Exposing Market-Led Agrarian Reform: 
a case study of the Land Fund in Guatemala

by

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B.A., Concordia University, 2003

THESIS SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF

MASTER OF ARTS

In the Department of Sociology/Anthropology

Latin American Studies Program

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SIMON FRASER UNIVERSITY
Summer 2007

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ABSTRACT

In recent years Market-Led Agrarian Reform has been promoted in the global South as a more effective approach than State-Led Agrarian Reform. This thesis uses in-depth qualitative research to assess the experience of several Guatemalan communities in their quest to obtain land through Guatemala’s market Assisted land distribution program over the past 10 years. Six categories are used to evaluate MLAR in Guatemala: the pace and efficiency of reform; the extent to which complementary reforms have been enacted; accessibility to participants; quality of land; technical assistance available; and access to start-up capital and markets for agricultural production. The findings of this thesis support the conclusions made by a number of researchers assessing other country experiences with MLAR that this type of land distribution program is fairly ineffective at redistributing land or fostering sustainable rural livelihoods in Latin America.

Keywords: Market-Led Agrarian Reform, Guatemala, campesino organizations
Acknowledgements

First and foremost, I wish to acknowledge all those who participated in the research of this study. The leaders and members of the Campesino Committee of the Highlands were instrumental in facilitating this research, and provided me with an incomparable opportunity to learn first-hand about the situation of land in Guatemala. This thesis would not have happened without them.

Research for this thesis was made possible in part by grants from Simon Fraser University and the Social Sciences and Humanities Research Council of Canada. I am grateful for the opportunities this funding afforded.

I also wish to thank the faculty and staff of SFU’s Latin American Studies Program. I owe extra thanks to my committee, John Brohman and Marilyn Gates, for their invaluable assistance throughout the entire process.

Finally, I wish to thank my family for their generous support: my parents, Kathy and Lawrie Daub, for instilling a love of learning in me, and for supporting me throughout my education in so many ways; my sister Shannon, for all her encouragement and editing assistance; and my partner Carl, for feeding me, listening to me, and loving me.
# Table of Contents

## Approval ......................................................... iii

## Abstract ....................................................... iii

## Acknowledgments ........................................... iv

## Table of Contents ........................................... v

## List of Tables ................................................ vi

## List of Illustrations .......................................... vii

## Abbreviations ................................................ viii

## Introduction ................................................. 1

1.1 The question of land in Guatemala .................. 1

1.2 Market-Led Agrarian Reform in Guatemala .......... 4

1.3 Research questions ....................................... 5

1.4 Methodology .............................................. 7

1.4.1 Fieldwork in Guatemala ............................ 8

1.4.2 Secondary sources .................................. 10

1.4.3 Primary sources ..................................... 11

1.5 The case study area ..................................... 18

1.5.1 The Land Fund ...................................... 19

1.5.2 The CCDA ........................................... 21

1.6 Limitations and biases .................................. 23

1.7 Reflections on fieldwork .............................. 24

1.8 Outline of the thesis ................................... 25

## Theories and Debates around Agrarian Reform ........ 26

2.1 Land reform in general ................................. 26

2.2 Critique of State-Led Agrarian Reform ................ 27

2.3 The debate between State-Led and Market-Led Agrarian Reform .................. 28

2.3.1 Pace and efficiency ................................. 29

2.3.2 Effects of complementary reforms ............... 31

2.3.3 Accessibility and campesino participation ....... 32

2.3.4 Quality of land: location, fertility and infrastructure .......................... 34

2.3.5 Technical assistance .............................. 35

2.3.6 Start-up capital and access to markets ........... 36

## Historical Context ........................................... 38

3.1 Agro-export and export-oriented growth .......... 38

3.2 Colonial Guatemala ...................................... 39

3.3 Post-Colonial Guatemala ............................... 40
List of Tables

Table 1. Land distribution in Guatemala: 1950, 1964, 1979, 2003 (in percentages)....52

Table 2. Land Fund Land Access program: Summary of Fincas Distributed since its Creation, 1998 to October 2006...............................................................52

Table 3. Special Program for Agricultural Production Support for Vulnerable Communities, Land Fund – Ministry of Agriculture Agreement.................................53
List of Illustrations

1. Heavily farmed mountainous countryside..................................................2
2. Map of Guatemala.....................................................................................9
3. Finca in the department of Retalhuleu.....................................................51
4. Okra fields growing on a finca in the department of Suchitepéquez..........70
5. Sacks of coffee ready for export to the fair trade market in Canada..........79
Abbreviations

ASC  Assembly of Civil Society (*Asamblea de Sociedad Civil*)

ASESA  Agreement on Social and Economic Aspects and the Agrarian Situation (*Acuerdo sobre Aspectos Socioeconómicos y la Situación Agraria*)

BC Casa  BC Central America Student Alliance

CAFTA  Central American Free Trade Agreement

CCDA  Campesino Committee of the Highlands (*Comité Campesino del Altiplano*)

CIDA  Canadian International Development Agency

CNOC  National Coordinator of Campesino Organizations (*Coordinador Nacional de Organizaciones Campesinas*)

FAO  Food and Agriculture Organization

FAR  Armed Rebel Forces (*Fuerzas Armadas Rebeldes*)

INE  National Institute of Statistics of the Republic of Guatemala (*Instituto Nacional de Estadística de la República de Guatemala*)

INTA  National Agrarian Transformation Institute (*Instituto Nacional de Transformación Agraria*)

MINUGUA  United Nations Verification Mission in Guatemala (*Misión de Verificación de las Naciones Unidas en Guatemala*)

MLAR  Market-Led Agrarian Reform

PCT  Land Title Project (*Projeto Cédula da Terra*)

PINFOR  Forestry Incentive Program (*Programa de Incentivos Forestales*)

SLAR  State-Led Agrarian Reform

UFC  United Fruit Company

URNG  Guatemalan National Revolutionary Front (*Unidad Revolucionaria Nacional Guatemalteca*)
1 Introduction

1.1 The question of land in Guatemala

Guatemala has one of the most inequitable distributions of land in Latin America, and has had one of the bloodiest histories of repression against those who would seek to bring about social transformation through the redistribution of land and resources. The agro-export strategies that have been the basis of Guatemala's economic growth to varying degrees since the 1870s have led to severe social inequities, including a high concentration of land in the hands of a small elite who benefit at the expense of the majority (Brockett, 1998). In 2003, 86 percent of all farms were less than 3.5 hectares, but held only 16 percent of Guatemala's agricultural land (INE, 2003), and studies show that 3.5 hectares is an insufficient landholding for even subsistence farming1. In contrast, just over 2 percent of farms were 44.8 hectares or larger, and held 56 percent of available agricultural land. This latifundio-minifundio2 division is exacerbated by the fact that the vast majority of the most fertile, productive areas are held by large landowners, while smallholders farm in the less hospitable mountainous areas3. These inequitable land patterns are a legacy of Guatemala's colonial history, as in many parts of Latin America,

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1 According to the latest agricultural census of the Instituto Nacional de Estadística, the National Statistics Institute, carried out in 2003. The average minimum amount of land needed for family subsistence is estimated to be between 4.5 and 7 hectares (Saldivar & Wittman, 2002, p. 6; Brockett, 1998, p. 113).
2 The latifundio-minifundio land tenure system is characterized by large, extensive landholdings held by one person or family (latifundistas), who employ minifundistas, (either year round or seasonally) who farm minifundio plots often too small to support a family's subsistence needs, and supplement their income with wage work on the latifundos (Benitez, 2003, p. 57; Thiesenhusen, 1995, p. 70).
3 Guatemala's most fertile land is along the Pacific and Caribbean coastal regions, where large land holdings are farmed for export by seasonal wage labourers. The Highland region is mountainous, more difficult to access and has far less physical infrastructure than the coastal regions, where the infrastructure has been built to serve export needs (Brockett, 1998; Thiesenhusen, 1995)
and the rural campesinos who make up the poor majority are also mostly indigenous Maya, making the division of wealth all the more problematic.

Figure 1. Heavily farmed mountainous countryside

As in almost all of Latin America, the inequitable distribution of land has severely impacted the quality of life of Guatemala’s poor majority, and has led to deep social conflict. Indeed, the United Nations Verification Mission to Guatemala (MINUGUA) has identified the unequal distribution of land as one of the root causes of the 36-year armed conflict that ended with the signing of the Peace Accords in 1996 (MINUGUA, 4 Sixty percent of Guatemala’s population is indigenous Maya (Jonas, 2000, p. 20).

5 The United Nations Verification Mission in Guatemala (MINUGUA) was formed in 1994 to carry out verification and institution-building activities in order to assist with the peace process. After the signing of the Peace Accords in 1996 MINUGUA maintained its presence in Guatemala to verify the implementation of the Peace Accords (United Nations Peacekeeping Operations: http://www.un.org/Depts/DPKO/Missions/minugua.htm, available February 24, 2007).

6 Guatemala’s civil war began in 1966, ten years after a CIA-backed coup overthrew Jacobo Arbenz’s democratically elected government, which had begun a large, expropriation-based land reform program, details of which are discussed in the case history section of Chapter 1.

7 The Peace Accords are the product of over two years of negotiations between the Guatemalan government and the Guatemalan National Revolutionary Front (URNG).
2004, p. 9), and the successful resolution of Guatemala’s agrarian problem is essential for both avoiding future conflict and for addressing the social inequities that underlie past conflict.

The Peace Accords, negotiated between the Unidad Revolucionaria Nacional Guatemalteca* (Guatemalan National Revolutionary Front, URNG) and the Guatemalan government, included three accords dealing with land issues, such as distribution and indigenous rights. In particular, the Agreement on Social and Economic Aspects and the Agrarian Situation (Acuerdo Sobre Aspectos Socioeconómicos y Situación Agraria, ASESA) established a series of measures intended to alleviate the skewed concentration of resources and the social exclusion of indigenous and campesino rural populations. In addition to sections on citizen participation in socioeconomic development, and targets for increased state spending on education, health, social security, and housing, this accord included a number of sections addressing land access and tenure. The accord included provisions for: the protection of communal and municipal lands; increased state investment in rural infrastructure; carrying out a national land survey; tax reform; the redistribution of privately-owned idle lands, illegally acquired lands, and state-owned lands; and provisions for the establishment of a land fund to provide market-based land access to campesinos (Jonas, 2000, p. 79; Saldivar & Wittman, 2002, pp 8-9). Although some of these measures appear at first glance to be state-led, those programs which have actually been carried out in practice have been primarily market-led, specifically the

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They are comprised of 12 accords that seek to address the root causes of the 36-year conflict, and include some measures meant to address the inequitable distribution of land and resources.

* The URNG was an alliance of the four main guerrilla factions in Guatemala during the civil war, which in 1982 combined forces to oppose the Guatemalan government, and later negotiate the Peace Accords with the Guatemalan Government (Jonas, 2000).
formation of a land fund. At the time the Peace Accords were negotiated, there was major debate and public protest over the ASES Accord, and it was only ratified by the Asamblea de Sociedad Civil (Assembly of Civil Society, ASC) after significant pressure from the international community (Jonas, 2002, p. 51, p.80).

1.2 Market-Led Agrarian Reform in Guatemala

The programs related to land within the ASES are modeled on Market-Led Agrarian Reform (MLAR), a strategy promoted by the World Bank as the only politically feasible way of redistributing land to alleviate poverty reduction, while spurring economic growth and rural development in general. This strategy part of the overall neo-liberal thrust characterized by a reduced role for the state in the reform process, with the market situated as the primary mechanism to increase access to land for landless or land-poor campesinos. The primary role of the state in this approach is ensuring a well-functioning land market, and facilitating the voluntarily negotiated transfer of land from landowners to campesinos.

Institutions such as the World Bank argue that MLAR successfully addresses many of the failures of past State-Led Agrarian Reforms, which were the dominant model of land reform in several Latin American countries, especially in the 1960s and 1970s.

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9 The Assembly of Civil Society represented different civil society sectors, including popular and indigenous groups, women’s organizations (eventually), and small and medium business sectors. Its role was to make proposals to the accord negotiators, and endorse or not endorse the accords once signed (Jonas, 2000, pp. 43-44).

10 Especially through the ‘Group of Friends’ who, along with the UN, facilitated peace negotiations. The countries in this group were: Mexico, Norway, Spain, the United States, Venezuela, and Colombia (Jonas, 2000, pp. 43, 63).

11 There are a number of terms for land reform facilitated by the market, with a minimal role for the state, including market-led agrarian reform, market-led land reform, and market-assisted land reform. This research uses the term Market-Led Agrarian Reform (MLAR) throughout as a blanket term for land reform programs that rely on the market as the primary mechanism for land transfers.
Specifically, MLAR proponents argue that SLARs have been ineffective in achieving a redistribution of land due to the following factors: land expropriations from large landowners were used as a threat to induce modernization; reforms were used to defuse social upheaval, and thus benefited those who were most vocal in their demands for land, not necessarily those with the greatest need for land; complementary reforms to ensure a well-functioning land market were not introduced; large state bureaucracies developed for the distribution of land, making reforms expensive and inefficient; land reform institutions were highly centralized and top-down, and did not respond to recipient needs; large landholdings were divided up for distribution, creating land parcels that lacked adequate infrastructure; land recipients were inexperienced in commercial farming techniques; land recipients did not receive adequate technical training or productive assets; plans for land use and production were not established prior to land transfers to beneficiaries; and recipients did not have adequate access to markets for agricultural products (de Janvry & Sadoulet, 1989; Deininger & Binswanger, 2001). In contrast, MLAR proponents argue that by using a voluntary buyer-seller method of transferring land, and by providing measures for land recipients to access technical assistance and develop plans for crop production and marketing before land is transferred, MLAR strategies will result in faster, more efficient, and less-costly transfers of land than through either expropriations or colonization of frontier lands (Deininger, 1999; Deininger and Binswanger, 2001).

1.3 Research questions

Given that inequitable land distribution was at the root of the armed conflict in Guatemala, and that there was widespread dissatisfaction with the measures contained in
the Peace Accords to deal with this distribution (Jonas, 2000), it is essential to assess the impact of MLAR in Guatemala, and the extent to which it has affected the inequitable distribution of land. In addition, in a context of racially and culturally charged inequities, where the government has traditionally served the needs of a small economic elite\(^\text{12}\), the campesino organizations that represent the poor majority are arguably the only real body that acts as a voice for that community, and therefore their meaningful participation in and definition of the land reform agenda is crucial.

As of yet, there have been only some initial assessments of MLAR in Guatemala (Grobakken, 2005; Helweg-Larsen, 2003, Saldivar & Wittman, 2002). With limited job opportunities in both the agribusiness and industrial sectors, the ability of families to support themselves through farming on adequate amounts of land is of utmost importance, and the effectiveness of MLAR in achieving this in Guatemala should be explored. This research seeks to partially fill that gap and provide an assessment of current land reform in Guatemala, especially focusing on the experience of the landless and near-landless campesinos it is intended to benefit, and informed by the current debates on the effectiveness of MLAR.

This study explores whether or not the claims of MLAR proponents have been borne out in practice in Guatemala since the Peace Accords were signed. Specifically, this thesis asks whether Market-Led Agrarian Reform in Guatemala has successfully

\(^{12}\) Throughout the colonial period and since Independence, government policy in Guatemala has facilitated economic growth based on a repressive agroexport development strategy, and has institutionalized the absolute exploitation of campesinos and labourers to ensure a cheap labour supply for large agroexport producers (Brockett, 1998; Brohman, 1996; Thiesenhusen, 1995). For example, the Vagrancy Laws under Jorge Ubico's dictatorship from 1934-1944 required all campesinos to work from 100 to 150 days per year (Brockett, 1998, pp. 22-23).
addressed problems previously identified with State-Led Agrarian Reforms, or if it replicates or exacerbates those problems, or perhaps creates new ones. The following specific questions are addressed:

- To what extent is MLAR in Guatemala successfully achieving a fast-paced, efficient transfer of land between large landowners and landless or near landless campesinos?
- What, if any, complementary reforms are being enacted?
- How accessible is the process to campesinos?
- To what extent is the land transferred of good quality, with the capital and infrastructure needed for successful farming?
- What kind of technical assistance is available to land beneficiaries?
- To what extent do land recipients have access to start-up capital and access to markets for their agricultural production?

1.4 Methodology

These research questions are explored through the experiences of communities that are members of the Comité Campesino del Altiplano (Campesino Committee of the Highlands, CCDA) that have sought land through Guatemala’s Fondo de Tierras (Land Fund) and its Land Access program. Although I had some ideas as to what information I was looking for when I began interviewing (namely, if groups that had accessed land had adequate resources to farm their land and not return to wage work), the themes explored in the research questions were arrived at through a grounded approach. After reviewing the interviews conducted during this research, the questions of pace, complementary reforms, accessibility, land quality, technical assistance, and start-up capital and access to markets arose as the major issues identified by campesino groups and leaders themselves as problematic. Given the complex nature of land and agrarian reform in Guatemala, an exploration of the experiences of various communities, as well as the opinions of campesino leaders and Land Fund officials was a useful method for

13 The Land Fund, the CCDA, CCDA member organizations, and the organizations with which the CCDA is affiliated are discussed in greater detail below.
exploring how MLAR is playing out, as it allows for various voices and perspectives to be heard. This study uses qualitative methods, with semi-structured interviews forming the basis of the findings, complemented by secondary sources including statistics, articles, reports, and books, as well as participant observation.

1.4.1 Fieldwork in Guatemala

Fieldwork for this study was carried out in Guatemala between December 2004 and April 2005, specifically in the departments of Sololá, Suchitepéquez, Retalhuleu, Alta Verapaz, Huehuetenango, and Escuintla, and in Guatemala City and Cobán, as outlined on the map below (Figure 1). The majority of interviews with community groups were conducted on their land, however, in the case of Finca Santa Elena, community representatives traveled from the department of Chimaltenango to meet with me at the CCDA offices in Quixayá.
Figure 1. Map of Guatemala

Source: http://www.lib.utexas.edu/maps/guatemala.html
During the time of this research I was based in San Lucas Tolimán, a medium sized town in the department of Sololá in the Highlands of Guatemala. I chose this area because it was a short distance from the CCDA headquarters in Santa Cruz del Quixayá (Quixayá), and was an easy location from which to travel to other communities with which the CCDA works. I divided my time between traveling to small towns, hamlets, and fincas where I conducted interviews with representatives of campesino groups, and working as a volunteer with the CCDA. I also made frequent trips to Guatemala City in order to conduct interviews with Land Fund officials and leaders of the Coordinator of National Peasant Organizations (CNO). Secondary sources were gathered from the CCDA headquarters in Quixayá, CNO offices in Guatemala City, and from Land Fund offices in Guatemala City and Cobán. In some cases I was able to carry out follow up research at meetings with group representatives and the CCDA, and in the case of Finca San Ignacio, I had the opportunity to stay at the finca for a week while leading a group of Canadians who were on a solidarity tour facilitated by an organization in which I am a member, the BC Central America Student Alliance (BC Casa). This allowed me to gain a more in-depth experience of the challenges a campesino group can face when trying to successfully farm purchased land.

1.4.2 Secondary sources

Secondary sources were gathered in both Canada and Guatemala, and include a variety of articles, books, reports, statistics, and newspaper articles. These sources were published by academic journals and publishers, Guatemalan newspapers, government institutions, NGOs, and campesino organizations. By using a variety of sources this

14 A complete list of interview participants is included in the bibliography.
study seeks to include more than one perspective on land and agrarian reform in Guatemala. In addition to academic books and articles, numerous documents related to the Land Fund were reviewed, including the law which regulates the Land Fund, reports published by the Land Fund, pamphlets and informational materials published by the Land Fund, and materials used in the application process. Various documents published by the CCDA and CNOC that relate to their position on land reform and development in Guatemala were also studied. Finally, public domain websites were consulted, including those of the CCDA, the Land Fund, the Guatemalan Government, the World Bank, and the Food and Agriculture Organization (FAO). A full list of these sources can be found in the bibliography.

Participant observation was carried out with CCDA member groups in several contexts: on land obtained by campesino groups, at meetings of campesino group leaders and CCDA leaders where land-use strategies were planned, at meetings with community members who are part of the CCDA, at a meeting between CCDA members and Land Fund officials, at meetings of the CCDA Women’s Secretariat, and at meetings between the CCDA and their international partner organizations. Access to these meetings was initially facilitated by the main leader of the CCDA, and later through personal contacts with other CCDA leaders and members. Records of the dates of these meetings can be found in the bibliography.

1.4.3 Primary Sources

According to Mason (2002), qualitative interviews are a useful tool when one wishes to explore people’s views and opinions on a topic, and particularly when such information is not available in other forms (pp. 63-65). In this thesis, qualitative
interviews were particularly useful in gaining an understanding of what Land Fund participants and campesino organizations think about MLAR in Guatemala, and also for gaining an understanding of how the Land Fund has operated on the ground, rather than basing assessments purely on documents published by the Land Fund itself. I conducted semi-structured interviews, with a list of base questions (see appendix A) that I modified as the interview progressed, exploring tangents and topics as they arose with spontaneous questions. A total of 22 interviews were conducted, 12 with representatives of campesino groups, six with Land Fund officials, and six with leaders of the CCDA and CNOC. All names of both people and places in this paper are pseudonyms, with the exception of the CCDA and CNOC leadership, all of whom indicated that they did not object to their names being used. I was introduced to initial contacts in each community by CCDA leaders, and met subsequent informants by networking with community members, Land Fund officials, and other CCDA leaders. I felt that if I wanted to gain an understanding of current land reform in Guatemala, it was necessary to interview a variety of actors, including those in charge of implementing reforms, the intended beneficiaries of those reforms, and those organizations seeking to influence land reform in general. The CCDA provided significant assistance by introducing me to different communities that were involved somehow in land acquisition, as well as to other campesino organizations with which they were affiliated, both CCDA member organizations, and other broader organizations in which the CCDA were members. The CCDA also introduced me to several Land Fund officials. Some interviews were conducted one-on-one, while others were conducted with two to four members of a group.

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15 These groups are referred to by the names of the fincas they own, and are identified in the bibliography.
Interviews were conducted in Spanish\textsuperscript{16} with representatives from ten CCDA-member organizations that had either obtained land, or that were seeking land. The communities of San Ignacio, El Asunción, San Carlos, and Itzapa had all obtained land through the Land Fund between 2000 and 2004.

Finca San Ignacio was located in the department of Suchitepéquez, about 45 minutes from the town of Patulul. The community was made up of 42 families that had previously worked on a finca as tenant farmers. The owner of that finca laid the workers off when his finca became unprofitable, while still owing back wages to the campesinos. The CCDA assisted the community in negotiating a settlement with the landowner, where the landowner ceded ownership of the houses on the finca in lieu of payment of back wages owed. The land they had, however, was only enough for their housing, not agricultural production, and thus they began looking for land through the Land Fund. After numerous unsuccessful attempts, they purchased Finca San Ignacio, where they began farming baby corn, and after that crop failed, okra. Finca El Asunción was located in the department of Retalhuleu, several hours by pickup truck from the nearest main highway. The group was made up of families from three different communities that were all seeking land, and had joined together in their quest. After several unsuccessful attempts at buying land, they were able to purchase Finca El Asunción, which had old, but still productive, coffee plants and macadamia trees. Finca San Carlos was located in the department of Escuintla, approximately one hour from the city of Escuintla. The members of this community had been renting land in the department of Chimaltenango,\textsuperscript{16}

\textsuperscript{16} The author of this thesis is fully fluent in Spanish, and all interview participants spoke Spanish either as a first or second language, and as such no translation services were needed.
but had been seeking land for a number of years. With the assistance of the CCDA and
CNOC, they located Finca San Carlos and were successful in purchasing it. The
members of this community had been frustrated by the lack of success of farming their
land, as high winds made seasonal vegetable production impossible. Finca Itzapa was
located in the department of Sololá, approximately one hour by foot from the town of
Chitulúl, which in turn was approximately one hour by pickup truck from the town of San
Lucas Tolimán. Finca Itzapa had functioning coffee plants, but no processing facilities.
Because of the lack of road access, marketing of their coffee production was difficult, and
seasonal vegetable production for export was impossible, as the products would have
suffered too much damage during transport from the finca due to its isolated location.

The members of Finca San Simón were tenant farmers on a coffee plantation near
the town of San Lucas Tolimán. They had begun seeking land, and had begun the
process of forming a legal association through city hall (one of the requirements of the
Land Fund), but had been stymied when a new mayor was elected, and were told that
their paperwork had been lost. With the help of the CCDA, they eventually accessed a
loan from the Land Fund for renting land. Members of the community Santa Elena were
from the department of Chimaltenango, where they rented land. They were in the middle
of the process of having a finca evaluated for approval by the Land Fund before being
authorized a loan.

The organization Nuevo Amanecer was based in the town of San Isodro, in the
department of Sololá, near Lake Atitlán. This group was originally composed only of
women, and had begun as a women’s self-help group that focused on weaving. After
deciding that the root of their poverty was their lack of land, they decided to try and find
a way to purchase land on the private market. The group opened up to new members, all of whom contributed money into a fund to cover the costs of forming a legal association and putting a down payment on a piece of land. However, when the time came to pay the second installment on the land, they did not have enough money, and lost their original down payment. Some members of the group accused the leader of stealing money, and the representative was jailed. She was subsequently released on the condition that she repay the group the supposedly missing funds. A second organization from San Isodro, Asociación Justicia, was exploring possibilities for obtaining land, and had recently joined the CCDA as of 2004. Members of the community Buenaventura, a small hamlet near the town of La Cumbre in the department of Huehuetenango had at one point begun the process of seeking land through the Land Fund, but had given up after being unable to locate land for sale in their region. Finally, the community of Santa Ana in the department of Alta Verapaz, near the town of Mochobán, had received legal title to land they already claimed as theirs through the Regularization program of the Land Fund. They were not satisfied with the outcome of the process, however, as they said that while the title they received only represented part of the land they laid claim to.

Interviews were also conducted with six CCDA and CNOC leaders: Leocadio Juracán, coordinator of the land access program at that time17; Lesbia Morales Sichán, the coordinator of the Women’s Commission at that time; Amílcar Calel Cahuec and Alfonso, both regional leaders within the CCDA; Ramiro, an organic farming technician employed by the CCDA; Gilberto Atz, the CCDA’s representative to CNOC and

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17 All of the CCDA leadership frequently take on the coordination of different program areas. All the CCDA leaders interviewed are still active, but coordinating different programs.
coordinator of the CNOC agrarian reform program; and Carlos Paz, member of the board of directors of CNOC. Finally, interviews were conducted with six Land Fund officials at the Guatemala City and Cobán offices. At the Guatemala City office: Roberto Alejandro, director of the Socioeconomic Area; Vicente Rodríguez, director of the Technical Area; Alán Salvador, director of the Technical Assistance Area; and José Antonio Díaz, a staff-person in the Regularization Area. At the Cobán office: Agustín Ortiz, staff-person with the Socioeconomic Area; and Javier Jiménez, staff-person with the Regularization Area were interviewed. A complete list of interviews and dates can be found in the bibliography. In addition to interviews, personal conversations with CCDA leaders are referred to in Chapter four. These are referred to as ‘personal communications’ as opposed to ‘interviews’, when citing, to distinguish them from formal interviews.

Initial contact with the CCDA and their members was facilitated by the fact that I was a member of the BC Central America Student Alliance (BC Casa), a group that has been working with the CCDA since 1995. I felt that if the CCDA were to allow me to conduct research with them and their members, it would be of great benefit to me, both in terms of facilitating access to contacts and assisting me in understanding how MLAR works in Guatemala, and ultimately, in assisting me in gaining a graduate degree. I therefore felt that it was important that I offer something in exchange. I contacted the leader of the CCDA, and proposed that in exchange for any type of labour the CCDA might require, that the CCDA allow me to carry out research with them and their members. After the leader of the CCDA responded positively to my proposal, I obtained ethics approval from the Simon Fraser University Ethics Department. In accordance with
this approval, informed consent was obtained from all interviewees, with oral, rather than
written consent, for two principle reasons. First, although it is currently safe to discuss
land reform openly in Guatemala, I did not feel it would be fair to ask campesinos who
had lived through brutal repression to sign their names to pieces of paper. Second,
because of low literacy levels in Guatemala, it was often more appropriate to explain
informed consent orally than in writing\textsuperscript{18}. One addition was made to the informed
consent explanation during the course of the research: participants were told that in
addition to being able to register any concerns or complaints directly with the Ethics
Department and/or the senior supervisor of this research, they could also make
complaints through the CCDA. This was because a large number of participants did not
have access to electricity, let alone computers; and because although many participants
did own or have access to cell phones, international rates are expensive, and the author
did not feel the burden of this cost should fall on the participants if they felt the need to
register any concerns or complaints. All participants were told that their names would
not be used in the study unless they wished to be identified. Information regarding
CCDA leadership was already available on their public domain website at the time of this
research, and CNOC leaders are public activists who produce research documents and
press statements, thus this research does not risk identifying or endangering leaders who
wish to remain anonymous.

Once in Guatemala, I presented my research questions to the Board of Directors
of the CCDA, and received their approval to proceed. We determined that the main

\textsuperscript{18} This is not, however, a blanket statement regarding literacy in Guatemala, and many of
the participants of this study were certainly completely literate. However, oral consent
was used for the sake of consistency.
benefit of this research to the CCDA would be for me to provide them with a Spanish translation of the final thesis. This translation will be completed after final revisions.

In addition to this specific commitment, throughout my time with the CCDA I worked on their coffee *beneficio* (coffee processing facility), assisted with sewing cloth bags used for the marketing of their fairly traded coffee, and provided human-rights accompaniment at protests in the capital city, and in a case of false arrest of one of the CCDA’s members. I provided translation services when necessary, and carried out information gathering with the Canadian International Development Agency (CIDA) offices in Guatemala about sources of funding for development projects. At the time of this writing, I continue working with the CCDA through BC Casa in Vancouver, a group that imports fairly traded coffee from the CCDA, and that arranges solidarity tours by CCDA members in Canada. This is an ongoing commitment, and in September 2006 I became a Director of BC Casa; since September of 2005 I have coordinated coffee bagging of Café Justicia, the fairly traded coffee BC Casa purchases from the CCDA.

### 1.5 The case study area

Before arriving in Guatemala, I knew that I wanted to learn about land reform since the Peace Accords, but was unsure what the focus of the research would be. After consulting with Leocadio Juracán, a CCDA leader, we determined that the most relevant area of study would be how the Land Fund process is playing out in Guatemala. Leocadio suggested that I meet with representatives from a variety of communities who had had different experiences with the Land Fund. Therefore, the focus of this research was with CCDA-member communities that had obtained land or were in the process of obtaining land through the Land Fund; these communities are located in the Central
Highland and Coastal Slope region. The regional scope was both practical and of appropriate scale for this study.

1.5.1 The Land Fund

The Land Fund is the institution established by the Peace Accords as a means of providing landless and near-landless campesinos with access to credit in order to purchase land. It was created in 1999 through the governmental accord 199-2000, and its form and functions are laid out in decree #24-99. In 2002, the Land Fund’s Council of Directors created two sub-offices to carry out its objectives: the offices of Land Access and of Regularization. The Land Access office is in charge of authorizing credits to groups or individuals so that they can purchase or rent land. It is also responsible for assisting campesinos in making their land and farming endeavours profitable (Fondo de Tierras(a), 2002, p. 9). There are three main areas that coordinate the various stages of authorizing credits for land purchases and rentals through the Land Access program: the Socioeconomic Area (which assesses campesino groups’ eligibility to participate in the process), the Technical Area (which evaluates the land for sale and determines the price the Land Fund considers appropriate for said land), and the Technical Assistance Area (which provides assistance in developing productive plans prior to land purchase, and in assisting groups with agricultural production after land has been transferred). The Regularization office is in charge of adjudicating and resolving land disputes, and giving legal land titles to campesinos who lay claim to unused land.

19 The role of this office is to resolve land disputes, often where both a landowner and a campesino community claim title to the same piece of land. This office examines legal records and land title histories in order to determine who holds title, and if found in favour of the peasant communities, assists them with the process of obtaining official
Although campesinos technically may apply for credit to purchase land as individuals, at the time of this research, the Land Fund was giving priority to group applications (interview, Alejandro, Socioeconomic Area Director, January 19, 2005), and for the remainder of this thesis, the process for acquiring land is discussed in terms of group applications. First, all members of the campesino group must meet the various requirements for Land Fund beneficiaries\(^\text{20}\) and have identified a piece of land or finca that they wish to purchase from a willing seller. Once the group has qualified for a land credit, the land they wish to purchase must be assessed and approved by the Technical Area. After the land has been approved, the group must develop a productive project to demonstrate how they will repay the credit for land purchase. Finally, the productive project, the land appraisal, and the land credit must be authorized by the Verification Council and the Council of Directors. Prior to soliciting land credit, groups must constitute themselves as a legal organization\(^\text{21}\). Once land has changed hands, campesinos have the option of working with a technical advisor, with subsidies from the Land Fund to pay for part of the service for four years. Repayment of the Land Fund credit begins after a four-year grace period, during which time no payments are made unless the beneficiaries choose to do so.

In addition to the land-purchase program, as of 2004 the Land Fund began a program of land access through rentals, where credits are authorized to families or groups

\(^{20}\) The specific requirements for accessing a Land Fund credit are identified in Chapter 3.

\(^{21}\) This organization can take various forms, including a cooperative, a business such as an anonymous society, or a campesinos' union. Legal association must include a democratically elected board of directors that must have begun steps to constitute themselves as legal representatives of the group.
to rent lands for agricultural production. The same process for obtaining land through purchase applies to rental applicants, including the requirement of productive plans to demonstrate how they will repay the Land Fund. The terms of the rental agreement are established between the landowner and the renters. Once approved, the Land Fund pays rent directly to the owner of the land, and campesinos must repay the Land Fund in one of three ways: at the end of each harvest, through a series of payments, or at the end of the rental contract (Fondo de Tierras(b), p. 18).

1.5.2 The CCDA

The Campesino Committee of the Highlands (CCDA) is a Mayan campesino organization founded in 1982 in response to the heightened violence of the civil war at that time. As stated on their website (http://ccda.galeon.com/quienes_somos.htm, retrieved November 2004), they originally formed as part of the Fuerzas Armadas Rebeldes (Rebel Armed Forces, FAR) with the name Comité Campesino en Defensa del Altiplano – the Campesino Committee in Defense of the Highlands. Due to the high level of repression they attracted due to their perceived association with the armed movement, the CCDA operated clandestinely until 1988, at which time they disbanded due to the number of their members who had been assassinated, disappeared, or who had gone into exile to escape persecution. In 1996 the CCDA began operating openly again, and in 2000 it was legally constituted as an organization. The CCDA is now made up of numerous smaller campesino organizations and community groups in seven of Guatemala’s 22 departments\(^2\), from several different indigenous groups. The CCDA currently seeks to improve the land and labour rights of its members via a democratic

\(^2\) Departments are equivalent to provinces in Canada or states in the U.S.
structure where individuals and communities collectively seek to improve their quality of life and transform the balance of power in Guatemala. The CCDA is governed by a board of directors elected annually by the Board of Coordinators, which includes two representatives from each of the departments in which the CCDA operates. The Board of Coordinators is in turn elected annually by the CCDA’s General Assembly, which is made up of representatives from each of the communities and organizations with which the CCDA works. (interview, Juracán, April 2, 2005; interview, Atz, April 5, 2005; http://ccda.galeon.com/quienes_somos.htm). The CCDA’s headquarters are located in Quixayá, Sololá; however, meetings, workshops, and activities are carried out both there and in CCDA member communities.

One of the CCDA’s main focus areas is agrarian reform, and many of its programs are related to assisting campesino groups with the Land Fund process and in accessing other government services23. The CCDA works with communities of campesinos seeking to access land, and works with groups after land purchase in a number of ways, including organizational capacity-building for managing farms; providing organic farming training; assisting with marketing of agricultural goods at the national and international level; and linking groups with other like-minded campesino groups (for example to collectively market agricultural production) and with NGO, governmental, and international programs (such as micro-credit lending programs, and

23 For example, the CCDA works with communities to develop small-scale development projects (such as housing, potable water, and food security projects) for the Guatemalan government’s Mobile Cabinet (Gabinete Móvil), a group of ministry representatives which travels to each department to hear proposals for funding community group projects. The CCDA had worked with a community in Sololá to obtain a grant for housing, and was working with several other fincas to develop proposals at the time this research was conducted (interview, Juracán, April 2, 2005)
World Bank grants for housing and water projects). In addition to these activities, a number of their programs seek to influence the national agenda on agrarian reform and rural development in general, and broadly to defend and promote human rights and the right to organize. The CCDA sees these efforts as fundamentally linked, because in Guatemala, those who have organized to struggle for land have been so brutally repressed (interview, Juracán, January 30, 2005). The CCDA works closely with the National Campesino Organization Coordinator (Coordinador Nacional de Organizaciones Campesinas, CNOC), a national-level campesino organization that similarly works for land, labour and human rights.  

1.6 Limitations and biases

The interview sources in this thesis present certain limitations to the findings. First, although it would have been useful to interview large landowners to gain their perspectives on the Land Fund, I was unable to access any through my contacts. Second, all communities interviewed are members of the CCDA, and thus may represent a particular viewpoint on land reform in Guatemala in general. However, it is important to point out that the CCDA gave me full access to all communities that had obtained or were seeking to obtain land. In addition, interviews were conducted with community representatives without CCDA leaders present, and although CCDA leaders generally

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24 The CCDA and CNOC both have large programs, and the scope of this thesis does not allow for a detailed description of their many activities. However, it is important to note that both organizations incorporate the theme of gender and gender inequity throughout their programs. The CCDA has an strong gender program, which collaborates with women’s commissions in many of the communities with which the CCDA works, on both economic development projects (such as chicken co-ops and community kitchens) and leadership, human rights, and gender-empowerment workshops. The CCDA’s role as it relates to the Land Fund is further discussed through the findings in Chapter 3. More information on the CCDA’s and CNOC’s many programs can be found on their websites, at http://ccda.galeon.com and www.cnoc.org.gt, respectively.
introduced me to a representative of a community for an initial interview, follow-up conversations with other community members were conducted in most cases with people not identified by the CCDA as informants. Nevertheless, future research would seek to include communities from outside the CCDA in order to gain a wider perspective on land reform in Guatemala.

1.7 Reflections on fieldwork

I found fieldwork to be both challenging and rewarding. When I first arrived in Guatemala I was quite lonely, as most of the CCDA members were away at conferences, and I had few other contacts in the town of San Lucas Tolimán. I also found interviewing to be an exhausting process, both in terms of the energy expended during an interview in order to think quickly and follow up on tangents, while at the same time ensuring that all relevant information was covered, as well as the emotional impact of many interview participants' stories. In addition, some of the work I did for the CCDA involved human-rights accompaniment, and one event in particular was extremely difficult, as it involved the unjust jailing of a personal friend (fortunately this person was released shortly after her incarceration, largely thanks to the efforts of the CCDA).

The rewards of the experience far outweighed the challenges, however. I was constantly impressed by the dedication of the campesino leaders with whom I spoke, the incredible work demonstrated by campesino communities who had purchased land, and their commitment to achieving a more just society for themselves and their children. I learned an enormous amount from everyone I met, and felt privileged that so many

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25 Prior to carrying out field work I took part in a three-day human-rights accompaniment training course with Building Bridges, a group based in Victoria and Vancouver that trains human-rights accompaniers to work with communities in Mexico.
people invited me into their lives and shared their stories with me. I also made a number of close friends, learned traditional back-strap weaving, learned to cook tamales and other Guatemalan dishes, and saw a part of Guatemala I would never have glimpsed in such depth as a tourist. Ultimately, my commitment to the CCDA and BC Casa, and to activism in general, was strengthened by my experiences in Guatemala.

1.8 Outline of the thesis

Chapter 2 provides a literature review on Market-Led Land Reform, beginning with a brief overview of agrarian reform. It then gives a description of the MLAR critique of SLAR and the counter-critique of MLAR, using examples of MLAR programs implemented in Colombia, Brazil, and South Africa, which addresses the research questions established in the introduction. Chapter 3 outlines the history of land reform and its relation to economic development in Guatemala from colonial times to the signing of the 1996 Peace Accords. Chapter 4 presents the main findings of the thesis as they relate to the research questions identified above, and Chapter 5 summarizes the findings and conclusions of the thesis, and outlines recommendations and future research questions.

26 I speak from experience, having lived in Guatemala for six months in 2001 while learning Spanish, at which time I most certainly did not gain the level of knowledge about land and agrarian reform that I did during this fieldwork.
2 Theories and Debates around Agrarian Reform

2.1 Land reform in general

Agrarian reform is a broad term that encompasses many definitions, concepts and strategies, and one that has been subject to a great deal of debate since the mid 20th century. Brohman (1996) defines agrarian reform broadly "... as any state-sanctioned change in land tenure and associated institutions which ostensibly is designed to benefit small cultivators, landless laborers, or other groups of rural poor." (p. 214) There are numerous types of agrarian reform strategies, including redistributive expropriation-based reforms\(^{27}\), the purchase of plots by land tenants, restrictions on rental arrangements, land-titling programs, restitution of land from colonizers to the rural poor, the creation of state and collective farms, and resettlement strategies that relocate campesinos to frontier lands, such as Amazonian colonization schemes in Peru, Brazil, and Ecuador (Brohman, 1996, p. 214). Following the Cuban Revolution in 1959, the Alliance for Progress\(^{28}\) promoted state-led agrarian reforms as a means of rectifying the inequitable distribution of land and other resources, and encouraged countries to undertake reforms by offering economic aid as an incentive to implement them. Nineteen Latin American countries, including Guatemala, undertook state-led land reforms. Most of the resulting reforms, however, were relatively minor and had little impact on the

\(^{27}\) These include those carried out by the Japanese colonizers of South Korea and Taiwan, where extensive agrarian reforms created relatively egalitarian rural structures, and allowed for a more internally articulated and broad-based pattern of growth, which in turn created domestic demand and supported industrialization (Brohman, 1996, p. 105).

\(^{28}\) The Alliance for Progress was founded in the 1961 Charter of Punta del Este of the Organization of American States, and was "... proposed to reflect the compassion of the John F. Kennedy government for Latin America and to head off the possible occurrence of more 'Cubas' in the hemisphere..." (Thiesenhusen, 1995, p. 87).
needs of the landless and near landless poor in those countries (Brockett, 1998; Brohman, 1996; de Janvry 1981; Ghimire, 2005; Sohban, 1993; Thiesenhusen, 1995).

2.2 Critique of State-Led Agrarian Reform

In his seminal work, *The Agrarian Question and Reformism in Latin America*, de Janvry (1981) argues that state-led agrarian reforms were not actually aimed primarily at the landless and near-landless campesino sectors, but rather were mainly designed to bring about a capitalist transformation of the *latifundio* sector, using the threat of expropriation to push landowners to use idle land, and to stimulate investment in capital-intensive technologies. In addition to these broader structural issues, critics have identified a number of specific problems endemic to SLARs: reforms were often inefficient, costly, top-down and bureaucratic; they sometimes created market distortions and drove up land prices; reform land was often marginal in quality; and land reforms often were not accompanied by complementary policies and reforms to provide beneficiaries with technical assistance after initial land transfers, help them compete in the private sector, and regulate and improve the country’s land market in general (de Janvry & Sadoulet, 1989; Deininger and Binswanger, 2001). Brohman (1996) summarizes many of the problematic issues identified with SLARs:

Despite much rhetoric to the contrary, agrarian reforms and resettlement schemes have generally been administered in a paternalistic, top-down manner which has systematically excluded local peasant organizations from meaningful participation in decision-making. Moreover, these rural development initiatives have attempted to affect a redistribution of rural income and resources, while leaving the thrust of national development strategies largely unchanged. (p. 214)

29 ‘Reform land’ refers to land distributed to formerly landless or near-landless rural agriculturalists or agricultural workers.
State-Led Agrarian Reform generally fell off the development agenda as a means to alleviate poverty after the 1960s and 1970s, due in part to the problems described above, and also because of the emphasis on market forces and a reduction in the role of the state that accompanied the shift to neoliberal policy in the late 1970s and early 1980s (de Janvry, Sadoulet & Wolford, 2001). Particularly after the 1982 debt crisis when neoliberal policies were widely implemented, and the market was promoted as the primary means of development, many existing state-led land reforms programs in Latin America were terminated, collectives and cooperatives established under previous reforms were individualized, and in several cases, expropriated lands were restituted to former owners (de Janvry, Sadoulet, and Wolford, 2001, pp. 286-89).

2.3 The debate between State-Led and Market-Led Agrarian Reform

Since as early as the late 1980s, there has been a renewed emphasis on land reform as a way to reduce poverty and address the social exclusion of the poor, but with an emphasis on the market as the primary mechanism for distribution, rather than the state. Donor agencies such as the World Bank and the Food and Agriculture Organization (FAO) are now promoting a ‘market-assisted’ or ‘voluntary’ land-reform strategy, referred to as Market-Led Agrarian Reform (MLAR) in this thesis. The MLAR model grows out of a critique of SLAR, asserting that SLARs have been unsuccessful in reducing poverty and landlessness in rural Latin America. MLAR seeks to address the faults identified with SLARs of the past by using the market as the primary mechanism of reform. As summarized by Ghimire (2005):

The central formula of this perception has been to create vibrant land markets by transforming communally or collectively owned/used lands into private holdings (thereby allowing individual transactions of land), encouraging land sales among large landholders through desirable price offers, and introducing more flexible
tenancy reforms permitting landowners to recuperate their land more easily for sales or renting. Land-poor campesinos and rural workers should thus take advantage of the increased availability of land in the market through purchase, and this would be supplemented by the provision of the necessary external financial and technical support. (p. 13)

There is considerable debate as to whether or not MLARs do in fact successfully address the recognized failings of SLARs, or whether they reproduce, or even worsen, those failings. The following sections explore the debate between SLAR critics, MLAR proponents, and MLAR critics based on the research questions identified in the introduction (see pages 6-7).

2.3.1 Pace and efficiency

Is Market-Led Agrarian Reform successfully achieving a fast-paced, efficient transfer of land between large landowners and landless or near-landless campesinos? Critics argue that SLARs have been costly and inefficient for several reasons: reforms have been aimed more at alleviating social pressures, and as such have been designed ad hoc and with little relation to actual needs, with beneficiaries abandoned after social pressures have decreased; beneficiaries tend to be those most politically vocal or well-connected, not necessarily those most in need of land or best suited to making productive use of land; expropriation-based reforms have met with strong landowner resistance, are expensive to enforce, and generate corruption and red tape; and land reforms have not been implemented alongside policies aimed at improving the land rental and sales market, but rather have been used as substitutes for these markets, resulting in complex centralized, expensive, inefficient and corrupt bureaucracies (Deininger, 1999, p. 653; Deininger and Binswanger, 2001, p. 431; Deininger and Binswanger, 1999, p. 263).
Proponents of MLAR argue that it will address these inefficiencies by reducing the role of the state and favouring the private market as a means of identifying land available for transfer and of providing land recipients with technical assistance, both before and after actual land transfers. Deininger (1999), an agrarian reform policy-maker with the World Bank, argues that "... a new type of negotiated land reform that relies on voluntary land transfers based on negotiation between buyers and sellers, where the government's role is restricted to establishing the necessary framework and making available a land purchase grant to eligible beneficiaries" (pp. 651-2) is more efficient than those led entirely by the state. Proponents argue that the voluntary nature of MLAR is one of the main reasons for its efficiency. Reforms are not met with opposition, as is the case with expropriation-based reforms, and because the delays of establishing compensation levels for expropriated land are avoided, reforms are thought to be less politically and legally contentious than SLARs, and can therefore proceed at a faster rate. Finally, MLAR is argued to be more efficient than SLAR because reform financing mechanisms are flexible loans and grants, with beneficiaries sharing risk and the full cost of land, as opposed to universal subsidies and subsidized land as is the case in SLAR (Binswanger, 1996; Deininger and Binswanger, 2001).

Proponents' claims of increased efficiency have, however, been challenged according to the actual experience of MLAR programs in several countries. In Brazil under the MLAR-based Land Bank program (and its predecessor, the Projeto Cédula da Terra (PCT)), and in Colombia under the Agrarian Law 160 of 1994, program financing was found to be more expensive than predicted, with the costs of settling under-utilized lands quickly using up capital-investment grants meant for productive projects. The
effect has been a much slower pace of farm development, making it more difficult for beneficiaries to succeed (Borras, 2003a, pp. 379-380; de Medeiros, 2005, p. 49). In a study of Colombia, Suhner (2005) found that contrary to a decentralized system being more efficient, MLAR was actually plagued by excessive regulations and was in fact highly centralized at the state level. Only a fraction of potential beneficiaries have actually accessed land under the program. Although it is supposedly meant to end within sixteen years, with a goal of 721,000 families accessing 4.5 million hectares of land, only 900 of the 1,547,676 families that expressed interest in the program in 1997 had actually accessed land using the program’s budget by 1999. Suhner (2005) points out that at this rate, the program would take over 100 years to achieve its stated objectives (p. 83).

2.3.2 Effects of complementary reforms on land markets

Critics argue that a major failing of SLARs is that they have often been implemented without accompanying complementary reforms of the country’s land market. De Janvry, Sadoulet & Wolford (2001) argue that in many cases government agricultural policies have primarily benefitted the commercial agricultural sector and import-substitution industrialization rather than rural campesino sectors (p. 286). Bryant argues that reforms have not been accompanied by land-titling programs and

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30 This is according to the 1997 National Administrative Department of Statistics (in Suhner, 2005, p. 83).

31 Import-substitution industrialization refers to the development strategy whereby industrialization, rather than primary exports, is key to economic growth and development. By increasing the production of manufactured goods for domestic consumption, a country would, at least theoretically, decrease external dependency, absorb surplus labour, particularly from the rural sector, reduce debt loads, nurture advanced industrialization, and encourage economic diversification through linkages between sectors (Brohman, 1996, pp. 52-3).
progressive land taxation, the lack of which encourages landowners to inflate land prices (Bryant, 1996). Deininger and Binswanger (2001) argue that SLARs have led to market distortions and caused land prices to rise, encouraging beneficiaries to sell their land to large farmers, and thus resulting in a re-concentration of lands (p. 431). MLAR proponents argue that because MLARs are to be accompanied by progressive land taxes and titling programs designed to level the playing field for traditionally excluded players, namely campesinos, they will in fact cause land prices to fall, (Borras, 2003a, p. 374).

These arguments have been countered by a number of MLAR critics.

In the MLAR-based program Projeto Cédula de Terra (PCT) in Brazil, both Borras (2003a) and de Medeiros (2005) found that although the pace of reforms was indeed fast, land prices were higher under the MLAR strategy than under previous state-led reforms. In the case of Colombia, state subsidies to campesino groups were meant to cover 70 percent of the land's market value, with beneficiaries accounting for the additional 30 percent. MLAR-proponent Deininger admits that this has led to owners overstating their land's value in order to ensure that the full value of their land is covered by the 70 percent subsidy. The cost of land transferred under the MLAR program has therefore been more costly than that of state-led reforms that were winding down at the same time as the MLAR programs were introduced (Deininger, 1999, p. 669, note 17).

2.3.3 Accessibility and campesino participation

Development theorists have pointed out that SLAR programs tended to rely on the central state and its large bureaucracy, and the use of top-down methods for implementation failed to take into account the diversity of landless and near-landless communities, and were unable to respond quickly to actual needs (Brohman, 1996;
Thiesenhusen, 1995). De Janvry, Sadoulet & Wolford (2001) argue that campesinos have had little participation in decision-making and that government control impeded innovation and adaptation to local circumstances (p. 286).

Proponents of MLAR argue that it involves greater campesino participation and is more accessible to them because the implementation of reforms is decentralized. In addition, because of the voluntary nature of the reforms, land transfers are demand-driven, rather than supply-driven as in SLAR. Thus MLAR results in self-selection by beneficiaries, which should eliminate ‘unfit’ beneficiaries, because groups of campesinos would not allow members who were unlikely to succeed as farmers to join their group (Deininger, 1999, p. 666). However, several critics have argued that it has been difficult for campesinos to participate in the reform process, partly due to the fact that the process has in reality remained highly centralized. For example, in Colombia, studies have shown that decentralization has not led to increased transparency, but rather that the highly centralized nature of the process has compromised transparency because information was inadequately disseminated (Borras, 2003a, pp. 377-382; Suhner, 2005, p. 82). In the case of Brazil, Borras (2003a) argues that the process of selecting beneficiaries has been manipulated by government officials, church leaders, and elite campesino leaders, putting into question the transparency and lack of corruption that proponents claim will result from decentralization (pp. 377-82). In Colombia, Suhner (2005) similarly argues that there has been little participation by beneficiaries themselves in the application process (p. 82). Even Deininger (1999) has acknowledged that in Colombia “Lack of dissemination of the law prevented a truly democratic process at the local level” (p. 656). In addition, Borras found that in Colombia, gaining access to land
was a difficult process for many poor campesinos due to a requirement that beneficiaries have relatively high incomes. Even though this threshold was reduced, the complicated requirements and previously unpaid bank debts excluded many poor families (Borras, 2003a, pp. 382-3). In Brazil, de Medeiros (2005) found that campesino organizations contend that rather than being decentralized and more accessible to campesino participation, land reforms are in fact now simply under the control of large landowners instead of the state (p. 49).

2.3.4 Quality of land: location, fertility and infrastructure

Numerous researchers rightly point out that land under SLARs was of poor quality, and often lacked adequate infrastructure (Brohman, 1996; De Janvry, Sadoulet & Wolford, 2001). Deininger (1999) argues that farms expropriated under SLARs:

... have generally not farmed at full capacity, were run down or decapitalized, or highly mechanized. In all of these cases, failure to bring in additional beneficiaries, to provide resources for simple works (cleaning of pastures, fencing, construction of basic infrastructure, etc.) during the start up phase, and to ensure the availability of productive assets and technical assistance to go with the land have often contributed to the failure of reform efforts. (p. 653).

However, under MLAR strategies in both Brazil and Colombia, the quality of land transferred has often been of inferior quality, both in terms of its productive capacity, physical infrastructure, and location (Borras, 2003a; de Medeiros, 2005; Suhner, 2005). In Brazil, 81.6 percent of lands sold under the PCT and Land Bank programs have been under utilized or abandoned prior to sale, while the small amount of utilized land that has actually been sold has often had old, exhausted and/or diseased crops (Borras, 2003a, pp. 377-80). Furthermore, the marginal quality of lands, their distance from local markets, the lack of physical infrastructure (e.g. electricity and irrigation facilities), and the lack of road access have made farm production difficult or even impossible. Similarly, in
Colombia, Suhner (2005) finds that negotiated land is generally of poor or average quality, with very few top-quality land parcels sold (p. 83).

2.3.5 Technical assistance

A number of critics argue that SLARs neglected to provide adequate technical service to land recipients, both before and after land transfer. De Janvry, Sadoulet & Wolford (2001) argue that recipients were often neglected by policy makers after initial land transfers. Deininger and Binswanger (2001) assert that many state-provided technical services have been administered through corrupt, expensive institutions, and have been ineffective in addressing the needs of land recipients. They also argue that subsidies under SLARs have been mainly universal trade and production subsidies that benefit large landowners more than smallholders. Furthermore, because many land recipients do not have the necessary training and skills for farm management, the lack of adequate technical assistance makes it difficult for farmers to successfully increase savings and productivity after SLAR land transfers (Deininger, 1999, p. 653; Deininger and Binswanger, 2001, p. 431; Deininger and Binswanger, 1999, pp. 266-7).

Proponents of MLAR argue it is more effective than SLARs because farm development plans are made prior to land transfer, and because technical services are decentralized and/or privatized (Borras, 2003a, p. 374). However, MLAR critics argue that technical assistance before and after land transfer has not in fact been effective. In both Colombia and South Africa, Borras (2003a) found that in numerous cases farms had been purchased prior to developing productive plans, and providers of technical extension often had questionable backgrounds (pp. 382-5). In Brazil, Borras (2003a) questions the value of pre-purchase training on production techniques, particularly due to the high cost
of privatized extension services (pp. 382-3). Finally, in many cases land-transfer beneficiaries have not had adequate resources to pay for privatized technical services (Borras, 2005; Borras, 2003a), as is further discussed in the section 2.3.6 below.

2.3.6 Start-up capital and access to markets

Some theorists argue that SLARs failed to provide adequate credit to finance productive projects to enable beneficiaries to compete in the private market (de Janvry, Sadoulet, and Wolford, 2001, p. 286), and that which was available was very costly because it was entirely provided for by the state (Deininger, 1999, p. 653). Deininger (1999) further argues that that SLARs failed to provide land recipients with access to markets for their products (653).

MLAR proponents argue that it provides beneficiaries with greater access to credit and start-up capital because campesinos are able to access credit from diverse sources, thanks in part to the increased security that comes with land title (Borras, 2003a, p. 374). However, in the case of Brazil and Colombia, Borras (2003) finds that because of the isolated and marginal nature of much transferred land, beneficiaries were unlikely to access new credit and investment sources (p. 124). In addition, Borras argues that the credit and start-up grants that were made available to land-transfer beneficiaries were inadequate for the numerous investments needed to make land productive and habitable, including investment in productive projects and housing construction. This is mainly due to the fact that marginal lands normally require additional investments in order to make them productive, which also slows the process of farm development (Borras, 2003a, pp. 380-2). Finally, the isolated nature of most transfer land impeded access to local markets, and meant that many campesino groups reverted to subsistence farming rather
than achieving the stated MLAR goal of becoming successful farming entrepreneurs (Borras, 2003a, p. 380).

It is important to point out that an important category of evaluation used to assess whether MLAR is in fact effective in distributing land is the issue of land price. While extremely important, this category was not used in this study because it was very difficult to obtain accurate information about land prices, and moreover, to attribute changes in land prices to the Land Fund itself. Similarly, the overall cost of the Land Fund as compared with previous state-led programs was not included as a category in this study, again because of the difficulty in obtaining accurate information regarding the financing of the Land Fund. Both of these issues would be excellent areas of inquiry for further research.

The literature discussed in this chapter shows there is substantial debate as to whether claims about the efficacy of market-based reforms for rural development and distribution of land are borne out in actual experience. In the cases discussed above, MLAR programs do not appear to be successfully overcoming challenges and problems identified with many SLARs of the past, but rather are replicating or even exacerbating them. The following chapter discusses the history of land concentration, land reform, and economic development in Guatemala, in order to establish the historical context in which the Land Fund is operating today.
3 Historical Context

3.1 Agro-export and export-oriented growth

In order to understand Guatemala’s land tenure system, it is important to briefly discuss agro-export and, more generally, export-oriented growth strategies as they relate to economic development and the distribution of land. As in Central America in general, Guatemala’s export-based economic growth has relied on exploiting its comparative advantages of abundant land and cheap labour. In the agricultural sector, this has resulted in, and at the same time depended on, a highly inequitable distribution of land and exploitative labour conditions. Cheap labour is in part dependent on minifundistas, who must work seasonally to supplement their subsistence farming, and whose subsistence farming in turn subsidizes the wage seasonal employers pay, and thus, indirectly, urban dwellers who have access to cheap food. In addition, labour reproduction costs are carried by the campesino population.

This agricultural system, which de Janvry (1981) describes as “functional dualism” is characterized by a large rural sector with plots that are too small to provide for a family’s subsistence needs, and using labour-intensive forms of production, contrasted by large, capital-intensive, modernized export-oriented farms. Although both the minifundista and latifundista sectors produce traditional and non-traditional export products, it is the large landowners who have access to overseas markets. Minifundistas that do produce for export generally sell their products to intermediaries at prices well below those of the world market, or produce on contract for larger operations. Since these minifundistas do not have access to enough land to provide for their subsistence

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32 Minifundistas or infra-subsistence farmers refer to campesinos with a piece of land too small to provide for their subsistence needs.
needs, they must often supplement their income with wage work, thereby providing a cheap source of labour for larger producers and exporters. With subsistence farming co-existing alongside large export-oriented production, the cost of hiring labour is lower than it would be if this dualistic system did not exist, and large landowners and/or exporters had to provide a full-time wage.

In Guatemala, this functional dualism has meant that export booms in traditional agro-exports, agricultural diversification, export-oriented industrial production, and resource extraction primarily benefitted the traditional rural oligarchy and the new transnational elite tied to the new commercial industries such as textile production, international banking, and nontraditional agricultural exports (Robinson, 2001; Thiesenhusen, 1995). The following section discusses the history of land tenure and land reform in Guatemala in relation to this economic development pattern.

3.2 Colonial Guatemala

Land concentration in Guatemala does not begin with the Spanish Conquest. The Maya civilization in Pre-Colombian Central America was a highly complex and stratified society, with vassals providing agricultural production for nobles. The Spanish imposed themselves at the top of this social structure, redirecting tribute to themselves (Brockett, 1998, pp. 13-14). Land was expropriated from the Maya and given as a reward to the conquistadores. Lacking in mineral wealth compared to other areas such as Peru and Mexico, colonial Guatemala's main primary exports to Spain were agricultural, specifically cacao, indigo, cochineal, and near the end of the colonial period, coffee. These all required abundant labour, and a number of exploitative systems – encomienda,
repartimiento, mandamiento and debt peonage\textsuperscript{33} — ensured a supply of cheap labour. In all of these systems, indigenous labourers generally also worked small plots in a variety of tenure systems that coexisted alongside or within larger agricultural estates, establishing the historical origins of the latifundio-minifundio land tenure system that still exists today (Brockett, 1998, p. 14; Thiesenhusen, 1995, pp. 69-70).

3.3 Post-Colonial Guatemala

Independence from Spain brought about little positive social change for the indigenous people of Guatemala. Land concentration and labour exploitation continued to deepen as a basis for agricultural export production. Liberal governments introduced numerous reforms to stimulate production of cochineal\textsuperscript{34}, Guatemala’s main export at the time. Cochineal’s profitability increased land values, and encroached on communal lands at the expense of subsistence production. In 1836, Liberal reforms allowed for the disbandment and sale of all communally-held lands. Although this law was later repealed by a Conservative government, existing land sales were recognized as valid (McCreery, 1994, pp. 54-57, 124-127).

During this same period, coffee began to replace cochineal as Guatemala’s main export, as cochineal profitability declined with the introduction of aniline dye. By 1863 coffee was Guatemala’s main export. As it grew in profitability, coffee production for export gradually expanded from the Southern Coast region to the Central Highlands. Coffee entrepreneurs began demanding reforms favourable to coffee production, a major factor leading to the Liberal Revolution in 1871 (Brockett, 1998, p. 1920; González, \textsuperscript{33} These were all forms of forced labour where indigenous people were required to work for and/or give part of their production to landowners.

\textsuperscript{34} Cochineal is a small insect that lives in the leaves of the nopal cactus, and was used in the production of dyes.
1983, p. 45; McCreery, 1994, pp. 171-2; Medina Cinfuentes, 1984, pp. 6-10). The Liberals’ primary goal was development through export agriculture, with an emphasis on coffee. This required access to land, capital, and a seasonal labour force capable of reproducing itself at no cost to plantation owners (McCreery, 1994, p. 173; Fried, Gettleman, Levenson & Peckenham, 1983, pp. 26-27; González, 1983, pp. 44-46).

In 1873, President Justo Rufino Barrios introduced a series of reforms designed to stimulate coffee production. All Church property was nationalized, state-held lands were made available to export producers, and competitive pricing of rental land was allowed, making it increasingly difficult for campesino farmers to access land (McCreery, 1994, pp. 182-186; González, 1983, p. 46). Land determined by the state to be ‘unused’ was sold to coffee producers, and was often expropriated from indigenous people who lacked legal titles to their land (Monterroso, 1992, p. 110; González, 1983, pp. 46-47). In addition to these state sales, the landowning class consolidated its holdings at the expense of small producers by purchasing land from poor campesinos or small producers unable to pay debts, as well as the illegal occupations of land from smallholders unable to defend themselves (Ortiz Rosales, 2002, p. 11).

As Thiesenhusen (1995) argues, “Coffee required a steady but seasonal labor force, one that could support itself when it was not in demand for picking, planting, and husbanding chores on fincas. The land-tenure system evolved to accommodate this need.” (p. 72). With land increasingly concentrated in the hands of the coffee-producing elite, subsistence plots shrunk further in size. Many indigenous people were forced to move to higher altitudes in the highlands where lands were not suitable for coffee farming. They produced subsistence crops part of the year, and migrated to coffee-
producing areas to sell their labour on plantations during peak labour demands (Thiesenhusen, 1995, p. 72).

Throughout the early 1900s, land concentration continued to deepen as the Agrarian Laws of 1894 allowed for the sale of up to 678 hectares of state lands to individuals, with hundreds of thousands of hectares sold to about 3,600 people by 1921 (Saldivar & Wittman, 2002, p. 2). With the plunge in coffee prices in 1898, middle- and small-sized farmers were forced out of the international market. Foreign-owned landholdings increased, exacerbating inequitable land distribution (Brockett, 1998, p. 27; Forster, 1994, p. 43; González, 1983, p. 50). Land concentration was also deepened with the introduction of banana plantations. In 1901, the United Fruit Company (UFC) began banana production in Guatemala's tropical region, and grew to control not only vast tracts of land ceded by the Guatemalan government through 25- to 99-year leases, but also controlled the country's railroad and other infrastructure. The UFC contributed little to the national economy: imports coming from the U.S. were exempt from duties; exports commanded a miniscule tax; and plantations being exempt from labour legislation (Brockett, 1998, p. 32; Saldivar & Wittman, 2002, p. 2).

In 1931, dictator Jorge Ubico seized power, and began the expansion and modernization of agriculture and its supporting infrastructure, by increasing road and port construction to facilitate the export of agricultural production. In 1934, he also abolished the forced labour and debt peonage laws established by Barrios, but soon replaced them with the Vagrancy Laws of Decree 1996. These laws required all so-called vagrants\textsuperscript{35} to

\textsuperscript{35} Vagrants were defined as anyone "...without sufficient property to provide an 'adequate' income, anyone who had contracted for work on a finca but failed to comply with that agreement, and anyone without a contract for agricultural labor who did not
work for 150 days of the year without pay, and imposed a direct head tax to pay for the modernization and expansion of Guatemala’s infrastructure. Those who could not pay the tax were required to work on public projects. Combined, these measures provided a cheap and steady labour supply for agricultural and infrastructure projects that serve to further enrich the elite (Berger, 1992, p. 30-32; Brockett, 1998, pp. 22-23; McCreery, 1994, p. 316).

3.4 The revolutionary period

Ubico’s regime ended with the October 20th Revolution in 1944, which was followed by the election of Juan José Arévalo in Guatemala’s first democratic elections. Arévalo’s administration established a new constitution that acknowledged the social function of land, introduced some land reforms, abolished the Vagrancy Laws, allowed for limited unionization, provided credit assistance to campesinos, and established a minimum wage. Of particular importance, the 1945 Constitution laid the basis for future land reforms: it prohibited large landholdings, and made legal the expropriation of private property for public benefit, without compensation (Handy, 1994, pp. 25-26, 52-53; Forster, 1992, p. 37; Ortiz Rosales, 2002, p. 13; Saldivar & Wittman, 2002, p. 4; Thiesenhusen, 1995, p. 75).

cultivate at least three manzanas of coffee, sugar, or tobacco, four manzanas of corn, wheat, potatoes, vegetables, or other products, or three manzanas of corn on land that gave two harvests a year.” (McCreery, 1994, p. 317). Author’s note: 1 manzana = 0.69 hectares.

36 Although Arévalo’s government did not institute widespread land reform, it did institute some limited measures, including the titling law Ley de Titulación Suplementaria that gave legal status to squatters who had been farming it for ten years (Ortiz Rosales, 2002, p. 13; Thiesenhusen, 1995, p. 75).
3.4.1 Land reform under Árbenz

It was not until the election of Jacobo Árbenz Guzman that Guatemala’s first and only major land reforms were introduced. At this time, 88 percent of all landholdings in Guatemala were less than seven hectares, comprising only 14 percent of agricultural lands. In contrast, only 2.2 percent of large landowners held 70 percent of all crop land in Guatemala, but with only 25 percent under actual cultivation (Ortíz Rosales, 2002, p. 33; Saldivar & Wittman, 2002, p. 2; Sobhan, 1993, p. 53). As discussed previously, this inequitable land distribution, along with functional dualism and labour exploitation, provided the basis for Guatemala’s economic development. Árbenz sought to convert Guatemala into a modern capitalist economy through the dual process of industrialization and agrarian reform. Within a few months of his election, Árbenz began including agrarian reform in his economic development plan, arguing that it was essential if Guatemala was to diversify and increase its production (Brockett, 1998, p. 102; Handy, 1994, pp. 36-39; Ortíz Rosales, 2002, p. 16; Saldivar & Wittman, 2002, p. 2; Thiesenhusen, 1995, p. 75).

On June 17th, 1953, Árbenz’s government approved the Law of Agrarian Transformation, Decree 900. The main objectives of Decree 900 were to: abolish antiquated relations of production, in particular forced labour and indentured servitude; redistribute land to landless and land-poor campesinos and workers; and provide technical assistance and credit to smallholders in order to improve production methods. The mechanism for these reforms was the expropriation by the state of idle or uncultivated lands, or land not directly cultivated by the owners, in holdings greater than 90 hectares, and the redistribution of these and state lands to landless and land-poor
campesinos. Landowners were reimbursed with state agricultural bonds, based on the value of the land as declared for tax purposes by owners. Lands were redistributed by the state to campesinos in a variety of tenures, with beneficiaries repaying for land with a percentage of production, on the condition that the land could not be sold for a term of 25 years37 (Ortíz Rosales, 2002, pp. 16-19; Saldivar & Wittman, 2002, p. 3; Thiesenhusen, 1995, p. 76).

Between January of 1953 and June of 1954, just over 600,000 hectares of expropriated land were redistributed to approximately 100,000 families (Ortíz Rosales, 2002, p. 18; Sobhan, 1993, p. 54; Thiesenhusen, 1995, p. 77). These reforms impacted the United Fruit Company heavily; it saw approximately 146,000 of its 222,580 hectares expropriated (Thiesenhusen, 1995, p. 79). The UFC’s land losses angered the U.S. government, which, under the pretense that Guatemala was a source of communist expansion in the Western hemisphere, supported the overthrow of the Árbenz government (Jonas, 2000, p. 19).

3.5 Land policy in the counterrevolutionary period

These reforms are the most extensive Guatemala has ever seen. Unsurprisingly, however, there was a strong counter-reaction by the landholding elite. On June 27th 1954, Árbenz’s government was overthrown by Colonel Castillo Armas’ CIA-backed coup, which eliminated the Constitution and all other legal instruments of agrarian reform. In 1956, Decree 559 established the legal basis for landowners to petition for the

37 Beneficiaries of expropriated land gave 5 percent of the value of harvested crops to the government, which in turn paid private owners with state agricultural bonds, guaranteed at 3 percent interest per year over a period of 25 years. Beneficiaries of state land received lifetime usufruct rights, and paid a rental fee of 3 percent of agricultural production (Ortíz, 2002, p. 19; Saldivar & Wittman, 2002, p. 3)
return of their lands, with the majority of expropriated lands returned to their previous owners (Brockett, 1998, pp. 106-7; Handy, 1992, p. 195; Ortíz Rosales, 2002, p. 20; Thiesenhusen, 1995, p. 80). Since that time, redistributive land reform in Guatemala has been practically non-existent, and the inequitable distribution of land has increased. Moreover, throughout the 36-year civil war that followed the counter-revolution, the state terrorized the civilian population as part its counter-insurgency strategies against the armed guerrilla movement, and as a means to repress popular movements seeking land and labour rights. The limited reforms that took place during that time were based on the colonization of frontier and previously unexploited land, and on market-based reforms for land access.

The Punta del Este agreement, signed in 1961 within the context of the Alliance for Progress, obliged the Guatemalan government to commit to at least some minimal land reforms. However, although the Law of Agrarian Transformation (Decree 1551 of 1962) contained language regarding the expropriation of idle lands and the progressive taxation of lands, no expropriations were ever carried out, nor was land taxation enforced. Instead, Agrarian Development Zones formed the basis of redistributive rural policy. These zones were established in northern Guatemala where soil is not suited to normal agricultural activities. They were also isolated from national markets, and lacked basic infrastructure. Between 1970 and 1980, the few agrarian policies were enacted primarily encouraged the development of the Northern Transversal Strip, particularly for raising cattle and logging. Both of these activities require large amounts of initial capital, thus offering few opportunities to campesinos (Berger, 1992; Ortíz Rosales, 2002).
At the same time, although coffee and other traditional crops continued to represent a significant portion of Guatemala’s export production, export diversification became another central strategy for economic growth. The Petén region was opened up to agro-export production, as well as mining, logging, and cattle farming for export, supported by state policies and institutions encouraging large-scale mechanized agro-export production (Berger, 1992, pp. 126-131, 158-170). During the 1980s, international financial institutions heavily promoted non-traditional agro-export production, and within the context of structural adjustment and trade liberalization programs, the Guatemalan government introduced policies that favoured this type of agriculture, such as export-facilitation procedures, subsidy programs, and fiscal reforms (de Janvry & Sadoulet, 1999, p. 345). Throughout this period, the inequitable distribution of land increased, with microholdings under 0.7 hectares growing from 21.3 percent of farms in 1950 to 31.4 percent in 1979 (Saldivar & Wittman, 2002, p. 7). At the same time, only minimal land reforms were implemented with an equally minimal impact: between 1956 and 1983, 655,231 hectares of land were distributed to 78,309 families – only slightly more land and fewer beneficiaries than during the 18 months of reforms under Árbenz’s Decree 900 (FAO in Ortíz Rosales, 2002, p. 30).

3.6 Market-led land access in Guatemala

Beginning in the 1980s, the market has been the primary basis for land access in Guatemala, reflecting an overall neoliberal policy shift. In 1984, USAID began supporting market-based land access through the Fundación del Centavo (Penny Foundation), a private-sector voluntary organization which purchased large blocks of land on the open market and then resold them campesino families. Under this project,
6252 hectares of land were sold to 1700 families. Land was to be repaid over a period of ten years, with beneficiaries receiving credit and technical assistance for the production of export crops. A USAID review of the project found a number of problems: the program was dependent on outside sources of cash and on the ability of beneficiaries to repay their land purchases; these land purchases and subsistence credits placed a high debt load on beneficiaries; and the Foundation operated in a paternalistic, top-down manner with recipients (Shearer, Lastarria-Cornhiel & Mesbah, 1990, pp. 50-1). In 1986, the Instituto Nacional de Transformación Agraria (National Agrarian Transformation Institute, INTA) began a program of purchasing bankrupt farms and reselling them to campesinos (Shearer, Lastarria-Cornhiel & Mesbah, 1990, p. 48; Wittman & Saldivar, 2002, p. 11). The project was limited by a lack of funds for land purchases as well as minimal technical and credit assistance. Only 18 farms were purchased under INTA between 1986 and 1988, with land distributed to 16,000 families in holdings that were on average less than 0.7 hectares (Berger, 1992, p. 199; Saldivar & Wittman, 2002, p. 11; Shearer, Lastarria-Cornhiel & Mesbah, 1990, p. 48)

In 1994, FONATIERRA was established by the government to assist landless and land-poor campesinos and workers to access the land market. FONATIERRAS purchased land from the state or on the open market, and then sold this land to beneficiaries under favourable interest rates and with technical and credit assistance. The agency was dismantled in 1998 and reestablished as the Fondo de Tierras (Land Fund) under the 1999 Ley de Fondo de Tierras, Decree 24-99 (Saldivar & Wittman, 2002, pp. 11-12). This law is a product of the 1996 Agreement on Social and Economic Aspects and the Agrarian Situation, one of the three agreements contained in the 1996 Peace
Accords that deal with land issues. Chapter 4 discusses the impact of the Land Fund since its implementation in 1999.
Evaluating the Land Fund Based on Community Experiences

The main thrust of research for this chapter analyses the effectiveness of Market-Led Agrarian Reform in Guatemala, especially according to the factors emphasized in the research questions. The findings are based on interviews conducted with campesino groups that had purchased land through the Land Fund, groups that were seeking to purchase land, Land Fund officials, and CCDA and CNOC leaders, as well as statistics and data collected from the Land Fund, the Guatemalan Institute of Statistics, and documents produced by the Land Fund and by the CCDA and CNOC. The first section presents findings on the pace and efficiency of land transfers through the Land Fund’s Land Access program, analyzing the speed and breadth of reforms. The second section examines some of the complementary reforms related to rural development and the land reform that the Guatemalan government has enacted since signing of the Peace Accords, specifically land registration, tax reform, and development policy in general. The third section discusses how accessible the Land Fund’s Land Access program is to campesinos, and the challenges campesino groups encountered in the application process. The fourth section examines the quality of land transferred through the Land Fund’s Land Access program, the quality of infrastructure on purchased land, and the impact this has had on campesino groups’ ability to successfully farm their land. The fifth section discusses challenges of technical assistance as delivered through the Land Fund, and the problems identified by campesino groups that had purchased land, as well as by CCDA and CNOC leaders. Finally, the sixth section discusses whether the start-up capital available to campesino groups has been sufficient for their needs, and whether they have had adequate access to markets for their production.
4.1 Pace and efficiency

Figure 3. Finca in the department of Retalhuleu

In order to gauge the scope and pace of land distributed through the Land Fund, I first look at the area of land distributed and the number of families benefited through the Land Fund’s Land Access program as a percentage of total agricultural land available and the number of campesino families eligible to participate in the Land Access program.

In order to qualify for credit with the Land Access program, families must have no more than one hectare of land (Fondo de Tierras(b), p. 7). According to Guatemala’s National Institute of Statistics (see Table 1), 45 percent of the 830,684 fincas surveyed in Guatemala’s 2003 census were of 0.7 hectares or less. Therefore, assuming that only one family works each of these farms, 373,808 landholding families qualify for credit with
the Land Access program\textsuperscript{38}. According to Land Fund records (see Table 2), between 1998 and 2006, credit was provided for the purchase of 226 fincas, with a total of 86,912 hectares of land purchased by 18,516 families. Total land area surveyed in the 2003 census was 3,720,831 hectares (see Table 1). Therefore, the Land Fund’s Land Access program has enabled the purchase of 2.3 percent of total agricultural land by 5 percent of families with 0.7 hectares of land or less over the course of eight years, with an average of 10,864 hectares of land purchased by land-poor campesinos per year.

Table 1. Land distribution in Guatemala: 1950, 1964, 1979, 2003 (in percentages)

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</tr>
</thead>
<tbody>
<tr>
<td>Less than 0.7 hectares</td>
<td>21.30</td>
<td>20.39</td>
<td>31.36</td>
<td>45</td>
<td>0.77</td>
<td>0.95</td>
<td>1.33</td>
<td>3</td>
</tr>
<tr>
<td>0.7 to 1.4 hectares</td>
<td>26.26</td>
<td>23.64</td>
<td>22.83</td>
<td>22</td>
<td>2.54</td>
<td>2.77</td>
<td>2.75</td>
<td>5</td>
</tr>
<tr>
<td>1.4 to 3.5 hectares</td>
<td>28.62</td>
<td>30.94</td>
<td>24.19</td>
<td>19</td>
<td>5.70</td>
<td>7.85</td>
<td>6.40</td>
<td>8</td>
</tr>
<tr>
<td>3.5 to 7 hectares</td>
<td>12.17</td>
<td>12.47</td>
<td>9.74</td>
<td>6</td>
<td>5.32</td>
<td>7.04</td>
<td>5.74</td>
<td>6</td>
</tr>
<tr>
<td>7 to 22.4 hectares</td>
<td>7.72</td>
<td>8.87</td>
<td>7.6</td>
<td>5</td>
<td>8.36</td>
<td>12.95</td>
<td>11.91</td>
<td>13</td>
</tr>
<tr>
<td>22.4 to 44.8 hectares</td>
<td>1.76</td>
<td>1.59</td>
<td>1.72</td>
<td>1</td>
<td>5.10</td>
<td>5.90</td>
<td>6.77</td>
<td>9</td>
</tr>
<tr>
<td>44.8 to 450 hectares</td>
<td>1.86</td>
<td>1.88</td>
<td>2.31</td>
<td>2</td>
<td>21.86</td>
<td>26.53</td>
<td>30.66</td>
<td>34</td>
</tr>
<tr>
<td>450 to 900 hectares</td>
<td>0.16</td>
<td>0.13</td>
<td>0.17</td>
<td>--</td>
<td>9.52</td>
<td>10.03</td>
<td>12.81</td>
<td>10</td>
</tr>
<tr>
<td>900 to 2240 hectares</td>
<td>0.10</td>
<td>0.07</td>
<td>0.07</td>
<td>--</td>
<td>13.32</td>
<td>11.22</td>
<td>12.00</td>
<td>8</td>
</tr>
<tr>
<td>2250 to 4500 hectares</td>
<td>0.03</td>
<td>0.01</td>
<td>0.01</td>
<td>--</td>
<td>8.81</td>
<td>4.92</td>
<td>5.43</td>
<td>3</td>
</tr>
<tr>
<td>4500 to 9000 hectares</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>5.28</td>
<td>5.17</td>
<td>2.12</td>
<td>1</td>
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<tr>
<td>More than 9000 hectares</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>13.43</td>
<td>4.67</td>
<td>2.05</td>
<td>0</td>
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\textsuperscript{38} Forty-five percent of 830,684 equals 373,808. Since the figures on landholdings are of those with at least some land, landless workers are not taken into account, as I was unable to find figures on the total number of land-poor and landless. This also assumes that only one family is working each finca, which may underestimate the total number of families with 0.7 hectares of land or less, as more than one family could be working the same finca. However, this figure is used for consistency and as a means of being more conservative so as not to overstate the number of land-poor families.
Table 2. Land Fund Land Access program: Summary of Fincas Distributed since its Creation, 1998 to October 2006

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Fincas Distributed</th>
<th>Beneficiary Families</th>
<th>Size (Hectares)</th>
<th>Amount of Credit (Quetzales)</th>
<th>Amount of Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998-99</td>
<td>30</td>
<td>2,405</td>
<td>12,450.6</td>
<td>82,570,794.9</td>
<td>23,625,000.0</td>
</tr>
<tr>
<td>2000</td>
<td>45</td>
<td>2,583</td>
<td>17,276.11</td>
<td>64,170,620.31</td>
<td>41,933,954.6</td>
</tr>
<tr>
<td>2001</td>
<td>59</td>
<td>5,754</td>
<td>26,793.26</td>
<td>222,312,905.5</td>
<td>110,680,986.0</td>
</tr>
<tr>
<td>2002</td>
<td>20</td>
<td>2,237</td>
<td>8,483.44</td>
<td>95,013,234.75</td>
<td>46,577,388.0</td>
</tr>
<tr>
<td>2003</td>
<td>29</td>
<td>2,423</td>
<td>8,991.85</td>
<td>85,037,536.19</td>
<td>59,544,342.0</td>
</tr>
<tr>
<td>2004</td>
<td>29</td>
<td>2,103</td>
<td>7,350.79</td>
<td>67,452,148.12</td>
<td>59,104,968.0</td>
</tr>
<tr>
<td>2005</td>
<td>12</td>
<td>764</td>
<td>4,882.84</td>
<td>23,105,390.04</td>
<td>23,002,512.0</td>
</tr>
<tr>
<td>To October 20062</td>
<td>2</td>
<td>247</td>
<td>742.75</td>
<td>6,409,324.0</td>
<td>8,180,343.0</td>
</tr>
<tr>
<td>Totals</td>
<td>226</td>
<td>18,516</td>
<td>86,911.64</td>
<td>646,071,953.81</td>
<td>372,649,493.6</td>
</tr>
</tbody>
</table>

1/ The Program began as the Peace Accords' Land Fund Trust from 1997 to April of 1999, before the Law Decree 24-99 came into effect.

2/The fincas reported for the year 2006, up to the month of October are still pending delivery [as of November 2006, when this table was obtained by the author of this thesis].

Source: Fondo de Tierras(d).

Table 3. Special Program for Agricultural Production Support for Vulnerable Communities, Land Fund – Ministry of Agriculture Agreement

<table>
<thead>
<tr>
<th>Year</th>
<th>Beneficiary Families</th>
<th>Hectares Rented</th>
<th>Credit Granted (Quetzales)</th>
<th>Subsidies Given Out (Quetzales)</th>
<th>Contribution of Agricultural Inputs (Quetzales)</th>
<th>Total Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>10,814</td>
<td>9,998.96</td>
<td>10,814,000</td>
<td>14,058,200</td>
<td>7,569,800</td>
<td>32,442,000</td>
</tr>
<tr>
<td>2005</td>
<td>19,599</td>
<td>15,022.7</td>
<td>25,478,700</td>
<td>13,719,300</td>
<td>9,799,500</td>
<td>48,997,500</td>
</tr>
<tr>
<td>To October 2006</td>
<td>21,370</td>
<td>13,611</td>
<td>32,055,000</td>
<td>10,685,000</td>
<td>0</td>
<td>42,740,000</td>
</tr>
<tr>
<td>Totals</td>
<td>51,783</td>
<td>38,632.66</td>
<td>68,347,700</td>
<td>38,462,500</td>
<td>17,369,300</td>
<td>124,179,500</td>
</tr>
</tbody>
</table>

Source: Fondo de Tierras(d).
Considering that the Land Fund Land Access program provided credit for land purchase for an average of 2315 families per year over eight years\(^3\), it would take over 160 years at this rate to meet the needs of the 373,808 families with 0.7 hectares or less of land. Gilberto Atz, CCDA leader and representative from the campesino organization sector on the Land Fund’s Board of Directors, estimates that there are over 2000 groups with applications in the Land Fund (interview, April 5, 2005). If we consider that there are an average of 82 families per group application\(^4\), this represents approximately 164,000 families seeking land through the Land Fund. With an average of 2,315 families receiving credit for land purchases per year, the Land Fund would take over 70 years to resolve applications not addressed in its first eight years of operations.

These numbers clearly demonstrate that at its current pace, the Land Access program is not capable of meeting the needs of Guatemala’s land-poor campesinos in a timely manner. There are a number of reasons why the pace of land credit authorization has been slow: the length of the application and evaluation process, the amount of funding available for purchasing land, the amount of land available for sale, and the efficiency of the Land Fund as an institution.

Socioeconomic Area Director Alejandro, Technical Area Director Rodríguez, and Agustín of the Public Service Area of the Cobán Land Fund office both noted that the paperwork involved in assessing a group’s eligibility for credit is lengthy and involved,

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\(^3\) Based on Table 2: 18,516 families over eight years represents an average of 2,314.5 families per year.

\(^4\) Based on the Land Fund figures in Table 2: credit for the purchase of 226 fincas was given to a total of 18,516 families, therefore the average number of families per group that has purchased a finca has been 81.92.
there are insufficient resources to adequately assist groups with the paperwork process, and language barriers between Spanish-speaking officials and group members who primarily speak a Mayan language, and who do not read or write Spanish, can further delay the process.

The length of the application process can create even further delays for campesino groups. As one Land Fund official pointed out, many landowners may be willing to sell a piece of their land, but they may not be willing to wait the amount of time it can take to authorize a credit for land purchase if they can find other buyers with ready cash (interview, Rodriguez, January 20, 2005). If this happens, the campesino group must identify a new finca for purchase and repeat the process again. Rodriguez pointed out that the process of evaluating fincas is lengthy, as there are often many conflicting land-ownership claims on one piece of land, and these can take significant time to resolve. Many fincas are also rejected at the evaluation stage due to any number of factors that the Land Fund believes will not allow for a profitable venture. Again, the result is that campesino groups must start over by identifying a new piece of land.

Fincas San Ignacio, San Carlos, El Asunción, and the members of the community Santa Elena all described delays related to the length of the Land Fund’s process. Finca El Asunción was unsuccessful in its first three attempts to purchase a finca. The first time the landowner only gave the group three months to purchase the land, and sold to another buyer with ready cash when that time period was up. The second and third times the landowner had a mortgage on the property41 (interview, Antonio, February 15, 2005). Similarly, Finca San Carlos was unable to purchase the first piece of land it identified, as

41 The Land Fund will not authorize credits for mortgaged land (interview, Rodriguez, January 20, 2005).
there were multiple ownership claims on the property. It was unable to purchase the second piece of land it found for sale because the owner grew tired of waiting for the Land Fund to authorize a credit and sold to another buyer (interview, Alfonso, April 9, 2005). In the case of Finca San Ignacio, the group spent three years working with the Land Fund before purchasing land. The first application was denied, and the group had to find another willing seller before the process could proceed. Eduardo was particularly frustrated by the fact that the original finca his group tried to buy was later sold through the Land Fund to another group. By the time it did obtain land, their group had shrunk from 72 families to 44 (interview, Eduardo, January 6, 2005). Representatives from Fincas San Carlos (interview, Antonio, February 15, 2005) and El Asunción (interview, Pedro, April 9, 2005) also said that they lost many group members during the process. The community of Finca San Simón had problems simply locating land for sale, and Isabel described how at one point in their search, they identified land that was idle, but were unable to locate the owner: “Some members of our group went down there to see, and couldn’t find the man in charge. Who knows how much that land costs. There’s fertile land there. There’s land there, but we can’t afford it” (interview, Isabel, January 10, 2005).

In addition to problems with the application process, there also appear to be numerous problems with the financing of the Land Fund in general, which impacts both the amount of money available for loans to applicants, and the long-term sustainability of the Land Fund itself. Alejandro, director of the Socioeconomic Area (interview, January 19, 2005) and Rodríguez, director of the Technical Area (interview, January 20, 2005) agreed that there is insufficient funding available to purchase the amount of land needed
to satisfy demand. In particular, Rodríguez pointed out that since the program’s start, the budget assigned by the government to the Land Fund for land purchases had steadily declined, and that the rate of repayment of loans by campesino groups was (by 2005) insufficient to make the Land Fund financially self-sufficient (interview, January 20, 2005).

In addition to delays and inadequate resources, there have been numerous allegations of inefficiency and corruption in the Land Fund’s operations. The General Manager and the Internal Auditor of the Land Fund have recently come under investigation by members of the political party El Partido Patriota (the Patriot Party) for anomalies with the Land Fund’s 2005 budget. Even though the Land Fund had received 62 million Quetzales (USD8,051,948) less than originally assigned to it from the Guatemalan Government’s budget, the General Manager failed to spend the budget it did receive. There have also been accusations of questionable hiring practices for technical advisors (De León Ruiz, 2006). In addition, there have been allegations of fincas being overvalued by the Land Fund (Palencia, 2004; Pérez, 2006), which benefits those selling land with a sale price above market value. Allegations such as these partially explain the slow pace of reform. They also cast serious doubt on the efficiency and transparency of the Land Fund process.

In 2004, the Land Fund began a land rental program as a means of benefiting more land-poor and landless campesinos. Since then, the number of credits authorized for land purchase and the number of beneficiaries have steadily declined: 29 fincas were purchased and 2103 families benefited in 2004; 12 fincas and 764 families in 2005; and only 2 fincas and 247 families in 2006. In contrast, the number of families receiving
credit for land rentals has steadily increased, from 10,814 families in 2004, to 19,599 in 2005, to 21,370 in 2006. While the number of families benefiting from this program might appear encouraging, interviews with campesinos who farm rented land suggest problems with the long-term sustainability and security of land accessed through renting. Several farmers spoke of problems related to security of landholding when renting. Doña Alicia, a campesina who subsidized her husband’s wage work by producing crops for sale in the local market, explained one of the problems she experienced: after renting a small piece of fallow land and investing time making it suitable for production, the landowner decided not to continue renting to her. Thus, her initial investment of time and labour was lost, and the landowner benefited from her work (interview, January 11, 2005).

Alfonso, David, Esteban, and Felipe, who were also farming rented land, stated that land rental prices had been steadily increasing in their region, which was one of the reasons they were seeking a credit to purchase land through the Land Fund (interview, January 11, 2005).

The law regulating the land rental reforms states that all rental agreements are to be made between the landowner and the beneficiary, including the price and the term of the rental (Fondo de Tierras(b), p. 18). This ensures the voluntary buyer-seller principle of MLAR strategies, with full market value paid to the owner. The voluntary buyer-seller principle, however, is made problematic by the underlying issue of power relations between the landless and the landowning class. First, there is minimal information about land available to land-poor and landless campesinos, largely due to the lack of an accurate land registry, and also because of campesinos’ limited ability to access what information is in fact available. As mentioned earlier in this section, Isabel commented
that although they knew there was idle land near the finca where they worked, they had no way of knowing who owned the land, and thus could not even begin negotiating land purchase. Without some form of easily accessible information about land ownership, finding a willing seller is difficult at best for campesinos. Second, many campesinos have limited or no experience negotiating with landowners. Although the Land Fund tells campesinos (both in the case of authorizing credits for land purchase and land rental) the maximum amount they may pay for land, it is possible for campesinos to negotiate a lower price with landowners. However, as Juracán pointed out, because of this lack of experience in negotiating, there have been cases where groups have paid the named price of the landowner with land for sale or for rent, resulting in them paying far more than the actual value of the land (interview: April 2, 2005).

In the case of the renting agreement, the Land Fund pays the rental value agreed upon between landowner and renter directly to the landowner, and provides capital investment funds to the renter in the form of a loan. In some cases, agreements may be for renting with the option to purchase. However, Leocadio Juracán argues that very few landowners are willing to rent with the option to buy, when they can continue to rent and own their property (interview, April 2, 2005). Thus, there appears to be little potential for land to permanently change hands through this program, and no guarantee that renters will be able to rent the same land for more than one year.

This lack of stability means the land rental program is even less able to affect change in the distribution of land. By its very nature land does not permanently pass into the hands of the campesinos themselves, and participants in the program have little opportunity to substantially change their position in the agricultural system. Indeed, as
was the case of the Finca San Simón, after failing to obtain a credit to purchase land, it later successfully applied to the land rental program. However, the amount of land it was able to rent and the capital subsidy it received were not enough to enable its members to stop working as wage workers on the finca where they lived as tenants of the landowner. The precariousness of the situation was made extremely clear when Hurricane Stan hit the region in October of 2005. Isabel had cited the threat of mudslides as one of the reasons her community wished to find land in a more secure location (interview, January 10, 2005). Less than ten months after that interview, mudslides caused by Hurricane Stan, destroyed Finca San Simón. Because the landowner did not wish to repair the houses, the workers forced to relocate to emergency shelters. The land they had been renting was also affected, and they were not able to harvest their crops, thus losing their investment and finding themselves with no sources of income along with a debt to repay for land they could no longer farm.

Discussion

The Land Fund’s Land Access program is not acting as a vehicle for transformative reform that will solve the problem of inequitable land distribution in Guatemala, as it is not capable of addressing the vast need of land-poor and landless campesinos. Indeed, even the Land Fund’s Director of the Technical Area Rodríguez stated that “Can we consider the Land Fund as the answer to the agrarian problem? No. It is a palliative, that perhaps alleviates the situation a bit, but the problem is over 500 years old, and the Land Fund does not fundamentally respond to the expectations of campesinos” (interview, January 20, 2005). The recent shift from providing credit for land purchase to credit for rentals appears to be even more of a band-aid solution. It is
clear that these programs are not producing a significant change in land distribution, particularly when one looks at the results of the most recent agricultural census in Guatemala. As can be seen in Table 3, over the past five decades, an increasing percentage of total farms have less than 0.7 hectares, well below the amount considered necessary to provide for family subsistence needs. In 1950, some 21 percent of farms had less than 0.7 hectares, while by 2003 this sector had increased to 45 percent.

It would also appear that the Land Access program actually benefits the government, landowners, and financial institutions much more than it does the supposed reform beneficiaries. Large landowners are not required to give up any land, even if not using it. They are able to sell land at full market prices (or above), much of which is often idle or has been left fallow during the fall in world coffee prices, and is thus not ready for immediate production upon transfer. Finally, financial institutions have a method for selling plots of land obtained through defaults on mortgages. As discussed in Chapter one, proponents of MLAR argue that these types of programs are less costly and more efficient than SLAR programs; it seems clear from the very structure of the Land Fund that it is indeed less costly to the government, but at the expense of the supposed beneficiaries. The families themselves must bear the final cost of the land which they receive, as they are burdened with a long-term debt that must be repaid to the Land Fund, while landowners and financial institutions receive up-front payment in full.
4.2 Complementary reforms

MLAR proponents argue that a number of complementary reforms should be enacted in order for MLAR programs to succeed. Based on interviews conducted with CCDA and CNOC leaders, as well as subsequent personal communication, it does not appear that the Guatemalan government has enacted the reforms to which it committed during the Peace Process to complement the Land Fund. First, there are not adequate regulations for land pricing: CNOC and CCDA leader Gilbert Atz and CCDA leader Leocadio Juracán both said that a major problem with the Land Fund’s ability to meet demand, as well as campesinos' ability to repay loans, is the fact that speculation has driven up prices (interview, Atz, April 5, 2005; Juracán, April 2, 2005). Atz pointed out that this is particularly problematic because there are no laws to regulate the land market. In many cases land with little agricultural value was being sold at high prices, and at one point the Land Fund was paying extremely high prices for land that had little productive potential. He said that because of this problem, the Land Fund created a verification commission to check whether price evaluations were real, but that because of corruption, members of the commission have in some cases approved the price evaluation in exchange for receiving part of the final sale price (interview, Atz, April 5, 2005).

A second problem in terms of complementary reforms is the lack of reliable land registry information. One of the commitments of the Peace Accords was to carry out an extensive land-titling program. However, at the time of this research, Congress had yet to approve the bill that would create the Registry of Cadastral Information. The registry would accurately record landholdings to facilitate sales of land, as well as increase the security of landholdings held by campesinos without formal title (interview, Atz, April 2,
On June 15, 2005, Decree 41-05 was passed, allowing for the creation of the Registry of Cadastral Information (Grobakken, 2005, p. 33). However, the Registry did not come into effect until 2006. In follow up discussions with CCDA leaders, they indicated that the manner in which it is being implemented is benefiting large landowners to the detriment of smallholders, with disputes over land being resolved in favour of the large landowners more often than not (personal communication, Sicán Morales, June 23, 2006). As mentioned in section 4.1, the process of evaluating a finca and verifying its actual dimensions can be lengthy, often as a result of multiple claims, thus clearly demonstrating the importance of an accurate Land Registry. If the Registry of Cadastral Information ultimately becomes a tool for titling land in favour of large landowners, as appears to be the case already in its short history, it will be of little help to establishing a land market in which campesinos can participate meaningfully.

Another key reform which has yet to be implemented but that is important to the Land Fund’s long-term sustainability, as well as to the implementation of the Peace Accords in general, is tax reform. The Socioeconomic Accord established targets to increase the tax-to-GDP ratio from 8 to 12 percent (Jonas, 2000, p. 170). Implementing progressive tax reforms was key to the Peace Accords’ success because the reforms would provide financing for the other commitments contained within the accords, and because it was an implicit requirement for receiving international funds. Tax reform has, however, been the most contested issue of the reforms (Jonas, 2000, pp. 169-70), and has yet to be implemented in any concrete way in Guatemala. In 1997 the Guatemalan Congress passed a property tax law that primarily affected large landowners, but it was
repealed in 1998. A Fiscal Pact was passed by Congress in 2000 that contained measures to increase tax revenues and social spending; however, its implementation was blocked by the opposition of the business sector and large landowners. Although President Oscar Berger has said he will re-activate the pact, its success will depend on opposition political parties supporting its measures (Peredes, 2006). It is also possible that Berger’s renewed commitment to the pact may be simply in reaction to upcoming elections in September 2007, as a means of attracting votes, as has been the case with public works in the past (personal communication, Morales Sicán). Although some minimal tax-reform laws have been introduced, as of April 2006, tax as a percentage of GDP had only increased to 10 percent (Grinfeld, 2006), still well below the 12 percent commitment, or the 14 percent average among developing countries (Jonas, 2000, p. 170). Given the problems of the Land Fund’s financing (see section 4.1), successful tax reform is particularly important if the Land Fund is to have an adequate budget capable of meeting the vast needs of Guatemala’s landless and land-poor campesinos.

Finally, it is important to discuss the signing of the Central American Free Trade Agreement (CAFTA)\(^2\) with the U.S. and the impact it will have on campesino producers’ ability to retain land and successfully market agricultural products at the national and international level. CCDA and CNOC leaders agree that CAFTA has great potential to harm producers’ ability to successfully market their production, as the agreement allows for cheap, subsidized products from the U.S. to flood the Guatemalan

\(^{2}\) The Central American Free Trade Agreement (CAFTA) was signed in March 2005 in spite of great protest from civil society (as observed in newspapers, from personal conversations as well as interviews, and at protest marches in the capital city). CAFTA is not linked to the North American Free Trade Agreement between Canada, the U.S. and Mexico, but Canada is negotiating its own free trade agreements with Central American countries.
market, leaving small Guatemalan producers unable to compete with the larger agribusiness companies. Thus, trade agreements like CAFTA favour large, rather than small, producers (interview, Atz, April 5, 2005; interview, Juracán, April 2, 2005; interview, Paz, March 30, 2005).

Discussion

It does not appear that there is the political will to bring about the reforms necessary to achieving a well-functioning land market in Guatemala that campesinos can access. Instead, these reforms have been minimally implemented, and according to CCDA leaders, in such a way as to benefit mainly the landowning elite. As discussed in Chapter 2, MLAR proponents argue that complementary reforms are key to ensuring that the intended beneficiaries of MLAR programs can successfully participate in the land and agricultural export market. In the case of Guatemala, there does not appear to be much hope that substantial reforms and/or development policies that truly favour small producers will be enacted any time soon by the government. The likelihood that the Land Fund will succeed in assisting the majority of landless and land-poor campesinos in successfully participating in Guatemala’s land market is low, particularly in light of the fact that Guatemala’s overall development strategy remains unchanged.

4.3 Accessibility and campesino participation

Although MLAR proponents argue that MLAR programs are more accessible to campesinos than SLAR because they are more decentralized and less top-down in their approach to reforms, many of the problems identified in Chapter 2 appear to be endemic to the Land Fund as well. Language barriers, complicated paperwork, bureaucratic
requirements, and prescriptive technical assistance have all limited the Land Fund’s accessibility and the level of participation by campesino groups in the process.

The vast majority of groups applying to the Land Fund are indigenous and speak one of the 21 Mayan languages; Spanish is their second language. Land Fund officials recognized that this creates problems for explaining the process to groups (interview, Alejandro, January 19, 2005; interview, Ortiz, March 7, 2005; interview, Rodriguez, January 20, 2005). Although some Land Fund staff speak an indigenous language, there is certainly not coverage of all 21 languages. In addition, the substantial amount of paperwork required is available only in Spanish, and all print materials meant to assist campesinos with the application process are also available solely in Spanish. The explanatory pamphlet distributed to campesino groups concerning the process of applying to the Land Fund is very text-heavy and has few illustrations. Because of potential lack of understanding of the application process, and the complicated nature of the paperwork itself, many applications by campesino groups are often submitted and rejected over and over again until all materials are correctly delivered. Indeed, all the group representatives to whom I spoke that had successfully obtained credit for land purchase, or that were in the process of seeking land, said they found the application process to be very complicated. They also highlighted the importance of the CCDA’s assistance in dealing with the paperwork involved (interview, David, Diego, Esteban, and Felipe, January 11, 2005; interview, Edgar, April 9, 2005; interview, Isabel, January 6, 2005; interview, Jesús, February 15, 2005; interview, Pedro, April 9, 2005).

43 The CCDA also works with indigenous groups that speak several different Mayan languages, but uses more oral and visual materials, as they recognize that many of their members do not read Spanish or their spoken Mayan language.
The bureaucratic hurdles to be overcome in order to constitute a group as a legal association can pose further problems, in this case due in part to decentralization. In order for a group to constitute itself as a legal association, it must apply to the mayor’s office to have its status recognized. Isabel, a worker on Finca San Simón, explained that her community tried to constitute itself as a legal entity, but the process was halted when a new mayor was elected in her municipality. Isabel explained that her community submitted the necessary paperwork to the mayor’s office, but when the new mayor was elected, they were told that their paperwork couldn’t be found, at which point they had to start again from scratch (interview, January 10, 2005).

The process itself can also be costly to campesino groups. Although the Land Fund states in its guide to the application process that “All transactions are free. The Land Fund does not charge for its services.” (Fondo de Tierra(c), p. 8), there are actually a number of costs to campesino groups throughout the process. Representatives from fincas San Ignacio, El Asunción, San Carlos, Itzapa, and the community of Santa Elena all commented that throughout the application process they had to travel to the central or regional offices on a fairly regular basis to hand in forms, attend meetings, and take care of the process in general. David, Diego, Esteban, and Felipe (interview, January 11, 2005) commented that they would often arrive at the Land Fund offices only to find that their project manager could not meet with them after all, or that they would have to return again with some missing piece of paperwork or for a following stage in the process. Not only did this represent transportation costs, but also time away from their actual productive activities; no small thing when one considers that while Guatemala may be a relatively small country, it can take hours to travel from a given rural location to a city
where a Land Fund office is located, and can mean missing a full day's work for one meeting. In addition, many costs can fall on campesino groups in the assessment stage, as many landowners refuse to pay for surveying costs, and tell the campesino group that they must assume those costs if they wish to purchase the land (interview, Rodríguez, January 20, 2005).

In addition to problems with accessibility and costs during the application process, CCDA leaders and campesino groups identified problems with participation during the development of productive projects. Although the Land Fund states that these projects are developed in conjunction with the campesino groups (interview, Rodríguez, January 20, 2005), CCDA leader Leocadio Juracán argues that in fact many groups simply accept whatever productive plans the Technical Area advisors propose; they believe that if they do not accept the plans, they will not be approved for credit. The consequences can be that campesinos adopt agricultural activities and methods with which they have little familiarity, leaving them completely dependent on their export crops to generate income for almost all subsistence needs (interview, April 2, 2005). Eduardo, of San Ignacio, said that when they were developing productive projects, they accepted what the technician proposed to them, but later realized they did not receive adequate training in order to profit from their projects (interview, January 2, 2005). The consequences of problems related to technical assistance are further discussed in section 4.5.

Discussion

The Land Fund has not been successful in overcoming problems of participation and accessibility. Instead, the accessibility of the application process is limited by the
fact that all materials are available only in Spanish, and by the complicated nature of the
process itself. Lack of accessibility further exacerbates the ability of the Land Fund to
quickly respond to the needs of Guatemala's land-poor campesinos. Many of the groups
with whom I spoke had only been able to successfully negotiate the application process
after joining the CCDA and getting help from its leaders in filling out paperwork
correctly, and contended there was inadequate assistance from the Land Fund itself.
Isabel, of Finca San Simón, stated that the CCDA's ability to help communities
successfully obtain land was a major reason her community joined the CCDA. Indeed, in
March of 2005, her community obtained credit for renting land through the Land Fund
with the help of the CCDA. Because the CCDA is a campesino organization rooted in
the very communities seeking land, it is well equipped to assist them with the Land Fund
process. However, the CCDA works with hundreds of communities, is not capable of
addressing the needs of all the groups in the regions in which they work. Further relying
on campesino organizations is not an answer to the question of accessibility and
participation. If the CCDA were to devote all its time and resources to working with the
Land Fund, the remainder of its programs could be neglected, something CCDA-leader
Leocadio Juracán has been careful to avoid. He does not want the CCDA to solely
undertake programs like engaging with the Land Fund (and marketing coffee, as will be
further discussed in section 4.6). First, it would be taking on a role it views as a
government obligation, such as the role the Land Fund should be playing in making the
application process accessible to campesino groups. Second, Juracán feels that while
concrete assistance is important, the larger goal of the CCDA's programs should be
aimed at wider structural issues, including advocating for more comprehensive, integral
agrarian reform, improved labour rights, trade laws that favour small producers, and a domestic development policy that promotes equitable rural development in general (interview, April 2, 2005). It is possible that a function of MLAR strategies may be co-opting the campesino movement in general by diverting its efforts from seeking more radical agrarian reforms or addressing broader issues of rural development.

4.4 Land quality and infrastructure

Figure 3. Okra fields growing on a finca in the department of Suchitepéquez

As discussed in Chapter 2, SLAR critics and MLAR proponents have argued that SLAR-received reform lands have often been of poor quality, and frequently lack infrastructure needed for successful production. In the case of land purchased under the Land Fund, this does not appear to have changed. All the representatives of groups that had obtained land through the fund described problems related to the quality of the land and/or lack of infrastructure, such as lack of production facilities, roads, and housing.

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44 As discussed in Chapter 1, the CCDA’s members include many landless campesinos who work as wage labourers.
In the cases of Fincas San Ignacio, El Asunción, and San Carlos, part of the land they purchased was heavily forested and would have required clearing before use. Finca San Carlos had been successful in receiving credit in exchange for preserving part of its forest land through the government-run program PINFOR (*Programa de Incentivos Forestales PINFOR*, Forestry Incentive Program\(^{45}\)), thus mitigating the fact that it could not easily use the land. However, both Fincas San Ignacio and El Asunción had not been able to access the PINFOR program. Finca El Asunción had been fortunate in purchasing a finca with productive coffee plants and macadamia trees, but these were quite old, and were suffering from pests. In addition, the finca was in a lower altitude region than where top quality coffee is produced, reducing the value of their coffee beans (interview, Antonio, February 15, 2005). These groups were more fortunate than fincas San Ignacio and San Carlos, however: the coffee trees on the land it purchased had been left fallow, and would have required significant investment before yielding any production\(^{46}\). This was exacerbated by the fact that both groups experienced problems with their first productive projects (as is further discussed in sections 3.5 and 3.6), and were without resources to purchase necessities such as soap, sugar, and other basic supplies (interview, Pedro, April 9, 2005; personal communication with several women from Finca San Ignacio, February 21, 2005). In addition to having land with unproductive coffee plants, the members of Finca San Carlos found that their land was positioned in such a way that

\(^{45}\) See the program’s website at http://www.inab.gob.gt/espanol/forestal/inversion/nacional/pinfor.htm for more information.

\(^{46}\) Coffee trees require annual harvesting if they are to produce fruit the following year. After the drop in the world price for coffee in 2000, many producers stopped harvesting coffee, or went bankrupt and lost their land to banks, and land was left idle.
throughout most of the year, it was buffeted by extremely strong winds, blowing debris and soil onto the harvestable lands (as is further discussed in section 4.5).

Physical infrastructure was also problem on all of the fincas interviewed. First, inadequate housing was a problem common to all the fincas. In the case of Finca El Asunción, there were only enough houses for half of the group's families, with the remaining half sleeping in a large warehouse on the property. The houses it did have were very old, many showing signs of deterioration and rotting wood. Fincas San Ignacio and Itzapa both had very few houses, also in poor condition and in need of significant repairs to be livable. Although Finca San Ignacio had obtained a grant from the World Bank to purchase materials for housing, it did not have the resources to hire labour to help build the houses (interview, Eduardo, January 6, 2005). Due to the lack of housing, these groups continued to live in housing they owned prior to purchasing land. Even though this required significant time from campesinos to travel to and from their land, their situation is still less difficult than that of Finca San Carlos. When its members first moved to their finca, there were no houses at all, and they lived under plastic sheeting until getting a small loan from the World Bank to purchase metal sheeting. Pedro, one of the original organizers of the group, said that the loan did not cover all their housing needs, and the materials they purchased through the program had all been used up long ago (interview, April 9, 2005).

All of the fincas also had inadequate production facilities, ranging from older equipment in need of repairs, as in the case of Finca El Asunción, to an almost total lack of any production infrastructure at all, as was the case of Fincas Itzapa, San Carlos, and
San Ignacio. Finca El Asunción had been fortunate in having a dry coffee processor\(^{47}\) on the land it purchased, as well as group members with experience running it, and as such was able to process its coffee to the parchment stage\(^{48}\). However, as Antonio pointed out, "... the beneficio is already very deteriorated, and needs many repairs, the motors, the whole construction, the dryer, the ovens. It's the ovens that worry us most. We need to maintain them, because without them we wouldn't be able to produce coffee to the parchment stage." (interview, Antonio, February 15, 2005). On Fincas San Ignacio, San Carlos, and Itzapa, there were only one or two buildings for storage at the time of purchase. This was a particular problem given that some of the groups mentioned problems with theft of their products.

Finally, all the fincas interviewed had limited or no access to potable water and electricity. None of the fincas obtained by groups had electricity at the time of purchase. Instead, they relied on generators for minimal lighting and for activities such as running motorized corn grinders, meaning they also needed to purchase gasoline for generators (the impact of added costs such as this one are discussed in section 4.6 under the issue of start-up capital). Finca San Ignacio had a river on its property; however, several of the women from the group told me that the water would not be enough for the needs of their entire community once they all moved there. Moreover, there was a pig farm upstream, and therefore the water was not potable due to refuse from the farm (personal

\(^{47}\) A dry coffee processing plant (beneficio seco) is one where coffee beans are dried by wood burning ovens, as opposed to a wet coffee processing plant, where beans are first separated by quality using water, and then dried on patios using the heat of the sun. 

\(^{48}\) Parchment coffee is the stage after the beans have been hulled of their fruit, cleaned, and dried. At this point they have a papery covering that must be removed by a special machine. The beans are then at the green stage, and ready for roasting. Beans are generally shipped overseas as green beans.
communication, February 21, 2005). Their lack of water was exacerbated by the fact that they had to devote most of it to their export crop, okra, which was grown during the dry season but needed daily watering (interview, Eduardo, January 6, 2005). Finca El Asunción also had rivers on its property, but very far from the production area, and its members did not have the resources to build irrigation systems.

Another significant problem in the case of Fincas El Asunción and Itzapa was road access to their properties. Finca Itzapa was accessible only by foot or horse, and was far from a main highway, meaning its coffee production had to be carried out manually. Although Finca El Asunción was accessible by truck, it was located well over an hour from the main highway by truck, the roads leading to it were in extremely poor condition, and no there were no bus routes or pickups\(^49\) that passed the finca, meaning the group had to depend on their own transportation to get their production off their finca.

CNOC and CCDA leaders Atz, Paz and Juracán confirmed that the quality of land and associated infrastructure sold through the Land Fund has for the most part been of poor quality. Atz stated that

“... it’s rare that land is sold with profitable products ... landowners don’t want to sell them. There was a period when the price of coffee fell ... and for a period, finca owners decided to sell their land. Now that the price of coffee is rising again, there’s not enough land for sale. There are other fincas, for example in Petén, where there isn’t agricultural activity, and you have to start agricultural activities from the ground up, and land in Cobán that’s of very

\(^{49}\) Pickup trucks commonly run routes between towns for paid fares.
poor quality, land with a very small productive capacity, like in the Petén.”
(interview, Atz, April 5, 2005).

Discussion

All the fincas interviewed experienced numerous problems related to land quality and infrastructure. Representatives of campesino organizations with ample experience working with the Land Fund confirmed that these cases were not the exception, but rather the rule. The fact that many of the fincas for sale were rejected by the Land Fund because of inadequate quality confirms that much of the land that landowners are actually willing to sell is indeed of low quality. Thus, under the Land Fund’s Land Access program, it appears that campesino groups often end up paying for poor quality land, which makes successfully farming it all the more challenging.

4.5 Technical assistance

MLAR proponents argue that the approach rectifies problems associated with technical assistance by working with land beneficiaries prior to the final sale of land, and by privatizing technical assistance to increase its efficiency (Deininger and Binswanger, 2001). Based on interviews with representatives from campesino groups that had received technical assistance from the Land Fund, with CCDA and CNOC leaders, and with Land Fund officials, it appears that there are numerous issues related to the Land Fund’s technical assistance program that have not been solved by these measures.

The Land Fund’s Technical Assistance program encourages campesino groups to grow export crops, often with an emphasis on seasonal vegetables, which have the potential to generate higher profits than traditional export crops such as coffee and sugar cane (interview, Salvador, January 20, 2005; interview, Juracán, April 2, 2005; interview,
Atz, April 5, 2005). In many cases, the bulk of campesinos’ knowledge of agricultural production comes from previous work on fincas where they harvested traditional export crops such as sugar cane or coffee, and/or from work on rented lands, where subsistence production, including beans, corn and some vegetables are the most common products. As a result, many campesino groups have difficulty making productive projects work due to lack of training in their specific production techniques (interview, Juracán, January 6, 2005). This was a problem for Finca San Ignacio in particular, which was advised by its agricultural technician to focus mainly on export crops. The group’s first project was growing baby corn. However, mid-way through the growing season, a plague hit the corn, and according to Eduardo, one of the finca’s farmers, the technician was not available to help them combat it, and they lost over half the crop (interview, January 6, 2005)\(^{50}\). During the week I lived at Finca San Ignacio, the agricultural technician visited, and I had the opportunity to observe the assistance this group was receiving. By this time, world coffee prices had risen, and the finca members wished to begin readying the previously inactive coffee trees on their finca for harvesting. On this occasion, the technician had brought a representative from the National Association of Coffee Growers, who gave a presentation on using chainsaws for maintaining coffee trees\(^{51}\). I spoke with several of the community members who attended the presentation, and they said there was no way they could afford to purchase a chainsaw (personal communications, February 21, 2005), and the presentation was essentially useless to them.

\(^{50}\)San Ignacio’s experience with marketing export crops is further discussed in section 4.6.

\(^{51}\)Inactive coffee trees need to be pruned in order for them to begin producing again (personal communications with coffee producers).
Finca San Carlos also had problems with its first agricultural technician. In this case the technician’s advice was not appropriate to the land in question. Pedro, a founding member of the San Carlos group, said that the plans the technician developed with them were based on the production of seasonal vegetables for export. However, this advice did not take into account the high winds this finca received (see section 4.4), and the finca’s first productive projects failed because the vegetables were too delicate to survive the strong winds. The group had to start from scratch and develop new productive plans, losing part of their start-up capital to a failed project (interview, Pedro, April 9, 2005).

Both Atz (CNOC and CCDA) and Juracán (CCDA) said that in their experience there have been numerous problems with the way in which technical assistance is delivered. For example, Juracán noted that some technical assistance advisors have very specialized knowledge about agricultural production in one of Guatemala’s many climatic zones, but end up working with a group in a different zone, or have limited experience working with campesino groups (interview, April 2, 2005; personal communications, December 2004 – April 2005). Atz said the technical assistance program had been changed numerous times. At first, agricultural advisors and companies were contracted by the Land Fund; then campesino groups were briefly involved in the selection of technical assistance providers; and finally, groups of agricultural technicians were formed by the Land Fund to provide assistance to campesino groups. Atz stated that this latest method had not improved the quality of technical assistance, because in many cases technicians have been spread too thin, visiting campesino groups only once or twice (interview, Atz, April 5, 2005).
Discussion

Although the Land Fund’s Land Access program has sought to provide technical assistance before and after the purchase of land, there are problems with the way in which the assistance is delivered. Frequently, the emphasis for technical advice appears to be mainly on export crops, but with inadequate training and post-land purchase assistance for the projects to succeed. Privatizing technical assistance and having campesino groups pay for an increasing portion of the costs after the first year may reduce costs for the Land Fund, but may certainly be more costly to the campesino groups, particularly when they receive inappropriate advice, or inadequate training or attention, resulting in the failure of their productive projects. The CCDA worked with campesino groups to assist them with their productive capacity; however, its strategy differed substantially from that of the Land Fund. While it did not dismiss export production, the CCDA felt it was unwise to depend on exports entirely, and advocated instead a mix of export production, production for the national market, and for self-consumption. The CCDA also had an agricultural training program that included organic agricultural techniques, permaculture and pluri-culture agriculture, and mini-agro-diversification programs such as raising rabbits and hens for egg laying (interview, Ramiro, April 2, 2005). In the case of the CCDA, it seems that the agricultural programs it has developed are more appropriate for campesino groups. This again reflects the CCDA’s roots in the communities with which it works; its leaders are campesinos themselves, or come from campesino families.

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52 For example organic composting and pesticide-free pest management (interview, Ramiro, April 2, 2005).
53 Perma- and pluri-culture are agricultural techniques where different plants are sown together to complement one another and to take advantage of soil elevation and water drainage (interview, Ramiro, April 2, 2005).
4.6 Start-up capital and access to markets

Figure 4. Sacks of coffee ready for export to the fair trade market in Canada

MLAR and SLAR proponents alike have argued that in order for agrarian reform programs to succeed, reform beneficiaries require access to start-up capital and markets for their agricultural production (Brohman, 1996; De Janvry, Sadoulet, and Wolford, 2001; Deininger and Binswanger, 2001; Thiesenhusen, 1995). The experience of the fincas interviewed indicates that both have been particularly problematic in the Land Fund’s Land Access program. In addition to the credit for land purchase, groups receive a subsidy to invest in productive projects, infrastructure, tools, food, and basic living needs. Small grants for housing and water projects are also available through a World Bank program. The average amount of subsidy received per family between 1998 and 2006 was 20,126 Quetzales, or $2,613 USD\(^5\). However, the subsidy and grants received by the groups that had received land were not adequate for the amount of investment required to make the purchased fincas both profitable and habitable for the community members (in addition to the subsidy provided by the Land Fund, groups are eligible to

\(^5\) Based on figures in Table 2, provided by the Land Fund. At the time of this research, the rate of exchange for Quetzales was 7.7 to the U.S. dollar.
apply for small grants from the World Bank for housing construction). Representatives from fincas San Ignacio, El Asunciôn, San Carlos, and Itzapa all indicated that the subsidy and/or grants they received did not cover their needs, which included purchasing the inputs required to start their productive projects (particularly those focusing on seasonal vegetables, which require specific seeds, fertilizers, and pesticides), paying for technical assistance, investing in productive infrastructure, and proving housing and water access. Problems of lack of capital are compounded by the fact that many fincas have little infrastructure at the time of purchase, as discussed in greater detail in section 4.4. This scarcity had a direct impact on the quality of life of many of the groups I met, and was particularly acute in groups where their productive projects had not succeeded, as with Fincas San Carlos and San Ignacio (as discussed in section 4.4).

Problems of inadequate subsidies were further exacerbated by the fact that groups sometimes used part of their subsidy to immediately pay back part or all of the land-purchase credit. As stated in the Land Fund's guide to becoming a beneficiary (Fondo de Tierras(c), p. 7), use of the subsidy to pay back the loan for land purchase is permitted. Juracán indicated that the Land Fund encourages groups to do this, as it guarantees that at least part of the credit will be repaid, rather than counting on the group's ability to begin payments after the four-year grace period (during which time no payments are actually required) (interview, Juracán, January 6, 2005 and April 2, 2005). Fincas Itzapa and San Ignacio had both used part of their subsidy to pay back their loans. Although they had less or no debt to repay, both representatives interviewed said that this had affected their ability to invest in production. In the case of Finca Itzapa, the group used the majority of its subsidy to pay back the entire credit, and the rest to invest in raising chickens. It was
able to do this in part because it purchased land with producing coffee trees, and was able to sell its coffee to fair trade markets through the CCDA, and thus had a guaranteed source of income. However, Edgar indicated that his community wanted to purchase additional coffee trees to add to those they had, but could not because they had been unable to secure the capital needed to make such an investment (interview, Edgar, April 6, 2005). Thus their ability to grow and take advantage of their access to fair-trade markets was limited by their lack of access to capital.

The impact of using part of the subsidy to pay back the land purchase credit was more problematic in the case of Finca San Ignacio. Eduardo, treasurer of Finca San Ignacio, said his group made the mistake of using too much of its subsidy to pay off its credit. As a result, it did not have enough left to pay for both members' basic daily needs (e.g. food security) and to invest in productive projects (interview, Eduardo, January 6, 2005). The group’s agricultural technician arranged for it to produce baby corn on contract with the Cooperative Cuatro Pinos\(^{55}\), which advanced the group the necessary inputs for the crop. Although this meant the group needed less money to invest in their productive project, it was indebted to the Cooperative and dependent on the success of its first crop to generate income. As mentioned in section 4.5, over half of Finca San Ignacio’s baby corn was lost to a plague it could not contain. Because the group had already spent most of its subsidy, it was therefore unable to pay its debt to the cooperative. The cooperative was not simply going to forgive the debt, and so gave the finca another contract to grow okra, with half of the harvest to be used to pay back the

\(^{55}\) Cuatro Pinos is a large, producer cooperative in Guatemala. Finca San Ignacio was not a member of the cooperative, but rather was contracted by them to produce baby corn, and later okra (interview, Leocadio, January 6, 2005).
debt for both the baby corn and the okra inputs. Under this arrangement, the group was generating very little profit from its work. Group cohesiveness deteriorated as many farmers began spending more time looking for paid work on other fincas rather than on their own land because they were unable to pay for the basic necessities from their work on San Ignacio. Eduardo expressed his frustration with the situation, and said the group was trying to pay back its debt so that it could stop producing for the cooperative: “We want to get out, because the way we see it, we’re making money, but money for them. We’re in the middle of harvesting now, and what are we getting out of it? Almost nothing. Because they’re taking 50 percent.” (interview, Eduardo, January 6, 2006).

As discussed in section 4.4, Fincas San Ignacio and San Carlos had obtained World Bank loans to finance housing construction. Finca San Ignacio had been able to buy supplies to build houses, but did not have enough money to hire labourers to assist them with the construction. At the time of the interview, Eduardo was very concerned that the cement they had purchased for the house floors would shortly no longer be usable (the finca was in a humid location, and the cement would eventually harden and be useless). Finca San Ignacio was able to access alternative assistance through the CCDA, which linked it with groups of Canadians who were on solidarity tours through BC Casa, and who raised funds to hire labourers for the construction, and assisted themselves with the construction of some houses. This is certainly not a solution to systemic problems of inadequate access to capital to invest in a finca’s infrastructure. Indeed, Juracán said that while projects that responded to short-term needs were very important, he also felt it was ultimately the government’s responsibility to respond to groups’ needs (interview, April 2, 2005).
A further challenge for many groups was access to markets. Finca El Asunción was able to begin harvesting the coffee trees on their land immediately upon purchase, and later could also harvest macadamia nuts. However, Antonio indicated that the group had been unable to market their coffee or macadamia directly, and had been selling its production to intermediaries. The problem, according to Antonio, was that “... it’s us the campesinos who sacrifice ourselves so much here, and it’s the intermediary who buys from us that ends up with all the profits, and doesn’t run any of the risks that we run.” (interview, Antonio, February 15, 2005). Finca El Asunción was eventually able to gain direct access to international coffee markets through the CCDA and their relationship with BC Casa, not because of assistance from the Land Fund. The CCDA introduced representatives of BC Casa (myself included) to representatives of Finca El Asunción, and proposed that BC Casa look for buyers for the finca’s green beans. BC Casa was successful in finding buyers, and Finca El Asunción has been able to obtain a higher price for its coffee through this fair-trade market.

Discussion

Based on the experience of the fincas that had obtained land through the Land Fund’s Land Access program, it is clear that the start-up capital available for groups is inadequate for their many needs, particularly given the lack of infrastructure on many fincas. Fincas that use their subsidy to pay for part or all of their land debt may avoid defaulting on their loans, but in the case of the fincas interviewed, ended up not having enough money to invest in productive plans or needed infrastructure. The lack of start-up capital has had a detrimental impact on the standard of living of many groups, which need greater financial resources to successfully finance productive projects and invest in

83
infrastructure, while at the same time satisfying basic needs. This has been particularly problematic in the short term for groups whose productive projects have failed, as they are then without income to pay for their daily needs. Lack of start-up and investment capital is also worrisome in the long term. If groups are unable to invest in making their productive projects successful, they are unlikely to generate the profits needed to pay back the credit owed for their land purchase. Although the CCDA has been able to help some fincas with accessing fair-trade coffee markets, only fincas with coffee production currently have access to those markets, since as of yet the CCDA has not been able to market other products internationally\textsuperscript{56}. If groups are to pay back their loans through exporting on the international market, adequate start-up capital for productive projects and assistance in gaining access to markets are key to their long-term success.

\textsuperscript{56} At the time this thesis was defended, BC Casa was working on finding fair-trade sugar markets for CCDA member communities. However this had yet to begin, and is unlikely to be as profitable as coffee, because there is no 'gourmet' sugar market. Thus, fair-trade sugar prices are substantially higher than conventional sugar, unlike fair-trade coffee, which has a price that is comparable, and may often be less expensive, than many conventional gourmet brands (personal experience from working with BC Casa).
5 Conclusion

This study addresses the degree to which Market-Led Agrarian Reform has successfully addressed problems identified with previous State-Led Agrarian Reform programs in the case of the Guatemalan Land Fund's Land Access program. Six research questions were explored: has the pace of land transfer under the Land Fund been efficient and fast; are complementary reforms taking place that will ensure a well-functioning land market that campesinos can effectively engage in; is the process easily accessible to campesino participation; is the land transferred through the Land Fund of good quality with adequate infrastructure; is there adequate technical assistance available after land transfer; and finally, is there adequate access to start-up capital and access to markets for agricultural production?

The findings presented in Chapter 4 illustrate serious problems with the Land Access program, and demonstrate that the market-based approach has not been able to rectify the problems frequently associated with state-led programs. There are numerous reasons for this failure. The pace of land transfers has been very slow, largely due to the length of the application and evaluation process, lack of financing to meet the needs of landless and land-poor campesinos, and problems with corruption. Given that one of the major critiques of SLAR programs is that they are inefficient because of their bureaucratic nature, it is particularly ironic that one of the Land Fund's major failings is its lengthy and complicated application process. Complementary reforms to improve Guatemala's land market such as tax reform have also been weak or missing entirely, and without a significant change in the balance of power in Guatemala, it is unlikely such
reforms will be implemented that might significantly change the ability of campesinos to effectively participate in the land market.

The experiences of the campesino groups interviewed in the thesis further suggest that the process of obtaining land and developing productive plans has also not been accessible due to factors such as language barriers and the many bureaucratic hurdles that must be negotiated in order to qualify for land credits. Moreover, the quality of land purchased by campesino groups has not been high, and there are barriers to securing adequate infrastructure, both for agricultural production and for basic living needs (such as potable water and housing) which have a significant impact on the standards of living of land purchasers. The technical assistance available to campesino groups has also been fraught with problems, including inappropriate advice and minimal training. Finally, the start-up capital and market access available to campesino groups is clearly inadequate, particularly given that groups are encouraged by the Land Fund to use part of their subsidy to pay off part or all of their loan immediately, leaving little money for initiating productive projects, which in turn makes it difficult for groups to successfully turn a profit on their agricultural production. Many groups experienced problems accessing direct overseas markets, and many had to sell to intermediaries, thereby receiving a lower price for their production than the world market price, or were under contract by larger companies and bore all the risk of production failure.

The Campesino Committee of the Highlands (CCDA) has played an important role in terms of assisting groups to negotiate the Land Fund application process and successfully farm their land. Indeed, representatives of all the groups that had successfully gained land mentioned that the CCDA’s help was instrumental in obtaining a
loan for land purchase. The CCDA also worked with campesino groups after land purchase, helping them access international and national fair-trade markets, and offering agricultural technical assistance, particularly for organic farming. However, Leocadio Juracán, one of the CCDA’s leaders, mentioned many times to me that while this was important work, it was not the CCDA’s sole focus. Juracán did not want the CCDA to focus all its attention on activities such as marketing coffee, negotiating with the Land Fund, and other small-scale projects, as this would mean that its broader political activities would be neglected. Indeed, in addition to its work with campesino groups in assisting them to access land through the Land Fund, the CCDA has a much wider program aimed at mobilizing its base to pressure the government for comprehensive agrarian reform.

The CCDA proposes three broad avenues towards agrarian reform. In the short term, it argues that the state should implement mechanisms for a social use of land, particularly by giving campesinos access to lands abandoned during the coffee crisis so that they can be used for internal food production. In the medium term, it proposes to pressure the government to raise the Land Fund’s budget so as to meet the needs of at least 75% of applicants. In the long term, the CCDA argues that the campesino movement must mobilize in support of integral, widespread agrarian reform. Within these strategies, the CCDA highlights the role that the state should be taking, in particular, providing more subsidies, better training, and making any land rental agreements for abandoned lands into 10-year contracts with the option to purchase. It also argues for a different approach to land use than that of focusing primarily on export production. The CCDA feels that in order to achieve effective use of lands, campesinos
should follow production phases that begin with basic grain production to ensure food security, followed by increasing production for the domestic market, and only then moving to export production of non-traditional crops. The CCDA also supports organic agricultural techniques as a vehicle to sustainable production. In addition to arguing for a social use of land to ensure food security, the CCDA also highlights the importance of food sovereignty, whereby not only is access to adequate food important, but the right to define what kind of production is entailed, and under what conditions. In order to ensure this sovereignty, the CCDA argues that radical changes are needed in the distribution of not only land, but of access to resources in general, as well as a change in agricultural policies that have left campesinos increasingly dependent on foreign food imports. While the scope of this paper did not allow for an exploration of this aspect of the CCDA’s activities, the views of campesino organizations in Guatemala like the CCDA on agrarian reforms are an interesting area of inquiry, and one in which I would like to carry out further research.

The CCDA’s broader mobilizing activities are particularly interesting due to the lack of government action on overall rural development, and on carrying out the commitments contained within the Peace Accords in general. The Guatemalan elite has always been firmly opposed to any expropriation-based agrarian reforms (as evidenced by the overthrow of Jacobo Árbenz’s government in 1954 after Guatemala’s only state-led, expropriation-based reforms), and it is unlikely that this will change any time soon. Since elections were put in place in Guatemala in the 1980s, successive governments have emerged from Guatemala’s economic elite, and unless there is a significant change in the political balance of power, it seems unlikely that there will be policies and
legislation implemented that will truly change the inequitable distribution of wealth in the country. The signing of the Central American Free Trade Agreement in March of 2005 is a case in point: although the CCDA and its members participated in numerous protests against its signing alongside many other popular organizations, the government went ahead and signed the agreement in spite of such widespread opposition. Therefore, it seems that if the CCDA and its members wish to see real change, participation in national politics is imperative. Indeed, in recent years the CCDA has begun working with the Alianza Nueva Nación, one of Guatemala’s left-leaning political parties with a platform that includes both strengthening the Land Fund as well as carrying expropriations of idle land, and is currently working on strategies to mobilize its voter base for the upcoming presidential elections in September, 2007.

If the Land Fund is to successfully address the needs of all land-poor and landless campesinos in Guatemala, substantial systematic change is required. First and foremost, increased funding for land purchases is imperative. Second, improvements to the accessibility of the application process, the manner in which technical assistance is delivered, and campesino groups’ access to start-up capital and markets is also critical, particularly given the poor quality of land being purchased through the Land Fund. The Land Fund’s funding, however, is set to end in 2008, and Land Fund officials and CCDA and CNOC leaders alike agreed that continued funding is unlikely. Therefore, questions of how to fix the many problems of the Land Fund may very well be moot. Instead, a longer-term issue is how the CCDA, its members, and those of other campesino organizations can influence the national agenda on rural development and agrarian reform. Based on the experience of the Land Fund, it is clear that Market-Led Agrarian
Reform is not the answer to Guatemala's agrarian question, nor is there a simple answer, given Guatemala's exclusionary and repressive history. Therefore, the ongoing activities of organizations like the CCDA in exerting pressure for comprehensive and structural change are of utmost importance, even though they may not bear fruit for some years to come.
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Workshop with members of Finca San Ignacio, presented by their agricultural technician and a representative from the National Association of Coffee Growers. (2005, February 21). Department of Suchitepéquez, Guatemala.

Meeting with the community of San Fermín and Lesbia, coordinator of the CCDA’s Women’s Secretariat. (2005, March 22). Department of Huehuetenango, Guatemala.


Protest in Guatemala City against repression carried out by the Guatemalan military and police at a protest in Huehuetenango the previous week. (2006, March 21). Guatemala City, Guatemala.
Appendix A  Interview Questions

Interview questions with campesino groups

1. How did your community obtain land?
2. What was the process of obtaining land?
3. Who did you have to deal with to obtain land?
4. How long did it take to get land?
5. What obstacles did you encounter in the process?
6. How did you deal with those obstacles?
7. What was the role of the CCDA?
8. How much land did you obtain?
9. How much did it cost?
10. How are you paying for the debt?
11. How many families are in your community?
12. Do you farm communally or individually?
13. What do you cultivate?
14. Where do you sell your production?
15. Is the production enough to provide for all your needs?
16. What did you do before buying land?
17. Is your community trying to get more land?
18. Is your community involved in other projects or organizations?
19. If you could resolve the issue of land with a magic button, what would happen?

Interview questions with Land Fund officials

1. How was the Land Fund founded and why?
2. How does the Land Fund work?
3. What is the process of obtaining land, and what is your department’s role in that process?
4. What challenges do you see in the process?
5. In your opinion, how could those challenges be resolved?
6. Who is eligible to purchase land?
7. How much land has been purchased so far?
8. How many applications are there?
9. Where does financing come from?
10. Where does the land for sale come from?
11. What do campesinos harvest on their newly-purchased land?
12. What would be the ideal use of newly-purchased land, in your opinion?
13. What type of accompaniment is provided for campesino groups purchasing land?
14. Can you describe some of the Land Fund’s successes? Failures?
15. What are the overall effects of the Land Fund?
16. If you could resolve the issue of land with a magic button, what would happen?
Interview questions for campesino organization leaders

1. Tell me about the history of your campesino organization.
2. To what extent have the reforms related to land in the Peace Accords been implemented?
3. What has the role of your organization been in these reforms?
4. What is your organization’s view of agrarian reform?