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Evolution of the rural dimension in Latin America and the Caribbean

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This article addresses rural issues from a double perspective. First, analysis is focussed on the rural environment and its particular ways of life and sociability known as the rural dimension of a society or, generically, as *rurality*. Second, issues are addressed from an agrarian point of view, given that agriculture, in a broad sense, is the main productive and economic base of the rural sector and is, for that reason, its most essential component.

This double perspective corresponds to the objective of evaluating the leading aspects of rural society and the challenges to be faced in pursuit of greater equity, both with respect to the socio-economic situation of the various agricultural agents and the rural population as such. The essence of rurality is perceived as the active and dynamic link established between the population and natural resources.

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I Rurality in industrial societies

Given the frequent reference made to the trajectory followed by the industrial countries, and especially the recently industrialized economies, it seems worthwhile to analyse the rural dimension of those processes, although, in view of the breadth of the topic, we will only present a brief synthesis. In addressing this issue, we are far from suggesting that the trajectory which led to the development of those countries ought to be that followed by our countries. Our only purpose is to show that their processes of economic change involved substantial participation of the rural sector, with more or less radical transformations of the traditional, pre-industrial system.

1. *Parallel and complementary dynamic change*

A constant element in the historical experience of old and new industrial societies continues to be parallel and complementary dynamic change in both the cities and the countryside. Although agrarian revolution preceded industrial change in some cases, close interaction between both spheres of transformation came to be the norm over time. Given that the pre-industrial scene was predominantly rural, changes in the rural-agrarian sector took place in different ways as a function of urban-industrial evolution and the conflicts occurring in that sector. The fewer the options that rural societies had for dealing with their tensions, the greater such changes were. In some cases, there were massive migrations to new lands, pushing forward the agricultural frontier; in others, new foreign lands were colonized or there were massive migrations to other continents or countries.

Among the causes of the social processes which were to affect both the urban and rural, or the industrial and agricultural dimensions, of industrial societies, special mention may be made of the following: a) the pursuit of social and political stability through the solution of the agrarian problem in broad terms, by creating improved survival options for major segments of the population through the cultivation and use of renewable resources; b) the increase of the saving capacity of rural communities and the possibility of transferring resources to promote the industrialization of urban development;

c) the simultaneous, or nearly simultaneous, increase of savings, investment and productivity in the urban-industrial and rural-agricultural sectors; d) the recognition of the future importance of natural resources (especially renewable resources) and of the urban-industrial contribution, given that the foundational bases and growth profiles of industrial growth have had as their implicit or explicit points of reference the basic supply of primary resources; e) the recognition that there is a functional correlation between advances in urbanization and industrialization and gradual de-ruralization; f) the channelling of population movements towards a more functional distribution of the population in line with the progressive demand for labour generated by urban-industrial growth, the possibility of cultivating new rural lands, and the options provided by migration to other countries or continents.

The social processes involved offered a broad spectrum of alternatives, from strong social mobilization combined with changes in the political system to planned interventions in very particular conditions, as in the cases of Japan, Korea and Taiwan.

2. Definitions with respect to rurality

The transition from rural to industrial society called for a number of definitions with respect to rurality, that is, with respect to the ratio of population to renewable resources. Before and during the formation of industrial society, there was a thorough reshaping of the traditional agrarian order with the aim of resettling the rural population within its own environment. Seen *ex post*, the rural environment became, to a large extent, the ante-chamber of industrialization in the countries which undertook that task, and this explains why they made their agrarian systems more equitable, as a means of achieving more stable and less conflictive occupation of the land and, in addition, as a means of freeing resources to make industrialization itself more viable. This does not mean that agrarian change has obviated population pressures in the industrializing cities, nor significant migratory movements. However, these phenomena tended to improve the situation of the rural population, as migrations made room for the emergence of new land owners and slightly larger land holdings.

In the initial stage of the industrialization process, the countries which are now industrialized went through certain common experiences, such as the

tendency to do away with feudal forms of land and labour exploitation and to secure more uniform resource distribution on the basis of the direct ownership and cultivation of such resources. If modernity is understood as the cultural and social change accompanying industrialization, it may be asserted that one of its first consequences in the rural areas of countries which are now industrialized was greater equality in the agrarian systems. Modernity and the often contradictory tendency toward equality and equity were seen to be related. Generally, in those countries the process of agrarian change took place when society was still predominantly rural. The weight of the rural population within the economic and social order and in the contribution to the industrialization process was noteworthy, as was its participation in the overall socio-political process, in which agricultural change was closely involved, since it formed part of a larger process of change.

To summarize all this in extremely simplified terms, it may be said that a first wave of change swept through the countries of Western Europe toward the end of the eighteenth century and continued in the nineteenth century, becoming more intense and definitive in its later stages. Early in the present century, those processes extended to Eastern Europe, including Russia (1905). In Japan, agrarian change began before the Second World War and was consolidated after that war. In Taiwan, the creation of egalitarian ownership structures took place in the 1940s. In Korea, it began with the withdrawal of the Japanese and was consolidated in the 1950s. In the southern parts of some European countries (Spain, Italy, Yugoslavia), the last vestiges of the traditional ownership structures were swept away by the agrarian reforms or processes of land parcelling implemented after the Second World War.

In the smaller and more densely populated European countries, agrarian structures were in line with very small-scale patterns, as for example in Belgium, where, in 1860, 84% of all holdings had an area of less than three hectares, and 65% were less than one hectare. In the Netherlands, around 1880, the area of agricultural holdings averaged less than 1.2 hectares. After the 1949 reforms in Korea, the amount of cultivated land per family was around 1.2 hectares, with a maximum limit of three hectares per family. In 1955, in Japan, the average size of agricultural holdings was one hectare, and they were all directly

operated by the families that owned them. After the 1952 reforms in Taiwan, peasant families held an average of 1.1 hectares, likewise farmed directly. A noteworthy feature of the history of the development of these Asian countries is the radical agricultural changes which they carried out and which allowed them to increase agricultural production and reduce dependence on foreign suppliers, in order to embark on their industrialization.

3. Effects of agrarian change on rural trajectories

The most noteworthy of the various effects of agrarian change was the maintenance of rural populations on the land and in their traditional localities thanks to private ownership of the resources. Secondly, there was the expansion and consolidation of a stratum of independent farmers who owned their land and, for the most part, worked it directly. Thirdly, these farmers retained more of their income, with increased savings, investment and productivity. Finally, urbanization and industrialization, by broadening the markets for agricultural products, tended to give rise to increasing commercialism and monetization of the rural economy, as this became a growing market for urban-industrial products and services. From the point of view of social stratification, industrialization led to the formation of independent producers, associated on a basis of solidarity for various purposes, who were both owners of land and co-owners of capital and equipment. Cooperation was essential for agricultural and rural progress, as well as for social articulation with industry. Parallel to these processes, the number of landless farm workers or rural proletariat gradually declined. In addition to their economic objectives, the rural and agrarian adjustments which accompanied the industrialization process gave rise to greater social stability, by making withdrawal from rural areas more gradual, while they fostered greater political stability, by satisfying the basic demands of the rural population.¹

The emergence of independent socio-economic actors (merchants, artisans, farmers, etc.) following the collapse of the feudal system created a climate of

strong independence in the social sphere and, sometimes, in political matters too, compared with the traditional systems, which were very closed and rather decentralized. The result was vigorous development of the basic political units at the territorial level, such as communes with their corresponding municipalities and local organizations and institutions. In many cases, participation was greater at the local level than in other spheres, and democratizing processes arose, or were allowed to arise, more at that level than at other, broader levels.²

National processes of adjustment in the agrarian structure gave rise to land units of relatively similar scale, the size of which depended both on the availability of arable land, pasturage and forests, and on population pressures. Territorial dimensions such as the abundance and fertility of renewable resources conditioned not only the achievement of a relatively steady urban-rural dynamic balance, but also the definition of options in the areas of industrialization, foreign trade and development in general.³ In the course of their economic and social evolution, the industrialized countries also established various mechanisms, regulations and policies for inducing adjustments, either automatic or guided by public institutions, aimed at generating a rural dynamic more or less functional for urban-industrial growth.⁴ The magnitude of the results of these agrarian adjustments has led, in turn, to the creation of endogenous

² In the European countries, the early "municipalization" of society, with the municipality as the basic nucleus of local government during a period of high rurality, was maintained until recently, when the urbanization process made restructuring necessary. In Federal Germany, there were 24 513 municipalities in 1950, reduced to 8 594 by 1970. In France, there were 37 000 municipalities in 1970 (of which 24 000 had less than 500 inhabitants), but these had gone down to 36 500 by 1985, in a process which has continued since that time.

³ This relationship is seen most clearly in the cases of Korea, Japan, Taiwan, etc.

⁴ Laws have been adopted giving heirs or immediate neighbours preferential rights to purchase land; rental contracts have been regulated, giving preference to tenants in the event of land sales; maximum limits have been set for the accumulation of renewable resources; lines of credit for land purchase have been created; policies for retaining population in upland agricultural areas have been established; and subsidies have been provided for land improvement, irrigation or reforestation. In other cases, tax policy has promoted relatively homogeneous agrarian structures, through the application of progressive land taxes. In this way, certain automatic adjustments have been achieved, accompanied by slow increases in the scale of production and the abandonment of marginal land.

¹ In the countries which now make up the European Economic Community, around 36% of their population lived in rural areas in 1970.

technology, with a variable capital structure, as well as the development of the agricultural inputs industry. This has resulted in significant differences between the technological and productive systems of the countries which are now industrialized. The most marked contrasts have been between the United States and Canada and Japan and South East Asia. In those countries which were successful in their industrialization, the agrarian structure has made possible endogenous technological models adapted to the demographic processes and the availability of renewable resources, as well as solid linkages between agriculture and industry.

These new agrarian systems, which allowed for greater autonomy, initiative and equality among the productive agents, were fertile ground for various forms of associative processes (associations for savings, credit, technification, construction of infrastructure, trade and industrialization), thus providing favourable conditions for the formation of strong co-operative and guild (trade union) systems. Through those intermediate-level organizations, more coherent economic linkages were achieved between agriculture and the rural, industrial and urban economies in general. These associative processes were possible because there was a horizontal relation among peers which made it possible to achieve economies of scale, while sharing costs and benefits.⁵

Agricultural expansion and increased production were achieved through the economic agents which were already present in rural areas, with their resources, experience and culture, organizations, institutions, initiative and capacity for innovation. In Europe, it was difficult, and still is to a degree, for a non-farmer to gain access to arable land, because everything has been oriented toward the consolidation of the farmers themselves, through regulations giving them preferential treatment with regard to

land, credit and markets. This agrarian base was complemented with scientific and technological facilities providing ever-increasing potential for increasing productivity and efficiency. Something similar occurred in the financial, commercial and industrial fields.

The most notably dynamic processes of industrialization have occurred in societies where the agricultural sector has made major advances in productivity. Historically, there has been a certain correlation between the per capita agricultural product and the corresponding manufacturing product. This is particularly evident in four countries which were colonized relatively recently (from an historical point of view): i.e., the United States, Canada, Australia and New Zealand. However, the same correlation also applies in societies with fewer resources and older cultures, which have followed parallel paths in the improvement of agricultural productivity and industrialization. In contrast, the experience of the Soviet Union or the Balkan countries suggests that agricultural lags have made their industrialization more difficult. This correlation derives from the macroeconomic function of agriculture in the initial stage of industrialization and the ever-increasing contribution of industry to increased agricultural productivity. In many countries, the size of the industrial sector depends directly on agricultural productivity, as do the type and nature of the industrialization process (the Scandinavian countries).

If agriculture manages to produce sufficient food for a growing urban-industrial population and raw materials for industry as well, the latter sector can grow and rural areas can become markets for consumer goods produced by industry and for farm inputs (Fonquín *et al.*, 1991). The more efficient agriculture becomes, the greater its potential for correlation with industry will be and the greater the opportunities for creating dynamic intra-industry linkages (Senghaas, 1985).

In the formation and progressive expansion of agricultural product markets, producer organizations, the creation of agro-industries, the establishment of "certified origin" of products, and the enhancement of local quality have contributed to stable linkages offering improved investment prospects and greater market security for a substantial proportion of products, many of which are sold under futures contracts.

⁵ In European countries, a high percentage of the harvest is sold through cooperatives (in Ireland, 97%; in the Netherlands, 86%; in Federal Germany, 65%; in France, 50%; in Belgium, 65%; in Italy, 32%; and in Spain, 10%). In the case of fruit, 90% is sold through cooperatives in Denmark; 70% in Belgium; 65% in Federal Germany; 82% in the Netherlands; 45% in France and Greece; 31% in Italy; 26% in Spain, and 25.8% in the United Kingdom. Many more examples could be given for other products and other countries, such as Japan and Korea. The relatively low levels of cooperation in Spain and other Southern European countries have given rise to some interesting reflections, applicable in some aspects to Latin America.

Diversity of innovative capacity has been a general phenomenon, but nevertheless innovations spread rapidly in the agricultural sector, without prolonged periods of unequal production levels, either because technological change was socialized through economic and social organizations, or because technological supply was ample and well adapted to the existing scales of production.

The functionality between the rural and the urban-industrial sectors has had more or less common foundations in currently industrialized countries: ownership of natural resources; relatively egalitarian resource distribution; assignment of priority to family-based agricultural units; technological development and its deliberate adaptation to the structural evolution process; strong promotion of organization through educational and financial stimuli; promotion of associative trade and industrialization (at least in the early stages); professional and technical training; training in business management; construction of local infrastructure; broad powers of local administration; municipal responsibility for control of renewable resource use (forests, water supplies, fauna, hunting, etc.) and, in many cases, municipal ownership of shared resources (forests, pasture land, etc.).

The linking-up of the rural economy, and especially of the agricultural economy, with other sectors such as services and the agricultural inputs industry or with industries which process agricultural produce was close-knit and progressive. Moreover, it took place through associated and simultaneous processes, with their own profiles in each country according to the availability of renewable resources, the agrarian structure, the availability of labour, and the advance of technology. Greater uniformity in agricultural scales of production also means more homogeneous technologies, which in turn results in homogeneous demand for capital goods. This makes it possible to link up the production of consumer and capital goods—one of the most important linkages for development—which is also one of the bases of industrial competitive capacity.

In the search for rural-urban equilibrium, the industrial economies have, in differing circumstances, tended to protect their farmers and their agricultural

sectors in order to keep a significant percentage of the population on the land.⁶

In order to maintain a rural stratum compatible with the settled areas of the territory, with the conservation of the environment, the defence of the cultural heritage, and a degree of social equilibrium, there has been a tendency to guarantee the average rural income at levels similar to urban incomes, while the quality of life has also been made similar to that of the urban population, at least in basic aspects. These protective measures reflect the social recognition of the positive externalities arising from the stability of rural societies, which they are unable to secure by themselves. In 1988, according to the Secretariat of the Organization for Economic Co-operation and Development (OECD), agricultural subsidies cost its 18 member countries around US\$270 billion (OECD, 1989): a figure very similar to the total value of world agro-foodstuffs trade for that same year. In the process of industrialization, together with the initial cost of freeing farm labourers from serfdom in order to form free and dynamic economic agents in the rural sector, industrial societies were obliged to pay a later, additional cost in order to compensate the rural population for remaining on the land. To that end, the agricultural economy has been protected or resources have been transferred to improve the quality of life in that sector. These societies have paid high costs for the creation of living conditions and incomes capable of keeping a certain proportion of the population on the land for cultural, environmental, geographic and economic reasons.

⁶ Europe passed through this phase at the end of the last century, as new agricultural exporters emerged (Argentina, New Zealand, Uruguay); and it repeated the process after the Second World War in respect of the United States and the countries already mentioned. The exception was Imperial Great Britain. The processes of proletarianization and accelerated migration in Europe at the end of the last century gave rise to protectionism. In recently industrialized economies, protectionism is even greater than in Europe.

II

Rurality in the region

Historically, in Latin America and the Caribbean, the patronal system –noted by Tannembaum as the most important structure of those societies– has been of enormous social, economic and cultural significance. Except in two or three cases, neither social revolutions nor agrarian reforms have weakened its dynamism. The transition from that system has been more a continuance than a break with the past, since the system has strengthened its productive structures through technological progress. If rurality is understood as the active and dynamic link between the population and renewable resources, as defined above, both ethnic groups and indigenous peoples, as well as the rural population in general, have historically faced difficulties in retaining or gaining access to land. In Latin America and the Caribbean, the rural population either has no land or possesses very little. We have named this phenomenon precarious rurality, since the precarious link between the rural population and the land is one of the principal characteristics of the agrarian trajectory of the region.

The lack of appreciation for that population's productive functions, its capacity to generate employment, its rootedness in the land, and its importance as a producer of basic foodstuffs and reproducer of rural culture and the work ethic proper to peasants, have hindered the progress of peasant agriculture. The leading role played by landowners and entrepreneurs has overshadowed the economic, social and cultural potential of the peasant sector, while public strategies have failed to keep open lasting and serious options for the universe of peasant economies.

The new entrepreneurial structures being established in the rural medium have introduced salaried farm labour. The better qualified workers have managed to gain an organic and stable place in those business structures, as has occurred in other social sectors. However, the vast majority of wage workers obtain only very sporadic and unstable jobs, with long periods of unemployment in between. The creation of rural labour markets for seasonal tasks which require abundant labour attracts the urban unemployed population, making rural worker organizations even more vulnerable and collective

negotiation practically impossible. The rural proletariat or owners of dwarf holdings who participate in those markets face serious difficulties when they attempt to achieve more organic insertion in the world of work.

1. Rurality from the demographic standpoint

If a demographic criterion is used in estimating the rural dimension of Latin America and the Caribbean as a whole, the region is seen as one of low rurality, since only 27.9% of its population currently lives on the land (1990). In comparative terms, Asia and Africa have very high levels of rurality (69.7% and 64.5%, respectively). From this standpoint, the region has reached a preeminently urban state, with 72.1% of its population living in cities. In this sense, its level of urbanization is nearer to that of the European countries (82.8%), although qualitatively there can be no comparison.

Considering overall rural population trends at the regional level, it may be said that a relatively stable situation is being achieved, since average annual growth of that population has been only 0.4% over the last ten years. However, as many regional indicators obscure the concrete reality of each country, it must be noted that there are countries with very different levels of rurality in the region. For analytical purposes, four categories have been identified: high (more than 50% of the population is rural); middle-level (between 30% and 50% rural); low (between 15% and 30%); and very low (less than 15%). Application of these categories to the data for 1990 reveals that there are: a) ten countries with high rurality, accounting for 10% of the total population of Latin America and the Caribbean; b) four countries with middle-level rurality, with only 5.2% of the total population; c) five countries with low rurality, representing 69.3% of the total population of the region; and d) four countries with very low rurality, with 15.5% of the total (table 1).

Among the countries with the most rapid rates of de-ruralization in relative terms is Brazil, which was 65.5% rural in 1950, but only 23.1% rural in 1990. In 1950, no Latin American country qualified for the category of very low rurality, but in

1990 four countries already had rural populations lower than 15%. In that same year, five countries accounting for 69.3% of the total Latin American and Caribbean population were in the category of low rurality (less than 30% rural).

To sum up, in 1990 nine countries (85% of the Latin American population) were in a situation of low or very low rurality, and the rural population fell in absolute terms. The countries with low rurality

(Brazil, Colombia, Mexico and Peru) experienced processes of absolute de-ruralization, at an average annual rate of -0.5%, in the 1980s; in the countries with very low rurality, the average annual rate was -0.7% for the same period (tables 2 and 3).

Although the rural population still registers small increments in absolute terms, it has dropped in relative terms, given that it has fallen from 58.9% of the regional total in 1950 to 27.9% in 1990.

Table 1

LATIN AMERICA AND THE CARIBBEAN: RELATIVE WEIGHT OF DIFFERENT CATEGORIES OF COUNTRIES, BY DEGREE OF RURALITY, IN TOTAL REGIONAL POPULATION, 1950-1990

(Percentages)

Categories of countries:	1950	1960	1970	1980	1990
Total population	100.0	100.0	100.0	100.0	100.0
High rurality ^a	9.9	9.7	9.6	9.6	10.0
Middle-level rurality ^b	4.9	4.9	5.0	5.1	5.2
Low rurality or rapid urbanization ^c	66.3	67.4	68.7	69.2	69.3
Very low rurality or traditionally urban ^d	18.9	18.0	16.7	16.1	15.5

Source: Prepared by the ECLAC Agriculture Division, on the basis of data from CELADE (Latin American Demographic Centre).

^a (More than 50% rural population): Barbados, Bolivia, Costa Rica, El Salvador, Guatemala, Haiti, Honduras, Paraguay, Suriname and Trinidad and Tobago.

^b (Between 30% and 50% rural): Dominican Republic, Ecuador, Jamaica, Panama.

^c (Between 15% and 30% rural): Brazil, Colombia, Cuba, Mexico, Peru.

^d (Less than 15% rural): Argentina, Chile, Uruguay, Venezuela.

Table 2

LATIN AMERICA AND THE CARIBBEAN: EVOLUTION OF RURALITY BY CATEGORIES OF COUNTRIES, 1950-1990

(Percentages of total population)

Countries with:	1950	1960	1970	1980	1990
High rurality ^a	72.0	69.3	66.5	63.2	57.8
Middle-level rurality ^a	72.5	66.3	59.1	52.3	45.0
Low rurality or rapid urbanization ^a	62.2	52.6	42.6	33.3	25.6
Very low rurality or traditionally urban ^a	37.1	28.5	22.5	17.4	13.6
Total Latin American and Caribbean rurality	58.9	50.5	42.5	34.5	27.9
Total Latin American and Caribbean population	161 256 000	212 733 000	279 148 000	355 054 000	438 924 000

Source: Prepared by the ECLAC Agriculture Division, on the basis of CELADE data.

^a See notes of table 1.

It is well known that the processes of growth and industrialization are accompanied by the de-ruralization of societies. As agricultural and overall productivity rises, fewer and fewer people are needed for primary agricultural activities (table 4). Countries with very low rurality, including those of Latin America, have higher per capita income levels. However, a special feature of the Latin American and Caribbean rural trajectory is the early de-ruralization of the societies, without adequate corresponding economic growth, nor levels of productivity which would justify rapid urbanization, nor an extreme scarcity of renewable resources.

Table 3

**LATIN AMERICA AND THE CARIBBEAN:
RURAL POPULATION GROWTH BY
CATEGORIES OF COUNTRIES,
1950-1960 TO 1980-1990**

(Average annual growth rates)

Countries with:	1950-1960	1960-1970	1970-1980	1980-1990
High rurality ^a	2.2	2.2	2.0	1.6
Middle-level rurality ^a	1.8	1.7	1.4	0.8
Low rurality or rapid urbanization ^a	1.3	0.9	-0.1	-0.5
Very low rurality or traditionally urban ^a	-0.4	-0.3	-0.6	-0.7
Total	0.8	0.6	0.4	0.4

Source: Prepared by the ECLAC Agriculture Division, on the basis of CELADE data.

^a See notes of table 1.

Table 4

**RURALITY AND PER CAPITA INCOME BY
CATEGORIES OF COUNTRIES, 1990**

(Percentages and 1980 dollars)

Countries with:	Rural population	Per capita income
High rurality ^a	57.8	820
Middle-level rurality ^a	45.0	1 273
Low rurality ^a	25.6	1 889
Very low rurality ^a	13.6	2 625

Source: Prepared by the ECLAC Agriculture Division, on the basis of CELADE data.

^a See notes of table 1.

2. Rurality and renewable resources

Latin America and the Caribbean are in a relatively advantageous position in comparison with other continents, in terms of the availability of arable land, pasture land and forests (table 5).

With regard to the area occupied by renewable resources, the region is in a better position than Asia and Africa, and even Europe. It is only surpassed by the vast areas of the Community of Independent States (ex USSR), Oceania, and North America (Canada and the United States). Analysis of resource endowment in terms of the categories of rurality defined above reveals the region's great potential for very diverse agricultural activities (table 6).

Table 5

**AVAILABILITY OF LAND IN MAJOR
GEOGRAPHICAL AREAS, 1989-1990**

(Hectares per person)

Geographical areas	Arable land	Pasture land	Forests
Asia	0.14	0.22	0.17
Africa	0.29	1.26	1.08
Europe	0.28	0.16	0.31
Latin America	0.41	1.30	2.18
Community of Independent States (ex USSR)	0.80	1.28	3.27
North America	0.86	1.00	2.26
Oceania	1.86	16.85	5.99

Source: Prepared by the ECLAC Agriculture Division, on the basis of FAO, *Production Yearbook*, Rome, 1989 and 1990.

Table 6

**LATIN AMERICA AND THE CARIBBEAN:
AVAILABILITY OF LAND BY LEVELS
OF RURALITY, 1989-1990**

(Percentages and hectares per person)

Countries with:	Rural-ity	Arable land	Pasture land	Forests
High rurality ^a	57.8	0.28	1.31	2.61
Middle-level rurality ^a	45.0	0.23	0.39	0.73
Low rurality ^a	25.6	0.39	1.05	2.43
Very low rurality ^a	13.6	0.67	2.78	1.48
Latin America, total	27.9	0.41	1.30	2.18

Source: Prepared by the ECLAC Agriculture Division, on the basis of CELADE data.

^a See notes of table 1.

Generally speaking, countries with high rurality have little available per capita arable land and pasturage, in contrast to the situation in countries with low and very low rurality, where those lands are considerably more abundant. Hypothetically, it could be asserted that the latter countries have achieved higher levels of urbanization and industrialization thanks to their more adequate agricultural foundations. Moreover, countries with high and middle-level rurality, because of their greater difficulties in promoting development of their agriculture, have remained more rural because of their initial difficulties in attempting to diversify production.

Latin America and the Caribbean have displayed little ability to integrate their renewable natural resources into industrialization strategies in a balanced manner: that is to say, by inculcating into society as a whole an attitude toward the rural sector which would tend to create the necessary conditions for the introduction of technologies and the broad linking-up of that sector with the other economic, social and political sectors. The relative abundance of renewable natural resources was not converted effectively into that retention of rural population on the land which could have been expected. The preservation of land ownership has been weak in comparison with that achieved in industrial societies at a similar level of development. The relative abundance of the region's renewable natural resources, in comparison with those of the industrial countries, taking into account the populations of the respective countries (table 5), was sufficiently greater and more appropriate to have served to bring about greater intra-rural equilibrium, if structural adjustments had been undertaken to make resource distribution more equitable.

A particular feature of the region is *the progressive expansion of the agricultural frontier*. In four decades (1950-1990), more than 200 million hectares have been incorporated into agriculture: an area approximately the same as the arable land of Western Europe. This phenomenon is perhaps the best indicator for appreciating the demand for land which still exists in rural areas of the region. Up to the 1970s, the weight of that expansion in the increase of agricultural production (60% of growth is explained in this way) was greater than that of technological change and increased productivity—a situation which was reversed only in the 1980s.

Such expansion provoked serious deterioration of renewable resources, together with the expulsion or deterioration of indigenous communities, and it

has given peasants and other social categories only limited access to land resources. The new agrarian structures have reproduced in the new areas the profound heterogeneity characterizing traditional agriculture.

3. *Intra-rural disequilibria*

One of the most serious difficulties faced by Latin American and Caribbean society is that of intra-rural disequilibria and, as a direct or indirect consequence, imbalance between urban and rural growth rates. This is a long-standing phenomenon noted repeatedly in analyses of agrarian conditions in the countries of the region. The rural trajectory of Latin America and the Caribbean displays serious imbalances in the relation of the population to renewable natural resources.

The basic parameter of every agrarian structure is land allocation and, in the region, this is marked by sharp inequities. If indexes of the concentration of land ownership in Latin America and the Caribbean are compared with those found in Asia and the Pacific, a strong bias toward concentration, typical of the ownership structures of the region, is noted (table 7).

The persistent tendency to reproduce inequitable patterns of land distribution and of access to that resource has led to the proliferation of dwarf holdings. In Brazil, for example, over the last 45 years the number of agricultural units of less than one hectare has grown 16 times; those of from one to ten hectares, four times; while those of more than 50 hectares have doubled. The dwarf holding is an endemic characteristic of Latin American agriculture. For the foregoing reasons, the rural population is mainly made up of landless peasants or those with very little land (table 8).

A special feature of Latin America, even more than its urban-rural duality, is its unshakable intra-rural duality, which was not corrected at the proper time and now marks the whole of society. Duality in the economy—a modern sector and another traditional sector—is part of the process of social change to industrialization. In Latin America and the Caribbean, however, agrarian heterogeneity tends to become more pronounced with industrialization, contrary to what has occurred in the industrialized countries, where technological progress and economic and social demands led to the creation of more equitable agro-rural structures.

Table 7

**INDEXES OF LAND OWNERSHIP
CONCENTRATION, 1970-1971**

Range of Gini coefficient	Developed countries ^a	Asia and the Pacific	Latin America
0.80 or more	1	1	10
0.70-0.79	5	-	5
0.60-0.69	2	3	1
0.50-0.59	4	4	1
0.40-0.49	6	-	0
Less than 0.40	2	1	0
Total	20	9	17

Source: Estimates of the FAO Statistics Division, based on agricultural censuses.

^a Excluding the centrally planned economies.

Table 8

**LATIN AMERICA AND THE CARIBBEAN:
ESTIMATE OF LANDLESS OR NEARLY
LANDLESS PEASANT FAMILIES
IN SELECTED COUNTRIES**

Countries	Percentage of all rural families
Bolivia	85
Brazil	70
Colombia	66
Costa Rica	55
Ecuador	75
El Salvador	80
Guatemala	85
Mexico	60
Peru	75
Dominican Republic	68

Source: E. J. Easman, *Landlessness and Near-landlessness in Developing Countries*, Cornell Rural Development Committee, Ithaca, 1978, cited in R. Sinha, *La condición del campesino sin tierras: un problema que se agrava*, FAO, Rome, 1984.

The large scale of the agricultural units of the region hindered the more extensive and prolonged settlement of the population on the land, leaving the majority crowded onto small plots of low fertility. The distribution of renewable natural resources has not changed significantly, even in those countries in which there has been an enormous expansion of the agricultural frontier, such as Brazil (table 9).

The region has not addressed the issue of intra-rural disequilibria in depth. Efforts made since the 1950s, that is, once the process of import substitution

industrialization was under way, were tardy and limited in scope. That delay has had serious consequences for both economic and social development and for political stability in Latin America and the Caribbean.

Public interventions, such as agrarian reform or the settling of new lands, have not managed to alter the agrarian heterogeneity of the region (Sinha, 1984). There are several reasons for this. Perhaps it was not appreciated that agrarian change could make a decisive contribution to the process of industrialization, if the inactive resources of the landowners were used to form industrial companies. In this sense, the low indemnities established by agrarian reform legislation were more like a penalty than an incentive to relocate resources in industry. Moreover, reforms were undertaken when processes of capitalization, technological innovation and agricultural modernization were already under way in patronal economies and there were already many instances of increased efficiency and high levels of productivity. This sparked off a long controversy over the agrarian and rural options available to the region in the future. One of the results of this controversy was the complicated juridical system of the agrarian reform processes, which, because of its complexity, often made it possible to circumvent reform efforts by exploiting loopholes in the laws and regulations.

Table 9

**BRAZIL: EVOLUTION OF LAND
CONCENTRATION MEASURED
BY THE GINI COEFFICIENT
FOR MAJOR REGIONS,
1960-1985**

Regions	1960	1970	1975	1980	1985
North	0.944	0.839	0.868	0.835	0.800
Northeast	0.846	0.855	0.863	0.862	0.870
Southeast	0.771	0.761	0.762	0.771	0.774
South	0.727	0.727	0.735	0.745	0.753
Centre-West	0.845	0.856	0.856	0.845	0.841
Whole of Brazil	0.842	0.844	0.855	0.857	0.858

Source: R. Hoffman, "Evolução da desigualdade na distribuição da Posse da terra no Brasil no período 1960/1980", *Reforma Agraria*, N° 12, 1987.

Comparative analysis of the stages at which industrialized countries undertook agrarian change in function of industrialization reveals that, in Latin America and the Caribbean, the few attempts made

were tardy and the role of the rural population in macro-social equilibrium was not taken into account. Because of this, the agrarian experience of the region is very different from that of the industrialized countries in its basic socio-economic elements. Agrarian policies (settlement of new land, agrarian reform, rental and sharecropping regulations, sale of public land, protection of land controlled by indigenous peoples) managed to shake the large-scale patronal agrarian structures only in a few cases and, indirectly, accelerated their productive change, but they never managed to create a mature and socially important peasant-farmer. Reform processes had wider-ranging effects than the direct redistribution of land ownership, because the patronal system tended to change more quickly, while public strategies stimulated that change. Peasants, in general, did not have access to land ownership and did not become independent farmers on a large scale, as occurred on other continents. Nor was the formation of a landed peasant class energetically promoted through administrative channels, such as the sale of public land or other public policy mechanisms, such as public investment in irrigation. Indeed, some public subsidies for forestry activities directly or indirectly encouraged the massive concentration of resource ownership.

Rural families have had only limited access to land through the natural resource market, due to its imperfections. Since they have had to finance land purchases themselves, in the absence of special credit mechanisms for that purpose, it has been very difficult for them to become landowners. In the experience of the region, when renewable resource market restrictions have been lifted and all limitations on land purchases have been eliminated, not only has land become even more inaccessible for rural families but the market has led to the concentration of resource ownership, to the detriment of the continued presence of peasant families on the land. The large-scale land purchases observed in recent years are creating pressures on land availability which limit peasant access to that resource even more seriously and provoke a massive exodus to mid-sized and large cities or the formation of extremely precarious human settlements.

In frontier agricultural areas, after rural families clear the land and prepare it for cultivation, local land markets are created and many of the colonizing families are displaced from the land. Even so, however, the opening of new lands for agriculture has

given peasants much greater access to land than the agrarian reform processes (Ortega, 1986).

Something unheard of in other continents is occurring in rural Latin America. The land is increasingly coming into the possession of persons who live in the cities or domestic or foreign companies, while, even more uniquely, agricultural workers also tend to live in the cities in ever increasing numbers. As the urban-based landowners close off access to land, making it impossible for peasants to work and live on their own land, and as moreover rural dwellers do not have access to the basic elements of modernity, such as electricity and other services, they opt for moving to the cities.

The regional agrarian model has forced peasants to emigrate to the cities (something incomprehensible to Europeans and Asians), and when they do not find employment there, some of them return to look for casual or part-time work in rural areas.

4. *The evolution of agrarian strategies*

According to some analysts, the marked inequality in economic and social stratification has been sustained by primary commodity export economies which hindered or blocked not only agrarian change but also the desire and will to undertake the process of industrialization. This situation was, in large part, a consequence of the fact that certain social strata were allowed to attain both high levels of consumption, similar to those of developed countries, and also a position where they financed fiscal expenditures to some degree, thus becoming in one way or another one of the mainstays of the State apparatus.

One of the decisive factors in the persistence and rigidity of the rural trajectory seems to have been the historical insertion of the regional economies in markets centered on the exportation of renewable resources (and also non-renewable resources, such as energy and mineral resources).

The best option for entering the market and obtaining high profits, for the *plantation* and the *ranch* and, to a certain degree, the *hacienda*, lay in the production of exportable goods. For this reason, each expansionary cycle of the economy based on renewable resources such as sugar, tobacco, coffee, cotton, cocoa, bananas, wheat, meat, soy beans, and other crops, strengthened the large-scale patronal system of production. That type of international insertion seems to have been a strong contributory factor to the very rigid control of renewable resources

exercised by a few minority social groups, for those who were coffee, cocoa, sugar, banana, grape, fruit, or lumber producers belonged not only to a productive category but also to a social group.

When the economy remains undiversified and progress in industrialization is not achieved, not only are agriculture and rural areas impregnated with the special features of the predominant agrarian structures, but society as a whole reflects those traits in the economic, social and political spheres. Given the region's long and persistent insertion into the international market through the exportation of agricultural products, the control of land and farm labour became the basis not only for private and public income but also for economic, social and political organization. This is why the agrarian order has been so important in society as a whole, and so untouchable as well.

As Latin America embarked upon the process of industrialization and technological progress, it had to confront the patronal agrarian order to which the "patina of the centuries had given special rights and legitimacy". The power of the patronal system came not only from ownership of the land, from the type of markets available, or from its prestige, but also from the "weight of the past", that is to say, the leading role it had played in the past. At the same time, however, in contrast with the feudal system, the patronal system has been more flexible due to its more extensive connections with its markets, especially the export markets, which have made it more sensitive and permeable to commercial and technological trends. This characteristic is clearly observable in the *plantation*, but also in the cases of the *ranch* and certain types of *hacienda* too. In many areas of agriculture, this connection with foreign and sometimes domestic markets has made necessary elementary vertical integration or some degree of articulation with industrial or packing activities, sometimes of a traditional nature, but always requiring certain levels of capital and equipment. This has been the case in the production of sugar cane, cotton, cocoa, coffee, yerba mate, grapes, and cattle and sheep-rearing, among others.

A key element in the Latin American rural trajectory has been the fact that the landowners were also producers. Under the feudal system, for centuries the overlords gave much of their land to the peasants for them to cultivate, obtaining in return income and services. In the region, however, the vast majority of landowners were also producers who ran their own agricultural activities, although because of

scarcity of labour or for other reasons they gave part of their land under rental or sharecropping agreements.

This relative flexibility of the landowners in their relations with the markets, together with their close links with the State, made possible this transition—so typical of the rural trajectory of Latin America—consisting of the conversion of the patronal system into much more economically efficient forms of behaviour, increasingly similar to entrepreneurial production structures, that is to say, organized as a function of production and profits. That kind of large-scale change in production patterns, accompanied by the incorporation of technology and capital and the use of wage labour, has become a very particular feature of the trajectory under analysis here.

Over time, a new order has been gaining legitimacy, based on economic efficiency and corporative and associative action by landowners, directed by the landowners themselves and enabling them to face up to both the reform efforts to redistribute land among peasants and the various social movements, sometimes accompanied by violence. For decades past, the traditional social agrarian order has been going through its own process of adjustment, maintaining control of the land, with significant public support, in the form of trade strategies which, while not always guaranteeing product prices, nevertheless compensated landowners through commitments to low wages, relatively low taxes, mortgages often not adjusted for inflation, or soft loans, and various forms of direct or indirect public transfers granted to the landowning class. In difficult times, the State intervened in order to safeguard patronal agrarian structures. Thus, veritable ideologies have arisen with respect to agriculture, its strategic importance, its weight in the balance of trade and generation of foreign exchange, and even its role in maintaining employment and the social order. "Agriculture" came to be equated, in some contexts, to "farmers and stockbreeders", on the clear understanding that they formed, and continue to form, a particular social group.

5. Changing production patterns and rurality

This historical and ideological basis of the Latin American rural trajectory left little room for the conservation of the resources or land occupied by gathering or farming ethnic groups or independent family farmers cultivating their own land. A central

question, beyond the recognition of this social fact, is the identification of the causes or factors which impeded or hindered the formation of a peasant stratum which, over time, would have been made up of direct cultivators of the land, as occurred in practically all of the countries now industrialized. One of the most decisive factors in this respect is the fact that the large-scale patronal units were not broken up but instead became agro-businesses and achieved a modern form of consolidation.

In this transition towards modern agricultural businesses, sometimes smaller in size but of greater economic weight, a demand for qualified labour has arisen. From the higher management levels, the main function of which was to oversee labour (a key factor in that productive system), there was progress towards the formation of a technical and administrative class, capable of operating with new capital in its diverse technological forms. This new class has a sphere of action that goes beyond the physical limits of the productive unit, since it involves relations with the technical, commercial, financial, industrial and service centres related to agricultural activities and is responsible for the interchanges with those centres. This new, emergent agrarian order, based on new technological structures, has also required the collaboration of a new class of agricultural worker whose function is to execute specialized tasks requiring training in the use of machinery and equipment, biological and chemical products, and feed concentrates and which must have the necessary knowledge to operate specific technological packages. These specialized agricultural workers are the social counterpart of modern production systems, and this gives them a certain amount of negotiating power. According to some of the available data, these workers constitute only a relatively small proportion of farm workers. Both technical and administrative personnel and specialized workers have relatively high income levels, compared to the low average wages paid in rural areas.

It is worth asking if the patronal structure has been so decisive in Latin American society that it has been able, firstly, to withstand the changes which normally accompany industrialization and, subsequently, to generate self-modernization strategies. The answer is undoubtedly affirmative, so that there are grounds for returning to the idea – put forward by several social scientists (Dahrendorf, 1979) – that in certain historical circumstances, some social strata can acquire a real capacity to exercise a kind of veto within their society.

However, it is also worth asking if there may have been certain elements within the prevailing circumstances which may have interfered with or hindered the formation of an independent peasant class within the existing rural strata, thereby rendering them unable to act to take the place of the patronal regime. It might be considered that peasants lacked tradition or rank, the myth of legitimacy, or “ancestral prestige”. However, the indigenous communities or ethnic groups with a tradition of agriculture do constitute nuclei for the emergence of a peasant society devoted to direct cultivation of the land, and the demand for land for crops and pasturage continues. Sugar, cotton and other plantations had recourse to slave or wage labour, and this did not stimulate the emergence of small farmers among rural families, who confined themselves rather to the cultivation of small plots for subsistence farming.⁷ The granting of land to settlers or sharecroppers, which has been a characteristic feature of the patronal system, especially in the case of the haciendas, allowed for the formation of a peasant culture which acquired considerable weight in various countries. In certain social and political circumstances, this identification with the land activated aspirations to land ownership and contributed to the generation of reform proposals.

The opening up of new agricultural frontiers is living testimony to the rural population's capacity to become small peasant farmers. That population continues to make superhuman efforts to bring new lands under cultivation, but they are then often unable to retain them because of lack of financing, of markets for their produce and of competent authorities who could orient those projects socially so as to avoid the sale of the land thus settled.

6. *Labour markets and work*

As well as being farmers, landowners were above all patrons: that is to say, they presided directly of indirectly over social and cultural organization, labour and other economic relations in their haciendas, ranches, or plantations and the local surroundings and over the broader political order as well. The patronal

⁷ Something similar occurred in the rural trajectory of several areas of the United States, where large units were modernized through intensive use of capital and technology and little use of permanent labour. In that case, as in Latin America and the Caribbean, migrant workers (be they “wetbacks” or ex-slaves) have been an important element.

tradition has taken different forms in the conduct of the agricultural entrepreneurs who have been emerging in the region and, especially, in the treatment and payment of labour, due, among other factors, to the abundance of labour available in the rural areas and cities. Thus, the economic changes in the patronal system have not meant that the benefits of increased productivity have been shared with workers through higher pay, which explains the co-existence of modernized areas alongside situations of poverty and misery.

In the industrialized economies, great importance has generally been assigned to keeping the rural population on the land, and in some countries there has even been public intervention to form very small units which nevertheless made it possible to provide minimum subsistence units or the basis for part-time agricultural activities, in which the agricultural income is supplemented with income from industrial or service activities in nearby cities. In Latin America, on the contrary, given the abundance of urban labour, trends are being observed in which purely agricultural tasks are performed by persons who live in cities. Thus, for example, in São Paulo, Brazil, in 1970, 26% of the economically active agricultural population was of urban origin, and this percentage had risen to 38% by 1980. For Brazil as a whole, that percentage rose from 12.3% to 17.7% over the same period (FAO, 1988) and in Mexico, from 23.8% to 26%.

In several countries, because of fear of agrarian reforms or due to the effects of the capitalization, mechanization and technification of production, it was decided to uproot the peasant families who lived and worked on the large holdings, while sharecropping and similar arrangements (settlement, renting) under which, for centuries, part of the patron's lands had been granted to the families settled on them were drastically reduced. Thus, the modernization of the patronal system has been accompanied by the uprooting of the rural population, contrary to what occurred in the industrialized countries, where it was explicitly sought to keep peasants on the land as part of the modernization process.⁸ As modernization allowed landowners to expand their scales of production, it also limited peasant access to patrons' land which they had previously rented or sharecropped.

⁸ In some regions of some industrialized countries, such as the United States, for example, this process of keeping peasants on the land occurred only to a limited extent.

This combination of processes, which the Interamerican Committee for Agricultural Development has called the *latifundio-minifundio* complex, has tended to disappear, and relations between agricultural entrepreneurs and peasants or farm workers have been reactivated through the labour market.

The rural population of the region is divided between wage workers and peasants owning some land. The peasant economy is very important in the supply of agricultural products. The social category which seems to be expanding is that of the rural proletariat who live by wage work. In this regard, the rural trajectory is different from that followed in the industrialized countries, because in those nations the number of owner-farmers tended to increase. The demographic trends involved in the trajectory of the region are therefore different, because the rootedness arising from land ownership is different from that generated within the labour market, especially if work in agriculture is only casual. The characteristics which the rural or agricultural workers have been acquiring arise from situations of anomy and the instability caused by interruptions in work in terms of time or geographical location, which make it difficult to regulate labour relations both as they affect labour directly and in relation to social welfare and insurance. This situation also affects the family and group orders of relations, especially with regard to the possibility of articulating workers' interests and achieving social representation.

As already noted, more and more urban workers are entering the agricultural labour markets, especially for seasonal work (table 10). At the same time, however, more and more peasants are working in non-agricultural activities in rural or non-rural areas. In Mexico, for example, in 1980, 42.4% of the economically active rural population was performing non-agricultural tasks: a phenomenon which becomes even more significant when it is considered that in 1970 the figure was only 23.1%. Something similar is occurring in Costa Rica, Nicaragua and Ecuador (table 10).

The dynamics of the rural labour market have been changing in various ways. Firstly, in the process of change from patronal systems to entrepreneurial agriculture, there has been a reduction in the degree of rootedness of the populations permanently living and working on the large agricultural units, as the resident work force of those units has diminished and increasingly frequent recourse has been had to the markets for independent labour based in nearby

Table 10

**LATIN AMERICA AND THE CARIBBEAN: EMPLOYMENT STRUCTURE
IN AGRICULTURE AND THE RURAL SECTOR**

Countries	Years	Proportion of agricultural EAP living in urban areas	Proportion of rural EAP employed in non- agricultural activities
Brazil	1970	12.3	15.2
	1980	17.7	
Pernambuco	1970	13.1	
	1980	16.3	
São Paulo	1970	26.6	
	1980	38.0	
Costa Rica	1963	5.4	29.1
	1973	6.2	41.2
Ecuador	1962	6.5	19.3
	1974	6.8	26.4
Mexico	1970	23.8	23.1
	1980	26.0	42.4
Nicaragua	1963	11.0	12.8
	1971	11.7	20.0
Peru	1961	18.3	20.1
	1972	23.7	18.8

Source: For Mexico, General Population and Housing Censuses of 1970 and 1980. For Brazil, Population Censuses of 1970 and 1980. For other countries: United Nations, *Patterns of Urban and Rural Population Growth*, Population Studies, N° 68, New York, Department of International Economic and Social Affairs, 1980. United Nations publication, Sales N° E.79.XIII.9.

towns and even in the cities. As already noted, the sharp increase in demand for some types of seasonal labour (for harvesting and other tasks) has led to the hiring of gangs of labourers from the small towns and cities where job opportunities are very scarce. The seasonal nature of the demand for labour means that temporary, rather than permanent, work is more readily available and has made it possible for the urban proletariat to carry out these tasks in competition with rural workers. Thus, in some areas or zones, there is an over-supply of labour on the rural labour markets where both the owners of dwarf holdings and landless peasants look for work. These markets are also increasingly open and fluid, and their radius or scope of operation is increasingly wide because of the possibilities now available to the urban and rural population to travel to ever more distant places. There are also certain modernized areas of production, growing crops that require an abundant supply of labour, in which some scarcity of this factor is beginning to be felt.

In areas where labour is used more intensively and where families can find work for sufficiently long periods to permit them to work out survival strategies, there is a tendency for population settlements to

be formed whose inhabitants come from other areas where there is less demand for labour or where poverty is greater, thus leading, over time, to migrations to areas which offer more job opportunities.

Changes in life styles, the demographic transition towards smaller families, and greater acceptance of women workers have created a climate of greater labour mobility as a function of the available job opportunities, even though these may be seasonal.

The transition from patronal-type agrarian systems to entrepreneurial agriculture, together with productive and technological change, has created the necessary conditions for the creation of increasingly uniform labour markets in rural areas, with wage levels established in the light of those prevailing in the towns and cities. The patterns of settlement and control of the work force which prevailed in the patronal system have been replaced by wage criteria. Labour markets have become increasingly important since the reform processes of the 1960s and the technological innovation registered in agriculture in recent decades, and they have also come to play a more significant role in determining the rural population's income.

7. *The peasantry*

Among the issues which have emerged with great force, first in the social sciences (in the 1970s) and later in the public and private (non-governmental organizations) spheres is that related to the peasant economy or peasant agriculture, which had been traditionally overshadowed by the patronal system and the agrarian ideology of the 1950s and 1960s. The chronic scarcity of land which affects a large portion of families is a leading feature of the Latin American peasant experience. The proliferation of dwarf holdings had, as its counterpart, a process of semi-proletarianization, as it obliged families to adopt survival strategies which include, as a decisive element, the sale of the family labour. As a result of the process of the proliferation of dwarf holdings experienced by families which possessed some land and the limited access to land available under the patronal system, since there has been a downward trend in sharecropping, rental and payment in the form of land granted for cultivation, peasant families have tended to have increasingly frequent recourse to the labour market. In some cases, however, the wages thus obtained have not been sufficient to make up for the impoverishment produced by the spread of dwarf holdings. As noted by Figueroa (Figueroa, 1990), in some circumstances there has been a tendency to pauperization in the peasant economy.

In the region, the social importance of the peasantry is still very considerable, both with respect to the rural population and to the total population. For this reason, all efforts to solve its problems deserve high priority. Moreover, the resources controlled by the peasantry are relatively important, taking into account the total area of the millions of small units which, together, represent a by no means inconsiderable part of the agricultural resources of the region. They do not, however, control the most productive land, and must therefore make more intensive and more arduous efforts to earn benefits from it.

Increasing the productivity and incomes of these rural family economies, in an environmentally reasonable manner, is to create greater equity. This means that more energetic efforts than those undertaken to date must be made to modernize those economies. It also means accepting their cultural originality by improving the quality and presentation of traditional products to raise their value in domestic and foreign markets. Technological, technical

assistance, financial and insurance services do not reach the low-income sectors, nor are they designed for them. Because of the traditional abandonment of the rural family economy by the scientific, technological, financial and other systems, agro-industry and agro-industrial complexes have taken on a role which may be of great importance for opening-up the traditional rural economies and integrating them into markets and knowledge. This type of linkage represents an interesting option for rural development, as the experience in a fair number of cases indicates, as long as the economic and social relations are suitably balanced.

In short, both wage labourers and landed peasants –the two main segments of the Latin American and Caribbean rural population– face serious restrictions in terms of their insertion into the economy, social organization and the representation of their interests, all of which complicates the solution of the inequitable situation affecting them.

8. *Sources of income of the most important rural strata*

Detailed analysis of the sources of income of the most important segments of the rural population reveals the relative importance of wages, income from own-account activities, and transfers. The most striking fact is the growing importance of the labour market and transfers.

The importance of the labour market may be seen from the fact that in Brazil in 1979, for instance, 39% of rural family income came from wages and salaries, but this percentage had risen to 43% by 1987. At the same time, income from own-account activities fell from 47% in 1979 to 42% in 1987. Remaining income came from transfers (table 11). In Costa Rica, in contrast, the weight of wages and salaries has remained fairly constant at around 57% of total income. This percentage is very high in comparison with that of other countries, but this is because of the high proportion of permanent crops in that country. In Chile, wages and salaries account for 30% of rural family income, but this should not be interpreted as indicating a scarcity of labour markets because, in fact, they are large and growing. The explanation is that 25% of the agricultural labour force lives in cities, from which it may be deduced that a substantial segment of the urban population receives income from agricultural work.

Table 11

LATIN AMERICAN COUNTRIES: INCOME STRUCTURE OF RURAL HOUSEHOLDS

(Percentages)

Countries	Year	Wages and salaries	Income from own-account activities	Transfers
Brazil	1979	39	47	12
	1987	43	42	13
Costa Rica	1981	57	23	12
	1988	57	28	6
Chile	1987	30	58	12
Venezuela	1981	44	47	9
	1986	41	48	10

Source: ECLAC, Statistics and Projections Division.

9. The "empty slot" and the rural situation

One of the explanations for the "empty slot", that is, the absence of growth with equity which characterizes the region, lies in the rural trajectory followed by the countries of Latin America and the Caribbean for many years past.

The notable growth of the agricultural and rural economy in the last forty years⁹ does not seem to have done much to alleviate the poverty and indigence which have affected rural areas of the region for centuries past. According to statistical data, the number of rural poor rose from 75.2 million in 1970 to 79.5 million in 1989: that is to say, the proportion of poor in the total rural population only went down from 65% to 61% in those 19 years. At the same time, between the 1970s and the 1980s the level of indigence remained constant, affecting around 30% of rural homes. In some countries, such as Chile, indigence worsened (from 11% to 16%) between 1970 and 1987, while in other countries, such as Mexico, it stayed constant at around 19% of rural households.

In spite of increased, more technified and more diversified production, a greatly expanded agricultural frontier and the various economic and social changes effected, a high degree of inequity persists in the rural sector. Only in a few cases can this be

explained by growth of the population in absolute terms. In practice, enormous contingents of population have sought to escape from that situation by emigrating to the cities or to new lands, in that order of preference. It is therefore hard to sustain the argument that rural poverty is due to the excessive increase in population density with respect to the available renewable resources. Moreover, as already noted, in the last three decades the population of Latin America and the Caribbean has become essentially urban.

This poverty seems to be linked rather to the lack of distributive and redistributive equity. Latin American society has not opened sufficient physical, cultural, economic and institutional spaces for its rural society. Experience demonstrates that the most critical situations in terms of income, work opportunities, and poverty and indigence in general are to be found: a) in peasant settlements in semi-arid zones, where the shortage of water is crucial; b) among indigenous peoples, because ethnic and indigenous groups continue to be margined throughout the region, so that neither their lands and resources nor their social and cultural values are respected; c) among peasant families which attempt to settle new land on the agricultural frontier but are subsequently deprived of it, so that those areas become nuclei of conflict and extreme poverty; d) in peasant settlements, which are often those of indigenous communities, on severely eroded and densely populated mountain slopes; and e) among the rural masses who can obtain only very occasional

⁹ The value of agricultural production trebled over the period 1950-1990.

employment (4 to 6 months a year) and who lack basic infrastructure (space, housing, public services, proper authorities). Among these groups, one which is a source of particular concern because of its high levels of indigence is that connected with the forest economy and the exploitation of woods and forests.

10. The rural trajectory and public institutions.

The fact that the political and social functions of the patronal system were not replaced with another form of institutionality when that system lost its traditional power and role has created a vacuum in the rural sector which neither the State nor other bodies of society have filled. Moreover, the long reign of the patronal agrarian system hindered the creation of a more decentralized set of institutions. During that reign, social activities were circumscribed within the institutionality and traditions of the hacienda, plantation and ranch. In that sense, rural life depended heavily on the dominant agrarian structures, whose organization and rules were projected into the local and regional surroundings, so that the patronal system was the real expression of power (Ortega, 1987, pp. 217 - 220).

In the past, rural society remained under the control of the patronal system: a situation which led to the almost complete absence of local public powers. It is for this reason that in Latin America and the Caribbean, with only a few exceptions, there has been a situation which we may call under-municipalization: that is to say, very sparse local public powers, with serious limitations on their functions. Generally speaking, rural populations have only limited institutions, and it is difficult for them to gain access to the decision-making centres, public services and even social benefits. The clearest evidence of political and administrative centralism is the weakness of the institutions at the level of the commune and the municipality, which have not gained the importance they have long had in the industrialized countries. Municipal affairs are alien to the rural sector, yet their presence is essential for the integral development of that sector.

Our rural society therefore lacks public authorities to express the will and aspirations of the population and to guide social progress. Because of this lack, it is not possible to channel any initiatives,

contributions of resources or labour or projects which may arise, as would be possible when suitable conditions for participation exist. The lack of authorities that seek to promote public welfare and progress is manifest. Local government does not extend to rural areas, and it is therefore ineffective. The weakness or total absence of authorities in rural communities undermines, perhaps more than any other factor, the possibilities of development of that society. This situation also leads to immobility, passive attitudes and caudillismo or caciquismo, which may be reflected in arbitrary actions in extreme situations. At the same time, it is entirely possible that there is a positive correlation between the lack of participation and protagonism channelled through proper institutions, and extra-political forms of social action. Violence in rural areas may be linked with the weakness of the institutions there.

11. The weakness of existing forms of association

The area of organized interest groups or cooperative action in the rural or agricultural societies of the region, is, once again, notably different from the situation in the industrialized countries. There, trade associations and organizations are very long-standing and fulfill a broad variety of functions which permit them to secure a high degree of economic decentralization and linkages between agriculture, industry and the services sector. In our experience, the lack of representative organizations which are functional to the development process is very notable. Cooperative enterprises have very little weight in the areas of technical assistance, distribution of inputs or sales of produce. As for credit, in 1987 crop-farming cooperatives received only 6% of total credit, while livestock cooperatives received only 6.9%.

According to available information, the existing cooperatives did not result from social processes of association among poor producers, peasants or rural families, but rather from cooperative associations of mid- or large-scale producers. The experience of Brazil illustrates this point (table 12). In many cases, cooperative associations were formed in order to take advantage of certain benefits or opportunities offered by governments (tax exemptions, subsidies, provision of services, public investment in agro-industry, and other forms of infrastructure). In the

Table 12

**BRAZIL: PRODUCERS GROUPED
TOGETHER IN COOPERATIVES,
BY SIZE LEVEL, 1980**

Size level (hectares)	Establishments grouped in cooperatives
Less than 1	1.2
1 - 2	1.7
2 - 5	4.2
5 - 10	9.4
10 - 100	19.9
100 - 1 000	26.0
1 000 - 10 000	30.1
Over 10 000	20.5
Not specified	2.7
Total	12.8

Source: Prepared by the ECLAC/FAO Joint Agriculture Division on the basis of Brazilian Institute of Geography and Statistics (IBGE), *Censo Agropecuario IX Recensamento Geral do Brasil*, vol. 2, part 3, Nº 1, Rio de Janeiro.

agricultural sector of the region only a few associative processes have arisen as the social expression of changing production patterns and technological progress.

In industrial societies, where rural families and, in particular, peasant farmers were specially trained to exercise a leading role in the development process, association for economic purposes was a common social phenomenon.

The structural weakness of rural society in Latin America and the Caribbean produces distortions in the allocation of functions between the public and private sectors. The lack of a leading role for the rural population and the repression of attempts at rural mobilization have led to imbalances in the representation of rural and agricultural interests, which have been left in the hands of minority strata. The rural population have not only not had sufficient access to the renewable resources which they sought, but they have also not been given adequate levels of participation and, for that reason, have been deprived of the minimum benefits of modernity they need in order to be able to conserve their position as rural dwellers. In terms of access to basic public services, their situation is still quite shaky. For example, in most countries of the region, less than a third of rural homes have electricity, and in some countries that service is available to less than 10% of the rural population.

12. Reflections on rurality

Within this context of imbalances between the rural population and resources and between the rural population and markets, a sharp rural-urban imbalance is created which tends to produce a type of urbanization dysfunctional to industrialization and to satisfactory levels of productivity and income in the economy. Moreover, the population growth rates of most of the countries of the region, comparatively higher than those of the industrialized countries, and the sweeping influence of the mass media, which homogenize aspirations and demands, join together to strengthen rural-urban migratory processes.

In several societies in the region, the rural population is entering upon a stage of evolution which adds new factors tending to speed up migration. When a process of demographic deterioration occurs in which the rural population drops in absolute terms, this leads to the decomposition of certain population pyramids, giving rise to population ageing, the migration of young women, which affects the formation of new families, and a series of phenomena that further accentuate the trend toward exodus. Moreover, due to the cultural transition underway within the rural population, towards values, habits, aspirations and demands which are increasingly similar to those of an urban-industrial nature, distances no longer involve only economic considerations (productivity-income) but also have a physical dimension because of the lack of communications infrastructure, which means that even the notions of time and opportunity (for example, access to health services in case of illness) are different. Living in a consumer culture without having access to industrial consumer goods or basic services is a destabilizing factor for those who live in rural areas. The rural population of Latin America and the Caribbean continues to suffer situations of poverty and discrimination and, above all, lack of opportunities and social protagonism, at a time when the mass media and educational systems, either directly or indirectly, are offering rural dwellers an urban-industrial culture with which they are now perfectly familiar but from which they are as far removed as ever.

The failure to define coherent strategies which include both the urban-industrial and the rural-agricultural sectors is generating a vigorous migratory process and producing heavy urban concentrations in which people turn to degrading forms of

social conduct in order to obtain income and survive. The externalities of the lack of equity in the agricultural sector can be perceived far beyond the limits of the rural sector and represent costs that must in many respects be paid by urban inhabitants. When peasants and rural dwellers in general lack opportunities to work, produce, and obtain income in their own environment, they put pressure on urban labour markets with consequent effects on wages.

Latin America and the Caribbean as a whole are entering on a stage of stabilization of their rural population, without any clear indications that rural areas will be able to fulfill the function of retaining a greater proportion of the population in the future. On the contrary, in some countries there is a veritable exodus from the countryside. The last three decades have transformed the region into an essentially urban space. Between 1960 and 1990, 94% of total population growth (230 million persons) took place in the cities. Villa (ECLAC/CELADE, 1991) states that, on the basis of the successive proportions of total population increase attributable to the urban segment, the net total transfer of rural dwellers between 1930 and 1990 may be calculated at some 106 million persons, equivalent to 38% of the urban increase for that period; while on the basis of assumptions on differences of natural growth rates between urban and rural areas, he calculated a magnitude of around 100 million persons for that same period.

The resurgence of poverty and indigence in Latin American and Caribbean cities may be considered to be an externality of the situation of inequity affecting the agricultural and rural population. In 1990, 72% of the population of the region lived in urban areas. Urban growth has been rapid, due largely to migrations from the countryside. Of the total urban population registered in 1970, 41.8 million persons (i.e., 37%) were poor, and for 1989 the corresponding figure has been estimated at around 104 million, or 57% of that population.

The externalities of more equitable and less heterogeneous agrarian patterns have not been adequately appreciated in the region, perhaps because there has not been a proper appreciation of the effects of the broader and more equitable distribution of property, knowledge and capital on demographic processes and the use and management of resources. More balanced and egalitarian agrarian systems tend to give rise to association and participation; to

stimulate settlement on the land and offer greater prospects for progress; to encourage initiatives designed to link together agriculture, industry and services; to make the collective adoption of technological innovations aimed at improving rural housing, health and educational services more viable; and to promote improvements in the energy, transport and communications infrastructure.

As noted below, the strategies for changing production patterns with equity proposed for Latin America and the Caribbean do not include the minimum conditions necessary to ensure that rural areas can play the role they fulfilled in the development strategies of the currently industrialized countries. This is the Gordian knot in the formulation of proposals for development with equity in the regional agricultural sector. Perhaps the capacity of the peasant economy for work, saving, technification and initiative has been overlooked, together with the fact that broader land ownership leads to integrated management of the factors of production and, in particular, of initiative and labour. For different reasons, from the early days of its economic and social evolution Latin American rural society has tended more to generate a proletariat than to give rise to independent farmers. In our region, there has been a tendency to avoid the issue of the role which natural resources could play in a strategy providing options for living which would constitute alternatives to those offered by industrialization and urbanization.

Historically, advanced societies have made marked progress in their efforts to achieve structural or basic equity, that is to say, "*ex ante* equity", because they have seen it as a requisite for stability, technological progress and industrialization. These changes in the direction of greater equality in the distribution of renewable resources have, it is true, involved significant economic and social costs, but, over time, they have mitigated poverty or made it less painful and prolonged, and they may well have reduced the social expenditure needed to alleviate it.

In the region—at least in certain periods—policies have been designed and attempts have been made to implement them with a view to achieving equity through *ex post* efforts subsequent to the development of essentially inequitable societies in which no serious concessions had been made. In other words, in a sense equity represents the social cost involved in mitigating the effects of those initial inequalities which continue to show up in society,

and sometimes even get worse. It is in this context that ways of changing production patterns with equity must be sought, through efforts to correct basic inequalities through strong growth stimuli, more effective social policies, and serious reconsideration of the public and private institutional order.

In addressing this issue, it must be recognized—without allowing this to become an obstacle to reflection on the ways which have been pursued or should be pursued in the search for equity—that the challenges the region faces today are, perhaps, greater than those of other moments in its history, since in a sense the questions raised are how to make something work in an equitable manner which has essentially been operating inequitably; and how to balance something which is congenitally unbalanced.

The slow but steady introduction of technology which has traditionally taken place in the rural economies has become much faster in the last four decades. At the same time, technological change, which has made possible the development of entrepreneurial agriculture, has also had an impact on peasant agriculture through some of its biological, chemical or mechanical components, although more selectively and slowly. In general, the capacity for technological innovation displayed by the rural economy has been relatively high when the essential prerequisites for changing production patterns have prevailed, such as flexible and efficient incorporation into technological trends, the inputs market, the financial system, produce markets and, in particular, agro-industry.

The transition from the patronal system to entrepreneurial agriculture has revealed a large institutional void, since the arrogation of public functions by the patrons prevented the establishment of open and efficient local administrations, as well as other forms of public institutions, leaving a legacy of limited State presence in the countryside. Because of this fact and its limited possibilities for participation, the rural population has had little incentive to undertake associative and cooperative activities and achieve efficient representation of its interests, thus further strengthening situations of clientage and caciquism. Rural society is weak because it lacks both

adequate institutions and forms of representation, its disorganization being a traditional feature.¹⁰

Several factors have helped to bring about gradual changes in the ways of thinking, behaviour and aspirations of the rural population. Among these are the intensification of urban-rural relations, the multiplication of forms of interchange between these two areas, the development of information and communications systems, and the broadening of education. In many respects, however, the process of transition under way has not had a counterpart at the economic, social and institutional levels. Rural areas, considered as the place of residence of rural families or peasant communities, have not progressed sufficiently in the areas of basic infrastructure and essential public services. Housing programmes are practically unknown, as are rural telephone services or other communications systems which are essential in order to break the isolation and lack of timely attention to the needs of the community. That situation, which further aggravates the problems deriving from institutional shortcomings and the lack of social participation, is in turn a real reflection of these latter two voids. Nevertheless, a good deal of progress has undoubtedly been made in education, especially primary education, and in the area of primary health services.

The figures and details of rural poverty and indigence are all too well known. In spite of the big expansion of the rural economy, the significant increases in productivity and the incorporation of new land into production, there are still situations of great structural rigidity which give rise to poverty and indigence. Those most affected are the ethnic groups and indigenous peoples, peasants on the agricultural frontiers, those working semi-arid lands and uplands, and also peasants suffering from the prevalence of dwarf holdings and the lack of job opportunities. The peasant proletariat also suffer from the shortage of job opportunities.

Beyond any doubt, the rural trajectory of Latin America and the Caribbean does possess its own very special character.

¹⁰ In comparative terms, Latin America and the Caribbean today have fewer municipalities than Federal Germany did in 1950, and less than half the communes and municipalities which France possessed in 1970.

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