

AGRARIAN REFORMS IN BOLIVIA AND CHILE, COOPERATIVE APPROACH

ALFONSO BARRERO AND SEBASTIÁN CEA

ABSTRACT. We make a historical review of the agrarian reform in Bolivia and Chile. Specifically, analyzing the two critical experiences. Bolivia has a social explosion before the agrarian reform and Chile after, giving the cases where reforms were responses to a social explosion and other case where successive reforms does not stop a social chaos. However, at this time, both countries laments a seriously deficient wealth distribution. We believe that a solution via must conclude in a need of equality, development and the end of poverty is not a problem of wealth redistribution, but of cooperation and a new business concept that involve owners and workers in a common cause.

Date: April 16, 2010.

Key words and phrases. Agrarian Reform, Chile, Bolivia, Social Teaching

JEL Classification: Q18, B0, N56.

1. INTRODUCTION

The preoccupation in social topics comes from long ago. In mid twentieth century, the political situation in latin america reflected a critical situation from the point of view of inequality and poverty. Furthermore, contemporaneously, runs the way of communism. The world divides itself into different paradigms of economic development.

The chilean agrarian reform that begun in 1962 is an example of response to concrete needs. The Agrarian Reform Corporation (Corporación de Reforma Agraria—Cora) was created by the law to sub-divide the land, but later the process would be slow and expensive. Also in 1952's, the Bolivian revolution was followed by a land reform law that was motivated by concrete needs of the indigenous people and carried out by the strong innovative acting from some characters of that time, but at the scope of most of the population it was the result of pure institutional profile which began after the *La Guerra del Chaco* (War between Bolivia and Paraguay from 1932 to 1935). However, the bolivian church opposed and confronted the state in the use of armed confrontations and in the creation of an indigenous army.

Inside this the dilemma between capitalism and communism. Social policies are easily involved into the principles of such ideologies, but there was a lack of social values to attain a convergence in the discussion: human dignity, solidarity, subsidiarity or distributism. Essential values of every society across any religion or belief.

The importance of this period lies in a primary experience, that gives a reform like the committed, of reasignation of goods and innovation. What the history tells is that agrarian experiment were not very successful. Here, we believe that the solution is not only by the supply side. The demand, in this case the people that was beneficiated by the reform, must have the knowledge to survive (The question here is about the creation of *minifundios*, terrains too small for being productive). Then, the problem is not one of property rights, but of share. There is not a simple transfer of property rights, from the rich people to the poor. But the donor must realize an real ethic act. Then, the supply and demand sharing forces into a unique cause that result in a synergy process, the goals of this particular enterprise are also share between employers and employees.

This two different countries stories unchain social chaos. Chile with a reform before and Bolivia after, explain the importance of the administration of such situations. The present document analyzes the two reforms, perhaps two faces of the same coin, but emphasizing the contribution of the christian charisma involved in both: social and economical doctrines; and looking for the

subtles dynamics between the society. We have concrete succesful and failed experience, then we can explore the opportunities involved in each one.

The text we plan is organized as follows. In the next section we give a short historical review for both countries. Section 3 develop the analysis in the light of comparation between the two experiences and section 4 proposes a model to analyze the proccess. Finally, section 5 concludes.

2. HISTORICAL FACTS

The bolivian and chilean experience is like the latinoamerican where the land spoliation to the originary people repeats in the republican epoch with the oligarchy landowner having enormous and improductive extensions of land dragging the poverty and tecnological lag within the peasants.

2.1. Bolivia. In Bolivia, the changes began with the law "Ex - Vinculación" in 1874, but instead of helping the indigenous people, it destroyed the "ayllus" (footnote: native communities in the altiplano and valleys) clearing their lands to transform them into haciendas of mestizos and criollos submitting the indigenous to work for a patron. This situation endured for over 80 years, until the indigenous began to be mobilized occupying landowner properties, actions that lead the government to implement a reform.

At the same time, the most conflictive sector in Bolivia was the one related with mines, because this activity caused an immense social polarization and became a very important area of political interest, especially after the War of the Chaco (1932 - 1935). And all this mine - land situation was capitalized by the "Movimiento Nacionalista Revolucionario MNR" (Nationalistic Revolutionary Movement) who obtain the political power wiht the Social Revolution of 1952 and its government took forward two fundamental reforms: the estatization of the great mining companies (October 1952) and the agrarian reform (august 1953) (HCF Mansilla "La Revolución de 1952 en Bolivia: Un intento reformista de modernización").

The agrarian reform put to an end to the servidumbrial system of free work, it incorporate the peasants to the consume market and their communal lands were returned to them. The reform also tried to modernize the production system and looked to some financial support for smaller land owners. The principle article of the Law of Agrarian Reform (article 78) tell us that the peasants that had been submitted to a regime of feudal labour exploitation, no matter it's condition of serfs, forced, farmers, strangers, etc. major of 18 years, married major of 14 years and widows with minor children are the true owners of the plots that they actually work on.

The first problem of this reform arose in the bolivian amazon, because at first this lands proved to be too attractive for the Estate in its goal to develop the agroindustry but there were no programs adapted for an equitable distribution of the land. This caused a very strong concentration and

hoarding in the bolivian east; and simultaneously, once the indigenous communities in the altiplano were rebuilt, they stayed to the margin of the state policies leading to a fragmentation of their already small agrarian properties. This way there was generated a dual agrarian system with the new latifundio in the east and "minifundios" to the west.

Some data of interest:

Before 1952, the 8.1% of the agricultural owners were possessing 95% of the total agrarian usable surface, whereas the 69.4% of the owners had to content with the 0.41% of the agrarian lands. While bigger was the control(ownership) of lands minor was the effectively cultivated area; the percentage of usage of lands in the latifundios was minimum and in most cases below 1%. And thanks to the Agrarian Reform, until 1970 were distributed 12 millions of hectares to 450 thousand new owners. The population in Bolivia at 1954 were of 3,161,503 habitants, with 1,703,371 indiegous (54% of the population), and from the total of indigenous 38% were only aymaran speakers, 6% knew some of spanish, and the rest was distributed in diverse languages. The communication aspect was a key role, so how can anyone help each other in an efficient way if the comunication was so deficient.

2.2. Chile. Before the beginning of Alessandri's Government in 1958, a growing problem surrounded by inequality and poverty were established in the chilean society. Specifically the need of an improvement in the use and distribution of the land. That trigger a first Agrarian Reform in 1962 that was insufficient and followed by another reform of President Frei and the last of President Allende, which government was interrupted by a militar movement.

Alessandri's reform was recognized as a moderate one. Only state and abandoned farms were affected. Soon the reform was insufficient. In 1939 the amount of net exportation of agricultural products was US\$ 13 millions, at the end of Alessandri's government this amount was US\$ -104 millions. Moreover, if 6 million acres were cultivable, the 1955 agricultural census say that only 2 millions were used. The chilean countryside was exploited by four types of enterprises: sub-familiar, familiar, median and great enterprises who have the 2, 7, 13 and 78 percent of the irrigated acres respectively. Paradoxically, sub-familiar and familiar sector produced 40% of the total agricultural production.¹

The next presidential period of Eduardo Frei was enriched by a broad discussion in newspapers and reviews. In fact, what was converted as a flag of the government would finally the agrarian problem. It would be explored a new formula to redistribute the land, with new changes in laws. But soon, there was converted into a fight of who have the power of the land. Despite it was a

¹1955 Census

seriously technical process.

The power struggle generated by the redistribution of large amounts of land, was the critical problem of a government that did not improve changes in the way the reform was succeeded. Indeed Allende's government saw the decadence products of the social chaos incubated years after.

MASTER IN ECONOMICS, DEPARTMENT OF ECONOMICS, UNIVERSITY OF CHILE

E-mail address, Alfonso Barrero: alfonso.manuel.barrero@gmail.com

E-mail address, Sebastián Cea: seba.cea.echenique@gmail.com