

13. Philippe Bourgois, *Ethnicity at Work: Divided Labor on a Central American Plantation* (Baltimore: Johns Hopkins University Press, 1989).

14. Trevor Purcell, "Conformity and Dissension: Social Inequality, Value and Mobility among West Indian Migrants in Limón, Costa Rica" (Ph.D. diss., Johns Hopkins University, 1982), p. 79.

4.11 Agrarian Reform in Costa Rica*

BY MITCHELL A. SELIGSON

Despite Costa Rica's reputation as a country of yeomen farmers (see Chapter I), land ownership has historically been highly concentrated. Nevertheless, after 1948 agrarian reform was not high on the list of the National Liberation Party's objectives. The small-holding peasantry, especially in the central coffee-growing regions, enthusiastically backed National Liberation. Agricultural laborers, particularly those in the Communist-controlled banana workers' unions, were inalterably opposed to many aspects of the new political model. Unorganized landless laborers and squatters generally participated little in politics and did not constitute a significant pressure group at the national level. Thus, there were few political reasons to make land reform a priority.

This changed with the 1961 founding of the Alliance for Progress. Concerned about the impact of the Cuban revolution in the rest of the continent, U.S. policymakers began to encourage Latin American governments to carry out agrarian reforms as a means of undercutting more radical change. In this reading, Mitchell A. Seligson describes the achievements of the Costa Rican agrarian reform after 1961 and also notes some of the obstacles that have prevented it from having a greater impact.

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THIS little country has been traditionally known for its strong class of yeomen and its democratic tradition. . . . However, the distribution of land in Costa Rica is highly unequal as has been consistently revealed by the four agricultural censuses conducted in the second half of the present century. The latest census, conducted in 1973, highlights the situation . . . 36.9 percent of the

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landholders own only 1 percent of the farmland and the entire bottom half of the owners (57.6 percent) own only slightly less than 4 percent of the land. At the other end of the spectrum, the top 1 percent of all the largest farm owners own over a quarter of all the land. At the very top are the eighty largest farms which collectively own 463,754 hectares of land. The Gini Index of the overall distribution of land for 1973 is .86, which ranks it sixth most unequal of the fifty-four nations studied by Taylor and Hudson.¹

While the problem of concentration of land among the landholders is acute, the problem of landlessness is even more serious. Only 22 percent of the economically active peasant population are landholders.

The explanation for the deterioration of the land-tenure situation in Costa Rica is complex and is reported on extensively elsewhere.² Suffice it to say that relative equality in landholding began to change with the introduction of coffee cultivation in the early part of the nineteenth century. By the beginning of the present century, after the rapid expansion of banana plantations, the Costa Rican yeoman was fast on the retreat. The situation did not reach crisis proportions until the closing of the frontier sometime in the 1960s, when virtually all land was either in private or in state hands. Landless peasants, a growing number of whom were being mechanized out of their jobs, have increasingly turned to the state for the resolution of their problem.

This reading examines the evolution of agrarian reform in Costa Rica from 1948 to 1976. The evidence reveals the limited nature of all but the most recent efforts. Nevertheless, the evidence also demonstrates that those peasants who have received land under the reform programs have benefited substantially, both monetarily and psychologically. The conclusion is drawn that reform is an imperative for future stability of the Costa Rican countryside.

For many years the Costa Rican government flirted with the idea of agrarian reform, but two central factors inhibited decisive action. First was the fact that the government remained heavily influenced by the large landowners. Serious efforts at reform had to overcome this group's fears that an agrarian reform might eventually force them to relinquish some of their properties to land-hungry peasants.

But it would be totally incorrect to argue that the landlords were involved in a death struggle with peasant masses; pressure for reform from below was minimal. Peasants traditionally had the alternative of taking advantage of laws that provided virgin land in remote regions for those who wanted it. . . . When the first effort at reform appeared in the 1940s, it was a "back-door" one. The Costa Rican state, as a result of the serious economic dislocations produced by World War II, began to take steps to modernize its structure. In 1942 the Ministry of Agriculture and Livestock was organized, and within it the Office of Colonization and Distribution of State Lands was created to administer state forest reserves. Since sections of these reserve lands were being illegally occupied by private individuals (both large landholders and peasants alike), the office was inexorably drawn into the business of settling land disputes. The

Office of Colonization was not equipped to handle the problem . . . and very little was accomplished.

By 1949 it had become clear that a more effective bureaucratic structure had to be evolved to deal with the land problem. . . . Unfortunately the reform effort was stillborn; no legislative action occurred. . . . The impetus that finally pushed Costa Rica into passing an agrarian reform law came primarily from external factors. Costa Rican land barons looked with fear at the swift moving Cuban revolution: *Fidelismo* was alive in the hemisphere and who would be next? There is some evidence that the U.S. AID mission was attempting to encourage some sort of reform.³ The U.S. position on the need for reform became crystal clear in August 1961, when the Conference of Punta del Este laid the foundations for the Alliance for Progress, a major component of which was the promulgation of agrarian reforms in participating states. Internal pressure for reform began to grow. . . . As talk of agrarian reform grew, peasants became encouraged to invade land in the hope that their possession would be legalized under the anticipated law. As a consequence, landholders whose property had been invaded put pressure on the government to pass the law so that they could receive compensation for their loss. A few months after Punta del Este the logjam was broken and the agrarian reform law came into being on October 14, 1961. . . .

The goals of the law were ambitious: (1) to better the socioeconomic conditions of peasants; (2) to conserve natural resources; (3) to promote an increase in the productivity of the land; (4) to avoid the concentration of land in the hands of those who would use it for speculative purposes; (5) to support the development of small and medium-sized farms; (6) to avoid the creation of *minifundios*; and (7) to promote cooperatives. Critics have argued, however, that even in the unlikely event that all of these goals were eventually met, the peasantry would not find relief. . . . The key to understanding criticism of the law lies in the area of compensation for expropriation. The law places heavy emphasis on "respect for private property." . . . The legislators wanted to do all they could to prevent peasants from interpreting the new law as an open ticket for further land invasions. . . . Incidents of squatting did increase after the law went into effect. The second reason for the emphasis on respect for private property lies at the heart of the controversy. The law provided for *prior* full compensation, based on the owner-declared value of the property for tax purposes, for expropriated land. Hence, the extent of the expropriations (and consequently the scope of the entire agrarian reform) was directly and inexorably tied to the financial ability of the state. For every *latifundio* that was expropriated, funds had to be found to pay the owner in full for his property or bonds had to be issued for payment. Either way, each expropriation had a direct impact on national indebtedness. . . . Hence, the scope of the reform program, despite the best intentions of those whose job it was to implement it, was severely restricted.⁴ . . . The *Instituto de Tierras y Colonización* (Lands and Colonization Institute), established in November 1962 . . . went through

several stages in its evolution. The first was characterized by an emphasis on colonization schemes. The object was to settle substantial numbers of landless peasants on virgin lands. Given the limited financial resources of the institute and its desire to benefit the largest possible number of peasants, it was felt that only by buying land in remote areas would there be sufficient funds to permit the purchase of any sizable plots. In all, 1,272 peasant families were located on eleven colonies with a total of 35,412 hectares among them.

At first blush the colonization idea seemed like a good one. There were, however, extraordinarily high hidden costs. The institute did not fully appreciate the fact that a peasant had to have more than a plot of land and his two hands. Roads were essential: Roads make it possible to obtain seed, fertilizer, and tools for the production of crops and also provide access to markets once the crop has been harvested. Roads also permit the sick to be transported to hospitals and make it possible for agricultural extensionists to visit the farms and provide technical advice. Upon their establishment, most of the ITCO colonies had neither roads linking them to the outside world nor roads linking one farmer to his neighbor. The regions chosen for the colonies were often so remote and so inaccessible that even fifteen years after their establishment some still did not have all-weather roads connecting them to the outside world. . . . It is not that ITCO did not want to provide roads in these areas, it is simply that it did not have the means to do so. . . .

Other kinds of infrastructure were needed as well. Houses had to be erected for the colonists; water systems had to be installed. ITCO argued that other government agencies responsible for housing and potable water should take over these projects. These agencies in most cases replied, however, that these were ITCO projects and ITCO's responsibility. . . . As a result, ITCO was saddled with the responsibility of being a road builder, house builder, water system builder, etc. . . . All in all the colonization program was not particularly successful. In 1966 the final two colonies were established. After that time no new colonies were created. The eleven extant colonies went through some very rocky times, and in some cases large numbers of colonists abandoned their farms. In the 1970s, however, as national development proceeded, many of these remote areas were finally linked to the national highway system. Crops began to be harvested and sold. However, it generally was agreed that the costs of the colonization program were too great to make it a viable alternative. . . .

By late 1966 serious reexamination of ITCO's programs was under way. . . . Officials with the institute began searching for a new role that would be compatible with its economic situation. The role selected was the settlement of squatter conflicts. . . . The 1961 law emphasized this aspect of the program since squatting conflicts were a source of considerable tension in the nation. The squatters steadfastly refused to be evicted, while the landowners demanded eviction or compensation. In addition, a large number of squatting conflicts developed on public domain land. . . . In the years 1966 to 1969 ITCO

dedicated itself to the resolution of these conflicts. The cost to the institute was minimal, since all that was required was the utilization of the legal and administrative staff ITCO already had on its payroll. Capital expenditures were largely unnecessary. The program met with some success. . . . The entire four-year period saw the granting of 2,093 titles, compared to only 224 titles in the previous four years.

Despite some success, the overall effort was a fruitless one. The problem was that the program sought to deal with the consequence of inequality in land distribution rather than its cause. . . . It became evident that such a program was not acceptable to either the peasants or the political elites. The peasants wanted land and preferred to get it legally. They preferred to avoid the risks involved in squatting if at all possible. Political elites, on the other hand, sought to avoid rural unrest, and tranquility could only be achieved by providing land to peasants before serious conflicts erupted and squatting occurred. . . .

By the end of the 1960s, ITCO had accumulated enough experience from its past efforts to embark upon a program that promised greater success. ITCO had learned from the colonization programs that the total cost of setting up colonies in remote regions was far too high and that, while the initial costs of purchasing land in more developed regions were higher, the total costs promised to be much lower. ITCO had also learned that potential recipients of land had to be self-motivated and fully aware of the realities of the project at hand rather than be misled by pie-in-the-sky promises that could not be fulfilled. Finally, ITCO had learned that it needed to deal with peasant hunger for land before it developed into rural violence. ITCO planners began evolving new principles for guiding their reform efforts in the 1970s. First, settlements should all be accessible to some major marketing center. Second, the settlement should be located in an area with the highest possible level of infrastructure already present. ITCO tried, whenever practicable, to establish the projects on established farms rather than in virgin territory. In many cases the farms had been abandoned before ITCO took them over; the internal roads, wells, storage sheds, flood control systems were usually in place and required little additional investment to put them in working order. . . . Third, ITCO projects were required to show signs of potential economic viability. Each new project was carefully studied by a team of agronomists and economists. Crop yields were estimated and market prices were calculated. . . . The final principle guided the selection of beneficiaries. ITCO became actively involved in the stimulation of groups of peasants who were seeking land so that wherever possible the peasants who ultimately settled in a project were first organized into a group. In this fashion, peasants self-selected themselves for ITCO projects. In the past, ITCO had shied away from such groups, fearing that by assisting them it might end up encouraging a land invasion. ITCO now prefers to have at least minimal contact with these groups so that it can give them guidance and, at the same time, have some feel for their mettle. ITCO does not make it easy for these groups to get land, for to do so would only invite disaster for those not willing to put up with

the hardships of initiating a settlement. The struggle for land helps build camaraderie. The likelihood of mutual cooperation once the project became established is thus increased considerably.

Two types of projects were developed under the new guidelines. The first of these was the "self-run communal enterprise program" (*empresas comunitarias de autogestión*). The other was the individual parcel program, much like the colony in its land-tenure pattern. . . . Essentially, the difference between the individual parcel program and the communal enterprise is that under the former the land is given in parcels to individuals, while under the latter system the land is *owned* and *worked* in common. Common land is viewed as of critical importance to the project's success. . . . Since no one peasant alone has sufficient capital to convert his plot into a modern, efficient farm, the entire reform program often turns out to be highly inefficient. The only inexpensive source of extra labor under these reform programs is family labor. Thus, there is a strong incentive to have large families. The communal enterprise, in contrast, operates all land in common and therefore has the potential of becoming an efficient operation with a relatively high level of capital investment and technology. In this sort of operation family labor is replaced by communal labor on the part of members and by mechanization.

Reform in the 1970s has moved ahead with much greater speed [and] . . . ITCO has made intensive efforts to revitalize what had become a stagnant reform program.⁵

Not only have the recipients as a whole benefited from the reform, but some of the reform peasants have made great strides in improving their incomes. The impact of reform is even more noticeable among those beneficiaries who have held their land for at least four years. Those peasants have incomes that average 9 percent higher than the entire sample of beneficiaries [in a survey of 753 ITCO project members]. As the years go on, the individuals who receive land from ITCO are able to increase the yields on their farms and hence increase income. Probably a major factor in producing these higher yields is the technical assistance and credit programs made available to the peasants. . . . Peasants who have received land from ITCO feel significantly more trusting in government, more positively oriented toward the future, and more politically efficacious than the landless peasants. . . .

Nevertheless, the disease of inequality in land distribution in Costa Rica has festered so long and its magnitude has become so great that vast amounts of capital and human energy will be needed before any significant impact will be felt. Costa Rica is a small country, measuring 50,900 square kilometers. Of this area, some 61 percent (3,122,546.1 hectares) was owned as farmland according to the 1973 agricultural census. ITCO's efforts through 1976 have resulted in the granting of 66,859 hectares (2 percent) of the farmland. In 1973 there were 145,255 landless peasant families of which 2,574 (1.7 percent) have received land from ITCO. Quite clearly, much more needs to be done for the landless peasant.

NOTES

1. Charles L. Taylor and Michael C. Hudson, *World Handbook of Political and Social Indicators*, 2d ed. (New Haven: Yale University Press, 1972).
2. Mitchell A. Seligson, *Peasants of Costa Rica and the Development of Agrarian Capitalism* (Madison: University of Wisconsin Press, 1980).
3. John Riisman del, "Costa Rica: Self-Images, Land Tenure and Agrarian Reform" (Ph.D. diss., University of Maryland, 1972), pp. 207–8.
4. In 1982, ITCO was renamed the Institute for Agrarian Development (*Instituto de Desarrollo Agrario—IDA*). While the law that created the IDA did much to place the agrarian reform agency on a firmer financial footing, serious budgetary problems continued to limit IDA's effectiveness.—Eds.
5. By 1980, ITCO had established fifty agrarian reform projects—with a total area of over 111,000 hectares (296,400 acres)—that directly benefited some 4,200 peasant families. See Jorge A. Mora Alfaro, "La estructura agraria y la capacitación campesina," *Revista de Ciencias Sociales*, nos. 19–20 (1980): 76.—Eds.

4.12 Agrarian Cooperatives in Costa Rica*

BY GERMÁN MASÍS

Cooperatively owned enterprises have been an important mechanism employed by the Costa Rican state both to defuse conflict and to increase poor and working people's economic stake in the existing order. While cooperatives are potentially an important form of participation and contribute to the democratization of society, they have not always lived up to their potential. This reading by Germán Masís suggests that while some rural co-ops are prospering, others have suffered for lack of adequate financial and technical support from the state. He argues that there is a growing gap between wealthy cooperatives involved in producing export or luxury goods and those oriented toward subsistence agriculture.

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RURAL cooperatives are a relatively recent phenomenon in Costa Rica. In the early 1960s, following the Punta del Este Conference [in Uruguay that founded the Alliance for Progress], Latin American policymakers began to view the cooperative as a symbol of participation and democratization and the ideal form of organization for solving the socioeconomic problems of the poor.¹ Such considerations appeared to be of the utmost urgency at a time when the

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