

On March 15, 1980, Ecuadorian President Jaime Roldós and his Vice-President Osvaldo Hurtado announced the general outlines of their new administration's five-year economic plan. The ambitious \$5.4 billion proposal—calling for major reinvestment of the nation's petroleum wealth—included \$250 million for rural development and the distribution of expropriated private and public land to some 77,000 needy peasant families. If such a program is actually implemented—no certainty in a country where impressive legislation is often stillborn—it would significantly expand the government's halting efforts at agrarian reform begun on July 11, 1964, when Ecuador's ruling military junta passed the first of several agrarian reform decrees and amendments. Rather than effecting radical change, however, much of this legislation reinforced socioeconomic trends which had already been modifying rural land tenancy and landlord-peasant relationships.

Ecuador has traditionally had one of the most rural populations in South America and one of the highest proportions of its work force engaged in agriculture. In 1970, the agricultural sector accounted for 56 percent of the economically active population.¹ Prior to the 1973 petroleum boom, cocoa, bananas, sugar, and coffee accounted for over 90 percent of Ecuador's export revenues, although agricultural output generally stagnated in the 1970s. That sector's share of the GDP declined from 39 percent in 1954 to 27 percent in 1970 and 21 percent in 1978. More important, per capita food production declined.² Despite its relatively small population, Ecuador has a very low level of cultivated land per capita.³ Moreover, as in much of Latin America, land tenancy has traditionally been highly concentrated. Prior to the first agrarian

reform legislation, some 1,400 *latifundia* (large estates) of 500 hectares (1,250 acres) or more—representing but 0.5 percent of the nation's agricultural units—controlled 45 percent of the agro-livestock land.⁴

While agrarian reform has been motivated by a number of political and economic factors, its proponents clearly have hoped that it would also contribute to greater agricultural productivity. Thus the poor production record over the past decade or more and the need for growing food imports have subjected reform proponents to severe criticism from various points on the political spectrum. Many social scientists, as well as spokesmen for peasant groups and their allies within the Catholic Church and the political party system, argue that efforts to redistribute land and to aid the small farmer have been half-hearted and inadequate in scale. Indeed, in comparison with some other Andean nations—Peru and Bolivia—land redistribution and agrarian change in Ecuador do appear quite modest.

Ecuador's larger landowners (*hacendados*) take a different view. For them, agrarian reform is the *bête noire*: it has proliferated inefficient smallholdings (*minifundia*) they insist, and has transferred land from the hands of allegedly efficient estate (*hacienda*) owners to peasants who lack the technical skills needed to farm it productively. Even enlightened landowners such as former President Galo Plaza Lasso (1948-1952), one of Ecuador's more progressive chief executives and a spokesman for the highlands' most modern *hacendados*, expressed similar sharp criticism to this author. "If a *latifundia* is being inefficiently farmed," he argued, "it should be subject to redistribution. All too often, however, the most productive estates are turned

over to peasants who don't know how to farm them. As a result, output falls precipitously."

Plaza Lasso's negative evaluation is widely shared. In a series of interviews I conducted during the course of Ecuador's 1978-79 national elections, spokesmen for most of the major parties—from the Conservatives and Social Christians on the right to the Democratic Left and Christian Democrats on the left (excluding the small, Marxist splinter parties)—maintained that raising food production must be the new administration's first rural priority and that such a goal precluded significant land redistribution.⁵ Indeed, the inclusion of a major agrarian reform plank in the five-year economic plan (written under the direction of Vice-President Hurtado) is intriguing, since Hurtado and a top administration economic adviser told me both before and after the 1979 election that the Roldós government was unlikely to initiate an extensive land redistribution program.⁶

This article will discuss the political and socio-economic context of Ecuador's past agrarian reform efforts, analyze the degree of change that has resulted, evaluate the reform's successes and failures, and speculate about future developments.

The Structure of Ecuadorian Agriculture

Ecuadorian agricultural production is concentrated in two distinct geographical zones: the warm weather region stretching from the arid Pacific coast to the tropical area on the western slope of the Andes, and the colder, high altitude zone of the inter-Andean plateau (sierra). The coastal region has been the source of rice, most meat and fruit, and export crops—bananas (also a domestic staple), sugar, coffee, and cocoa. Highland agriculture, on the other hand, is dominated by ranching (dairy cattle, sheep) and the cultivation of potatoes, corn, barley, legumes, and (at lower altitudes) wheat. Sierra production is overwhelmingly for the domestic market.

Since the early 1970s some migration has taken place from the highlands and coast into the sparsely inhabited Amazonian jungle to the east of the Andes. Newly colonized lands have been used for raising cattle, corn, and fruit, and there are plans for initiating extensive palm oil cultivation. Though there is much talk among politicians and in the mass media of the *oriente's* (eastern jungle region) potential for colonization and the resettlement of land-hungry peasants, ecological limitations would (or should) limit that

option. The *oriente* does not play a significant role in national food production at present.

Land tenancy in both the inter-Andean and coastal regions of Ecuador has traditionally been characterized by a pattern common to most of Latin America: the concentration of a large portion of the agro-livestock land in a small number of vast estates and the proliferation of smallholdings, most of them too small to provide subsistence. Tables 1 and 2 indicate that both on the coast and in the sierra several hundred large estates representing less than one percent of the agricultural units in each area controlled over 40 percent of the agro-livestock land in the 1950s.

Important differences distinguish the two regions, however. During the 1950s the role of the medium-sized farm (10-50 hectares) was already far more important on the coast than in the highlands. The construction of new roads into the Santo Domingo-Quevado tropical region on the western slope of the Andes during the 1950s opened that area to considerable colonization during the next two decades and greatly expanded the role of medium- and large-sized units. These new holdings were tremendously important in the 1950 banana boom which brought about a 1,000 percent increase in the land devoted to that crop.⁷

The large estates both on the coast and in the highlands have featured a wide variety of landlord-peasant tenancy relationships: share cropping, cash renters, neofeudal labor payments (as a form of rent), and paid agricultural workers. In the sierra some 30 percent of the peasantry in the early 1960s rented land, and some independent smallholders (66% of the peasantry) supplemented their income with occasional hacienda employment. While perhaps 15 percent of the sierra peasantry secured their plots (or even the use of pasture and infrastructure) through virtually unpaid labor on the estate owner's land (these peasants were known as *huasipungueros*, *yanaperas*, etc.), such neofeudal arrangements were not common on the coast. Conversely, though the Ecuadorian coast has featured far fewer salaried plantation workers than neighboring Peru, the coastal region still traditionally has more hired agricultural workers than the highlands. Similarly, tenants on the Ecuadorian coast were far more likely than their Andean counterparts to pay cash rents for their plots. Capitalist labor and tenant relations were thus entrenched earlier and more widely on the coast than in the sierra. In the southern and

Table 1: Land Tenancy in the Ecuadorian Highlands (mid-1950s)

Size (hectares)		Units	Area (thousands of hectares)
Minifundia	0-9.9	234,596 (90.4%)	496.4 (16.4%)
Medium	10-49.9	18,292 (7.0%)	362.0 (12.0%)
Large	50-499.9	5,962 (2.3%)	689.8 (22.8%)
Latifundia	500 or more	719 (0.3%)	1,472.2 (48.8%)

Table 2: Land Tenancy on the Ecuadorian Coast (mid-1950s)

Size (hectares)		Units	Area (thousands of hectares)
Minifundia	0-0.9	53,340 (63.0%)	207.3 (7.0%)
Medium	10-49.9	27,256 (32.2%)	852.3 (28.6%)
Large	50-499.9	3,419 (4.0%)	685.0 (23.0%)
Latifundia	500 or more	650 (0.8%)	1,234.5 (41.4%)

Source: CIDA, *Ecuador: Tenencia de la Tierra y Desarrollo Socio-Económico del Sector Agrícola* (Washington, 1965), p. 522.

south central provinces of Loja, Azuay, Cañar, and Chimborazo—where the Quechua (Indian) peasantry is more isolated from the modern socioeconomic system—neofeudal relationships endured until quite recently.

The continual opening of new agricultural lands on the western slope of the Andes added to the coastal peasant and agricultural worker's greater geographical mobility. Because of lower land pressure and greater opportunities for peasants to move into newly colonized lands, coastal landlords were generally unable to exert as much control over their tenants and hired labor as in the highlands. Boom and bust cycles in coastal agriculture also led to greater fluidity in landlord-peasant relationships.

Rural Change and Limited Peasant Mobilization

Any comprehensive understanding of the various agrarian reform decrees issued during the 1960s and 1970s requires a brief description of critical changes in production, and accompanying alternations in landlord-peasant relationships, which preceded those reforms. Considered in this context, agrarian reform did not represent a sharp break with the past but was instead an extension and acceleration of existing trends.

Coastal Agriculture. Whereas the highland hacienda system can be traced back to colonial times, the concentration of coastal agriculture into large estates dates only to the cocoa boom during the last third of the nineteenth century. Patron-client relationships were never firmly entrenched in the coastal regions of Guayas, Los

Rios, and El Oro. During the last years of the nineteenth century and the first decades of the twentieth, Ecuador became the world's largest cocoa exporter (contributing 35% or more of total commercial production in certain years).⁸ Cocoa growers established close linkages with the Guayaquil banking system to form an ascendant plantation-banking elite. It was this group which provided the economic backing for the Liberal Party's rise to power in the early years of this century.

In 1922, however, a devastating cocoa blight hit the Ecuadorian coast and was followed by a decreasing demand in the world market for that crop. The coastal cocoa economy collapsed, and Ecuadorian exports declined sharply for the next two decades. Between 1920 and 1940 total exports dropped at a rate of 4.8 percent annually (in constant dollars) until Ecuador reached one of the lowest levels of exports per capita of any Latin American nation.⁹

As a result of these market changes, coastal agriculture was transformed. Lands previously devoted to cocoa were converted to rice, bananas, sugar, and subsistence farming. Plantation agriculture predominated only in sugar cultivation, with control lodged with the powerful San Carlos group of Guayaquil-based bankers, exporters, and growers. The same conglomerate later became the leading exporter of bananas as well.

For the most part, however, the post-1922 period featured a significant reduction in landlord control over the coastal peasantry. Many of

the established estate owners sold their land to new absentee owners who lacked legitimacy vis-à-vis tenants. In many cases former tenants purchased their plots or moved into newly cleared lands to claim small land parcels. Even where the land remained in the hands of larger landlords—the more common situation—tenants who previously were forced to sharecrop or to sell their crop (particularly cocoa) to the landlords at reduced prices now began to rent their land on a fixed cash basis and to sell rice or bananas directly to the domestic market.

The transformation of many former sharecroppers into cash renters or even smallholders was not without tension. In the rich rice-growing Guayas basin of Guayas and Los Rios provinces (characterized as “perhaps the most fertile rainy tropical lowlands in the Western hemisphere”), many landlords tried to maintain traditional sharecropping arrangements, extracting 10 percent of the tenants’ rice crop as rent and forcing them to sell the rest to the owners’ mills at prices well below market value.¹⁰ As the landlords expanded their holdings into previously uncultivated areas, they would try to move tenants off old lands and use them to clear the new holdings. Not surprisingly, such practices were resisted by many peasants who wished to buy their plots (so as to raise subsistence crops and market their surplus directly) or at least to rent land for cash. Even when owners agreed to rent or sell the plots to their tenants, conflicts arose over the terms.¹¹

During the late 1940s and early 1950s, new developments in the world trade cycle once again produced major changes on the Ecuadorian coast. As cocoa and coffee prices rose sharply, many absentee owners tried to reassert control over their land. These moves were resented and often resisted by tenants now accustomed to paying fixed rents (independent of the volume or value of their output) and selling their crops (rice, cocoa, bananas) independently. More important, a tremendous boom in banana exports (resulting from the destruction of Central American production through hurricanes and disease) brought further efforts to reinstate the plantation system. United Fruit Company, a large Chilean firm, and Ecuadorian owners all sought to expand their holdings in the booming banana market.

Under these pressures, tenants in the Guayas valley and other coastal regions began to organize local unions. Seeking outside support, some peasant groups (particularly in the Milagro

regions of Guayas) turned to the Ecuadorian Labor Confederation (CTE), an affiliate of the Ecuadorian Communist Party. During the late 1950s, as banana exports receded somewhat, the CTE also began to organize salaried plantation workers who were being laid off by United Fruit and other growers.

In 1955, the CTE led a major strike in the northern coastal province of Esmeraldas against the Swedish-owned ASTRAL banana plantations. Four years later, a violent eight-month strike was carried out against Ecuadorian- and U.S.-owned banana plantations in the Quevedo region. Serious labor unrest on the United Fruit banana plantations in 1962 led that firm to sell most of its land to the Ecuadorian government. Concurrent with these organized plantation strikes, many tenants in the provinces of El Oro and Guayas were invading hacienda lands or simply refusing to pay rent on their plots.

During the 1959 presidential election rural conflict in the coastal provinces became a campaign issue as winning candidate José María Velasco Ibarra promised to enact agrarian reform legislation and to recognize the coastal plantation unions. Velasco, a demagogic populist, was elected to the presidency for the fourth time (of five) and promptly failed to fulfill his promise of rural reform. Feeling betrayed, tenants in Guayas and Los Rios carried out a series of land invasions and strikes from 1960 into 1961. In November 1961, the military ousted President Velasco for the third time and replaced him with Vice-President Carlos Arosemena. Despite Arosemena’s left-of-center reputation and his professed support for agrarian reform, his administration repressed further strikes by tenants in the Guayas region. By 1963, however, internal and foreign pressures for some form of agrarian legislation could scarcely be resisted any longer.

The Sierra. In the comparatively traditional regions of the inter-Andean plateau, rural change was more gradual with less peasant mobilization. Just as fluctuations in international market conditions altered coastal tenancy and labor relations, however, changes in the domestic market had similar effects in the highlands.

While variations in agricultural and labor patterns in different regions of the sierra make it difficult, it is nevertheless possible to observe some common characteristics of highland agriculture. In every province of the sierra, for

example, land tenancy prior to the 1960s was dominated by estates of 100 hectares or more. For the Andes as a whole, 64.3 percent of all agro-livestock land was concentrated in these large units. More strikingly, the 389 largest latifundia (a mere 0.2% of all highland units) controlled 41 percent of the agro-livestock land. At the other end of the spectrum, 81.7 percent of the sierra's agricultural units were under 5 hectares. Together, these 212,000 minifundia controlled only 11.4 percent of the land. Indeed, 32 percent of all sierra farms were under one hectare and accounted for only 1.4 percent of the agrarian land.¹²

The dominant latifundia featured a mixture of livestock ranching (sheep and cattle) and the cultivation of grain (corn, wheat, barley), tubers (especially potatoes), and legumes. In all, some 66 percent of the sierra peasantry (ca. 1960) owned their own small plots, but some 30-40 percent of the peasant work force (including some property owners who could not support their families on their plots) were dependent on the hacienda system. They might offer up to four or five days' labor per week on the hacendados' land for a nominal wage (or even no wage at all) in return for usufruct of a small plot of land and pasture grazing rights (*huasipungueros*). Some peasants (*yanaperos*) offered their labor merely in return for pasture rights and access to water and roads, while still others (*arrendatarios* and *partidarios*) were granted plots of some type of sharecropping arrangement. Finally, some landless peons worked for a wage only.¹³

During the 1950s and early 1960s it became increasingly obvious to the more entrepreneurial estate owners in the central and northern sierra that a growing urban middle class and skilled working class were creating a demand for certain foods—particularly meat and dairy products—that had previously been limited to a small elite. By the late 1950s over 20 percent of the population (with nearly one-third of national income) could be categorized as middle class. From 1961-1965, as population grew at 3.4 percent annually, private consumption increased annually by 5.3 percent (one of Latin America's highest rates of growth in per capita consumption for that period).¹⁴ Traditional Andean hacienda agriculture—based on extensive land use, high input of poorly paid labor, and little capital investment—was incapable of responding to this growing market. Innovative hacendados in the provinces of Pichincha, Cotopaxi, and Imbabura

(particularly the regions of Cayambe and Machachi), therefore began to modernize production methods and convert crop lands into more lucrative dairy production. Dairy farming—the most profitable form of highland agriculture for most of the past 25 years—became the leading sector in agricultural modernization.¹⁵ In 1961 Ecuador's first pasteurization plant was constructed in Quito: 16 years later there were 22 plants, 19 of them in the sierra.

This modernization of dairy haciendas involved the improvement of breeds, increased irrigation and application of fertilizer to pastures, and, more recently, artificial insemination and mechanized milking (though the last is still rare). In the central Andean province of Cotopaxi, "artificial" (irrigated) pasture area increased by 350 percent between 1954 and 1968 and by another 67 percent in the succeeding 6 years. Daily yield per milk cow was increased on the major haciendas from under three liters to ten liters.

To the modernizing landlords, the old semifeudal labor relations were increasingly unattractive. For one thing, the traditional order obligated a hacendado to provide employment and certain services to his peasants and many of his relatives. Even though wage payment was minimal, many landlords preferred a smaller, higher-paid, full-time work force. In addition, traditional pasture rights were restricting the landlords' ability to improve cattle stock, while the usufruct of plots by sharecroppers might impinge on the consolidation of artificial pasture.

Many landlords realized that their most profitable production strategy would be to consolidate their investment (irrigation, fertilization, improved milk sheds, etc.) on a reduced quantity of higher quality land. Tenants were offered ownership of small plots on less desirable, out-of-the-way terrain. A few of the most progressive hacendados—notably former President Galo Plaza, perhaps the sierra's most modern dairy farmer—aided former tenants with artisan co-ops, loans, and technical assistance. More commonly, the new "property owners"—often relocated on inferior plots—were left to fend for themselves. In some instances tenants were simply evicted.

Between 1959 and 1964, when the first agrarian reform law was introduced, one-sixth of the sierra's peasants who claimed traditional grazing rights on estate land were transformed by

their landlords into smallholders. In the more capitalistic agrarian provinces of Imbabura, Pichincha, and Carchi (in the northern Andes), the figure reached 25-40 percent.¹⁶ In changing their status from tenants to smallholders, the peasants usually lost their traditional rights to pasture usage, water, firewood, etc. In other parts of the sierra, particularly in the south, some of the more inefficient, neofeudal hacendados sold plots to their former tenants and sharecroppers. Since those peasants generally could not earn enough on their small plots to pay off the cost of their new land, they were required to do so by rendering free labor (whereas previously they received a nominal wage and the traditional rights just mentioned). Most former hacienda tenants, especially in the south, found themselves worse off as the capitalist pattern spread.

Even under the most favorable of circumstances, the erosion of traditional peasant-landlord labor and tenancy relations tended to weaken the long-standing legitimacy of hacendado authority. In areas such as Chimborazo (where some of Ecuador's poorest, most feudal haciendas are found) open tensions developed on a number of latifundia where hacendados refused to pay even nominal wages and evicted tenants from their plots. Aided by sympathetic Catholic clergy, peasants on several estates formed unions demanding that their landlords pay them the wages required by law. In Cayambe—a modern dairy-producing region—a number of hacienda unions were formed as early as the 1940s with the support of the Federation of Ecuadorian Indians (FIE), a wing of the CTE. During the 1950s and early 1960s workers on several Cayambe haciendas successfully struck for the legally guaranteed minimum wage and paid holidays.¹⁷

These examples of organized peasant unionization and the more extensive rural mobilization on the coast suggest that Ecuador's peasants have not been as passive as they are frequently depicted by academic observers.¹⁸ Yet Ecuadorian peasant mobilization—particularly in the sierra—has not approached the level of that in Peru, Bolivia, or Chile. Unionization efforts have been fairly localized and peasant participation in the political process has probably been lower than in any other Andean nation, including Colombia and Venezuela.

1962-1964: The Debate Over Agrarian Reform

With the victory of Cuba's rural-based revolution in 1959, agrarian reform became a political

agenda item in most nations of Latin America. In none of these nations did the state significantly restructure land ownership, although international pressures and the fear of rural unrest induced the political elite at least to pay lip service to the issue.¹⁹ Ecuador was no exception. The formal commitment of the United States (through the Alliance for Progress) and of the Organization of American States (through the Punta del Este Conference) suggested that continued foreign aid might require the passage of some kind of agrarian reform.

On January 31, 1960, President Velasco Ibarra appointed a National Agrarian Reform Commission to draw up potential legislation. From that point through mid-1963, under Velasco and his successor Carlos Arosemena, a variety of presidential and congressional commissions and independent spokesmen representing political parties and interest groups issued various legislative proposals.²⁰ As voices such as the FAO and the Ecuadorian commission to the Alliance for Progress added their support for rural change, it became clear that some kind of agrarian law would be passed.

Three questions formed the core of the political debate:

1. How much redistribution (if any) of privately owned latifundia would take place (as opposed to colonization of new areas and the distribution of state property)?
2. If limits were to be placed on the size of private estates, how large should they be?
3. What types of traditional labor relations in the countryside should be restricted or abolished?

From the outset the large landowners—organized regionally into a series of Chambers of Agriculture—influenced the decision-making process in a number of ways: through the direct role of hacendado spokesmen serving in the national Congress (such as Senator Marco Tulio González, president of the First Zone [north-central sierra] Chamber of Agriculture); direct representation on several of the presidential commissions; mass media campaigns, particularly in influential Guayaquil and Quito newspapers like *El Telegrafo* and *El Comercio*.

Ecuador's peasantry and agricultural workers had far more limited opportunities to influence decision making. Strikes by plantation workers

and tenants on the coast put some indirect pressure on the government. In 1962, for example, an FTE strike at United Fruit's Tenguel plantation induced that company to sell its property to the government's National Institute of Colonization. In the Quevado region of Los Rios province and in Guayas province tenants invaded several banana and rice plantations. A large peasant march on Quito sponsored by the CTE and FIE drew serious attention from *El Comercio* which spoke of "a peaceful invasion of the city...." Shortly thereafter, President Arosemena (who had just assumed office) addressed the third national congress of the Federation of Ecuadorean Indians (FEI) in Quito.²¹ Nevertheless, the fear of peasant unrest that did exist derived more from events elsewhere—the Cuban Revolution and massive land invasions in Peru—than within Ecuador.

From the start, the various sectors of the land-owning elite were agreed on two issues: first, there would have to be some kind of agrarian reform legislation if for no other reason than to satisfy the international community; second, no serious redistribution of private latifundia land should take place. Beyond this, there were attitudinal differences both between the coastal and the sierra rural aristocracy and within each region.

The powerful Guayaquil Chamber of Agriculture—dominated by the San Carlos group and other large sugar, rice, and banana growers—were concerned about land ceilings since they owned vast tracts, often for future development, in the fertile region west of the Andes. Because land pressure was greater in the sierra, they feared expropriation. "The technification of agricultural production rather than political mobilization of the peasantry," they argued at a June 1963 congress, "should be the primary objective of the agrarian reform."²² They called for colonization of the oriente and the distribution of state lands rather than expropriation of private property. Reflecting the views of the Guayaquil elite, *El Telegrafo* charged that the National Economic Council, which was drawing up the legislation, was dominated by Andean economic interests who were trying to make coastal landowners pay for the inefficiency of highland agriculture.²³ Their anxieties were increased when a July 1963 coup ousted President Arosemena and installed military officers with Andean political ties.

The more feudalistic landowners of the southern sierra also feared serious restriction on latifundia size since their inefficient, labor-intensive estates were dependent on the use of large areas and little capital investment. Indeed, they were the most reactionary sector of the land-owning class since they also opposed the prohibition of certain traditional labor relations.

A more modernizing hacendado class in the central and northern inter-Andean plain was willing to accept the abolition of the tenant system and other neofeudal peasant-landlord bonds. Indeed, as noted, most of them were already voluntarily converting their tenants to smallholders or wage-earning workers. Many of these landlords were still not sufficiently efficient to reduce their holdings significantly, however, and hence opposed meaningful legislative limits on maximum holdings.

Finally, the most modern sierra dairy producers (represented by Galo Plaza and the Cayambe and Machachi landlords) were amenable both to the abolition of feudalistic labor relations and to some limitation of hacienda size.

Decree 1480: The Agrarian Reform Law

On July 11, 1964, Ecuador's ruling military junta finally issued an agrarian reform decree after four years of national political debate. The legislation permitted coastal landowners to retain up to 3,500 hectares of crop, pasture, and "reserve" land and exempted holdings up to 1,800 hectares in the sierra. These maximums were sufficiently large to satisfy both the coastal elite and the modernizing Andean hacendados. Moreover, the law was replete with loopholes. Lands producing crops which were "destined for industrial transformation" were specifically excluded from agrarian reform provisions, thereby exempting the powerful coastal sugar growers. Corporate (as opposed to individually owned) land could also be exempted, another loophole widely used on the coast. The decree further excluded any latifundia land "efficiently exploited"—a term sufficiently vague so as to encompass any modern hacendado or company with political influence. Indeed, IERAC (the newly created Ecuadorean Institute of Agrarian Reform and Colonization), the organism charged with administering the reform legislation, could extend maximum allowable land ownership in any situation which it deemed proper. Finally, first priority was to be placed on the distribution of government-owned lands. In short, the limits

on private land ownership were virtually meaningless, their potential effect limited to the most inefficient, traditional southern Andean estates.

The law did abolish the most feudalistic highland labor relations (*huasipungo* and *yanapa*) which involved the peasants' payment of rent (for land, pasture rights, water rights, etc.) through virtually unpaid labor. (Ecuador was one of the last nations in South America to permit that practice and it had become an embarrassment.) Former tenants were to be given title to their small plots with their payment to the landlord (if any) depending on the length of time that they had worked on the hacienda.²⁴ They thus forfeited their traditional rights to hacienda water, firewood, access road, and—after five years—pasture usage. The law further mandated the abolition within eight years of certain sharecropping relations still practiced on the more traditional coastal cocoa estates. However, sharecropping on rice lands (a far more important crop) was specifically permitted to continue.

The military government and IERAC stated that the intent of the agrarian reform was to encourage productivity, transfer inefficient latifundia lands directly to the peasantry, and "integrate" the smallholder into the national economy. In order to facilitate the last goal, preference in land redistribution was to be given to peasant cooperatives under the jurisdiction of IERAC.

By virtually any criterion, however, the 1964 law was weak. The more feudalistic types of landlord tenant relations it prohibited were already being abandoned in much of the inter-Andean plain and were not of consequence for most of the coast. By the start of the 1960s tenants accounted for only 7 percent or so of the highland peasantry and sharecroppers for only 3 percent of the Andean peasant population and a comparably small minority on the coast.²⁵

For the most part, the basic structure of land tenancy was kept intact. Given the great political influence of the most capitalistic landowners and the weakness of peasant organizations, such an outcome was not surprising. Indeed, the agrarian reform clearly demonstrated the ability of major banana and sugar growers and of the modern Andean dairy farmers to protect their interests. Such reforms as were actually implemented sacrificed the most inefficient and politically ineffective landlords—the southern Andean hacendados and the coastal cocoa growers—to the winds of change.

Aftermath in the Andean Highlands

Between 1964 and 1971, 17,468 Andean tenant families were given title to 60,472 hectares of land (over 85% of that transfer taking place in the years 1965-1967), thereby practically eliminating tenancy relationships.²⁶ The reform had the short-term effect of increasing landlord-peasant conflict in some regions and of inspiring further peasant mobilization. In many parts of the southern inter-Andean plateau, hacendados anxious to avoid loss of their tenants' plots began to evict the tenants or to convert them to salaried workers. Several landlords in the provinces of Chimborazo and Azuay told this author they were able to evade transfer of peasant parcels in this manner. In a few regions of the southern and central sierra, peasants organized local unions (*sindicatos*) to prevent such evictions. In other cases, tenants working under arrangements still permitted by law (*aparceros*) organized for the purpose of securing their plots. During the late 1960s and early 1970s peasant federations were formed in the provinces of Chimborazo, Tungurahua, Cañar, and Bolívar, but only in Chimborazo did peasant mobilization reach significant levels.²⁷ While CTE, FIE, and other leftist labor groups were of some help to the Chimborazo peasants, sympathetic clergymen, especially Archbishop Proaño (of the city of Riobamba), one of the most politically progressive and outspoken Catholic leaders in Ecuador and a major voice throughout Latin America for the theology of liberation, were more influential. A number of haciendas in Chimborazo and elsewhere in the southern highlands were expropriated by IERAC and turned into peasant cooperatives.

The most important land transfer, however, affected estates belonging to the Ecuadorian government's Asistencia Pública (Public Assistance)—the organism which funds public hospitals and other social services. During the early part of the twentieth century, the government had expropriated many church-owned haciendas and turned them over to the Asistencia Pública. As of 1960, it accounted for fully 20 percent of all sierra hacienda property in units of over 100 hectares.²⁸ More important, these estates frequently contained the highest quality lands in the region.

Since the early part of the century the government had leased those haciendas to large landowners. Because the hacendados did not have title to the lands and because management of the property might change periodically (as land was

transferred from one major leasee to another), hacendado control over the estates' peasantry was limited. Consequently, peasant pressure was strongest here and it was these Asistencia Pública estates which provided most of the land for the cooperatives created by IERAC from the late 1960s through the mid-1970s, thereby reducing pressure for expropriation of private property.

Continued Coastal Tensions and Decree 1001 (1965-1970)

The effects of the first agrarian reform law were far more limited on the coast than in the sierra. IERAC did expropriate a number of cocoa estates belonging to politically weak absentee landlords. In addition, the Institute granted title to some squatters who had occupied property in the tropical Santo Domingo region west of the Andes. In early 1965, some land was even expropriated from the San Carlos sugar company. The military government's appointment of José Arey Marín as Agriculture Minister in June 1965, less than a year after the passage of Decree 1480, guaranteed, however, that major coastal estates would not be touched. Arey Marín was an officer of the Guayaquil Chamber of Agriculture and a brother-in-law of Carlos Luis Plaza Danín, a leading banana plantation owner and spokesman for the coastal opposition to the agrarian reform. From 1964-1971, only 27 percent of land adjudicated to peasants through agrarian reform was on the coast.

In March 1966 the Executive Director of IERAC, Juan Casals, resigned charging "betrayal of the agrarian reform."²⁹ Shortly thereafter, Ecuador's military government stepped down to be replaced briefly by interim civilian President Clemente Yeravi and then by Otto Arosemena, who was elected to a two-year term (1966-1968) by a national constituent assembly. Both Yeravi and Arosemena were closely tied to the Guayaquil agriculture/export elite. In 1966 the IERAC budget was cut 40 percent and President Arosemena removed its remaining progressive officials. His conservative administration also permitted many coastal landlords to expel tenant farmers from their sugar and rice lands so as to avoid any future possibility of redistribution of those plots.

Tensions between landowners and tenants were particularly acute in the Guayas basin rice estates. Formerly a cocoa-producing region, the area had been transformed in the 1930s to Ecuador's principal source of rice—largely

grown by sharecroppers.³⁰ During the 1950s and 1960s rice acreage in Guayas and Los Rios province increased by some 600 percent through the colonization of new lands and the transformation of mixed (cattle-rice) estates to pure rice cultivation. While total production increased gradually, however, yield per acre was dropping. Government technical advisers as well as United States AID representatives concluded that landlords were not running the estates efficiently.

In 1967-68, a severe drought in the Guayas basin intensified tenant-landlord conflicts and induced some sharecroppers to seize their plots. More important from the national government's perspective, the drought reduced rice production in Guayas and Los Rios (1966-1968) from 189,170 to 82,601 metric tons and necessitated major importation. The crisis added strength to the government's contention that existing tenancy and production relationships were inadequate.

In December 1970, President Velasco (returned to office for his fifth term) issued Decree 1001 banning sharecropping in coastal rice areas. These estates were declared "of public utility" and subject to expropriation.³¹ Subsequently, leasing of agricultural land of any kind was declared illegal. Soon after the passage of the 1970 Decree, rice-growing sharecroppers began to terminate their rental payments even on unexpropriated lands. By 1976, most coastal rice lands had been expropriated by IERAC, but the agency had been rather slow in delivering title to the peasants. With the assistance of AID, the government helped create nearly 100 producer cooperatives of former rice sharecroppers.

Following the 1973 petroleum boom, Ecuador's new military regime increased the rate of rice land expropriation and adjudication and increased government loans to that sector. Credit was generally predicated on the formation of government-directed producer cooperatives (*empresas agrícolas*). Most peasants not belonging to rice-producer cooperatives nevertheless organized marketing coops. Government influence dominated both types of cooperative through control over rice prices (purchasing over 70% of the rice crop) and thus the state replaced the hacendado as decision-maker in rice cultivation and milling. The former sharecroppers, however, seem to have benefited economically from the transformation to cooperatives and the state has thereby effectively reduced peasant discontent and independent mobilization.

1972-1979: Agrarian Reform under Renewed Military Rule

In February 1972, the Ecuadorian armed forces once again ousted President Velasco Ibarra and returned the nation to military rule after six years of provisional and elected civilian government.³² The new junta, headed by General Guillermo Rodríguez Lara, projected a left-of-center image somewhat modeled after the military regime in neighboring Peru.³³ Soon after taking power the government announced plans for new agrarian reform legislation which would integrate land redistribution into a broader national economic development program. Agrarian reform, it declared, should be part of "an orderly change in the economic, political, and cultural aspects of the rural structure."

The new Agrarian Reform Law issued in October 1973, superseded all previous legislation, although it offered no major innovations. Through intense lobbying, the Pichincha (Quito) and Guayas (Guayaquil) Chambers of Agriculture had watered down the proposed legislation, just as they had done in the early 1960s.³⁴ Internal divisions within the military, pitting more conservative officers against the Rodríguez Lara faction (and reflected in an unsuccessful September 1975 coup attempt and Rodríguez's forced resignation in January 1976), undercut the government's ability to resist these pressures.

Under the new law, the Institute of Agrarian Reform (IERAC) was changed from an autonomous agency to a division of the Ministry of Agriculture. Calling for more "preparation" of newly expropriated or colonized lands (i.e., creation of infrastructure, technical aid, etc.) before plots were turned over to peasant owners, the decree also promised additional credits for beneficiaries. Finally, the legislation streamlined provisions for adjudication of expropriated property.

To be sure, Ecuador's post-1973 petroleum boom did bring about a sharp increase in government agricultural expenditures and credits (as it did in all sectors of the budget). Between 1973 and 1974, credits extended by the National Development Bank (the major source of government agricultural loans) increased from \$53 million to \$133. Similarly, in 1975 and 1976, IERAC's budget was nearly tripled (in noninflationed currency) from 1973-74 levels. Agricultural credits since 1975 have nevertheless failed to keep up with inflation and in 1977 IERAC's

budget was slashed by over 55 percent, reducing it to near 1973-74 levels.³⁵

Beginning in 1975, the military government did begin to accelerate the adjudication of previously expropriated property so that titles could be transferred from IERAC to the peasantry (Table 3). The amounts of land adjudicated in 1976 (60,436 hectares) and 1977 (75,210 hectares) were the highest annual totals since the passage of the first agrarian reform legislation in 1964. This reflected the title transfer of property previously acquired by IERAC, however, not an expansion of land redistribution. Indeed, the Ministry of Agriculture under both the Rodríguez Lara government (1972-1975) and the succeeding junta (1976-1979) emphasized colonization of new lands, particularly in the *oriente*. As Table 3 indicates, during the first 6 years of Ecuador's most recent military rule, 713,115 hectares of land were colonized (416,732 of it in the *oriente*), a 45 percent increase beyond the 1964-1971 period.

In December 1977, the centrist junta headed by Admiral Alfredo Povedo issued Agrarian Reform and Colonization Decree 2092. The law reflected the regime's preference for colonization over redistribution and in January 1978, the government created a new agency, INCRAE, to administer such colonization, thus depriving IERAC of a major function and undermining its authority. Peasant organizations, aware that IERAC bureaucrats, whatever their faults—were relatively more sympathetic to land redistribution, rallied to the beleaguered institute's defense. The peasants had little political influence, however, and in March 1978, IERAC director Manuel Antonio Franco resigned, citing the lack of government support for land reform. One year later, the junta issued an "Agricultural Promotion Law" which seeks to stimulate production on existing farm units (with little concern for distribution issues). Hailed by the Quito Chamber of Agriculture, the law was denounced by most peasant organizations as "an instrument at the service of large landowners."³⁶

The Agrarian Reform Evaluated: Changes in Land Tenure

In 1978, the Ministry of Agriculture and the National Planning Agency (JUNAPLA) issued an extensive evaluation of agrarian reform from 1964-1976. Together with additional data published subsequently by IERAC and other government agencies, the study shows the extent and limits of changes in rural land tenancy.³⁷

Table 3: Area of Land Adjudicated through Agrarian Reform and Colonization: 1964-1977

Period	Agrarian Reform			Colonization			
	Sierra	Coast	Total	Sierra	Coast	Oriente	Total
1964-1966 (Military government)	68,447	17,154	85,601	116,500	43,444	47,273	207,266
1967-1971 (Civilian government)	72,129	21,102	93,291	118,901	104,165	63,881	286,947
1972-1977 (Military government)	171,018	80,650	251,668	132,935	163,448	416,732	713,115
Total	311,594	118,906	430,500	368,386	311,057	527,886	1,207,329

Source: IERAC data in Gustavo Cosse, "Reflexiones Acerca del Estado: El Proceso Político y la Política Agraria en el Caso Ecuatoriano, 1964-1977," mimeograph (Quito: FLACSO, 1978).

Table 4: Agrarian Reform: 1964-1977

		Percentage of Agro-Livestock Area
Total Agro-Livestock Area (Sierra + Coast) (1974)	6,950,700 hectares	100.0
Cases Opened by IERAC (through 1976), of which	1,113,460 hectares	16.0
Cases Resolved (through 1976), of which	850,124 hectares	12.2
Land Adjudicated (through 1977)	427,734 hectares	6.1

Source: *Resumen del Informe*, p. 53; 1977 IERAC data; and calculations by this author.

When the first agrarian reform legislation was passed in 1964, it was announced that some 1.9 million hectares would be distributed to 171,000 families by 1976 (when the reform was to have been completed). In fact, by that date only 850,124 hectares had been acquired by IERAC, with cases pending involving an additional 240,000 hectares (see Table 4). Even were all pending cases settled, only 16 percent of the agro-livestock land in the coastal and highland regions (1,113,460 of 6,950,700 hectares) will have been affected. Through 1977, titles to only 427,734 hectares (6.1% of all agricultural land) had been officially transferred to peasant families (perhaps another 70,000 hectares were adjudicated in 1978), with the remaining 50 percent of all

agrarian reform land still technically owned by IERAC (though actually most of it was in the hands of peasants). Of the 171,000 families originally promised land, only 63,757 had been affected as of 1976 and only 85,435 in all will have benefited when pending cases are completed.

In sum, all agrarian reform efforts through 1979 have touched less than 20 percent of the peasant population and less than 15 percent of the agricultural land. Ecuador's agrarian elite has been further shielded by the fact that 20 percent of agrarian reform lands (170,000 hectares) had formerly been publicly owned property and another 15-20 percent involved the transfer of huasipunguero or sharecropping plots (generally

lower quality lands, with the exception of coastal rice). Table 3 reveals that the coastal banana and sugar barons have been particularly successful in protecting their interests. Through 1977, only 25 percent of all adjudicated property was on the coast, though that area actually has 30 percent *more* agricultural land than the sierra. When all currently enacted agrarian reform has been completed, less than 7 percent of the 3.85 million hectares of coastal agricultural land will have been affected.

Land Tenancy Today

While the scope of land redistribution through the agrarian reform has obviously been quite modest, this does not mean that important changes have not taken place in the structure of ownership during the past two decades. Unfortunately, there is no comprehensive data on landholding immediately prior to the 1964 agrarian reform or currently. The agricultural censuses of 1954 and 1974, however, provide important insights into changes that took place in the decade preceding the first reform and in the ten years following it.

Tables 5 and 6 reveal very similar modifications of Andean and coastal land tenancy between 1954 and 1974. The most dramatic change was the diminished role of the largest latifundia. The percentage of agricultural land controlled by estates of over 2,500 hectares declined in both regions to one-half their previous levels. Yet, as

of 1974, units of 100 hectares or more (representing less than 2% of the nation's farms) still accounted for over half of all agro-livestock land. Moreover, to the extent that latifundia dominance had diminished, the major beneficiaries were the medium-sized farmers with 10-100 hectares. The absolute number of minifundia (units under 10 hectares) increased marginally in the sierra but more than doubled on the coast, where some previously landless peasants had received plots either through agrarian reform or, more commonly, through colonization of new areas (Table 6 shows a more than 25% increase [800,000 hectares] in total coastal agricultural land). The *percentage* of property owned by these smallholders only increased very modestly, however, and the average size of their minifundia actually declined from 3.9 hectares to 2.9 on the coast and from 2.1 hectares to 2.0 in the sierra. Indeed, as of 1974, 35 percent of *all* Andean farms and 18 percent of all coastal units were one hectare or less. Units that small are clearly insufficient to support peasant families in Ecuador. The agrarian reform had not produced, as of 1974, a substantial class of smallholders with units large enough to be economically viable—most analysts recommend a five-hectare minimum. The limited data available for the 1974-1979 period indicate further adjudication of land to smallholders but with no appreciable change in the pattern just described.

Table 5: Land Tenure in the Sierra -- Evolution from 1954-1974

Size of Unit	1954		1974	
	No. of Units	Area in hectares	No. of Units	Area in hectares
0-9.9 hectares	234,596 (90.4%)	496,400 (16.5%)	280,974 (87.1%)	560,800 (18.3%)
10-19.9 hectares	10,570 (4.0%)	142,000 (4.7%)	18,266 (5.7%)	241,266 (7.8%)
20-99.9 hectares	11,316 (4.4%)	428,700 (14.5%)	19,812 (6.1%)	789,909 (25.7%)
100-499.9 hectares	2,368 (0.9%)	471,100 (15.6%)	2,935 (0.9%)	504,702 (16.4%)
500-2,500 hectares	581 (0.2%)	591,500 (19.5%)	513 (0.2%)	506,583 (16.5%)
2,500 or more hectares	138 (0.05%)	881,200 (29.2%)	86 (0.02%)	471,054 (15.3%)
Total	259,569 (100%)	3,020,400 (100%)	322,586 (100%)	3,074,274 (100%)

Source: *Resumen del Informe*; Censo Agropecuario Nacional (1954 and 1974) and calculations by CEPLAES in unpublished studies.

Table 6: Land Tenure on the Coast -- Evolution from 1954-1974

Size of Unit	1954		1974	
	No. of Units	Area in hectares	No. of Units	Area in hectares
0-0.9 hectares	53,340 (63.0%)	207,300 (7.0%)	114,928 (67.4%)	334,817 (8.9%)
10-19.9 hectares	10,830 (12.8%)	152,300 (5.1%)	20,229 (11.9%)	277,244 (7.4%)
20-99.9 hectares	16,426 (19.4%)	700,000 (23.5%)	30,111 (17.7%)	1,207,857 (32.2%)
100-499.9 hectares	3,419 (4.0%)	685,200 (23.0%)	4,990 (2.9%)	913,861 (24.3%)
500-2,500 hectares	547 (0.6%)	558,000 (18.7%)	655 (0.4%)	596,179 (15.9%)
2,500 or more hectares	103 (0.1%)	676,500 (22.7%)	79 (0.04%)	424,838 (11.3%)
Total	84,665 (100%)	2,979,300 (100%)	170,592 (100%)	3,754,796 (100%)

Source: *Resumen del Informe*; Censo Agropecuario Nacional (1954 and 1974) and calculations by CEPLAES in unpublished studies.

The breakup of many of the largest estates (over 1,000 hectares and, especially, over 2,500) into 50-500 hectare farms is attributable to several factors: the sierra trend toward more capital-intensive farming; subdivision through inheritance; division among relatives as a means of evading the agrarian reform laws; and, some transfer of sharecropper and huasipunguero plots on haciendas to their tenants.

For the roughly 20 percent of Ecuador's peasantry that had been affected by the agrarian reform through 1979, the extent of actual benefit is much debated. Many scholars argue that former hacienda peons have generally lost their neofeudal benefits, receiving title to often inferior-quality plots which in any case are too small to allow them to compete in the commercial market. The result, such critics argue, has been pauperization and marginalization forcing these peasants either to migrate to the cities or to become a rural subproletariat.³⁸

My own interviews with sierra peasants suggest that the income levels of many former tenants have improved in the past five years due to factors only marginally related to the agrarian reform. Ecuador's new petroleum wealth has created a significant number of jobs—particularly in construction—on the oil pipelines and in Quito (which has experienced an oil-funded boom in middle and upper class apartment-house construction). Relieved of their former obligations to the hacendados, many ex-tenants are now free to take these jobs while their wives

and children maintain their subsistence plots. On the coast, former rice sharecroppers (whose holdings average nearly ten hectares—far larger than in the sierra) have benefited more directly from the agrarian reform. In the absence of effective political pressure, however, such gains have been limited and confined to a small minority. Most Ecuadorian peasants continue to farm excessively small plots and to receive artificially low prices for their surplus crops (due to government controls designed to provide the politically more volatile cities with cheaper food).

Food Shortages and the Future of Agrarian Reform

Ultimately, the case for or against further agrarian reform must be evaluated in the context of the nation's food production and nutritional deficiencies. United Nations (FAO and ECLA) data over the past two decades reveal that Ecuador has one of the lowest average caloric and protein consumption levels of any country in Latin America, if not the entire Third World (Table 7).³⁹

Undoubtedly increased purchasing power and food imports—both fueled by petroleum revenues—have improved Ecuador's *average* food consumption in the 1970s and its relative ranking within Latin America. Still, the distribution of gains has been very unequal and there is little evidence that the serious malnutrition afflicting more than 50 percent of the population has been alleviated. For urban workers, wages have barely kept up with inflation and in 1975 a typical Quito

working class family spent 80 percent of its income on food! ⁴⁰

Since the early 1960s, food production has either kept just slightly ahead of population growth (1964-1970) or lagged behind (1970-1979). During the first decade of the agrarian reform programs, total food production rose 39 percent (3.6% annually), but population rose at the same rate leaving per capita consumption unchanged.⁴¹ Since 1974, meat and dairy production have generally increased by 4-6 percent annually, but food crop cultivation has declined (especially in 1976-1979). The situation has been aggravated by serious drought in the sierra and parts of the coast from 1976-1978. During that period rainfall averaged 50-75 percent below normal in the southern and central highlands, the lowest levels in 50 years.

Production of most food crops was actually lower in 1977 than in 1970, with bananas (the major contributor to increased fruit production) and rice (a major lower class staple) among the only bright spots. Total agricultural production rose 2.8 percent in 1978 (double the 1977 rate but still below population growth) with gains primarily in export crops and livestock (and stagnation or decline in domestic food crops. Soft corn and potato production (both critical for the income and diet of highland peasants) dropped to one half their 1977 level and less than one-third of 1970 production! Milk output in 1978 was also some 25 percent below the previous year.⁴² Faced with stagnant production (and an increased capacity to import food, using petroleum revenues), Ecuador's food imports (primarily wheat) rose from \$19.6 million in 1972 to nearly \$100 million in 1978.

Periodic official statements by Ecuador's Chambers of Agriculture—representing large landowners—blame food production deficiencies on the agrarian reform, poor government planning, inadequate price supports and (more recently) the drought—anything but their own production techniques.⁴³ In one of the more extreme attacks by the political-economic elite on agrarian reform, the editor of Ecuador's most widely circulated news magazine attributed the current "agricultural crisis" to the transfer of land to highland Indians "whose cultural level and biological condition make them totally unsuited for all but their routine, traditional [agricultural] techniques."⁴⁴ Even some relatively progressive political leaders such as Rodrigo Borja, 1978 presidential candidate of the

Table 7: The Americas: Average Daily Per Capita Calorie and Protein Supplies

Country	Calories		Protein (grams)	
	1961	1970	1961	1970
United States	3,120	3,270	92	97
Argentina	3,060	3,150	98	99
Paraguay	2,580	2,800	76	74
Brazil	2,430	2,600	61	64
Mexico	2,500	2,560	65	65
Venezuela	2,230	2,460	59	62
Peru	2,290	2,310	61	62
Colombia	2,180	2,250	50	51
Guatemala	1,890	2,120	53	59
ECUADOR	1,850	2,040	46	49
Haiti	1,820	1,720	40	39

Source: FAO, *The State of Food and Agriculture* (1974) cited in USDA-Economic Research Service, *Agriculture in the Americas* (Washington, 1976), Table 78.

Table 8: Food Crop Production 1970-1977

	1970	1976	1977
	(in tonnage)		
Grains and Cereals	586,419	658,055	545,050
Roots and Tubers	818,508	897,754	647,511
Vegetables (green)	160,457	175,476	136,589
Fruits	3,707,250	3,653,683	4,276,582
(Rice)	96,031	198,663	206,402
(Wheat)	81,000	65,000	39,800
(Potatoes)	541,970	499,000	417,000

Source: *El Comercio* (Quito: August 13, 1978; February 24, 1979).

Democratic Left, and former President Galo Plaza have insisted to this author that agrarian reform has often reduced production by transferring high quality (Asistencia Pública) lands from large landlords (who rented them) to "less efficient" peasants.

Organized landowners have thus been able to defend their continued dominance of rural tenancy by arguing that land redistribution would threaten the nutritional level of the more than 50 percent of Ecuador's population not engaged in agriculture. As we have seen, they have successfully deflected government policy in recent years (e.g., the 1979 Agricultural Development Law) away from redistributive issues toward

Table 9: Size of Agricultural Units and Value of Production (1968)

Size of Unit	Total Area (hectares)	Value of Production (thousands of sucres)
5 hectares or less	706,231 (10%)	800,811 (17%)
5-50 hectares	1,888,127 (28%)	1,669,883 (36%)
over 50 hectares	3,987,775 (62%)	2,171,219 (47%)

Source: 1968 survey by the OAS and the Ecuadorian Agriculture Ministry reprinted in Fausto Jordan "La Agricultura en el Ecuador," in G. Drekonja et al., *Ecuador Hoy* (Bogotá: Siglo XXI, 1978), p. 280.

Table 10: Value of Production per Hectare by Size of Unit (1958): Coast and Sierra

	(Value of Yield per Hectare in sucres)			
	under 10 hectares	10-49.9 hectares	50-499.9 and over	500 hectares
Coast	2,900	2,200	1,300	900
Sierra	2,500	2,200	1,400	500

Source: CIDA: *Ecuador: Tenencia de la Tierra y Desarrollo Socio-Económico del Sector Agrícola* (Washington, 1965), p. 529.

the stimulation of production on existing large farms, with the use of colonization and an escape valve for peasant land pressures.

Given that only 16 percent of Ecuador's farmland has been affected by agrarian reform, however, it seems hard to attribute production problems to past land redistribution. Undoubtedly some IERAC-directed cooperatives on former Asistencia Pública property are now producing below their previous levels of output, but they account for only 16 percent (164,767 hectares) of the area affected by the agrarian reform and less than 2.5 percent of all agricultural land in the sierra and coast.

Indeed, if food crop production is stagnating or declining in Ecuador, it is clearly attributable to a price structure favoring the production of livestock and export crops over domestically consumed food crops and to the poor productivity record of many large landowners. In the Andean highlands, substantial amounts of land have been taken out of crop production over the past decades and converted to dairy pasture. While increased milk output has probably benefited many lower class Ecuadorians (at least in the cities), the most profitable dairy operations produce cheese which only the middle and upper classes can afford. On the coast and in the tropical regions west of the Andes (Santo

Domingo), most land is devoted to meat production and to coffee, cocoa, sugar, and banana exports.

The contention that Ecuador's largest farms are more efficient than small peasant holdings fails to stand up to careful scrutiny. A 1968 OAS study indicated that productivity per hectare was *negatively* related to the size of the agricultural unit. Thus, Table 9 shows that minifundia (5 hectares or less) accounted for only 10 percent of the nation's agricultural land but produced nearly twice that proportion (17%) of its agricultural production value. Conversely, larger units (over 50 hectares) controlled 62 percent of agrolivestock land, but produced only 47 percent of the value of output. These figures are consistent with data collected in the late 1950s by the Inter-American Committee for Agricultural Development (CIDA) as well as parallel data from several other Latin American nations. As farm size increased, yield per hectare fell.⁴⁵

The higher rate of productivity among smaller units is related to their more intensive use of the land. While farmers with units of 50 hectares or more use only 63 percent of their land for pasture or cultivation (the rest is unproductive), peasants owning units of 5 hectares or less use over 90 percent of their land.⁴⁶ In short, while there are many highly efficient dairy haciendas in the

north-central sierra and similarly productive commercial plantations on the coast, most of the latifundia are either highly inefficient or fail to exploit much of their property. Indeed, when one considers the tremendous advantage large land-owners have over peasant cultivators in terms of access to commercial and government loans and to state technical aid, their poor productivity record is even more striking. From 1972-1976, the Ecuadorian government loaned a total of 1.54 billion sucres (\$60 million) to meat and dairy farmers. Virtually all the loans went to fewer than 400 large producers. At the same time, a 1976 survey of 50 smallholders outside Quito showed that none of them had ever received government credit or technical assistance.⁴⁷ Only recently has the Central Bank (one of the government's most progressive institutions) begun a program of low interest loans to peasants with annual incomes of under 7,500 sucres (\$280).

Despite their disadvantages, many Ecuadorian peasants have shown themselves more than willing to respond to technical innovations when given the opportunity. Over 90 percent of the nation's potatoes—half of which are produced by peasants—are grown from new high-yield seeds developed by INIAP, the government's agricultural research division. Indeed, over the past five years potatoes have shown the highest increases in yield per acre of any Ecuadorian food crop. Similarly, rice—now largely a medium and smallholder crop—has had the best production record of any food staple in the 1970s.

Finally, while significant portions of land in units of 50 hectares or more are devoted to livestock (37% of the land in such units are in pasture versus 5% of the land in plots under 5 hectares), and smallholdings are far more oriented to crop cultivation (89% of minifundia land is crop cultivated versus 50% of landholdings of over 50 hectares). Though Ecuador's increased milk production has improved average urban nutritional levels, the widescale transfer of croplands into pasture has largely increased production of foods (meat, dairy products) for the middle class at the expense of lower-class staples (potatoes, corn, and cereals).⁴⁸ Moreover, through much of the inter-Andean plateau, the rich valley basins (most suited for crop cultivation) are dominated by hacienda pastures while smallholders grow food crops on mountainsides more suited for grazing.

In short, Ecuador still needs a meaningful agrarian reform. It could increase the income of many peasants currently lacking sufficient land to support their families (thereby benefiting the poorest strata of Ecuadorian society); increase the portion of rural land in production; transfer some land from pasture to the cultivation of tubers, cereals, and other food crops which are of more nutritional import to the lower classes; and increase total food production.

The mere redistribution of latifundia lands would not in itself achieve these results. Agrarian reforms of varying magnitudes in Peru, Bolivia, Venezuela, and Mexico have shown the inadequacy of land redistribution without accompanying support programs. Low-interest government (or commercial) credit and technical assistance—now unavailable to most peasants—would have to be substantially extended. Agricultural education programs would be needed to familiarize peasants with technical innovations. Government extension workers would have to overcome their present aversion to working with peasants and to dirtying their boots with soil or manure by leaving their offices for the fields. Finally, peasants would have to receive a high enough price for their crops to make their holdings economically viable and to stimulate increased production. Government price policy should also encourage production of crops most likely to reduce the caloric deficiencies of the poor.⁴⁹

Agrarian reform will not be a panacea for rural poverty—there is not enough productive land for all peasants needing it—but it is a step in the right direction. The five-year economic plan announced by the Roldós administration promised to double the present number of agrarian reform beneficiaries, but the entire plan has been stymied in a political deadlock between the President and the Congress. Moreover, the plan leaves many important questions unanswered. How much land would be expropriated from private holdings and how much would come from the colonization of public lands, mostly in the oriente? Settlement of public land has long been politically expedient, allowing the government to avoid confrontations with powerful landed interests, but ecological restraints make wholesale colonization of the jungle an unappealing solution. One of Ecuador's most respected foreign technical advisers on tropical agriculture (with many years of experience in the oriente)

suggested that even under the most optimal technical conditions (interspersing cleared pasture with nitrogen-fixing trees and legumes), the Amazonian jungle region could only resettle less than half the highland peasants who currently need land.

In the final analysis prospects for change will depend on the balance of interest group and class power within the Ecuadorian political system. Given the peasantry's lack of political influence and effective organization, there is little immediate prospect for substantial land redistribution, increased smallholder credit and technical assistance, or better crop prices. Sociologist Gustavo Cosse notes that, between 1964 and 1979, the annual rate of adjudication of agrarian reform land to peasants was greater under all three military juntas than under any of the three civilian administrations.⁵⁰ Well-organized and well-connected landowner groups like the Guayas and Pichincha Chambers of Agriculture

have been able to dilute all previous attempts at reform and seem to have been most effective under civilian regimes.

In a series of interviews conducted with current leaders of the three largest congressional delegations—the CFP (a populist, urban-based party with 31 of 69 congressional seats), Democratic Left (left-of-center urban-based with 15 seats); Conservatives (rightist, landlord-dominated with 9 seats)—I found little sentiment for land redistribution or for higher crop prices. The CFP and Democratic Left (respectively centered in Guayaquil and Quito) endorse cheap food policies and show only secondary interest in peasant support. Future enfranchisement of the nation's illiterates may change this political equation somewhat, but currently the limited peasant vote is no match for either urban voter blocs or the well-organized landed elite.⁵¹

(March 1980)

NOTES

1. Theodore Van der Pluijm, "Evaluation of Recent Developments in Ecuador's Agriculture," Mimeograph (Rome: FAO-CIAP, 1972), p. 10. In 1974, 58 percent of Ecuador's total population and 49 percent of the economically active population was rural. See Alex Barril, "Modernización Agropecuaria y Economías Campesinas," in Barril et al., *Ecuador: Tecnología Agropecuaria y Economías Campesinas* (Quito: Brethren Unida-CEPLAES, 1978), p. 72.

2. *Latin American Economic Report* (London: October 10, 1977), p. 166; and data from Ecuador's Banco Central.

3. *Latin American Economic Report* (July 15, 1977), p. 107. There is considerable difference of opinion over the proportion of Ecuador's land that is potentially arable or cultivable. Published data on the amount of arable land per capita range from .20 to .50 hectares.

4. *Censo Agropecuario* (Quito, 1954); data compiled by CEPLAES and FLACSO of Quito.

5. National elections for the presidency and Congress were held in April 1979. In August 1979 a new civilian administration was sworn in ending over seven years of military rule.

6. Since taking office, President Roldós has come into open conflict with the Congressional majority coalition of the CFP and Conservative parties headed by CFP strongman Assad Bucaram, Roldós' former political patron and his wife's uncle. In early 1980, Roldós was expelled from the CFP, the populist party whose ticket he headed in the 1979 election. Thus, as the administration has turned more to independents and to the left-of-center DP/UDC

(Vice-President Hurtado's party), it may have developed a more progressive stance on agrarian reform.

For a more extensive discussion of Ecuadorian politics, see: John D. Martz, *Ecuador: Conflicting Political Culture and the Quest for Progress* (Boston, Mass.: Allyn and Bacon, 1972); Osvaldo Hurtado, *Political Power in Ecuador* (Albuquerque, N.M.: University of New Mexico Press, 1980); Gerhard Drekonja et al., *Ecuador Hoy* (Bogotá, 1978). On the recent return to civilian government: Thomas G. Sanders, "Ecuador: Politics of Transition," *AUFS Reports*, West Coast South America Series, Vol. XXIV, No. 1 (1977); Howard Handelman, "Ecuador: A New Political Direction?" *AUFS Reports*, No. 47 (1979).

7. CIDA, *Ecuador: Tenencia de la Tierra y Desarrollo Socio-Económico del Sector Agrícola* (Washington, D.C., 1965), pp. 412 ff. The role of latifundia became less important after United Fruit's sale of its plantations to the Ecuadorian government in the early 1950s. Big corporations are more dominant in the export sector (as opposed to bananas produced for domestic consumption) and control export marketing. Thus Compañía Bananero Naboá (controlled by one of the most powerful families of the coastal export-banking elite) markets some one-third of Ecuador's foreign banana sales.

8. CIDA, op. cit.: John F. Uggen, "Peasant Mobilization in Ecuador: A Case Study of Guayas Province," Unpublished Ph.D. dissertation (University of Miami, 1975).

9. Carlos Larrea, "Estudio Social: Aproporción del Eccidente y Desarrollo Desigual en el Ecuador: Una

Primera Aproximación," Unpublished FLACSO paper (Quito, 1969).

10. The quote on Guayas fertility is from E. Erikson et al., *Area Handbook for Ecuador* (Washington, D.C.: Government Printing Office, 1966), p. 12. On the condition of rice tenancy see: M.R. Redclift, "Agrarian Class Structure and the State; the Case of Ecuador," Mimeograph (Quito: 1977); Also, M.R. Redclift, "Agrarian Reform and Peasant Organization in the Guayas Basin, Ecuador," *Inter-American Economic Affairs* 30 (Summer, 1976), p. 3-27.

11. CIDA, op. cit.; Uggen, op. cit.

12. *Censo Agropecuario Nacional*, Compiled in unpublished research by DEPALES (Quito, 1954).

13. On highland agrarian society, see: CIDA, op. cit.; Fernando Velasco, *Reforma Agraria y Movimiento Campesino Indígena de la Sierra* (Quito: El Conejo, 1979); Osvaldo Barsky, "Iniciativa Terrateniente en la Reestructuración de las Relaciones Sociales en la Sierra." In *Revista Ciencias Sociales*, Vol. 2, No. 5 (Quito, 1978), pp. 74-126; Barril et al., op. cit. I am greatly indebted to Professor Barsky (FLACSO and CEPLAES of Quito) for the many insights into the Ecuadorian sierra which he shared with me.

14. Agustín Cueva, *El Proceso de Dominación Política en el Ecuador* (Quito: El Soliterra, 1975), p. 59; César Raúl Robalino Gonzago, "El Desarrollo Económico del Ecuador" (Quito: JUNAPLA, 1969).

15. Prices paid to dairy farmers for their milk are state controlled and in recent years producers have complained that their profit margins have been greatly reduced. Production of cheese and other dairy products, however, continues to be very profitable and the largest dairy corporations (such as La Avelina) are vertically integrated from dairy farming through processing and packaging.

16. Piedad and Alfredo Costales, *Historia Social del Ecuador: Reforma Agraria* (Quito: Casa de la Cultura, 1971); Barsky, op. cit. The average size of the plots turned over in this manner was 3.2 hectares.

17. Muriel Crespi, "Changing Power Relations: The Rise of Peasant Unions on Traditional Ecuadorian Haciendas," *Anthropological Quarterly*, Vol. 44, No. 4 (1971).

18. Martz, op. cit., and Barsky, op. cit. Both note the low level of political mobilization among Ecuadorian highland peasants. Mobilization has clearly been more common on the coast, see Uggen, op. cit.

19. Following the Cuban Revolution agrarian reform laws were passed in the early 1960s in Chile, Colombia, Peru, and Venezuela. None of these led to significant changes in land tenancy. Only Bolivia (as a result of the 1952 Revolution), Cuba (the 1959 Revolution), Peru (under a left military regime in the 1970s), and now Nicaragua (the 1979 Revolution) have ended latifundia domination.

20. On the political debate over agrarian reform, see: Osvaldo Barsky, "Los Terratenientes Serranos y el Debate Político Previo al Dictado de la Ley de Reforma Agraria de 1964 en Ecuador," (Quito: FLACSO, 1978); Gustavo Cosse, "Reflexiones Acerca del Estado, El Proceso Político y la Política Agraria en el Caso Ecuatoriano, 1964-1977" (Quito: FLACSO, 1979).

21. *El Comercio* (Quito: November 17, 1961; December 6, 1961; December 16, 1961).

22. *El Telegrafo* (Guayaquil: June 12, 1963).

23. Ibid. (July 4, 1963).

24. Huasipungueros with over ten years of service on a hacienda were legally entitled to their plots and a cash payment from the landlord. See Barsky, "Los Terratenientes," p. 48.

25. Barsky, "Iniciativa Terrateniente," p. 96; and CIDA, op. cit.

26. Velasco, op. cit., p. 99.

27. Velasco, ibid.; Alonso Rodrigo Vallejo, "La Lucha Campesina de Toctezintín," Unpublished thesis (Quito: Universidad Católica, 1978).

28. Barsky, "Iniciativa Terrateniente," p. 87.

29. Uggen, op. cit., pp. 210-226.

30. Redclift, op. cit. In the late 1950s there was a substantial increase in the role of mechanized rice estates. But these plantations still account for only 15 percent of cultivation.

31. As with all of Ecuador's agrarian reform legislation, most growers were entitled to compensation.

32. Velasco, an oratorically skilled but administratively weak populist, was elected president five times and ousted by the military before completing four of those terms.

33. On the 1972-1979 juntas of Rodríguez Lara and Poveda, see Sanders, op. cit.

34. Cosse, op. cit.; Redclift, op. cit.; Barsky, "Los Terratenientes."

35. Cosse, op. cit., p. 61; Banco Central. In 1979, the IERAC budget was cut to S/226 million (about \$10 million) from a 1978 level of S/312 million; when inflation is taken into account this amounts to a near 40 percent cut in real terms.

36. *El Comercio* (June 8, 1979); and *Latin America Economic Report* VI (December 12, 1978), p. 398.

37. Data in this section are drawn from: Cosse, op. cit.; Ministerio de Agricultura, JUNAPLA, IERAC, *Evaluación de la Reforma Agraria Ecuatoriana, 1964-76: Resumen del Informe General* (Quito, 1978), henceforth referred to as *Resumen del Informe*; Banco Central.

38. Gonzalo Ortiz Crespo, "El Campesino y El Desarrollo Ecuatoriano" (Albuquerque, N.M.: University of New

Mexico Press, forthcoming); Benigno Cárdenas, "Desarrollo Rural: Concepto y Modelos Alternativos," in Barril et al., op. cit.; Velasco, op. cit.

39. The 1974 data from the United Nation's Economic Commission for Latin America (ECLA) showed Ecuador in about the same relative position in Latin America and actually suggested a lower average nutritional level—1,948 calories and 43 grams of protein daily—than in 1970. ECLA, *Latin American Development and the International Economic Situation*, Vol. I, Pt. I (New York, 1975). One study drawing on data from FAO, *FAO Production Yearbook, 1966* (Rome, 1967); AID, *Economic Data Books* (Washington, 1967); and USDA, Economic Research Service, *The World Food Budget, 1970* (Washington, 1964) rated Ecuador 103rd of 107 nations in the world in average daily caloric consumption in the early 1960s. This author finds that evaluation (placing Ecuador below India, Ethiopia, Indonesia, etc.) dubious. But, Ecuador is clearly among the three or four most malnourished nations in the Western hemisphere.

40. *Financial Times* (London: February 28, 1975) quoted in Ortiz Crespo, op. cit.

41. United States Department of Agriculture, Economic Research Service, *Agriculture in the Americas* (Washington, 1976), Tables 3-4. That 3.6 percent rate of growth actually placed Ecuador ahead of the Latin American average rate of 2.5 percent or the Andean nation rate of 2.8 percent. Much of that gain, however, was in livestock and export crops.

42. *El Comercio* (October 9, 1978; March 6, 1979). The sharp drop in milk output reversed an upward trend in recent years and was due to the severe drought which had badly hurt pastures. Meat production was sharply up in 1978 and 1979 (contributing to the overall agricultural growth rate in 1978 of 2.8%) as hard-pressed farmers slaughtered much of their herds.

43. See the statement by the Pichincha Chamber of Agriculture (Quito) in *El Comercio* (October 20, 1978).

44. Blasco Peñaherrera, "La Crisis Agropecuaria," *Vis-tazo* (Quito: November 24, 1978). Dr. Peñaherrera is a leader of the Liberal Party and was originally the party's vice-presidential nominee in the 1978-79 presidential race.

45. Comparing the value of production per hectare (Tables 9-10) is a somewhat imperfect measure of productivity since the units may be raising crops (or livestock) with very different commercial values. Unfortunately, I know of no data which correlate productivity of particular crops with the size of farming units. However, there is no evidence that smallholders systematically grow more commercially valuable crops (the opposite is likely the case). Ideally, controls should also be introduced for the quality of the land. Here again the evidence strongly suggests that minifundias tend to have inferior land, making their higher productivity rates more impressive.

46. Fausto Jordan, "La Agricultura en el Ecuador," in Drekonja et al., op. cit., p. 280. Obviously not all latifundia land is suitable for cultivation or pasture, but in Ecuador, as in most of Latin America, experts feel that large estates systematically underutilize their land. This is particularly true of the latifundia in the tropical region west of the Andes where large landowners control huge amounts of land "in reserve."

47. Barril, op. cit., pp. 68-70.

48. Francis Moore Lappé's *Diet for a Small Planet* has brought widespread popular attention to the fact that cattle raising—particularly for beef but to a far lesser extent for dairy as well—is a highly inefficient means of converting grain to protein or calories. While milk production in the highlands can be nutritionally justified, the conversion of much of the country's best potential crop land to pasture is of dubious social utility in a society plagued by severe caloric deficiencies.

49. Since the price of milk is state controlled (and kept at a reasonably low level; and cheese prices can rise freely, increasing amounts of milk are going into cheese and other dairy products that are far too expensive for most Ecuadorians. A more rational policy, according to many agricultural experts, would be to allow dairy farmers a slightly higher price for their milk (as a stimulus to production), expand the importation of cheaper powdered milk (to be mixed with local milk for commercial sale), reduce the retail price of milk through a state consumer subsidy (paid for out of petroleum revenues), and place a price ceiling on cheese and other dairy products that would make them unprofitable (or less profitable).

50. Cosse, op. cit. See Table 3 of this *Report*.

51. Assad Bucaram—chief officer of the national Congress and the long-time strongman of the CFP (now Ecuador's largest political party)—has his core political base in the slums of Guayaquil. Formerly the mayor of Guayaquil, Bucaram strongly criticized the 1970 agrarian reform Decree 1001 (ending rice sharecropping) and attacked government aid to rice-producing peasant co-operatives on the grounds that both measures increased the cost of rice to the urban poor. See Redclift, "Agrarian Reform and Peasant Organization." Urban voters are not against agrarian reform per se but fear it will increase their food prices. They are, of course, even more opposed to paying higher farmgate prices to agricultural producers. Given the fact that Ecuadorian smallholding peasants (like their counterparts throughout Latin America) have far lower incomes than even the urban working class, however, mandating higher prices for peasant-produced crops would be a justifiable form of income transfer from city to countryside in a region where urban per capita income typically outstrips rural incomes by five to one. It could also stimulate production. Since the Roldós administration upon taking office nearly doubled the legal minimum wage, higher farmgate prices seem even more justified and could be partially offset by consumer subsidies on lower class staples (bananas, rice, bread, and potatoes).