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**AGRARIAN POLICY AND DEMOCRATIC TRANSITION
IN CHILE:
CONTINUITY OR CHANGE?**

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AGRARIAN POLICY AND DEMOCRATIC TRANSITION IN CHILE:
CONTINUITY OR CHANGE?¹

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The key issue which I pursue in this paper is the extent to which the agrarian policy being implemented during the current process of democratic transition in Chile represents a continuity or a change of the agrarian policy followed by the authoritarian regime. Is there a break with the neo-liberal economic model? It is well known that during the years of the dictatorship rural poverty has substantially increased and that agrarian development was highly uneven.² This leads me to explore the question as to what an extent the Aylwin government is willing and able to tackle the problems of rural poverty and unequal development in the countryside.

The short answer to these questions is that basically continuity (continuismo) predominates in the agrarian economic policy of the Aylwin government. However, new elements are also introduced into this continuity which transform it into a 'neo-liberal model with a human face'. This 'human face' arises from the democratic opening of the political system and the attempts of the present government to ameliorate the twin problems of poverty and uneven development. Is such an enhanced continuity desirable and will it succeed in stimulating growth, reduce poverty, and democratise the political system?

1. Structural changes of the Pinochet era: agriculture as the epitome of modernity

Before examining the agrarian policy of the Aylwin government it is useful to provide the context by highlighting the main structural transformations of the agrarian sector during the Pinochet period.³ The most striking transformation is that today agriculture embodies modernity, progress, and capitalist entrepreneurship while before it represented traditionality, backwardness,

semi-feudalism, and paternalism.⁴ Today many observers characterize the agrarian sector as being in the grip of a modernizing fever ('un afán de modernización enfermizo') and some even argue that agriculture's dynamism is excessive thereby creating new problems such as overproduction of fruits for export, ecological degradation, and alienation among the uprooted peasantry.

Since the rectification of the agrarian policy in 1983 agriculture has achieved an unusual dynamism by roughly trebling the long run average yearly rate of growth between 1984 and 1988 (Echeñique, 1990). However, growth has been faltering in the last couple of years. This rectification reduced some of the unfair foreign competition facing domestic producers and provided some State support to farmers. Much of this growth was due to major increases in yields which have reached levels amongst the highest in the developing world (ibid.,; Hojman, 1990a). Also agriculture attained the lowest sectoral rate of unemployment. It is important to have in mind that this modernization has its origins in the past (largely the 1964-73 years) and that a high price has been paid for it during the 1974-83 years. The Aylwin government wants to build on this achievement while at the same time seeking to ameliorate some of the costs and spreading the benefits more widely.

The structural transformations of the Pinochet period are now briefly analysed under the headings of agrarian counter-reform, modernization and export-boom.

1.1. Agrarian counter-reform

First, and foremost, the termination of the agrarian reform through a process of counter-reform, which radically transformed the land tenure structure, has to be highlighted.⁵ The three most noteworthy aspects of this transformation are the final liquidation of the hacienda system, the consolidation of an agrarian bourgeoisie, and the formation of a sector of parceleros.

The changes in the land tenure structure can be observed in Table 1. Comparing the years 1965 and 1986 the 5-20 'basic irrigated hectares' (b.i.h.) farm sector more than doubled the percentage of land it owns while the over 80 b.i.h. farm sector was reduced by more than half. This is explained by the process of agrarian reform and counter-reform which resulted in the creation of a class of parceleros as well as of a class of medium-to-large capitalist farmers. On the one hand, many former landlords were able to retain or regain

TABLE 1: Land Distribution of Farms, by Size Categories, 1965-1986^a

Size Categories	1965	1972	1976	1979	1986
Below 5 b.i.h. ^b	9.7	9.7	9.7	13.3	14.0
5-20 b.i.h. ^b	12.7	13.0	37.2	29.0	26.0
20-80 b.i.h. ^b	22.5	38.9	22.3	36.3	31.0
Over 80 b.i.h. ^b	55.3	2.9	24.7	16.9	26.0
Other public agencies	0.0	0.0	0.0	4.0	3.0
Reform sector	0.0	35.5	9.5	0.0	0.0
Total ^c	100.2	99.8	103.4	99.5	100.0

NOTES

^a Distributions are expressed as percentages.

^b b.i.h. stands for 'basic irrigated hectares'. The land area or physical hectares of a farm are expressed in basic irrigated hectares to ensure that farm size is measured in units of equivalent productive capacity. One b.i.h. is the equivalent of one hectare of prime irrigated land in the central Maipo River valley.

^c Columns may not sum to 100 due to rounding errors. However, there is a nonrounding error in 1976 which appears in the original.

SOURCE: L. S. Jarvis, 'The unraveling of Chile's agrarian reform, 1973-1986' in W. C. Thiesenhusen (ed.), Searching for Agrarian Reform in Latin America, Unwin Hyman, Boston, 1989, p. 254.

a part of their estate, called the reserva, which could not exceed 80 b.i.h. and was often considerably smaller. On the other hand, the remainder of the estate was subdivided into family farms of about 10 b.i.h. in size on average which were called parcelas.

Thus the parcelation of the reformed sector has led to the growth in the 5-20 b.i.h. farm sector while the formation of reservas and the restoration of expropriated estates to former landlords during the counter-reform explains the growth of the 20-80 b.i.h. and over 80 b.i.h. farm size categories respectively (in the latter case after 1973). However, the farms of over 80

b.i.h. have today little in common with the former hacienda. The average farm size in this sector is far smaller than before being reduced from about 235 to about 125 b.i.h. (Jarvis, 1989, p. 257). More importantly the social and technical relations of production have been completely transformed as will be seen next.

1.2. Modernization

Second, the modernization and capitalist transformation of the agrarian sector has been remarkable. The neo-liberal stress of the 'Chicago Boys' on the comparative advantage of Chilean agriculture gave a major impetus to agricultural and forestry exports as well as forcing the pace of agricultural modernization through international competition. In seeking to maximize profits and remain competitive farmers shifted to fruit- and forestry-export production wherever possible, raised yields through the use modern inputs, increasingly mechanized farm activities, and capitalized their farms. This transformation was far from being smooth and it was only with the rectification of 1983 that the problem of food security and modernization of the commercial crop producing sector was beginning to be tackled.

The intensified capitalist transformation of the medium-to-large-farm sector (largely those farms above 40 b.i.h.) resulted in major changes in the social relations of production. The former tenants (inquilinos and medieros) were expelled and partly replaced with, or transformed into, temporary wage labourers (Cruz, 1986). The sex composition of seasonal workers also changed as a greater proportion of them became female, a process which has been referred to as 'the feminisation of temporary work' (Valdés, 1988). Furthermore, the farms were much capitalised greatly increasing their capital-land ratio through mechanization, agro-industrial developments, and other investments. Often even the former houses of the tenants were demolished as if to prevent the tenants' return for they had been a major force behind the land reform. Thus, the capitalist farms have been cleansed of its resident population.

This massive expulsion and uprooting of the tenants has led to desarraigo, marginalisation, and the formation of rural shanty towns or villorrios rurales (Rivera and Cruz, 1984; Derksen, 1990). A whole peasant culture has been destroyed with it as the former tenants underwent a process

of depeasantization (descampesinización). However, this change also affords new opportunities in the sense that the old ties of dependence, subordination, domination, patronage and clientelism have vanished. The social relations in the countryside are today no longer dependent on the former landlords but form part of the wider social system.

The centuries old hacienda system has finally vanished from the Chilean countryside as a consequence of its capitalist transformation, the agrarian reform and counter-reform. On the one hand, the hacienda enterprise or central enterprise (the former demesne) has been completely separated from the tenant or decentralized enterprises (the 'internal peasantries') through the parcelation process.⁶ On the other hand, the majority of the tenants have largely been proletarianized in a process which already started many decades ago.⁷

Thus the complex web of economic, social, political, cultural, and personal relationships which had been developing since the colonial period between landlords and peasants is no more (Kay, 1980). The hacienda enterprise has become a capitalist farm operated with only a fraction of the former labour force and mainly with temporary non-resident wage labour. Some of the former tenants have become parceleros while the majority have lost their access to land. Thus a lucky few have experienced a process of peasantization as their new parcelas are far larger than their former tenancies. But the majority of tenants have become proletarians or sub-proletarians seeking either a living in the rural or in the urban areas, and sometimes in both.⁸

1.3. The export-boom

Last but not least, the drive into agricultural and forestry exports has been truly spectacular. As from 1985 the agricultural foreign trade balance has consistently been positive and this trend is very likely to continue having by now become firmly established. Thus a major structural shift has occurred regarding agriculture's contribution to foreign exchange and position within the national economy. This is the first time since the mid-1930s that the agricultural sector makes a positive net contribution to foreign exchange. Furthermore, it is necessary to go back to the cereal export boom period of the 1850s to 1880s to find a comparable structural situation of the

agricultural sector within the economy.

In recent years agricultural exports have been contributing about a fifth of total foreign exchange earnings as compared to about a fiftieth in the years before 1973 (Hojman, 1990a). The net contribution, of course, is less due to imports. But while agricultural imports before 1985 tended to exceed agricultural exports since then agricultural exports have continued to grow fast while food imports have remained stable after their sharp decline in 1985 (Echeñique, 1990).

The rectification in agrarian policy during 1982-83, which resulted in the reintroduction of price bands for certain key crops, of higher tariffs for some food imports, and of marketing boards to control fluctuations in wholesale commodity prices (poderes compradores), among other measures, has greatly stimulated internal food production to the extent that self-sufficiency has largely been achieved.⁹ Self-sufficiency in terms of the existent levels and distribution of income which, of course, means that for many Chileans the levels of food consumption remain inadequate.

In short, today the net foreign exchange contribution of the agricultural sector has reached about 15 per cent of total export earnings.¹⁰ This is above all the outcome of a major expansion and reorientation of agricultural production towards export markets, the seeds of which were already sown during the 1960s with regards to forestry and fruit projects. But undoubtedly the new macroeconomic climate, the extremely high subsidies given to forestry plantations, and the newly released entrepreneurial energy and aggression have led to this major export drive which has to be credited to the Pinochet era. Those were years in which 'savage capitalism' ruled supreme and whose savage edge the Aylwin government seeks to tame.

2. The Agrarian Policy of the Aylwin Government: Continuity with Changes¹¹

2.1. The Context: A Reality Which Cannot Be Ignored

Future historians analysing Chilean agrarian history of the 20th Century may well reach the conclusion that the essential historical break happened during the Christian Democrat government of 1964 to 1970. This might appear as controversial to those who think that it was either the Allende government of

1970 to 1973 or the Pinochet government of 1973 to 1990 which mark an historical epoch. My argument is that the key agrarian transformation started with the land reform of the Frei government and that it was the Pinochet government which brought the land reform to a successful conclusion. To avoid misunderstandings, by successful conclusion I mean from the point of view of the creation of an agrarian system which allows the full development of capitalism. The economic policies of the Pinochet regime have led to the formation of an active land market, of a mobile and cheap rural labour force which has been freed from the means of production, and the development of a profit seeking and modernising agrarian bourgeoisie. Furthermore, it is quite plausible to argue that the land tenure structure which exists today would not have differed fundamentally from that which was originally envisaged by the right-wing reformists within the Christian Democratic government.

The forces unleashed by Frei's agrarian policy could either have been developed in a capitalist or socialist direction. When the capitalist forces within the Frei government and the Christian Democratic party gained the upper hand the communitarian wing of the party broke away, formed their own political parties, which later joined the Allende government, and contributed to the socialist transformation in the countryside (Winn and Kay, 1974).¹² However, with the overthrow of the Popular Unity government the capitalist forces in Chilean society reasserted themselves again with a vengeance. Thus ultimately it has been the modernizing capitalist forces, already contained in Frei's project, which have been able to fully flourish. The savage capitalism of the Pinochet years, of course, made it possible to greatly accelerate the capitalist transformation in the Chilean countryside as all social and political obstacles, which could have slowed down or hindered such a process, were violently removed. It is in this sense that Pinochet's policies brought to a logical and swift conclusion the structural changes and processes which the Frei government had unleashed but developing them in a capitalist direction.

The three strategic elements in Frei's agrarian policy were land reform, peasant unionism (sindicalización campesina), and technological and economic modernization (Kay, 1975, pp. 420-22). Except for the sindicalización all the other elements were also part and parcel of the Pinochet policy. During the Pinochet period the land reform was concluded and the modernization was achieved in dramatic and spectacular fashion. Regarding rural trade unions

they were at first severely disarticulated, suffering the brunt of the repression in the countryside, but with the Plan Laboral (Labour Plan) a new legislative framework was created for the formation of trade unions. This new framework greatly fragmented and weakened trade union activity in the countryside (Silva, 1987, pp. 252-74). Nevertheless as compared to the pre-Frei years it still represents an advance as hardly any trade unions existed then in the rural areas (Loveman, 1976).

Thus some key elements of Frei's agrarian policy were carried forward by Pinochet. For example, with regards to land reform the Pinochet government could have returned all the expropriated land to the former landlords but it chose not to do so as the land reform also suited its objective of modernizing Chilean agriculture. Furthermore, the repressive apparatus of the Pinochet dictatorship has more to do with defeating the socialist challenge of the Allende years than with the modernization of agriculture. Thus it would not be too far fetched to argue that in some respects the Pinochet regime represents a continuismo of the Frei period minus, of course, the imposition of a dictatorship. This statement might, in turn, explain Aylwin's continuity (plus democratisation, of course) rather than arguments about levés de amarre¹³, not wanting to rock the boat, seeking reconciliation, and so on. Thus Aylwin's continuity can be interpreted as essentially a continuation of those elements of Pinochet's policies which originated during Frei's government.

2.2. Aylwin's Agrarian Policy: Continuity with Changes

When analysing the agrarian policy of the Aylwin government one is struck by the paucity of policy documents or declarations and by the lack of any major policy initiatives regarding the agrarian sector. It is as if the election of a democratic government and securing its survival is considered as being its main achievement and objective. Undoubtedly the prime task of the Aylwin government should be to secure the redemocratization of the country. Furthermore, the long period of the Pinochet dictatorship and the profound changes it created in the country is a reality which cannot be ignored. The socialist utopia is no more and the progressive elements within Chilean society have lowered their horizons. Sustainable growth with equity and democratization appears as a sufficient utopia in the post-Pinochet era.

In this process of concertación, of rebuilding civil society, and of finding a maximum of common agreements between former antagonistic social and political forces, the great ideological fights and real confrontations between reformists and revolutionaries are gone. The new discourse is one of reconciliation, reencuentro, and concertación. The old discourse of the class struggle, of anti-imperialism, of revolution, and of socialism has vanished. It is thus not surprising to find that the Aylwin government has not launched any fundamental policy proposals so as not to resurrect the past and allow the opposition to revive the ghost of the Frei and Allende years. The Pinochet dictatorship has partly succeeded in rewriting history and changing people's perception of particularly the Allende years which are likened to the incarnation of evil. This partly explains, but does not necessarily justify, the reluctance of the Aylwin government to open the land reform and trade unionization issues, let alone the collectivization and nationalization theme.

I am not necessarily saying that the big issues of the 1960s and the early 1970s are still relevant today but I am concerned that many of them remain taboo or marginalized in today's political discourse and particularly in the media. Therefore the democratization process will need to have as one of its tasks to set the historical record straight by encouraging a more open debate of the past and thereby contributing towards a clearer vision of the future.

I will now explain briefly what seem to me to be the main aspects of Aylwin's agrarian policy. Not all of these policy issues are made explicit by the government.¹⁴

First, the government is fully committed to a social market economy. Full guarantees to, and respect of, private property rights and the capitalist system are assured. No new edition, reformulation, or revival of the land reform is contemplated as this is considered a closed chapter. Foreign and domestic capital is not going to be expropriated. No state farms will be created although cooperative forms of organization might be encouraged, particularly among smallholders, for credit, marketing, and technical assistance purposes. At present no mention is made of recreating some of the state enterprises dealing with the agricultural sector which existed before their privatization during the Pinochet regime.

Second, the agro-export model is to be continued. This requires a careful and stable management of the foreign exchange policy so as to give the

proper incentives to agroexporters. Thus it is likely that the exchange policy of recent years will not be altered. Special emphasis is to be given to forestry exports, with due regard to ecological consequences, as it offers the greatest export potential. The foreign demand for Chilean fruit is reaching its limits as export markets are largely saturated.¹⁵ Thus it is necessary to find new types of exotic fruits which can be exported, to open up new export markets, to demand the removal of trading barriers by importing countries, and to move upmarket with better quality fruit.¹⁶

Third, the government will continue to provide technological support to farmers but more emphasis will be given to the technological development of peasant farmers. It is planned to quadruple from 25,000 to 100,000 by 1974 the number of peasant farmers which will receive technical and other assistance from INDAP, either directly or through NGOs and private firms.¹⁷ The government also intends to provide increased technical and credit support to peasant- and small-farmer cooperatives.

Fourth, the government aims at reducing rural poverty and providing better health, housing, education, and other social services to the rural areas. Part of the extra expenditure this requires will be financed through increased taxation of the better-off farmers. Agricultural taxation will now be based on actual income (renta efectiva) rather than estimated income (renta presunta). As profits were usually underestimated this change should raise more funds for the government.

Fifth, it is envisaged to continue and extend the price support policy and other promoting measures for crops destined to the domestic market. As import-substitution of foodstuffs has largely been achieved it is necessary to raise the purchasing power of lower income groups so as to widen the internal market. This task is the more urgent given that poverty has increased during the Pinochet era and that the per capita consumption levels of food are still well below the pre-1973 years.

Sixth, the government intends to reform the Plan Laboral. However, what might be required is to scrap Pinochet's Plan Laboral in its entirety replacing it with a new labour code but the Aylwin government is not contemplating such action as yet. The national peasant trade union organization - the Comisión Nacional Campesina (CNC) - is certainly demanding that peasant unions should be allowed to be organized on a district level (sindicatos comunales) if their members so desire (CNC, 1989; 1990; with

regards to forestry workers see CTF, 1990). At present trade unions can only be established at enterprise level. There is much concern expressed by government supporters of the lack of protective legislation for the seasonal workers (the temporeros) and for the need to organize them into unions which is hampered by the present legislation. To what extent the Aylwin government will be able to introduce new legislation to that effect remains to be seen. It is also an open question whether a minimum wage law will be promulgated. Thus the aspiration of the CNC for the 'dignificación del trabajador agrícola' (the dignification of the agricultural worker) is likely to remain and its achievement will much depend on the democratization of social relations in the countryside.

Seventh, there is a great desire by the government to reform the town hall legislation and local government (ley de municipios).¹⁸ The debate in Congress already started in mid-1990 but has as yet (early 1991) not been concluded given the misgivings and obstruction of the opposition. The reforms should ensure greater accountability of the mayors to their constituency as it is proposed that they should be elected rather than appointed by the President. This would also help to facilitate the provision of government services to the poorer sections of the community and their social participation. Some of the mayors, which were all designated by Pinochet during his government, are boycotting the activities of the present government. It is expected that this reform should also benefit the rural population which was expelled from the estates and which has drifted during the last decade or so to villages and townships.

Eighth, the State apparatus is to be strengthened. The systematic dismantling of the State machinery through the privatization of state enterprises, the drastic reduction in public employees, and so on, during the Pinochet years have greatly weakened the capacity of the State to intervene in the economy. The Aylwin government needs to expand the State sector so as to have a greater grip over economic developments and rectify the limitations and inequalities of the free-market neoliberal economic system which was imposed by the 'Chicago Boys'.¹⁹ This has much relevance for the rural population and areas which have been marginalised and excluded from the benefits of growth and have borne the brunt of the costs of the repressive modernization process. The government does not intend to recreate the size and even less so the shortcomings of the old State apparatus. On the

contrary, it favours some decentralization as well as working through NGOs by subcontracting some activities to them. As many NGOs have been working with the poor and in rural areas such a policy should benefit the rural poor. However, the State apparatus inherited from Pinochet also has many shortcomings which would require thorough reforms but it is unclear to what extent the Aylwin government has the will and the power for undertaking such as necessary task.

Ninth, last but not least, the government intends to reduce the high private debt of the agricultural sector. Many farmers borrowed too eagerly and too much wanting to take full advantage of the agro-export boom and to a lesser extent of the revived internal market after the rectification of 1983. Most have been caught out by the fiasco of the "poisoned grapes" which led to the temporary collapse of Chile's largest fruit export market in the USA during 1989. However, exporters of Chilean fruit were also loosing markets due to the poor quality of some shipments. Other factors such as rising interest rates also contributed to the financial difficulties of farmers. However, the government is going to focus its debt relief operations on the small farmers and let the private banking and commercial sector take care of the remainder. But as the latter is going to happen in only a few instances it is likely that some capitalist farmers and enterprises will face bankruptcy. The government also intends to reduce and reschedule the land reform debt of the parceleros, thereby diminishing the chances of their proletarianization.

Generalizing, the agrarian policy of the Aylwin government can be characterized as favouring redistribution with growth and having a peasantist bias. It is envisaged that agricultural growth rates might be slightly lower from those of the recent past but it is intended that they should be more sustainable socially and ecologically. Therefore priority is to be given to diminish the acute inequalities by redirecting much of the government effort in support of peasant agriculture and to those regions which, for geographic and climatic reasons, were unable to join the export boom. Thus the continuing revival of the domestic food market is particular important so as to reduce poverty and further stimulate production for the domestic market. Such a revival will, of course, much depend on macroeconomic policies and the overall performance of the economy.

3. The Peasant Economy and its Revitalization: A Key Problem

Chile is fortunate that its natural resources allow it to potentially expand simultaneously export and domestic production. Fruit and forestry exports have so far competed only to a minor extent with domestic food production over agricultural land. Future expansion of fruit and forestry plantations is unlikely to make major inroads into cropland due to the availability of surplus land, climatic, and other reasons. Also competition for labour has not yet been acute due to the existence of surplus labour largely generated by that labour reservoir which is the peasant family farm. Furthermore, the expulsion of labour from the capitalist farm sector has contributed to swell that labour surplus. However, labour might become increasingly a constraint in certain areas of high demand for seasonal labour. This is already happening in a few cases. But mechanization, were possible, should help to relieve that constraint. The main competition is, of course, over capital. Thus the process of capital accumulation has to be sustained to ensure continued investment in both food and export activities. Also the continued flow of foreign capital has to be welcomed so long as it makes a positive contribution to the economy.²⁰

This potential of Chilean agriculture should not blind us to the problems which this sector currently faces and to those problems it will need to overcome in future to realize this potential. In what follows I restrict myself to the main problem which Aylwin's government is going to encounter in implementing the core of its rural development strategy.

As a consequence of the agrarian reform and the parcelation of the reformed sector the peasant economy has acquired a new visibility and its relative importance within the rural economy is increasingly being acknowledged. Previously the tenant enterprises within the haciendas (the internal peasant economies) were largely invisible but when some of these tenants became parceleros (external peasant economies) their profile has greatly increased. The fact that the parceleros are private owners of land and that they manage a substantial greater proportion of the land than previously, when they were dependent tenants, has naturally contributed to this greater presence and awareness of the peasant farm sector within agriculture and the national economy.

The relative importance of the peasant sector (mainly comprised of minifundios and parcelas), i.e. roughly the farms below 20 b.i.h. in size although not all of them, can be gauged from data presented earlier in Table 1 which show that it owned 40 per cent of the land in 1986. (The land is expressed in units of equal quality: the basic irrigated hectare - b.i.h.). A more recent and precise estimate calculates that in 1987 peasant producers controlled about 30 per cent of the land (Echeñique and Rolando, 1989, p. 27). The contribution of the peasant sector to agricultural output is about 25 per cent which is below the percentage of land it owns as yields per hectare are lower in comparison with the capitalist farm sector (ibid., p. 51). The peasant economy also produces mainly for the domestic market which has been less profitable than the export market. However, its contribution to employment is relatively more important providing employment for about 38 per cent of the active agricultural labour force (ibid., p. 24).

Thus a rural development strategy which seeks to develop the peasant producer sector is sensible, especially for reasons of equity, food security, employment and income distribution. Furthermore such a strategy is called for given the neglect, erosion and deterioration suffered by the peasant sector during the Pinochet government. Many peasants were expelled from the reform and capitalist farm sectors and many parceleros had to sell their land. Also a process of minifundización, or subdivision of parcelas among family members of parceleros, had set in. Thus it is vital to support peasant agriculture so as to avoid its further decline and, above all, so as to reduce the growing technological gap between peasant and capitalist farming.

What is then the problem for implementing such a sensible rural development strategy? A peasantist programme requires for its success a lot of funding as well as consistency, continuity, perseverance and time to bear fruit. In short, such a programme is expensive and long-term. This is where the key problem for the Aylwin government arises as it has insufficient human and material resources at its disposal to substantially revitalize peasant farming and, in general, launch a full and frontal assault on rural poverty. The jiribización or dismantling of the State and its reduction to a subsidiary role during the Pinochet era (Silva 1990b) greatly hampers its ability to intervene in favour of the peasantry. Furthermore, the democratic government is under pressure to produce quick economic results. This might lead it to rely even more on the capitalist farmers for generating the increased

agricultural output than it originally intended and thus drive it to devote insufficient attention to the peasant sector.

NOTES

1. The following persons have generously shared their ideas on Chilean agriculture with me: G. Arroyo, R. Baraona, J. Bengoa, T. Cox, M. E. Cruz, G. Falabella, S. Gómez, F. Lira, E. Mlynarz, J. Nagel, E. Ortega, R. Rivera, A. Schejtman, and O. Torres. I am especially grateful to P. Silva for commenting on a draft of this paper. They are, of course, not responsible for my particular views on Chilean agriculture nor for the errors and weaknesses this paper may have. I am also grateful for the magnificent library support I received from Mariana Giacaman and the Grupo de Investigaciones Agrarias (GIA) of the Universidad Academia de Humanismo Cristiano. May thanks also to the Grupo de Estudios Agrarios (GEA) of the same university for their invitation to attend their cycle of conferences on Chilean agriculture. Finally, my acknowledgment to the Institute of Social Studies (ISS) in The Hague for financing my research trip to Chile. A draft version of this essay was presented at the conference on "The Transition to Democracy in Chile" which was jointly organized by CERC of the Universidad Academia de Humanismo Cristiano, Santiago de Chile, St. Antony's College, Oxford, and the Institute of Latin American Studies of the University of Liverpool. The conference was held at Liverpool University in December 1990.

2. I have examined the repressive and unequal nature of the military's agrarian policy in an earlier article, see Kay (1985).

3. The following publications provide useful overviews of agrarian change and policy during the Pinochet years: Jarvis (1985), Ortega (1987), Silva (1987), Cruz (1988), Gómez and Echeñique (1988), Jarvis (1989), Cox, Niño de Zepeda, and Rojas (1990), Hojman (ed.) (1990). For a valuable review essay of the key literature on this topic see Silva (1990a). From this list the book by

Gómez and Echeñique was particularly influential in bringing about the 'yuelco de los intelectuales' ('the turn of the intellectuals'). The predominant view among left-wing thinkers on the agrarian changes brought about by the Pinochet government tended to be completely negative. The book by Gómez and Echeñique has the merit of highlighting both faces of the modernizing process.

4. The drastic change of the agrarian system, which started with the land reform, together with the liberalization of the economic system during the Pinochet years have greatly increased the agricultural producers' awareness and ability to react to changes in prices as well as to other economic indicators. This high-degree of price-responsiveness of today's producers is sometimes used to criticize structuralists who emphasized rigidities, inelasticities, and so on. However, such critiques are ahistorical and, in my view, it is perfectly possible to explain the new situation within the structuralist paradigm. For recent studies on agricultural price elasticities and supply responsiveness see Hojman (1990b), and Coeymans and Mundlak (1991). For an interesting debate on the relative importance of changes in the coherence of macroeconomic policy and in land tenure structure on aggregate agricultural supply response, which in some ways echoes the neoclassical-structuralist debate, see Quiroz, Barahona, Valdés (1988), Jarvis (1990), and the rejoinder by Barahona, Quiroz, Valdés (1990).

5. For a brief and helpful analysis of the privatization of the reformed sector see Silva (1991). For the most comprehensive study on the counter-reform see Jarvis (1989).

6. For a discussion of concepts such as hacienda system, hacienda enterprise, internal and external peasant economies in the Latin American context see Kay (1979).

7. For an historical analysis of the capitalist development of the hacienda system in Chile see Kay (1977), and for the history of the agrarian reform in Chile see Huerta (1989).

8. The book by Rodríguez and Venegas (1989) and the essay by Korovkin (1990) provide illuminating and careful accounts of the process of peasant differentiation arising from the counter-reform in two particular areas of central Chile.

9. For a detailed description of the various rectification or adjustment policies see Sanfuentes (1987). For an analysis of the experience with agricultural price bands see Muchnik and Allue (1991).

10. For a comprehensive analysis and statistical study of the impact of trade liberalization, exchange rate, and agricultural pricing policies on the performance of the agricultural sector and on agriculture's contribution to foreign exchange revenues see Valdés, Muchnik, and Hurtado (1990).

11. For a competent overview of Aylwin's overall economic programme and the place of the agricultural sector within it, see Hojman (1990c). In a brief article Hojman (1990d) also stresses the continuity of Aylwin's agrarian policies with those of Pinochet after 1985.

12. The right-wing within the Christian Democratic party and the Frei government favoured the parcelation of the reformed sector while the left-wing favoured communitarian property (i.e. producer cooperatives). The left-wing reformists within the Christian Democratic party broke away from the party during the last two years or so of the Frei government joining later the Popular Unity coalition of parties. This communitarian approach can be exemplified in the writings of, and government positions held by, Jacques Chonchol. He was in charge of INDAP (the government office concerned mainly with the development of the peasant sector) at the beginning of the Frei government. He resigned and was a key figure in one of the break-away groups from the Christian Democratic party. He became Minister of Agriculture during the Allende government providing a key link between the communitarian inspired Christian Democrat groups and the socialist groups at party and campesino levels. See Silva Solar and Chonchol (1965), Chonchol (1967) and (1972).

13. Leyes de amarre (laws which bind or tie you down) are the various laws which the Pinochet regime bequeathed to any future democratic government with the purpose of limiting the powers of such a government with regards to prosecuting those persons who violated human rights, to changing existing legislation, and to introduce new legislation which might facilitate its task of democratization and of a creating a more equitable path of development.

14. I have used the following sources, among others, for gaining an insight into the agrarian programme of Aylwin's government and its background: Cox (1988); Unauthored (1989); Comisión Agraria de la Concertación (1989); Concertación de Partidos por la Democracia (1990); the first Mensaje (in which the government programme, implementation, achievements, and so on, are presented: a sort of state of the nation address) of President Aylwin delivered to parliament on 21 of May 1990; various interviews given to the press by high officials from agrarian ministries or offices; and so on. However, the best source were the interviews I had with agrarian specialists and policy makers who, of course, bear no responsibility on the interpretation I have given to their thoughts. I have also used the cuttings of articles on agrarian issues from a variety of Chilean newspapers and magazines which are compiled periodically by the FAO regional office in Santiago de Chile. My thanks to the FAO for sending me these informative compilations which are entitled Selección de Recortes de Noticias Aparecidas en los Diarios Chilenos. Additionally I have made use of another collection of newspaper cuttings which I was able to consult in the library of the Grupo de Investigaciones Agrarias (GIA) in Santiago.

15. For recent studies on the forestry sector see Contreras (1988), Wisecarver (1988), and Morales (1989).

16. See the technically competent articles on this theme in Panorama Económico de la Agricultura which is a magazine published bimonthly by the Department of Agricultural Economics of the Faculty of Agriculture, Catholic University of Chile in Santiago de Chile. So far Aylwin's government has been unable to persuade fruit exporters and opposition politicians to agree to joint private and state quality controls of fruit destined to the export market.

The government's proposal was modest and sensible and very much in the interest of exporters but it was opposed for ideological reasons as it was seen as the thin edge for further state controls and activities in the countryside.

17. Information provided by Maximiliano Cox, Under-Secretary for Agriculture in the Aylwin government, in his talk given at the conference on 'Agrarian Reality in Today's Chile'. This conference was organized by the Grupo de Estudios Agrarias (GEA) of the Universidad Academia de Humanismo Cristiano and took place in Santiago de Chile on the 28th of August, 1990.

18. For a discussion on the limitations, possibilities, and requirements for reform of the local government system with regards to the countryside in Chile see Ahumada et al. (1988).

19. For useful analyses of the neo-liberal economic model (also referred to as neo-conservative, radical conservative, and repressive or militant monetarism) and its performance during the Pinochet years see, among others, Foxley (1983), Ramos (1986), and Edwards and Cox (1987).

20. The present government intends to remove the high subsidy given to the large forestry conglomerates and restrain their predatory urges, whatever their nationality. To what extent it will limit their oligopolistic powers and reduce their high degree of concentration remains to be seen.

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