immediately, to provide for both the continuity of production and the organization of a substitute structure.

In some cases, historical and cultural considerations prevailed, such as the experience accumulated by ethnic groups which for centuries had made use of the natural resources belonging to the communities. Another influence was the experience of some associative forms, promoted by institutions or peasant movements, which had acquired land communally and were carrying on their agricultural activities as a group. There were also ideological reasons for valuing associative forms over private forms as instruments of defence and peasant participation. However, perhaps the most decisive factors were technico-economic, since it was considered to be more efficient and less troublesome to keep the haciendas, plantations and ranches undivided, in order to sustain the production processes and take advantage of their organization so as not to change the infrastructure, productive techniques and use of capital.

These and other reasons, depending on the country (such as the quality of resources, fragility of ecosystems or importance of certain large-

scale productive activities oriented towards export trade), were combined so that the reform processes since the mid-1960s have been almost simultaneous and relatively similar. There is no doubt that these processes interacted and influenced each other.

In the countries studied, the associative forms were looked at from the standpoint of private property. The present study was centred on the analysis of "private" associative forms, integrated into market economies, although the State may have been involved in their origin and they may have maintained close ties with it. In order to deal with the topic of public enterprises in the context of a socialist order as part of a change in the nature of the State, it would have been necessary to design a project different from the one actually carried out.

Agrarian reform processes in Latin America are generally similar to each other in their legal procedures and evolution. Although there was not necessarily any coincidence of dates or periods in which they were developed, there was, as can be seen by reviewing each case, a sort of characteristic cycle common to all of them.

In the first stage, a serious debate took place on the "agrarian question", which resulted in a certain level of consensus on the inefficiency of the agricultural sector in relation to the socioeconomic system as a whole, and on the need to bring about changes. In this first phase, laws and policies for the subdivision and parcelling of some landed estates and the settlement of public lands were promulgated. However, the scope of these actions did not mitigate the social tension in the age-old agricultural lands.

The second phase usually began with a political change which made it possible to encourage structural reforms in agriculture. These reforms were characterized by the promulgation of land reform laws, which allowed for the expropriation of private land and the utilization of public land in order to provide the peasants with resources. The peasants' right to organize was recognized, and government institutions were created to enforce the new legal norms. It was believed that the advancement of the peasantry and its integration into national development would make it possible to modernize agriculture,

an essential prerequisite for sustained development based on industrialization. This second phase was sometimes rather long, and in some cases was interrupted and later resumed. Its end clearly coincided with the halting of expropriation measures; in other words, the reform phase extended from the establishment of the legal and institutional instruments to the termination of the decision to expropriate.

In the third phase, there was a delimitation of the reformed area of agriculture, which experienced various tensions that influenced its development. These tensions were primarily related with the government and its institutions and the inclusion of the reformed area within the market. In extreme cases, the expropriation process was interrupted by the takeover of the land in the reformed area by the former owners, with drastic consequences for the peasants. In other cases, the reformed area experienced changes in the new structures established in the reform phase as such, together with modifications in their operation, introduced by the government or derived from conflicts within the new social structure. In this phase, making room for peasant participation or movements was of major importance to the evolution of the progress made during the reform.

Bearing in mind the various stages in the agrarian reform process, it can be seen that the associative enterprise arose during the second phase as a strategic formula for meeting the dual objective of overcoming the difficulties presented by the family productive unit and taking

advantage of the resources and infrastructure of the expropriated units.

The most favourable climate for the formation of associative enterprises (other than the experience of El Salvador, which came later), was at the beginning of the 1960s and in the first half of the 1970s.

In the various countries, as has been indicated, the land reform process (understood here as the period of expropriation measures), was interrupted at some point, usually for political reasons, and then came to an end. However, in the third stage, that is, the post-reform phase, the outcome of the associative enterprises was very diverse, as will be seen below. The organization of associative enterprises occurred in two clearly defined periods. First there was a transitional stage, intended to prevent the loss of continuity of production in the expropriated unit and to allow the peasant beneficiaries to enjoy a period of adaptation between the expropriation and the final adjudication of property rights. In a number of countries, this entrepreneurial form was called "peasant settlement", a legal concept emanating from an agreement between the institution in charge of implementing the process and the peasant beneficiaries. The difference between countries lay in the degree of State involvement in the management of the productive unit, which was expressed in real terms by the level of peasant autonomy in decision-making. The second stage was the actual adjudication of the productive unit to the peasant and/or worker associations.

IV

Predominant features of the agricultural associative forms established in the countries studied

In order to detect and pinpoint similarities or common trends in the associative forms described, three parameters were selected which represented, *inter alia*, the characteristics considered most important in an associative concept of enterprises.

i) *Legal ownership of the land.* Three cases may occur. In the first, the State is the owner and

grants usufruct rights over the property to third parties; this case is typical of transitional forms. In the second case, the ownership is private and resides in the associative entity, represented by the enterprise, co-operative, group or other corporate body; in this case, the property is held in common or by the community. In the third case, property rights are individualized among the

members, that is, each member legally owns a parcel, which he contributes to the associative enterprise.

ii) *Management*. This is basically a question of identifying which body is responsible for decision-making. The first alternative is that the State manages everything, and the members of the association participate to a limited extent; in the second situation, the members manage the association through their representative bodies; in this case, the presence of the State may limit the autonomy of the members without actually replacing them.

iii) *Land exploitation*. This refers to the form of organization of labour in relation to the design of the associative unit. There are two basic types: in the first, the work is undertaken jointly for the entire holding, and in the second, each member (with his family) is responsible for a territorial subdivision of the enterprise, in which case the property rights may or may not be individualized.

A study of the associative units set up in each country shows that each of them presents innumerable special characteristics. This fact means that, within the range of Latin American agricultural associative enterprises, there is a certain degree of flexibility which is expressed in varied terms, and it is therefore difficult to categorize them according to common, homogeneous criteria.

An examination of the "typological" synthesis presented in table 1 shows that, in the first place, the associative enterprise predominates as an original formula which, although it contains many differentiating elements, can be distinguished from the classical State or parcel formulas. Secondly, together with associative enterprises, the reform ideology generally advocated the adjudication of land in fee, and hence there are few examples of associative organizations on public lands.

As the ownership of the land was turned over to the peasants, there was also a tendency towards the belief that management was their responsibility, exercised through their assemblies and other decision-making bodies. In general, farming was conceived and carried out as a group activity, following the decision not to subdivide the expropriated properties. In certain cases, families had limited resources to produce some commodities to feed themselves, but in general, the predominant idea was that of the joint farming of each expropriated unit. This common denominator is not unlike the concept behind the reform movement itself since the 1960s, which was reinforced by many meetings at the political and technical level held under the auspices of international organizations, and by advisory assistance, co-operation and exchange among the countries.

V

Evolution of associative forms of production

At the height of the period when associative units were being formed, there were approximately 12 135 such enterprises in the countries studied.⁷ This high point occurred at different times in each country, varying between 1973 in Chile and 1982 in El Salvador. According to the available figures for 1984, 1985 and 1986, the

number of associative enterprises appears to have decreased to 5 350 units (table 2). This decline has continued to the present time. In this reduction of approximately 7 000 enterprises over approximately 12 years, the evolution of certain agrarian reform processes was a determining factor.

Two main trends can be seen in the evolution of associative enterprises. The first was the drastic dissolution, during relatively brief periods, of a large number of associative enterprises, and the second was the consolidation of some

⁷This estimated figure merely seeks to illustrate the dimension of the agrarian reform—associative enterprise phenomenon and does not reveal the major differences, for example, in the average size of the enterprises organized in each country.

associative enterprises which had been having difficulties, and the modification of their management procedures and internal organization. In a comparison of the two trends, the first clearly predominated, especially in countries

where insoluble institutional problems had arisen.

How long each enterprise lasted varied considerably, depending on the experience of each country. In some, only a small number of units

Table 1

LAND REFORM ENTERPRISES

Country/enterprise	Land ownership			Management		Land exploitation	
	State	Associa- tive	Indivi- dual	State	Associa- tive	Communi- ty	Indivi- dual
Colombia							
Community enterprise		x		x	x		
Community groups		x			x	x	
Chile							
Agrarian reform agricultural company ^a	x				x	x	
Agrarian reform co-operative							
- Co-operative of beneficiaries		x	x		x	x	x
- Co-operative as beneficiary		x			x	x	
- Mixed co-operative		x	x		x	x	x
Agrarian reform centre ^a	x				x	x	
Honduras							
Settlements ^a	x				x	x	
Co-operatives					x	x	
Associative enterprises		x			x	x	
Panamá							
Peasant settlement ^a	x		x			x	
Agrarian board							
Type A			x		x	x	
Type B		x	x		x	x	
Type C		x			x	x	
Peru							
Agrarian workers' co-operative (CATS)		x			x	x	
- Sectoral co-operatives		x			x	x	
- Mixed co-operatives		x			x	x	x
- Completely subdivided co-operatives	x			x	x	x	
- Users' agrarian co-operative (CAUS)			x		x	x	x
Public interest agricultural corporations (SAIS)							
- Category one SAIS		x			x	x	
- Category two SAIS		x			x	x	x
Community owned rural enterprises (EPS) ^b		x			x		
Dominican Republic							
Collective settlement	x		x	x		x	
Associate settlement		x		x	x		x

Source: Prepared by the Joint ECLAC/FAO Agriculture Division, on the basis of case studies.

^aTemporary forms of landholding.

^bThe EPS do not strictly fit into this category, since they belong to the community; however, they are in fact similar to associative enterprises.

Table 2

EVOLUTION OF LEGALLY CONSTITUTED AGRARIAN REFORM
ASSOCIATIVE ENTERPRISES

Country	Year	Maximum			Year	Current		
		Units (number)	Families (number)	Land area (hectares)		Units (number)	Families (number)	Land area (hectares)
Colombia	1976	1 349	14 093	278 600	1985	629	3 634	107 463
Chile	1973	5 809	92 165	10 121 603	1986	10	473	278 500
Ecuador ^a	1973	1 267	40 544	373 765	1984	802	25 664	236 590
Honduras	1977	1 088	31 168	174 689	1985	1 941	48 129	299 413
Panama	1978	268	7 326	96 572	1986	267	5 795	71 310
Peru	1979	1 946	322 951	7 937 160	1985	1 163	266 398	6 068 830
El Salvador ^b	1982	340	31 183	250 000	1986	340 ^c	27 174	210 783
Dominican Republic ^d	1978	68	7 010	23 946	1984	198	19 200	72 620

Source: Prepared by the Joint ECLAC/FAO Agriculture Division, on the basis of case studies of each country.

^a Corresponds to agrarian reform communes and co-operatives constituted and legalized in the periods 1964-1973 and 1974-1984. (Source: Ministry of Agriculture and Livestock, Department of Peasant Organizations).

^b Ministry of Agriculture and Livestock, Sixth Agrarian Reform Programme Assessment, San Salvador, 1986.

^c Twenty-nine of these co-operatives are not in operation, since they are located in a war zone.

^d Collective settlements became associative enterprises in March 1985. Since this brought an end to the joint farming of land, an internal subdivision process was begun.

were dissolved, while in others the phenomenon was widespread. There was not only a sharp decline in the number of enterprises but also in the number of beneficiary families and the land surface occupied (table 2).

In Chile, which had more enterprises than any other country on the continent, almost no associative sectors originating in the agrarian reform are still in existence. Similar but less intense processes occurred in Colombia and Peru, with significant differences in respect of their importance in their own context.

In the other countries studied, this trend was not observed. In Panama, the number of enterprises was stable, although there was a decline in the number of members and amount of land involved, because of the various ways in which the members could withdraw; in Honduras, meanwhile, there was a tendency for the associative sector to increase, and it nearly doubled between the two periods being compared (table 2). In the Dominican Republic, the main concern of the agrarian process was to seek formulas for making the transition from State enterprises to associative enterprises, with the growing participation of peasants in their management. However, this aim was not achieved, and in 1985 rules were established for subdivid-

ing the land on the basis of a family farming and production strategy. The associative aspect was limited to the provision of inputs, the obtaining of credits and the marketing of the product.

The principal factors explaining the predominant mechanisms in the various above-mentioned trends are both outside and inside the enterprises. The former are beyond the direct control of the enterprises, and in many cases have a greater impact than the latter. In general, there is a varied range of outside elements, but all are related in some way with both the reform policy and the economic policy, or with the policy specifically geared to the agrarian sector. These latter factors may be categorized in general as credit policies and interest rates, prices and exchange rates, marketing and technical assistance, *inter alia*, all of which, in brief, had an impact on the definition of the context in which the associative enterprise operated.

Internal factors, included, firstly, traditional elements contributed by the members, as well as the subcultures which were integrated into the collective, especially links with the long-standing traditional order and ethnic groups; geographical and ecological factors which constituted the environment of the enterprise; the social relationships implicit in the new agrarian

structures; and, lastly, the management and decision-making bodies relating to the use of resources, production, employment and remuneration of the factors.

It must be kept in mind that it was not a matter of linear causality, but rather a very complex phenomenon which was the reason for not making any sharp distinctions in analysing the basic causes of the success or failure of the associative experience, since it can be seen that a constellation of factors influenced the predominance of a particular trend. Moreover, some factors, which in a given context could be considered as being favourable to the consolidation of an enterprise, acted as factors in its dissolution in other circumstances. An eloquent example is that of the quality of productive resources, which in some high-potential cases could encourage the subdivision and sale of land, while in others could be conducive to a high level of saving and investment, and the consolidation of a highly efficient enterprise.

Among other aspects considered to be crucial in the consolidation of associative enterprises were historical and cultural factors which predisposed the people to use resources and labour communally. Another positive influence in this direction was the existence of traditional communal institutions related to the municipalities or to certain ethnic groups. In the indigenous communities, the traditional communal culture and certainly ethnic identity were propitious. In other countries, important factors included the previous experience of the members in work-related discipline, trade union organization, use of modern techniques, team-work on specialized production; the application of lessons learned from the struggle to acquire land, which resulted in joint action to obtain a better economic yield and greater autonomy; the formation of a collective awareness; and, lastly, the support of religious or political institutions.

Among the factors which led to the individualization, parcelling and dissolution of enterprises were the following: the heterogeneity of the members with regard to schooling, productive experience and traditions; the forced creation of enterprises for the purpose of allotting land to them; the poor choice of beneficiaries who had not worked on the land and who had engaged in activities other than farming; the

persistence of some features of dependency characteristic of the former structure of the expropriated haciendas or plantations; direct or indirect State pressure in the establishment of the associative enterprises; hence these were not formed by the decision of their members but because the latter were forced to belong to an association which was not convened and chosen by their own group; the perception of the enterprise as a forced way of life and not as an achievement derived from greater social awareness; the underemployment of the labour force because no studies had been made on the number of members appropriate to the real potential of the adjudicated resources, with the resulting excess labour force; certain limitations as to the quantity and quality of the land allotted; the initial decapitalization of the adjudicated lands; and, lastly, the accumulation of banking requirements in order for the beneficiaries of the land reform to obtain credits.

In these cases, the formation of mixed enterprises, which recognized areas for family labour and production in addition to the associative area, turned out to be more realistic and therefore more stable.

Most of the regional associative enterprises for labour and production were formed through the intervention of the State, either by land reform processes or, in general, by the allocation of land to the peasants, which meant that they were not always formed as a result of an express decision of their members. Thus, the principle of voluntary membership and withdrawal which normally applies in the establishment of social organizations did not apply. If a head of household rejected the choice offered to him, he might become unemployed or might have to work for another as a result of the land reform process. Thus, in the forming of an associative enterprise, the degree of freedom was reduced.

A selection process which led to a greater heterogeneity among members tended to result in difficulties with respect to internal cohesion and discipline, and could at the same time lead to the withdrawal of a number of members, as occurred in Colombia, the Dominican Republic, El Salvador and Panama.

In the new labour relations and the new way of defining the labour process in the associative enterprise, a series of internal conflicts arose in

the breaking down of the familiar logic of the organization of labour which predominated on the hacienda. This phenomenon constantly undermined the stability of the enterprises. The lack of activities for incorporating the members of the family into the co-operative was a negative factor in this type of organization. Since they were unaware of the activities carried out by the co-operative, the other members of the family were not interested in supporting its programmes. Thus, what probably happened is that the organization gradually came to be seen as a separate entity.

The members' perception of the limited quantity and quality of the land was another factor which caused some doubt as to the real possibilities of achieving progress and economic stability. This was an element of conflict among the members because of the need to adjust their number to the real potential of the resources, and many preferred the individualization of property to the option of remaining outside the system.

Moreover, the relative abundance of resources held by the associative enterprises in comparison with the existing situation in the *minifundio* areas resulted in pressure on them to provide jobs.

Members of enterprises located in regions where the value of land was growing rapidly might hope to become richer and might even endorse the subdivision of land in order to sell their parcels. In these areas, the land market was more active and exerted pressure in favour of subdivision.

Borja⁸ holds that, in general, possibilities for consolidating the co-operative production units were greater if the unit had the capacity to strengthen individual holdings. On the contrary, if the farm or collective holding competed for time or resources which should have been devoted to individual holdings, the trend towards fragmentation of the collective enterprises was consolidated.

⁸ Jaime Borja (consultant), *Formas asociativas de tenencia y producción en reforma agraria y colonización en Ecuador*, paper submitted at the International Round Table on Organizational Structures and Landholding in Agrarian Reform and Colonization, Mexico City, 11-15 November 1985, organized by the FAO Regional Office for Latin America and the Caribbean.

One factor which held back the subdivision process was the use of the collective as a source of funds for paying the debt on the land. Once this function had been fulfilled, the trend towards fragmentation was further confirmed.

In general, the initial decapitalization, which called into question the viability of the associative enterprise, appears to have been more of a problem in cases in which the sub-stratum was based on the hacienda rather than on the plantation. Early decapitalization of the adjudicated holdings and peasant associations forced the governments to make an extra effort to finance the investment and operating costs of the new enterprises. The amounts committed for these purposes at the peak of the reform periods, in which political support was a decisive factor, were considerable in the cases of Chile, Ecuador, Honduras, Panama and Peru. The enterprises sometimes even received capital for plantings, livestock, machinery, equipment and some infrastructure. This investment effort, although it was insufficient and did not reach all the enterprises, resulted in a considerable increase in productivity on the farms which had been abandoned at the time of the adjudication and which had a high potential in natural resources. This was an essential factor in the stability and consolidation of the new enterprises.

Government support in certain periods was very clearly reflected in the earmarkings of fiscal budgets and to some extent in the redistribution of credit. However, in this latter respect, there appears to have been a consensus with regard to its insufficiency and the difficulty of doing business with associative enterprises.

It should be noted that the members all had the right to participate in the administration of the enterprises and could vote and be elected to leadership posts. This characteristic was important, since it gave the peasants the opportunity to take part to a greater extent in the farming operation. However, certain problems arose, such as the lack of knowledge on the part of most workers, which resulted in management failures. In some cases, the younger workers were better prepared, and therefore more capable of taking care of the administrative aspects as such. However, because they were less experienced and lower in the hierarchy, conflicts usually arose with the older, higher-level workers, frequently

resulting in authority-related problems and internal disruption.

There also tended to be a more or less permanent differentiation of the members who exercised leadership functions and who, for reasons of bureaucratization, did not have to do daily manual work. This was combined with patronage within the enterprise, which meant that the easiest tasks were assigned to groups with close ties to the current administration. These situations created conditions conducive to the dissolution of the associative forms.

A number of the problems which afflicted co-operatives and limited their development were related to the lack of training of their members in aspects relating to the management of the enterprise. On repeated occasions, government action encouraged the above-mentioned bureaucratization, since it promoted the training of a management élite. On the other hand, the bureaucracy did not actually imply a disregard of democratic procedures, as long as management decisions were endorsed by prior consultations.

García⁹ noted that, in the Chilean experience, the peasants perceived the productive process as "not theirs", or external, which is understandable in that they had been employed by others all their lives and that there was a certain trend, which should not be underestimated, to perceive the State as a substitute for the former boss. This appears to reinforce the tendency to consider the interests of production as being irrelevant, or even antithetical to the peasants themselves.

Paying them an automatic salary advance tended to bring about the same results, since it usually corresponded to the minimum wage. This generated a tendency towards consumption rather than savings and investment, and favoured an increase in investment in the individual parcel at the expense of the operation of the enterprise as a whole. The automatic advance was paid irrespective of the amount of work accomplished and the number of hours worked, and some peasants therefore looked at production as having "nothing to do with them".

In Colombia, González¹⁰ noted that the salary advance led to a passive attitude; "... if it approached the amount of a normal wage, guaranteeing an income regardless of the results, a passive attitude resulted. The advance is a quantity of product or money received by the members as an advance on the final product. From the personal psychology point of view, it fulfils an important role, since it is this portion of income which the members experience most directly, and it therefore helps give them a sense of well-being and security".

If one adds to the income earned the services provided by the enterprise and the "subsistence farming produce", which "represents a substantial part of the daily food intake and is produced by each member on a small plot assigned to him", it will be understood why the "sharing in surpluses or profits" resulting from shared work is not a sufficiently strong motivating factor to ensure active participation in the enterprise.

The external situation, particularly those aspects related to the evolution of the markets for products and the financial markets, may seriously restrict the operations of the enterprises. Unfortunately, owing to their excessive dependence on public institutions, sufficient importance is not attached to such aspects. While a number of associative enterprises dedicated exclusively to a single product may possess the necessary installations for its processing and storage, these are likely to show negative financial balances should prices remain depressed over a long period. In such circumstances, they have recourse to credit sometimes at a real interest rate which in the long run prolongs the life of the enterprise without resolving its underlying problems. They may seek investment credits to undertake the conversion of the enterprise into another product, which will provide them with a medium-term solution. In other cases, the final result has been the liquidation and sale of land and capital, principally to pay off debts, without the members being able to retain a part of the land or of the capital which would enable them to embark upon some other activity.

⁹P. García, "Reforma agraria y las formas asociativas campesinas en Chile", study prepared by the Joint ECLAC/FAO Agriculture Division, Santiago, Chile, April 1986, *mimeo*.

¹⁰M. González (consultant), *Origen y evolución de las formas asociativas campesinas de producción y trabajo en Colombia* (LC/L.434), Santiago, Chile, ECLAC, November 1987.

VI

Some considerations and recommendations

An examination reveals that the set of situations and factors that affect the associative agrarian structures is very complex. Without attempting to go over questions that have already been dealt with, by way of test, a number of thoughts are presented on the process known as associative enterprise agrarian reform, taking special account of those considerations that may be useful to persons who are in a position to influence or to make decisions in similar processes that may be initiated in the future or in processes recently embarked upon.

It may be supposed that the degree to which the associative experience has been consolidated has depended on the scope and vigour of the agrarian reform programme. In a marginal process, results might be expected that are different from more profound and far-reaching agrarian changes. If, by reason of its size, a reformed area organized into associative structures has had significant social, economic and political weight, one may assume that, based on its own strength and negotiating capacity, it would consolidate itself more easily. Experience, however, does not seem to bear out this assumption. The figures cited reveal that the fate of the enterprises is not directly or exclusively related to the scope of the reform. Both in the marginal processes and in those of broader scope similar trends may be observed, either towards the consolidation or towards the disintegration of the associative structures.

The political dimension represented by the State is of the utmost importance to the development and fate of the reformed area. In view of the State's role as a protagonist in the processes of reform, national and sectoral political stability is a key element in the experience that has been accumulated in the establishment and development of associative work and production enterprises in agriculture, as well as in formulating reform strategies by governments that wish to promote new initiatives of this kind.

In the early stages of the institutional processes of agrarian reform, it tends to be forgotten that alternation in power usually produces

changes in public policies, which are sometimes in conflict with the policies pursued during the previous period. Generally speaking, it may be said that the process of agrarian reform has historically been of limited duration or validity and that on numerous occasions it has been interrupted on account of changes in the political sphere. Consequently, it is a process which may be identified with clearly defined periods. Associative enterprise structures with limited autonomy consequently proved to be very inadequate as regards their functioning and their heavy dependence on public bodies, and it is therefore strongly recommended that a certain degree of social consensus should be achieved on the type of structures which one wishes to promote.

The relative autonomy of the associative enterprises, over and above their relationship to the State, lies in their inclusion in the global economic system and particularly in the market. If, from the time of their establishment, they take no account of market conditions and rely for their survival on special treatment received from the public apparatus or on official subsidies, they will find it difficult to achieve levels of profitability which guarantee them a certain degree of autonomy and stability when the official aid ceases.

On the other hand, the rigidities that derive from State tutelage end up by blocking those changes that are necessary in the behaviour of members or of the directors, or by preventing technological and administrative advances from being applied. Responsibility for the deficiencies of the associative enterprises is frequently attributed to the State institutions responsible for agrarian reform and certain related activities, such as training, the promotion of organizations, financing and credit, technical assistance, and marketing. The question should therefore be asked whether we are not dealing with an agrarian social structure which requires for its efficient functioning an entire public apparatus and, where the latter is weak or not sufficiently equipped, the associative enterprises no longer have any chance of succeeding. In other words,

what happens to the enterprises when the State provides no assistance or decides to reduce its assistance? For all these reasons, it is important to consider the weakness or instability of government agrarian reform policies as a decisive factor in the very concept of the functioning of the substitutive agrarian structures and their relationship to the political and social environment.

Another aspect which deserves comment is the institutional nature of the process of reform, since many of the deficiencies of this process result from the excessive rigidity and centralization of the institutional system which organized and directed it. It would therefore be necessary to reformulate the organization and functioning of that system in the event of a reform in order to increase the level of decentralization of its operations and, moreover, to conceive of it as an interactive complex based on broader participation. This is of special significance in the areas of training and education.

An issue of great importance to members is the ownership of land. The absence of a clearly defined position on this question leads to conflicts of all kinds, which intensify when they acquire ideological overtones. Generally speaking, agricultural workers and rural dwellers attach great value to ownership of land since for them this represents a right and an aspiration. The transition from the expropriation to the awarding of land is important since the sooner the land is transferred with clear title the sooner the atmosphere of uncertainty, which is sometimes created by groups that are opposed to reform, will be dispelled. Moreover, in view of the ups and downs in the political sphere, the consolidation of the change in the ownership of land ensures that in periods of counter-reform the expropriations are not nullified on the grounds that the transfer of land had not yet been legally completed.

The above considerations have a direct bearing on the way in which associative enterprises are constituted and organized and particularly on the participation of rural dwellers and agricultural workers at various levels of decision-making, from the micro-social level, that is to say, at the level of each group of members, up to the macro-social level. The path of participation, ranging from situations of relative marginalization or

submission to other situations which require an effective role of protagonist, is not an easy transition for the rural dweller to make, particularly if the periods of change are relatively short. The temptation to verticalism and paternalism in these circumstances seems irresistible.

Of course, in the design of the substitutive structures, whether these are transitional or definitive, conceptual aspects may be taken into account but the approach adopted should always be based on the reality of the situation since the structures should be designed for specific groups, with a history, culture and a centuries-old experience in organization and in the social relations that characterize the traditional agrarian order. Very few research programmes or studies exist on the limitations imposed by the experience that has been accumulated on farms, plantations or cattle ranches, both on the organization of a substitutive structure in which there is no longer any room for the presence of a boss, and on their mechanisms of administration and control. In the absence of such analyses, the most practical way of approaching the question is through participatory research, in which the protagonists in the process express themselves according to their origin and their peculiar characteristics. A decisive element for the successful restructuring of expropriated or public lands is the explicit recognition that action is being taken on behalf of a complex socio-cultural sub-stratum of persons with varying concerns and dynamics. In some cases, this involves a clear survival strategy, which is characteristic of the systems of servitude under which families are paid in the form of land on the large estates from which they obtain their sustenance. In other cases, employer/employee relationships are mainly based on the payment of wages with a high participation rate of wage-earning agricultural workers.

One general observation which may be made after a review of the experience of associative and agrarian reform structures is that the agrarian sector in Latin America exhibits a degree of heterogeneity that is greater than that upon which these projects of reform have been premised. Consequently, and in view of the likelihood of future actions, the range of proposed options should be expanded. In this regard, the success of the new social structures of production

depends in some measure on the extent to which each particular situation is reconciled to the prevailing circumstances. In the cases observed, a tendency has been noted on the part of the peasants or wage-earners to reproduce, to a certain extent, the pattern of relationships that existed in the agrarian structure prior to the reform. In capital-intensive units and particularly in the agro-industrial complexes which employ wage-earners, the associative structure more closely resembles the pre-reform structure. In those units which are organized along plantation type or worker-employer type lines and which are devoted to the cultivation of food crops, with payment in the form of land on which the family pursues its peasant strategy, mixed structures tend to be the norm. In such structures the family plot is a traditional requirement and the communal area of production as such provides support for the family strategy and vice versa. Consequently, the associative enterprise is put to the test as a social structure that generates new relationships and requires guidance and a system of decision-making and supervision. In this respect, the tensions inherited from estate paternalism or from the verticalism that is characteristic of the plantation, or the conflicts that arise on account of the heterogeneous origin of the members of the collectivity, or the needs that have been met or that have remained unsatisfied according to the degree to which the structure has been adapted to the cultural traditions of the collectivity, may be important for the development of the associative structures. Consequently, the successful elaboration of the productive structure is the result of considering these aspects as central elements of the diagnostic study.

The establishment of an association requires consensus among its beneficiaries and this consensus is easier to achieve when some form of social relationship exists among the members. Social relationships help to reduce the level of internal conflict since currently, as experience shows, while rural dwellers share the common root of their work on the land, there are significant differences among them which essentially reflect the trajectories of the different groups. The trajectory of a group, in turn, determines a set of acquired skills and, consequently, the type and level of the aspirations of the members of

that group. In some cases these aspirations may tend preferably towards ownership of land and, in other cases, towards ensuring control over the source of employment and income.

Directly related to respect for the wishes of agricultural and peasant workers and, by the same token, for their autonomy, is the consideration of their opinion on the forms of organizing and awarding land, that is to say, the choice between different agrarian social structures. In order for this possibility of choice to function in practice, the persons in question must necessarily be afforded the opportunity to consider the various known structural options, instead of imposing models that have been elaborated without their knowledge or participation.¹¹

On numerous occasions the associative structure has been adopted as a transitional measure since the land in question was able to continue to produce without interruption, taking advantage of the infrastructure that existed at the time of the expropriation. Moreover, it encourages peasants to organize themselves better and promotes a smoother relationship with external agencies, whether these are public bodies or the market. Work and production

¹¹ José María Caballero, "El fracaso del modelo agrario del régimen militar", *Realidad del campo peruano después de la reforma agraria: Diez ensayos críticos*, Perú actual series, Centro de Investigación y Capacitación (CIC), Lima, ITAL Publishers, Peru, S.A., 1980. Following the process of reform in Peru, the author affirms that if different forms of awarding of land had been considered better results would have been obtained. Caballero recommends that agricultural development should be based on medium-sized landowners, small production co-operatives (from 10 to 30 workers) small landowners possessing viable units of between five and 30 irrigated hectares of land, and a small number of State enterprises, particularly in the largest and most modern plantations on the coast and on the most modern cattle raising complexes in the "serrano".

S. Barraclough and J.A. Fernández, *Diagnóstico de la reforma agraria chilena*, Mexico City, Siglo Veintiuno Editores, 1974, p. 207. The authors claim that it would be catastrophic to adopt for the country as a whole a single, rigid formula to govern the organization of the reformed units, simply because there are too many types of farms, levels of technology, types of marketing needs, local cultural traditions and levels of political consciousness. "What is required is not a rigid and detailed organizational formula, but rather a simple set of principles that can be adapted to any combination of local conditions in the reformed sector. We believe that these principles could be summarized under the heads: peasant participation, economic rationalization and social control of the 'economic surplus'. In view of these considerations, it matters little whether the agricultural units are called settlements, CERAS, *moshavs*, *kibbutz*, community farms, *kolkhozes*, co-operatives, communal properties or self-managing enterprises".

under associative structures have often enabled peasants to protect their land from the attempts to wrest it away that are inherent in processes of all agrarian reform, particularly in countries that are relatively less developed in which land is the principal source of income. It has also made it possible to pay for the land with the income earned from communal production. Frequently, after the land has been paid for and certain investment credits repaid, the land is divided up and the organizational structure maintained as a first-level association in order to ensure that each member is adequately provided with services.

The participation of all members within each agricultural enterprise requires that the work and the administration be organized in such a way as to afford all members of the unit equal opportunities to democratically adopt decisions on their own work as well as on the general management of the enterprise. There is also

need for effective participation beyond the limits of the reformed units, in areas as sensitive as obtaining loans, the marketing of products and the improvement of services.

In order to ensure that members do not remain indifferent and that relationships of submission, which are characteristic of worker-employer systems, are not recreated, it is essential to raise the level of education and training of members and to pay particular attention to those who are in situations of disadvantage, such as the illiterate, or those who lack knowledge of arithmetical operations or elementary technical knowledge. Because of the differing educational levels, a certain level of dependency by the majority on the more qualified members tends to develop, which may even alter the traditionally accepted status and undermine the solidarity of the group. Consequently, the systems of training and education of adults, both men and women, have been extremely important in the establishment of associative enterprises and have also helped to surmount the profound differences that exist on account of origin, age and experience.

The progress of associative enterprises towards increasingly greater autonomy depends on the type of support they receive from public institutions and on the direction which they are given. Legal, technical, financial, entrepreneurial and marketing assistance may help to develop a more mature and independent behaviour on the part of the membership or, on the contrary, may create ties of dependency which tend to extend themselves in time and to consolidate situations of symbiosis which do not promote responsible participation. Special attention deserves to be paid to certain kinds of financial interventions the nature of which is not properly clarified and which, because of their ambiguity, create confusion between certain kinds of credits and subsidies. Co-operation or technical/administrative assistance is also often confused with interventions in which the responsibility for management is progressively taken away from the assembly of members. Another area of concern is the marketing of crops through State enterprises, if this causes the co-operatives or associative enterprises to ignore market prices and to increasingly rely on State agencies to sell their production at subsidized prices.

Francisco E. Teófilo Filho and others, *A reforma agrária no Brasil e o desenvolvimento de formas associativas de posse e uso da terra*, Fortaleza, Brazil, Economic Commission for Latin America and the Caribbean (ECLAC), December 1986. The author indicates that in the National Agrarian Reform Plan formulated in 1986 for Brazil a number of quite flexible criteria were established on the replacement agrarian structures. In this regard, there was a general rejection of a preconceived model of associative enterprises, and it was generally agreed that neither the organization nor participation of peasants should respond to predetermined frameworks. He proposes the establishment of enterprises whose principal features are the result of a process of elaboration by the peasants themselves. The initial point of this process would have to be the concrete reality of the peasants because they have very diverse, old and recent organizational experience, which has enabled them to overcome setbacks. To ignore or deny such experience would mean to propose associative forms that are divorced from the reality of the producers and, consequently, artificial and formal, and lacking in dynamism and authenticity. Using this approach to the productive organizations, the National Agrarian Reform Plan outlines three alternative forms of enterprise for the agrarian reform. The first would provide access to land through family ownership, with the absorption of the labour capacity of all members. This first option is thought to be suited to areas with consolidated peasant economies in which the association would help planning, employment and marketing of the products from the family farm.

The second model proposed in the Plan provides for access to the land through joint ownership, whereby the work can be undertaken on a communal basis or in family units. It is felt that this formula would respond to the need to establish small agroindustries. Finally, a model has been designed in which access to land can be provided through the awarding of a definitive title or granting of a real right of use, that is to say, a part as personal property or property for family and the other part as personal property or property for communal use.

In order to speed up the formal establishment and consolidation of associative enterprises, to promote greater autonomy for them and to make their operation more expeditious, it is essential that they be granted legal recognition through a quick process that would enable them to obtain their legal personality. While reforms clearly need to be undertaken rapidly, this speed should not be limited merely to the phase of expropriation, but should also apply to other aspects leading to the award of land and to the legal recognition of the social structures. If this is not done, the process remains vulnerable to counter-reform movements which can adversely affect the new peasant associations that have not yet been juridically consolidated.

The functioning of the associative enterprises is subject to varying tensions that arise from the exercise of authority by those who have been elected to management positions, as well as from the differences of opinion concerning the establishment of internal norms and regulations and, most especially, the programming of production and land use, the distribution of tasks, the determination of remunerations or advances for work, the distribution of surpluses where applicable, etc. In this type of situation it has not been usual to establish mechanisms to overcome the serious internal conflicts. Tensions therefore tend to build up, which undermine the constructive and community-minded atmosphere that is created in the early phases of the establishment of the enterprises. This omission may be remedied by recourse to institutional systems of arbitration which intervene at the request of the parties involved. Although no information is available on this matter, on a number of occasions, after acquiring a certain legitimacy, second-grade or third-grade organizations have had recourse to informal arbitration mechanisms. It would seem advisable to establish, early

in the process of reform, an institutionalized system that would help to deal with tensions and conflicts.

Consideration of the agro-ecological aspects should not be overlooked in the process of structuring the enterprises. In ecosystems that are fragile or which have serious limitations in obtaining environmentally stable crops, such as high plateau regions or cold steppes with foraging pastures that are easily depleted through overpasturing and with seasonal alternation in the use of the pastures, a management system is clearly necessary and the associative structure would seem to be the most suitable. The same applies to the agriculture, forestry and pasturing experience in tree-covered zones, in which the trees also serve as soil protection. In such cases, for technical reasons and reasons that have to do with the organization of labour, it is recommended that associative structures be adopted. However, in semi-arid cultivable land (rain-fed or seasonal crops) in which cereals are cultivated, the associative structures tend increasingly to promote parcelization and the spread of peasant involvement, in other words, family production strategies.

In areas with fertile land that is suitable for permanent crops, which generally require large amounts of capital and are export-oriented, or in high fertility areas dedicated to the raising of cattle for milk production, the pure forms of association tend to be better suited and, consequently, to be more stable.

In contrast with the previous situations, on land that is more fertile and with fewer limitations on their use for food crops, mixed forms, i.e., structures in which communal production areas are combined with small plots for family use, usually provide opportunities for greater complementarity which increase the stability of the associative enterprise.