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The best way to bring down high birth rates is through massive investment in education. When people have the opportunity to obtain an education and to have more choice in their future lives, fertility will decline on its own. This outcome can be expected because there is a direct correlation between higher levels of schooling and fewer children. In contrast, less schooling means more children are born; this is the case around the world (Bongaarts 1982; Cleland and Rodríguez 1988) and in Latin America as well (Chackiel and Schkolnik 1997).

The proposals outlined above are intended to broaden and reorient the debate on strategic priorities for addressing poverty, inequality, and development in Guatemala. They are intentionally future-oriented and seek alternative solutions to the injustices, poverty, and underdevelopment arising from historical patterns of extremely unequal land tenure. These proposals are, in my view, priorities. But they will not by themselves lead to development. Other complementary strategies will be required. If land redistribution were possible in Guatemala, I would count it as an important complementary measure, given evidence on the favourable impact it has had in the economic development of other countries (Griffin 1989, 235-6). However, in light of the violence and paralysis of all progressive change that would likely arise from any effort to implement a meaningful redistribution of land, I believe that it is better to give priority to alternative measures. These have contributed to economic development elsewhere and should do so in Guatemala as well.

#### LAND REFORM AND RURAL DEVELOPMENT

*W. George Lovell*

As with most issues affecting economic, social, and political life in Guatemala, those pertaining to an understanding of land and landholding are best seen in historical perspective.

For a country whose present-day problems are so clearly rooted in events and circumstances of the past, it is disconcerting to hear historical origins alluded to but not engaged with in an informed, sophisticated fashion when the question of land in Guatemala arises. Worse still is to see them tackled in a cavalier manner that, in the end, serves only to perpetuate inaccuracy and misconception. Inaccuracy and misconception, alas, abound when it comes to serious contemplation of land issues in Guatemala, despite the fact that solid, scholarly work is available to clarify the admittedly difficult business of determining what actually happened to deprive so many of so much.

Gonzalo de Villa rightly observes that issues related to land in Guatemala are "very complex" and "involve an accumulation of wrongs." Inequality, he notes, is the most obvious feature of the relationship between those who own land and those who work it. In Guatemala official government statistics indicate that 90 percent of the total number of farms account for 16 percent of total farm area, while 2 percent of the total number of farms occupy 65 percent of total farm area. The best land is used to grow coffee, cotton, bananas, and sugar cane for export, not to feed malnourished local populations. Recent UN statistics indicate that 85 percent of Guatemalans live in poverty, 70 percent of them in a state of deprivation described as extreme. Only 15 percent are considered to live well. They live well not only because they enjoy the fruits of the land but also because lenient taxation laws and rampant tax evasion mean that their contribution to state revenues, in percentage terms, is among the lowest in Latin America.

This, in turn, means that the money any government has at its disposal for social spending – on, say, health and education – is also among the lowest, in percentage terms, in Latin America (Lovell 1995). Furthermore, plantation owners are notorious for not paying their workers the legally set minimum wage, which is at best a survival wage. More often than not, however, survival wages are, in truth, starvation wages. Guatemala thus defies the logic of that age-old saying, "You can't have your cake and eat it." In Guatemala, plantation owners not only have their cake and eat it *once* – they get to eat it *twice more*, by (1) nonpayment or minuscule payment of taxes and (2) paying their workers less than, under law, they are supposed to. These are not mere assertions. They are, sadly, well-documented facts.

A study by the Inter-American Development Bank (IADB), looking at such diverse countries as Argentina, Bolivia, Brazil, Chile, Colombia, Mexico, Peru, and Venezuela, indicates that inequality results in slow or negative per capita growth of a country's gross domestic product (Birdsall and Sabot 1994). This poor economic performance throughout Latin America is in marked contrast to the experience of a similarly diverse set of countries in East Asia, where narrower gaps between the rich and the poor, while apparent, do not impede or indeed retard economic growth nearly so much. The IADB study also indicates that inequality has a negative impact in the Latin American setting on educational opportunities, fertility rates, and the incidence of child labour.

Though not singled out in the IDB study, Guatemala fits the general Latin American pattern regrettably well. De Villa states that the "enormous gap in land ownership can be explained in historical

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terms" and that "its origins are well understood." While I concur with the former statement, I cannot agree with the latter, for I believe that the nuances of the origins of land inequalities are *not* well understood at all, even among specialists, to say nothing about popular beliefs and imaginings. Let us first, then, try to set the record straight before discussing some of De Villa's "alternative strategies" for rural development.

There can be no doubt: during the colonial period Maya communities in Guatemala lost land to Spanish intruders, especially in highly prized pockets around the capital city of Santiago, today Antigua, and in expanses suitable for the cultivation of cacao in the sixteenth and seventeenth centuries and for the production of indigo and cochineal dyes in the eighteenth and early nineteenth centuries (MacLesell 1973; Pinto Soria 1989). Cattle and sheep ranches, as well as properties specializing in growing wheat, also appeared on the scene, geared to the requirements of a Spanish, not a Maya, socioeconomic agenda (Joba 1984; Luján Muñoz 1988; Lutz 1994).

Far more striking than Spanish acquisition of land, however, is the extent to which Maya communities held on to it and fostered a sense of identity around it. They achieved this through active recourse to an imperial legal system they realized could be manipulated to their advantage and by adhering to certain ancient geographical preferences. Despite sustained attempts to redesign where and how they lived and farmed, a good many Indians remained intimately tied to ancestral land in remote, mountainous areas not the least amenable to Spanish entrepreneurial ambitions (Bertrand 1987; Hill and Monaghan 1987; Lovell 1992; Lovell and Swezey 1990). For the Spaniards, control of Maya labour was considered a higher priority than control of Maya land, particularly in the wake of the demographic collapse that native peoples experienced as a consequence of European intrusion (Kramer 1994; Kramer, Lovell, and Lutz 1991; Lovell 1993; Lovell and Lutz 1994; Sherman 1979). That the native estate was plundered, therefore, is hardly remarkable; that the colonial era drew to a close with large tracts of it still intact perhaps is (Luján Muñoz 1993, 1994; Lutz and Lovell 1990).

Not until 1871, half a century after independence had been attained, did erosion of the native estate, coupled with assaults on native labour, begin to alter age-old ways of living with the land, as President Justo Rufino Barrios embarked on the Liberal project of modernizing Guatemala (Cambranes 1985; Woodward 1993). Land was transformed from a cultural resource into an economic one, spun from community into commodity, by Liberal desires to capitalize on Guatemala's untapped potential as a producer of coffee for the

world market. The Pacific piedmont and the Verapaz highlands, in particular, offered ideal growing conditions (King 1974; Carmack 1983, 1995). Both these regions had been relatively untouched by the search for a successful cash crop during colonial times, which had seen cacao, cochineal, and indigo experience short-lived cycles of boom and bust. Investment by domestic and foreign capital resulted in coffee emerging as Guatemala's principal export crop, a position it has maintained in the national economy from the time of President Barrios until today (Burns 1986; Smith 1978, 1984).

Organized on a *finca*, or plantation, basis, coffee production demands intensive labour input, mostly at harvest time. What suits the requirements of coffee planters best, therefore, is a seasonal work force, one that provides labour when needed and that can be dispensed with when not. Outright coercion in the form of a draft known as *mandamiento*, authorized by President Barrios in 1876, reinforced the long-standing practice of legalized debt peonage, which endured well into the twentieth century in Guatemala, when it was eventually replaced by a vagrancy law requiring individuals holding less than a stipulated amount of land to work part of each year as wage labourers for others (Jones 1940; McCreery 1994; Whetten 1961). During colonial times, Spaniards controlled Maya labour, but not necessarily Maya land. Turning Guatemala into a coffee republic during the national period meant that an enterprising *ladino* elite needed to control both (Williams 1994).

By the 1940s the need to coerce labour to work land commercially began to diminish, an inevitable consequence of population increase. Between 1944 and 1954 serious efforts were made to address land issues in Guatemala. However, it was also during this "democratic decade" that population began to spiral upwards at unprecedented rates (Handy 1994; Early 1982). The "land question" in Guatemala, De Villa recognizes, is related not only to arrangements for the procurement of labour but also, very importantly to "demographic issues."

Guatemalan censuses are notoriously problematical. Even allowing for significant margins of error, however, official government returns (table 3) demonstrate that the country's political woes are fueled by population increase as well as by social and economic inequality (Lovell 1985, 1990; Lovell and Lutz 1994). While the national population doubled in size between 1880 and 1950, it took less than thirty years to double in size again, topping six million in 1981. Such accelerated population growth would challenge the governability of any country; in the case of Guatemala, where land inequalities have ethnic as well as class dimensions, it contributes directly to political

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Official Guatemala

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Table 3  
 Official Guatemalan Census Returns, 1888–1994

Year	Total Population
1880	1,224,602
1893	1,501,145
1921	2,004,900
1940	2,400,000
1950	2,790,868
1964	4,287,997
1973	5,160,221
1994	9,433,293

turmoil and exerts enormous pressure on natural resources and human resolve (Stoll 1990, 1993).

De Villa believes that “any redistribution of land would be very difficult to accomplish in contemporary Guatemala,” pointing out that opposition “from land-owning elites would undermine new reform efforts, just as it destroyed earlier ones.” Neither does he see a solution in “the land resources held by the state,” for these are “simply not sufficient” to satisfy a fraction of the need. What, then, might be done to improve the abject lot of most Guatemalans, especially in the countryside?

A successful attack on poverty begins for De Villa in the classroom. Getting landowners to pay taxes on their properties so that a responsible government can build schools, and train teachers to teach in them, is a crucial first step. Instructing landowners of the need to pay their workers, if not a decent, liveable wage then at least the legally decreed daily minimum, which in Guatemala, it does no harm to reiterate, is barely enough to survive, would be another. Access even to the rudiments of education and fair treatment in the labour market are basic human rights currently denied Guatemala’s impoverished majority.

De Villa makes the sobering point that in the years ahead “the size of the work force in agriculture will decline.” If he is correct in his assertion, and IADB thinking (Birdsall and Sabot 1994) suggests that he is, the implications are harrowing in the extreme. One consequence would surely be an increased exodus of “transmigrants” leaving to live and work in the United States and Canada, where perhaps as many as one million Guatemalans presently have residential

and occupational ties (Burns 1993; Hagan 1994; Jonas 1995; Vlach 1992; Wright 1993a). Indeed, Castillo's chapter in this volume suggests that such an exodus has already begun. Canadians need to be much more aware of this population movement and of its implications for our already multicultural society. NAFTA has made Guatemala – geographically as much as socially, economically, and politically – Canada's next-door neighbour. Whatever happens in Guatemala now happens a little closer to home.

Canadian development assistance, in conjunction with that of other countries and institutions like the World Bank and the IDB, could, and certainly should, be channeled into the "intensification of land use and technological investments" in Guatemalan agricultural production, whether on a large commercial estate or in a small subsistence plot. But no matter how hard we try to imagine solutions "from an entrepreneurial point of view," sooner or later we must confront the reality that in Guatemala a few have lots, while many have next to nothing. Changing that reality will not be easy, but unless some kind of land reform becomes part of the political agenda, Guatemala's woes will not only continue but will continue to worsen. Programs of land reform, especially when implemented alongside programs of rural industrialization and infrastructure improvement, have resulted in people remaining economically active in the countryside, thereby reducing outmigration and increasing rural incomes. Both Taiwan and China are cases in point (see, for example, UNDP 1996, 94–5). I thus disagree with de Villa that "large-scale land redistribution would be an inappropriate priority." To my mind it would be a most appropriate priority, if undertaken properly, not just talked about in the abstract. However, in this regard, as with so much in Guatemala, the "firm and lasting" peace accord signed on 29 December 1996 promises much but seems certain to deliver very little. What is it, indeed, that this accord and others that preceded it hope to accomplish on the land question?

Two agreements contain articles pertaining to land issues: the first is an Agreement on the Identity and Rights of Indigenous Peoples, signed on 31 March 1994, the second an Agreement on Social and Economic Issues and the Agrarian Situation, signed on 6 May 1996. Article 28 in the latter document reads as follows:

Land is central to the problems of rural development. From the conquest to the present, historic events, often tragic, have left deep traces in ethnic, social, and economic relations concerning property and land use. These have led to a situation of concentration of resources which contrasts with the

poverty of the majority whole. It is essential to re

The agreement on the of Guatemala, among action:

- 1 Establish a land trust government funding either do not have through long-term rest rates with little
- 2 Encourage conditions farmers to have access
- 3 Promote "legal reform registry systems.
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While these clauses agenda of genuine Status quo patterns that a privileged few will be left, still, with that wealthy landowners and finally comply with and fair employers. But is it enough? Country resources, natural a country because access

poverty of the majority and hinders the development of Guatemala as a whole. It is essential to redress and overcome this legacy.

The agreement on the "agrarian situation" commits the government of Guatemala, among other initiatives, to the following courses of action:

- 1 Establish a land trust fund "for the acquisition of land through government funding," in order to "enable tenant farmers who either do not have land or have insufficient land to acquire land through long-term transactions at commercial or favorable interest rates with little or no down payment."
- 2 Encourage conditions "that will enable small and medium-scale farmers to have access to credit."
- 3 Promote "legal reform" in the land administration and land registry systems.
- 4 Put into place procedures "for the settlement of disputes relating to land."
- 5 Provide "advice and legal assistance to small farmers and agricultural workers with a view to the full exercise of their rights."
- 6 Take measures to "ensure that labor legislation is effectively applied in rural areas," in order to curb abuses, including the adoption of "sanctions against offenders."
- 7 Ensure that "by the year 2000, the tax burden, measured as a ratio of gross domestic product, increases by at least 50% compared with the 1995 tax burden."
- 8 Address "the most serious issue relating to tax injustice and inequality, namely, evasion and fraud, especially on the part of those who should be the largest contributors," on whom the government pledges to impose "exemplary penalties."

While these clauses are encouraging, one searches in vain for an agenda of genuine structural reform to tackle land inequalities. Status quo patterns of land ownership remain intact, which means that a privileged few will retain lots and the impoverished majority will be left, still, with next to nothing. The most one can hope for is that wealthy landowners will be content to hold on to what they have and finally comply with the principle of being responsible taxpayers and fair employers. This, in truth, would be a considerable advance. But is it enough? Guatemala is *not* a poor country. It is rich in resources, natural and human. Guatemala has been *made* a poor country because access to its resources, especially its land resources, is

characterized by crippling structures of inequality. It makes strategic sense to proceed, as the government of President Alvaro Arzú has attempted to do, on matters pertaining to land taxation and remuneration of agricultural labour. The fundamental issue of unequal ownership of land, however, can be resolved only if it is actually addressed. If it is not, then the peace that has supposedly been signed into being in Guatemala may prove neither firm nor lasting.

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PART TWO

*Negotiating*

*Peace: National*

*Dimensions*