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MILITARY REFORMISM
AND SOCIAL CLASSES

The Peruvian Experience, 1968–80

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2 Class Struggle and the Agrarian Reform Process

A. Eugene Havens, Susana Lastarria-Cornhiel and Gerardo Otero

Most analyses of agrarian reform, whether reformist or revolutionary in intent, pay insufficient attention to the role of class struggles in agricultural transformation, and to the reproduction of such struggles within the state. In our view, the capitalist state may be conceived in the first instance as a set of social relations in which power is condensed to assure the reproduction of the relations of class domination and subordination associated with the prevailing mode of production. At the same time, the state is caught up in the contradictory process of capitalist development, which is expressed in class struggle and which imposes a particular *form* on the reproduction of the social relations of production. This process of modification has two aspects. On the one hand, as emphasised by Poulantzas (1973), the form of the state corresponds in a given social formation to the composition of the *power bloc* – that is to a particular contradictory unity of politically dominant classes or fractions of classes – and in particular to the nature of the hegemonic class-fraction within the power bloc. (If there is no hegemonic fraction at a particular historical moment, we identify this as a *crisis of hegemony*. In such moments the limits on the form of the state and the class practices exercised through the state are expanded, though not so far as to transcend the limits imposed by the overall logic of capital. Phases of hegemonic crisis are characterised by a struggle to reestablish the ideological, legal-repressive and economic preconditions of what we call a strategy for accumulation; they do not involve an absence of social reproduction.) On the other hand, as has been stressed by Wright (1978, Chapter 1) among others, state forms and the content of state interventions are subject to determination – *transformation* or *mediation* – by class struggle in the broader sense, that is by the struggles of the dominated classes themselves.

It is within such a framework, we contend, that the Peruvian military's Agrarian Reform is to be understood. The argument of the chapter builds up as follows. We begin with a review of the transform-

ation of agrarian class relations in Peru during the eighty-odd years prior to the military coup of 1968. Our principal counterpoint here is the notion, implicit in many of the pro-reform arguments which became fashionable in the 1960s, that the Peruvian agricultural sector stagnated from the 1930s onward and that no major transformations did or could occur in the absence of a thoroughgoing reform of land-tenure arrangements. The next section places the military government's Agrarian Reform Law in the context of the crisis in the power bloc which culminated towards the end of the 1960s with the fall of the Belaúnde administration. We then argue that the 1969 decree, like other measures of the military regime, grew out of the class struggles of the 1960s and formed part of a design to increase rates of capital accumulation in Peru and restructure the country's role within the international division of labour. However – we suggest in Section 3 – the outcome of the reform was dictated less by the government's initial plans (which were in any case contradictory) than by the mass struggles which they unleashed. The Huando mobilisations of 1970, the land invasions in Andahuaylas in 1974, the creation and official dissolution of the Confederación Nacional Agraria and the recent wave of land take-overs in the Sierra are briefly discussed. In the final section, we conclude that, whilst the new agrarian structure resulting from the legalisation and struggles of the past decade differs in important respects from the old, the agrarian policies of the military regime did nothing for – and in some respects were harmful to – groups amounting to three-quarters of the rural population.

1 AGRARIAN TRANSFORMATIONS BEFORE 1968

Coastal agriculture

Agricultural production for export played a critical role in the reconstruction of Peru following the country's defeat in the War of the Pacific (1879–82). Sugar and cotton were the principal earners of foreign exchange. From 1890 to 1914, sugar alone was responsible for an average of 25 per cent of foreign exchange earnings, and sugar and cotton together averaged about 40 per cent of the value of exports (Dirección Nacional de Estadísticas, 1940).

While these averages are indicative of the general tendency at the turn of the century, they do not capture the changes in relations of production that were occurring in export-agriculture. At the close of the War of the Pacific, most sugar firms had been close to bankruptcy, and there followed a period of concentration of land holdings and capital in the sugar sector. With the fluctuation of sugar prices during the period 1900–14, many more of the smaller sugar-cane haciendas (estates)

were forced to sell to the largest enterprises, which were increasingly associated with foreign finance capital. For example in the important Chicama Valley on the north coast between 1900 and 1910, no less than 14 large haciendas were absorbed by the gigantic holdings of the Larco and Gildemeister families (Klarén, 1976, p. 55). The process of land concentration in the valley culminated in 1927 when the Gildemeisters' Casagrande, backed by German finance capital, swallowed up the Larco property, Hacienda La Roma. At the same time, direct foreign control emerged in the shape of the Cartavio Sugar Company (Grace), the British Sugar Company and the Peruvian Sugar Estates of Chimbote (Roel, 1961, p. 191).

The area devoted to sugar-cane production increased during the period 1900–30 from 36 000 to 40 728 hectares (Roel, 1961, p. 190). However, much of this expansion occurred not through the opening of new lands but through the expulsion of small landowners. The principal mechanism for expelling the small producers of non-sugar agricultural crops was through the control of the irrigation sources by the large haciendas. Since the Peruvian coast is a desert, the large haciendas would simply cut off the water supply to the small farmer and absorb his lands when he was forced to sell or abandon them. Sugar production and processing also required dependable sources of both permanent and seasonal labour, and attempts to secure such a labour force entered a new phase during the period 1900–30. During these decades a mixture of capitalist and non-capitalist social relations of production emerged in the forms of *yanaconaje*, *enganche* and the outright proletarianisation of peasants.

The exploitation of labour through *yanaconaje* took the following form. A small amount of land was rented to a *campesino* (peasant) family by the *hacendado* (estate-owner), who reserved the best land for his own production. In return for usufruct rights to the land, the *yanacóna* was obliged to: (i) pay a rent in produce, work and/or money; (ii) work for the landowner without pay; (iii) sell his surplus produce to the owner; (iv) improve the rented land; (v) purchase his subsistence commodities from the *hacendado*; and (vi) return the land to the owner upon request (Roel, 1961, pp. 199–200).

The *enganche* (hook) system worked in the following fashion. In order to assure a supply of labour for seasonal activities such as cane-cutting, the picking of cotton or the transplanting of rice, the landowner's representative (*enganchador*) would travel through the Sierra giving loans (*socorros*) to smallholders and tenants who required funds for the purchase of land, religious festivals and the like. When extra labour was required the *enganchador* would collect up these peasants and transport them to the work site. Extra-economic means (local police, prefects and mayors in addition to 'private' law-enforcers) were used wherever necessary to secure compliance. The amount of the loans,

plus interest, was deducted prior to the payment of wages, and usually the wages paid proved insufficient to provide the ready cash needed for the next year's production costs and festivals. Thus, the *enganchado* would accept another loan, assuring the hacienda's labour supply for a further year.

Proletarianisation, through the absorption of smaller units into large haciendas or the expulsion of *yanaconas*, was also a feature of coastal agriculture during this phase. Indeed, as Havens (1976) has shown, the employment of wage-labourers grew faster in the sugar, cotton and rice sectors of agriculture than in mining during most of the years 1916–26.

Some observers of coastal agriculture in Peru who have noted this combination of capitalist and non-capitalist relations of production in sugar, cotton and rice have argued on this basis that an agricultural bourgeoisie did not exist, opting for the notion of an 'oligarchy'. However there are several objections to this viewpoint. First, the degree to which wage-labour predominates is not the only question in determining the level of capitalist development in a transition process. Second, even if it were, 'oligarchy' is notoriously imprecise as a class term, failing particularly to define the form in which the surplus is extracted from the direct producers. Moreover it seems clear that what delayed the full proletarianisation of labour in coastal agriculture was not the agrarian bourgeoisie's lack of foresight (Cotler, 1978) but the capacity of the *yanaconas* and *enganchados* to struggle in defence of their access to water and land. This struggle was given recognition in the 1947 *yanaconaje* law, which stabilised the *yanaconas*' claims to land and allowed them the right to sell produce to persons other than their landlords (Matos Mar, 1976; Mejía and Díaz, 1975). There is ample justification for saying the fraction of the dominant class which controlled coastal agriculture was concerned (i) to extend the commoditisation of social relations; (ii) to facilitate the circulation of commodities; and (iii) to distribute surplus in such a way as to assure the expanded reproduction of capital both inside and out of agricultural production (Havens *et al.*, 1978). Consequently, we conclude that they constituted an agricultural bourgeoisie.

Highland stock-rearing and agriculture

As the previous discussion indicates, highland agriculture was highly interrelated with capitalist development on the coast via the struggle for the control of labour. It was also linked to the broader political economy of Peru through wage-goods production, export production and the transfer of an investible surplus to the urban economy. These links will be detailed as we clarify the processes of differentiation that were unfolding prior to the 1969 Agrarian Reform.

These developments occurred, first, on livestock (cattle, sheep and

alpaca) haciendas where meat for local and regional markets and wool for regional, national and export markets were produced. Traditionally, the labour on these haciendas had been supplied by *huacchilleros*, shepherds who were paid a token salary and, more importantly, were allowed to graze their own livestock along with those of the hacienda on the hacienda pastures. As agriculture and pasture land is very scarce in the Sierra, these grazing rights were of substantial economic importance to the *huacchilleros*. However, rising world market prices for wool encouraged the sheep and alpaca *hacendados* to improve their pastures and livestock-breeding practices and to increase the size of their own herds. This called for the disappearance of the *huacchillero*, who was not only using hacienda pastures but encouraging indiscriminate breeding by hacienda livestock. Nevertheless attempts by *hacendados* to replace *huacchilleros* with wage-labourers met with strong resistance (for an interesting viewpoint on this matter, see Martínez-Alier, 1973, 1978).

Three distinct processes of differentiation resulted from the struggle between *huacchilleros* and *hacendados*. In a few cases it proved possible to expel the *huacchilleros* and introduce more fully capitalist relations of production, even though struggles between peasants and landowners continued. The classic example of this type of transformation is the land controlled by the Cerro de Pasco Corporation in the Central Sierra. Another form of transition involved confining the *huacchilleros* to the most marginal hacienda lands (usually the highest altitudes, with the poorest pastures), allowing improved pastures and breeds to be developed by the *hacendado* on the better land for the export market and the growing national textile industry in Arequipa and Lima. In the case of Arequipa, an alliance between the *hacendados* and the industrial bourgeoisie permitted a close control of the circulation process which confined *huaccho* wool to the local community and artisan market, while the improved wool was reserved for the industrial firms. This 'Junker-type' transition also produced a differentiation between *huacchilleros* in terms of amounts of land controlled. Those with few animals were slowly forced to supplement family income by selling their labour power (Romero, 1978). In a third type of situation, the *hacendado* lacked even the modest degree of political and ideological control over *huacchilleros* required to protect selected land. Here the peasants' capacity for struggle effectively prevented the transformation of wool and meat production into a controlled labour process. These haciendas simply dissolved, converting the *hacendado*, more often than not, into a local merchant and the estate land into small peasant holdings.

Most Sierra haciendas devoted part of their land to the cultivation of crops, mainly foodstuffs for regional markets. The traditional labour system on agricultural haciendas was a combination of tenancy and *colonato*. The *colonos* (*peones* or *feudatarios*), who formed the resident labour force of the hacienda, were given usufruct rights to a parcel of

land on which they could construct their living quarters and grow their own food. In return, all of the members of the *colono* family had to perform labour services for the *hacendado*, whether on the choice lands reserved for his use or in his house. As urban areas expanded and their populations grew, foodstuff production became increasingly attractive and the haciendas used various means to increase their production. The same basic patterns of differentiation are encountered here as in the case of the wool-producing haciendas. That is, if *colonos* and sharecroppers could be expelled from the land, the *hacendado* took over the direct supervision of production and employed wage-labourers. Elsewhere the peasants' usufruct plots were reduced in size and/or marginal lands were sold off so as to permit the capitalisation of the fertile core of the estate. Finally, where landowners for political or other reasons could not exercise effective control over the peasantry, haciendas were occasionally broken up entirely into small plots.

All three types of transformation, though most frequently the first two, were exemplified in the experience of Cajamarca (in the Northern Sierra) following the establishment there in 1947 of the PERULAC (Nestlé) milk-processing plant. In Cajamarca in the 1950s and 1960s not only were large estates converted into capitalist enterprises with great success but small peasant units switched their production from subsistence crops to dairy herding, becoming dependent on the market for the provision of subsistence needs. However the very small average size of peasant holdings following the transformation of the haciendas meant that the great majority of peasants were unable to sustain their families from the land alone, making the region an important source of migrant and part-time wage-labourers (Deere, 1977; Rainbird and Taylor, 1977).

Also producing foodstuffs in the Sierra was an important sector of small farmowners producing mainly for subsistence needs and selling any surpluses on local or regional markets. In some areas, for example in the region of Arequipa, the small farm sector was highly commercialised, producing certain foodstuffs for the national market and dominating the regional agrarian scene. In this area agricultural labour was supplied mainly by family members or on a part-time basis, with the women frequently directing the farm production process and the men selling their labour-power or dealing in commerce (Romero, 1978, p. 175ff).

Alongside these forms of production remained the indigenous communities. In most cases these had been forced onto the most marginal lands by hacienda owners who completely dominated the local power structure and the marketing of surplus production. There were some 5000 indigenous communities that experienced this type of domination (Spalding, 1974).

Pauperisation and semi-proletarianisation

We have seen, then, that the transformation of the relations of production in Peruvian agriculture in the decades before 1968 was both substantial and varied in its forms. However, a common feature of these processes was continuing poverty, if not continued impoverishment, for the majority of rural producers. Table 2.1 shows data collected in the early 1970s on levels of household income in the major regions of Peru.

TABLE 2.1 *Monthly household income by region, August 1971 – August 1972*

Region	Monthly household income (soles) ^a		Percentile distribution	
	Mean	Median	Households	Income
Lima metropolitan area	9 860	6 900	20.1	43.7
Other large cities	5 840	4 170	11.1	19.3
Smaller urban centres	4 850	3 330	14.4	15.3
Rural sector				
<i>Coastal Area</i>				
<i>North</i>	2 950	2 350	4.3	2.8
<i>Central</i>	4 010	3 130	1.7	1.5
<i>South</i>	3 500	2 580	1.5	1.2
<i>Sierra</i>				
<i>North</i>	1 790	1 050	15.0	5.9
<i>Central</i>	2 530	1 310	11.8	6.5
<i>South</i>	1 360	620	13.6	4.1
<i>Jungle</i>				
<i>High</i>	3 750	2 030	3.9	3.2
<i>Low</i>	2 540	1 120	2.6	1.5
Rural total	2 230	1 170	54.4	26.7
TOTAL	4 500	2 500	100.0	100.0

^a In 1972 43.50 soles were equal to US\$1.00.

SOURCE: Encuesta Nacional de Consumo de Alimentos (ENCA).

Although these figures need to be approached with a degree of caution,¹ the columns indicating absolute levels of income show clearly enough that incomes were tremendously depressed in regions such as the Southern Sierra where independent peasant producers and indigenous communities predominate. The percentages suggest that households in all three divisions of the Sierra, and consequently in the rural sector as a whole, received income-shares far from commensurate with their number.

The response of households to extreme poverty has involved critical decisions about how to distribute family labour. Outcomes have varied

from region to region, depending on the way in which the extraction of surplus has been affected in the locality by the penetration of international capital, by the activities of the state and by the particular form assumed by the class struggle. Ironically the incidence of semi-proletarianisation – where family members sell their labour-power on a part-time or seasonal basis – has been lowest where household incomes have been lowest. In the Southern Sierra, where the capitalisation of agriculture has been slight and local labour markets have remained poorly developed, only 29 per cent of household incomes came from

TABLE 2.2 *Sources of household income in the rural sector(%) by natural regions, August 1971 – August 1972*

Income source	Coast			Sierra			Jungle	
	North	Central	South	North	Central	South	High	Low
Returns to labour								
Wages	64.6	58.8	59.0	40.2	38.0	28.7	24.5	27.9
Self-employment	25.8	27.2	30.5	37.1	34.6	47.6	56.8	51.4
Rents	1.1	1.8	1.9	2.2	1.3	1.5	2.3	4.1
Transfers	5.1	7.9	5.5	4.8	3.6	5.1	3.1	2.1
Payments in kind	2.7	2.6	1.8	2.5	1.3	2.3	0.8	1.9
Auto-consumption	0.7	1.7	1.3	13.3	21.2	14.8	12.5	12.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

SOURCE: Carlos Amat y León and Héctor León Hinostriza, *Estructura y Niveles de Ingresos Familiares en el Perú* (Lima: Ministerio de Economía y Finanzas, 1978) on the basis of ENCA.

wages in 1971–2, as Table 2.2 reveals. The figures for the other divisions of the Sierra, as well as those for the coast, were markedly higher. In Cajamarca, another Sierra region with a numerous *minifundista* (dwarf-holding) peasantry but distinguished by the importance of capitalist agriculture and the relative proximity of coastal sugar and cotton estates, the situation was quite different from that of the south. Peasant households holding less than 3.5 hectares of land received 51 per cent of their income in the form of wages, earning a further 19 per cent from self-employment in handicrafts and commerce (Amat y León and León Hinostriza, 1978, Table III; Havens, 1976, Table 22).

2 CRISIS OF HEGEMONY, ARMED FORCES AND AGRARIAN REFORM

Land reform has been a political issue in Peru since the 1920s when the APRA party advocated agrarian reform as part of its platform. At that

time, the ruling classes were strongly opposed both to any suggestion of land reform and to APRA itself. By the 1950s, however, all but the most conservative political tendencies recognised that some form of land reform was necessary. Even so, it was not until 1964 that an Agrarian Reform Law was passed, and the 1964 law was so complex, had so many exclusions and loopholes, and offered such generous compensation to the landowners that its implementation proved very difficult. Indeed, it may be argued that the law was designed so that little could be accomplished.

Up to the early 1950s, the landowning classes had consisted of two broad categories: the traditional *hacendados*, whose estates combined pre-capitalist relations of production with poorly developed productive forces (technology and organisation of production); and the agrarian bourgeoisie, which was employing wage-labour and improving the productive forces. With important exceptions already alluded to, Sierra landowners were 'traditional' (exceptions: capitalist livestock haciendas in the Central and Puno highlands; dairy herding in Cajamarca) and concentrated on producing foodstuffs for the domestic market (exceptions: wool and coffee exports). Coastal landowners were generally capitalist concerns (exception: some small and medium haciendas continued to have sharecroppers or *yanacónas*) and produced mainly for the export market (exception: some smaller haciendas produced foodstuffs for the coastal cities). Closely tied to the landowning class, and especially to the export producers, was a commercial and financial bourgeoisie which controlled the export-import trade and sectors of banking. In addition there was a small industrial capitalist class whose interests conflicted with those of both the landowners and the commercial bourgeoisie.

Beginning in the 1950s, the socio-economic structure of Peru underwent several important changes. First of all, the rural population and the agricultural labour force declined in relative terms, the latter dropping from 49.1 per cent of the total labour force in 1961 to 43.8 per cent in 1971. Although agricultural productivity increased overall by an average of 2.5 per cent per year between 1950 and 1970, the *per capita* food production index declined from 100 for the 1952-6 period to 95 in 1972. Agriculture's contribution to gross domestic product dropped from 22.5 per cent in 1960 to 16.1 per cent in 1970. And, although the value of agricultural exports increased by 50 per cent between 1950 and 1970, agriculture's *share* of exports declined from 55.1 per cent to 15.5 per cent (Horton, 1974, p. 11). Both mining and fishing expanded rapidly during the 1950s and 1960s, taking over agriculture's role as the main source of foreign exchange. Manufacturing growth was also significant despite being oriented towards the internal market which, in Peru, is quite limited.

These changes in the economic structure produced corresponding

shifts in the Peruvian class structure. In the power bloc, some dominant-class groups progressively lost economic and/or political power, while others gained strength and began to aspire to hegemony. Already by 1950 the 'traditional' Sierra landowners (the *gamonales*) had lost most of their political power and depended heavily on an alliance with the more progressive landowners on the coast (Spalding, n.d.). The coastal landowners had retained substantial political power because of their control of the production of the main agricultural exports, sugar and cotton. However, during the late 1950s and the 1960s they too found their position weakening, politically as well as economically. At the same time as the Peruvian economy was becoming increasingly dependent on imported foods the political legitimacy of the landowning classes was being undermined by increasingly frequent peasant uprisings and land invasions.² While most were repressed, some of these movements achieved their main objectives and a few were very successful. The largest and most important peasant movement, that of the valleys of La Convención and Lares, near Cuzco, gained control of the region, expelled the landowners, and implemented its own land reform. Although the military eventually regained control of the region and captured the movement's leaders, the government was still forced to recognise the *de facto* land reform (Blanco, 1972; Fioravanti, 1974; Malpica, 1970).

The intervention of the military in the peasant uprising in La Convención-Lares deeply affected some sectors of the Army. This was the first time that the Army had been called in to suppress a popular movement in the southern interior of the country. Direct experience of the pre-capitalist conditions prevailing in the area left some officers impressed by the legitimacy of the peasants' demands as well as by the dubious legality of the landowners' labour practices. The more progressive elements of the military became convinced that a nationwide agrarian reform was needed as a precondition for overcoming the backwardness of the country. At the same time the success of the movement of La Convención-Lares demonstrated to military strategists the dangers of delaying an attack on Peru's backward rural structures (Villanueva, 1973).

As the landowning classes lost political power, so the urban-based domestic bourgeoisie gained influence. However, the strictly industrial bourgeoisie producing for the internal market was developing relatively slowly. After an initial burst in the early 1960s based on import substitution and the production of inputs for the fishing industry, the industrialisation process slowed down. The basic reasons seem to have been the end of the fishing boom, a lack of dynamism in real domestic demand due to the concentration of personal income, and the failure to establish external markets for manufactures (FitzGerald, 1976). The industrialisation that did take place was capital intensive, generated little

employment, needed large quantities of imported inputs and was dominated by multinational corporations. The fraction of the dominant class whose economic base was in the primary extractive sector (export-agriculture, mining and fishing) was helped to hold on to political control by its strong ties with foreign capital.

The economic and social crises which erupted during the 1950s and 1960s led to the widespread perception of a need for basic changes. At the political level, this mood manifested itself in the appearance of new parties. Although swelled by *ex-apristas* who felt that APRA had abandoned its reformist vocation, the new organisations were chiefly the creations of groups not previously active in politics. Thus the Partido Demócrata Cristiano, the Movimiento Social Progresista and the Partido Acción Popular drew support from sectors of the national industrial bourgeoisie, professionals (lawyers, engineers, architects, writers and social scientists), the middle sectors (teachers, government officials and bank employees) and the more progressive elements of the Catholic Church and the military officer corps, as well as from sectors of the working class and the peasantry. These progressive groups believed that structural changes were necessary in order to remove 'feudal' obstacles to capitalist development. The changes proposed included agrarian, urban and fiscal reforms and a more active involvement of the state in the promotion of industrial development.

Some of the new political currents perceived the existing socio-economic structures as containing a threat to Western civilisation, which was viewed as being under attack from within and without. Whilst the 'external enemy' was international communism, the revolutionary potential of the working class and the peasantry constituted an 'internal enemy'. The only way to combat this double threat was to promote social and economic development. An agrarian reform was required in the first place to eliminate pre-capitalist forms of exploitation, reduce the concentration of landownership and increase food production. But the resulting redistribution of income would also expand the internal market, encourage industrialisation and reduce social tensions.

Thanks in part to the military intervention of 1962, the more progressive sectors were able to elect their candidate, Fernando Belaúnde Terry, to the presidency in 1963. However, lacking a majority in the Congress and under strong pressure from domestic conservative forces and certain foreign interests, Belaúnde failed to implement the measures promised in his election campaign. As a result, he lost legitimacy and, in particular, the support of the more progressive components of his political alliance, including elements of the military. Although an Agrarian Reform Law was pushed through Congress, the opposition was able to modify it in such a way that it became the unwieldy instrument referred to at the beginning of the section. Belaúnde's failure to carry out an effective land reform, together with the fiscal crises of 1966-7 and the administration's

inability to sustain an economic policy favourable to industrial development, allowed a section of the Army backed by the disenchanted progressive forces to take control of the state.

3 AGRARIAN REFORM AND CLASS STRUGGLE, 1969-79

The military government's 1969 Agrarian Reform grew out of the class struggles described in the previous sections and formed part of a plan to increase rates of capital accumulation in Peru and to renegotiate Peru's role within the international division of labour. Although the plan was heralded as 'neither capitalist nor communist', it was clearly capitalist in design. Whilst its rhetoric was anti-imperialist, the government's programme gave an important place to international capital, seeking merely to negotiate the terms of a true partnership between the latter and the Peruvian bourgeoisie. The plan counted on extracting a surplus from agriculture to finance a programme of basic industrial development, and it depended on export-agriculture to supply a part of the foreign exchange needed to equip the new industries. The Agrarian Reform was intended as a means of accomplishing these goals and at the same time incorporating the peasantry politically by building popular support for the 'Process' (Petras and Havens, 1979).

Specific objectives

More specifically the Agrarian Reform was designed to achieve seven objectives, each of which may be indicated briefly.

1. *The exclusion of both the Sierra landowners and the agrarian bourgeoisie from the production and appropriation of surplus in agriculture.* This aspect of the reform was incorporated into the 1969 Agrarian Reform decree (DL 17716) by fixing the 'limit of unaffability' at 150 hectares of irrigated agricultural land on the coast and between 15 and 55 irrigated hectares or their equivalent in the Sierra and High Jungle.³ The objective was underlined by ending the exemptions enjoyed by the agro-industrial sugar complexes under the 1964 law; both the land and the associated industrial processing plants were now affected. On the other hand there were several initial ambiguities in the reform. Most importantly, landowners could avoid expropriation through 'parcelisations by private initiative'. In many cases such parcelisations constituted evasions of the spirit if not the letter of the law, since they involved giving title to the relatives or cronies of the landowners with scant changes in the organisation of production. Against this we may set the fact that the law contained provisions for the expropriation of lands below the established minimum in particular circumstances, opening up the possibility of a radicalisation of the

reform in its implementation phase. Finally, in order to reduce resistance from landowners and at the same time promote industrialisation, the law provided that compensation be paid partly in cash and partly in bonds which could be exchanged for stock in industrial enterprises created, or to be created, by the government.

2. *The promotion of owner-operation and the removal of land from the market.* First, the law aimed at the complete elimination of absentee landlordism, the various forms of renting and servile relations (*colonato*, etc.). Second, the direct producers were no longer to be in a position where they could be stripped of their land through the operation of 'market forces' (e.g. through debt). The state was made legally responsible for all transactions in land.

3. *Cooperative collectivisation in preference to distribution to families.* The intention was to form or maintain in existence as far as possible large production units with centralised management. Especially from 1972 on, new 'associative enterprises', not family farms, were seen as the principal agents of agricultural development by the agrarian reform authorities. Two principal forms of associative enterprise were created – *Cooperativas Agrarias de Producción* (Agrarian Production Cooperatives) and *Sociedades Agrícolas de Interés Social* (Social-Interest Agricultural Societies). Their main features are described below.

In practice, centralised management presented few major problems in the agro-industrial complexes and on the modern coastal haciendas, which had already been operating as capitalist enterprises. However, in the majority of Sierra estates there had been little managerial centralisation and the prevailing forms of agricultural production and rent extraction were pre-capitalist. In these cases, the 1969 law gave priority to the claims of *feudatarios* and small tenants to the plots they worked but there was also the expectation that it would prove possible to strengthen the centralised part of the hacienda and 'extend the centralised management of resources to include and proletarianise the peasant members' (Caballero, 1978b, p. 34).

4. *The allocation of expropriated land in such a way as to incorporate neighbouring peasant communities and even out differences in income and access to resources among peasants.* It was intended that a greater number of people should be embraced by the newly created associative units than had been involved in the expropriated estates. This objective was put into effect, as we shall see with mixed success, in the creation of the CAPs and SAIS. It was also one of the aims of the establishment, from 1972, of *Proyectos Integrales de Asentamiento Rural* (Integral Rural Development Plans). The PIARs, which incorporated several associative enterprises within a given region, were designed to promote regional economic integration and planning by centralising marketing, processing and service provision for a group of enterprises.

5. *The administrative and economic incorporation of indigenous*

communities. The communities, henceforth to be known as *Comunidades Campesinas* (Peasant Communities), were to be encouraged to transform their traditional forms of economic organisation and internal government into entrepreneurial (i.e. cooperative) forms, which would assist their integration into the national political economy.

6. *Participation by land-reform beneficiaries in the production decisions of the new enterprises.* The proposed 'participation' had clear limits. For example, in the case of the agro-industrial sugar CAPs, legislation decreed in 1970 established four groups of workers: (i) manual field workers, (ii) manual industrial workers, (iii) clerical and service workers, and (iv) high-level managerial staff. Although these groups were of very varied numerical weight, each was given 25 per cent of the representatives on the governing and managing bodies of the cooperative (Pásara, 1971b, p. 49). In this way it was hoped to coopt workers into a system of entrepreneurial organisations dominated by technocratic and production considerations.⁴

7. *State intervention and control.* Finally, a high degree of state intervention was written into the 1969 law and subsequent complementary legislation. At the economic level, the state was given control over land use, wages, marketing and investments in the associative enterprises. This greatly circumscribed the participation of the beneficiaries. At the political level, the state attempted at first to limit union organisation and later to channel mass mobilisation into structures created as mediation mechanisms under the umbrella of the *Sistema Nacional de Apoyo a la Movilización Social* (National Social-Mobilisation Support System).

Before analysing the actual outcome of the Agrarian Reform, we will describe briefly the different types of production unit that were contemplated: the CAPs, SAIS and Peasant Groups.

The CAPs (Agrarian Production Cooperatives) were designed to take the place of existing large private units that were already operating with centralised management. Ownership was transferred to the hacienda workers, who in turn had to pay for the land over a twenty-year period. The sums received by the state were to be used to amortise the Agrarian Debt bonds with which the landowners had been compensated. Four different categories of CAP were distinguished in practice: (i) the agro-industrial CAPs based on the sugar complexes of the northern coastal valleys, which were equipped with modern technology and produced mainly for export; (ii) coastal farms, generally formed by fusing ex-hacienda land with that of neighbouring *colonos*, which produced a combination of subsistence crops and cash crops, the latter destined mainly for the internal market; (iii) Sierra CAPs, whose technology varied considerably depending on whether the ex-hacienda had been 'traditional' or 'modernised' and whose production included both subsistence and cash crops; and (iv) high-jungle CAPs in which cash crops were produced with modern technology both for the domestic

market and for the international (coffee) market, with cooperative members also having access to small plots of land on which to cultivate subsistence crops or produce for sale on local markets.

The SAIS (Social-Interest Agricultural Society) was a form of joint stock company designed to accommodate within a single entrepreneurial unit one or more ex-haciendas and the neighbouring indigenous communities. The communities became joint owners with the ex-employees of the hacienda (who were required to form themselves into a cooperative), the day-to-day management of the SAIS falling effectively under the control of the latter. As with the CAPs, the beneficiaries were expected to make annual Agrarian Debt payments to the state. Although largely confined to grazing lands in the high Sierra, the SAIS were expected to rationalise the production process and at the same time redistribute income within the agrarian sector, thereby contributing to the expansion of the internal market.

Finally some land was assigned to 'Peasant Groups', which were intended as the first step in a process which would eventually culminate in the establishment of new cooperatives. Most of the lands involved were occupied by ex-*colonos* who, denied access to the resources which would have made possible the transition to cooperative forms, continued to operate as independent peasant cultivators.

From plan to reality

The reforms of the Velasco period add up, in our view, to a national industrialising effort carried out under a corporatist regime with populist tendencies. Within a wider framework of state-promoted industrialisation and corporatist 'participation', the Agrarian Reform was intended to effect a fundamental alteration of property relations in the larger agricultural production units—converting them, to all intents and purposes, into state-controlled concerns—whilst leaving intact small- and medium-sized private holdings. The 1969 law and some initial implementation efforts included an attempt to reinforce middle-sized properties (Pásara, 1971a, p. 119). However, by 1972 it was apparent that a decision had been made not to base agrarian development on the middle agrarian bourgeoisie, and indeed to minimise its presence in the countryside. This was formalised into the law towards the end of 1975 when the legal unaffordable limit was reduced to 50 irrigated hectares on the coast and 30 hectares in the Sierra (Valderrama, 1976).

Despite the apparent coherence of the military's project the entire reform process was haunted by conflicting policies and interests. One such contradiction was the way in which the public sector, including the important sectors of the economy which had been taken over from foreign capital (in all cases with compensation), depended on foreign capital to finance its growth. Another set of conflicts were those

involved in the relations of production *within* state-directed enterprises, where military-appointed managers and wage-labourers continued to operate in a purely capitalist framework. As for the Agrarian Reform, it was carried out on a massive scale and had a progressive character in so far as a direct attack was made on the agrarian bourgeoisie and the pre-capitalist appropriators of surplus, effectively eliminating them from the Peruvian agricultural scene. On the other hand the state was committed to exploiting the peasants in the new cooperative units in order to transfer a surplus to state enterprises and the state bureaucracy. That the Agrarian Reform achieved as much as it did was in large measure the result, not of decrees from 'above', but of mass struggle.

The pivotal step in the struggle to eliminate the traditional extorters of surplus in agriculture centred around the issue of private parcelisations. As we have seen, under the 1969 Agrarian Reform Law, owners of haciendas could privately parcel up their lands. This facility was widely utilised to divide land between relatives and friends in order to avoid expropriation. Already by November 1969, Decree Law 18002 had removed this option, but by this time many haciendas had already been parcelled up. Peasants and workers in these areas joined in a struggle to have the private parcelisations declared illegal, and for expropriations to proceed.

The key struggle to attain the retroactive negation of private parcelisation was led by the workers and peasants of the Huando estate north of Lima, who allied with Lima-based trade unions and progressive sectors including the students and workers of the National Agrarian University and the newspaper *Expreso*. The agrarian bourgeoisie employed as agents of the struggle the Sociedad Nacional Agraria (National Agrarian Society), the Bar Association and prestigious national dailies (particularly *La Prensa*).

The struggle on the part of the workers took the form of strikes, protest marches and direct confrontations with agents of the state. Between October 1969 and October 1970, strikes of short duration and 24-hour stoppages occurred. With the cementing of the alliance between the Huando workers and Lima-based sectors, an indefinite strike began in October 1970. The owners' counter-attack was confined to working through the courts and state agencies. The agencies of the state that were particularly involved in attempting to break the strike were the Ministry of Labour and the Agrarian Court. The Ministry declared the strike illegal, which theoretically permitted the sacking of all of the strikers, and the Agrarian Court intervened by declaring, what was true under extant law, that the parcelisations had been legal.

However, the workers persisted and numerous sympathy work stoppages in Lima during October and November of 1970 helped to prevent the use of force to expel strikers from Huando. The results of this struggle included (i) the nullification of the parcelisation of Huando

in February 1971 and the eventual expropriation of the entire estate; (ii) the establishment of bonds of solidarity between the Huando workers and peasants and those of other coastal valleys where successful struggles were mounted against private parcelisation (with the effect that even parcelisations which had occurred under the 1964 Agrarian Reform Law were voided); and (iii) the dissolution in May 1972 of the SNA, which had been the principal propaganda arm of the agrarian bourgeoisie during the phase of conflict we have been describing.⁵

It should be noted, on the other hand, that success in these short-term struggles did not assure worker control of the production cooperatives. The agricultural model presented by the Velasco regime centred around large cooperative units producing for the export market and small independent producers supplying cheap food for the growing industrial sector. When workers on the cooperatives demanded control over the distribution of surplus, the state bureaucracy clamoured for repression and strengthened the authority of the appointed managers of the cooperatives. While the Velasco regime sought popular support, the interests which dictated policy were anchored in the basic class relations of state-directed capitalist development. Efforts to encourage mass organisation were always short-lived or, if they survived, eventually turned themselves against the government. The military regime was interested in mass movements which fitted in with its own plans for capitalist development under state direction: any development in the direction of class-struggle politics was repressed sooner or later. Class struggles oriented towards the elimination of particular fractions of the dominant class (e.g. the agrarian bourgeoisie and pre-capitalist land-owners) were condoned and even encouraged, but struggles against the overall relations of class domination were not.

An example of this contradiction between limited mobilisation in support of the regime and the realities of class-struggle politics emerged in the highland province of Andahuaylas in 1973. The basic land-distribution situation in Andahuaylas was typical of much of the Sierra in that medium-sized haciendas occupied the fertile valley where water was available, while the *colonos* and Indian communities were confined to the high mountain areas suitable only for grazing or dry-land farming. Moreover as of 1973-4 the Agrarian Reform had affected a rather small proportion of the land throughout the Sierra. Although one SAIS had been created in Andahuaylas, the vast majority of the *colonos* and the Indian communities had received little benefit from the reform and the basic forms of class domination remained as they had been before 1969. *Colonos* continued to work on lands belonging to *gamonales* (pre-capitalist appropriators of surplus) and were subject to traditional forms of extra-economic coercion as well as to surplus extraction via the payment of the Agrarian Debt.

In 1973, the *colonos* and Indian communities formed a provincial

peasant organisation (FEPCA) and a year later land take-overs were approved as an appropriate form of struggle. FEPCA was limited in the alliances it could make because of the area's relative isolation from important urban centres and the organisation's outright opposition to the agrarian reform apparatus of the state. Its only source of support was the Confederación Campesina del Perú (Peruvian Confederation of Peasants), the national body to which it was affiliated. The CCP, however, was itself fragmented. Founded in 1956 by the Moscow-line Peruvian Communist Party, the CCP split in 1973 into two fractions, one linked to the Maoist group *Bandera Roja*, the other led by *Vanguardia Revolucionaria* (a political tendency which, in turn, was in the process of splitting into two groups). To make matters worse, the pre-capitalist *hacendados* had penetrated the local offices of SINAMOS, thus ensuring an unsympathetic response to the peasants' action from the government side in the province.

The forms of struggle adopted by the peasants were (i) the take-over of 31 medium-sized haciendas, (ii) the protection of these liberated lands through strikes and the setting up of road blocks, and (iii) the establishment of a dual power structure. The response of the *hacendados* and *gamonales* was to employ their connections in the local and national apparatuses of the state, especially the Ministry of the Interior, the Agrarian Reform Directorate of the Ministry of Agriculture, SINAMOS and the Army. The police (*Guardia Civil*) attacked groups of peasants, causing at least one death, and arrested and maltreated FEPCA leaders. SINAMOS took over the local radio stations to broadcast propaganda against FEPCA and provide assurances that legal land expropriations would be put into effect in the near future (Valderrama, 1976, Document 7).

In this fashion, the major thrust of the struggle by the peasants was blunted. As a result, although some increase in the peasantry's access to productive land was obtained and the corresponding Agrarian Debt payments were deferred, the basic relations of production and appropriation of surplus remained largely unchanged. In short the Andahuaylas struggle forced the government to show its anti-popular face and to reveal the class character of its agrarian reform.

Just as SINAMOS was becoming more and more associated with the repression of rural mobilisation, a new organisational form to control the peasant movement was formally inaugurated. In early 1972, following upon the dissolution of the SNA, Decree Law 19400 had established the framework of the Confederación Nacional Agraria (National Agrarian Confederation), a state-directed body under the responsibility of SINAMOS with the purpose of coopting peasant movements. The base organisations of the CNA – the *Ligas Agrarias* (Agrarian Leagues) – grouped together the middle peasantry, small peasant producers, indigenous communities and members of cooperatives. By September

1974, when the CNA held its founding congress, it was seen openly as a means of counteracting the influence of the CCP, which was growing both in the Sierra and in the agro-industrial complexes. The union movement in the coastal CAPs became increasingly radical as it became clear that workers were not going to control the production and distribution of surplus. In the Sierra, the SAIS were showing their incapacity to control peasant labour, and the CCP was successfully organising land take-overs.⁶

As we have explained, for the ideologues of the Agrarian Reform the SAIS was a means not only of spreading the benefits of land allocations but also of accelerating the capitalisation of production in the stock-rearing areas of the Sierra. The idea was that grouping Indian communities, *colonos* and hacienda lands and livestock within a common quasi-cooperative framework would reduce the ability of the *huacchilleros* to defend the access of *huaccho* livestock to pastures. Whilst the *huacchilleros* would be coopted by virtue of their membership of the SAIS, their stock would be brought under the control of a technical committee which could centralise estate management and assure the extraction of surplus. In practice, however, the expropriation of lands was considerably delayed in most parts of the Sierra (generally adjudications began in 1973) and the *hacendados* were able to decapitalise their estates by removing infrastructure and selling improved livestock through contraband outlets. By the time of expropriation, most non-*huaccho* pasture lands were carrying very little cattle. The *huacchilleros* had gradually extended their use of grazing lands as the *hacendados* sold livestock, so that at the time of expropriation it was not uncommon for the *huacchilleros* to control more than half of the pasture lands of the future SAIS and much more than half of the livestock.⁷

The SAIS thus became a reality with class struggle an integral part of it. *Huacchilleros* and *colonos* or wage-workers made common cause against the Technical Committee representing the state, the Ministry of Agriculture, SINAMOS and the local commercial bourgeoisie (marketing agents and suppliers of inputs).⁸ The forms of struggle adopted included refusal to abandon lands, refusal to allow *huaccho* livestock to be 'collectivised', the slaying of cooperative livestock, refusal to tend the cooperative pastures, and direct battle against the agents of the state. The commercial bourgeoisie and agents of the state used locally organised police, and in some instances Civil Guard or Army troops, to evict *huacchilleros*.⁹

As these struggles unfolded, the CNA began to take on a life of its own. At the local level, many *Ligas Agrarias* supported the land invasions on SAIS and CAPs. At the national level, the CNA began seeking ties with the urban unemployed and industrial workers, arguing that cheaper food could be provided for the urban centres if the state would allow the CNA to organise the production and distribution of

food. This class-based approach was a threat to the military regime and in June 1978, the CNA was declared to be disbanded.¹⁰ However, the movement could not be decreed out of existence and the effect of the measure was to encourage closer collaboration between the CNA and the CCP. In 1978 numerous highland SAIS and CAPs were divided up into private parcels as a result of land take-overs (Boletín Informativo Agrario, 1978; *LAER*, 29 June 1979, p. 197).

4 THE NEW AGRARIAN STRUCTURE

How much did the military's Agrarian Reform achieve? Table 2.3 shows the area and value of the land allocated to each of the types of production unit recognised by the 1969 law. It also indicates the numbers of families benefited in each category and resulting average values for

TABLE 2.3 Land redistribution under Agrarian Reform, 1969-75

	Area allocated		Value of land allocated		Beneficiary families		Average land value per family (thousands of soles)
	Hectares	%	Soles	%	Number	%	
SAIS	2 494 427	43	1 388 727	14	59 210	25	23
CAPs							
<i>Agro-industrial</i>	126 474	2	3 713 285	38	27 497	12	135
<i>Other</i>							
<i>coastal</i>	577 028	10	3 545 594	37	40 153	17	88
<i>Sierra</i>	1 100 587	19	484 130	5	26 602	11	18
<i>High Jungle</i>	128 948	2	95 867	1	3 829	1	33
All CAPs	1 933 037	33	7 837 876	81	98 081	41	80
Peasant							
Groups	919 210	16	349 996	4	26 405	11	13
Communities	420 373	7	99 428	1	46 025	19	2
Individuals	71 712	1	—	—	10 721	4	7
TOTAL	5 838 759	100	9 676 027	100	240 442	100	40

SOURCE Héctor Martínez, *La Reforma Agraria Peruana: las Empresas Asociativas Andinas* (Lima: Ministerio de Agricultura y Alimentación, 1978), p. 21. (This source has the advantage of indicating allocated land values; for the total land area allocated and numbers of beneficiaries as of 1979, see James Petras and A. Eugene Havens, 'Peasant Behavior and Social Change: Cooperatives and Individual Holdings', in Clifford S. Russell and Norman Nicholson (eds.), *Public Choice and Rural Development* (Washington: Resources for the Future, 1981), Table 8.3.)

the land allocated per beneficiary family.

The largest amount of land (43 per cent of the total allocated) was assigned to SAIS, but more telling is the *value* of the allocations. In value terms, CAPs account for 81 per cent of the total land expropriated. This is not surprising considering that most CAPs coincide with former capitalist enterprises, which had a greater proportion of their land under irrigation and more infrastructural development than other haciendas. The figures also reflect the fact that much of the Sierra land is pasture and unsuitable for cultivation. Taken together, the SAIS and CAPs in the Sierra account for 62 per cent of the allocated land and 36 per cent of the beneficiary families but only 19 per cent of the total land value. On the other hand, twelve agro-industrial CAPs, accounting for only 2 per cent of the land and benefiting only 12 per cent of the families, concentrate 38 per cent of the value. The other coastal CAPs account for 37 per cent of value with only 10 per cent of land and 17 per cent of beneficiary families. Peasant Groups and Communities together account for 30 per cent of the families but only 5 per cent of the allocated land value.

As Table 2.3 further indicates, up to 1975 only about 6 million hectares of land (out of roughly 12 million hectares of land suitable for crops or grazing) were affected by the reform and 240 442 families received some land in some form. This means that smallholder families accounting for about 60 per cent of the agricultural labour force, the bulk of them with less than 5 hectares of land, were excluded from the process of redistribution. Another 15 per cent of the agricultural labour force who have no access to land but work as temporary or seasonal labourers were also excluded from the reform. They continue to work as migrant labourers on the CAPs during periods of peak labour demand. This large peasant and landless sector of the agricultural population was effectively cut off from any benefits of the reform. But, to make matters worse, most inputs to agriculture such as credit, technical assistance and subsidised fertiliser were channelled by the state to the reformed units (CAPs, SAIS, etc.). The consequences of the price controls that were imposed on basic foodstuffs thus fell most heavily on the excluded rural families. In short, the military's agrarian policy not only brought no benefits to the majority of rural families but contributed actively to their continued impoverishment.

The impact of the Agrarian Reform on the relations of production in Peruvian agriculture may be summed up as follows. Starting with the coastal region, we notice that the former wage-labourers of the sugarcane haciendas continue to be wage-labourers. Their wages, working conditions and living standards improved until 1975 but have deteriorated since (Actualidad Económica, 1979). As members of a cooperative, they are formally the owners of the enterprise, but the real processes of production and appropriation of surplus value are directed by the state

through administrators backed by the police or the military in conflict situations. For their part, the *eventuales* (temporary wage-labourers) employed by these agro-industrial CAPs have not been affected by the land reform. No land was distributed to them, nor were they incorporated as members into the cooperatives (Caballero, 1978a; Montoya, 1978). Elsewhere on the coast, the *yanacunas* have become owners of their usufruct plots, thus transforming themselves into independent peasants, but many still supplement their incomes by working on ex-hacienda lands, now CAP lands.

In the highlands the situation is more complex. On the CAPs, the agricultural ex-haciendas, the underlying relations have changed little. The former *colonos* now own their small plots but they continue to work on the estate (now cooperative) lands much as before. Although the landlord has now been eliminated, the CAP members must make Agrarian Debt payments to the state out of the proceeds of working the cooperative land. Frequently in the Sierra CAP members receive below minimum wages, little credit and no technical assistance. As a result there is a tendency on these cooperatives for the peasants to increase their individual plots at the expense of the cooperative and to become small, independent peasants (Petras and Havens, 1981). On the large livestock estates that were made into SAIS, the attempt to unite the former estate workers or *huacchilleros* and the surrounding communities within a single framework to further the development of capitalist enterprise has largely failed. In these areas the Agrarian Reform met the resistance of the *huacchillero*, as well as the resentment of neighbouring communities whose pastures were not as extensive as those of the estate. As we mentioned earlier, this has resulted in the invasion of the SAIS lands by communities and the killing of SAIS livestock.

Finally, because most rural families – small peasants and landless labourers – have been prejudiced rather than benefited by the reform, the 'unreformed sector' of Peruvian agriculture has undergone a continuation of the processes of class differentiation identified in Section 1. Whilst pauperisation and proletarianisation have remained the lot of the majority, a small medium agrarian bourgeoisie has maintained its position in such areas as Arequipa, and since 1977 there have been signs of the emergence of new groups of small capitalist farmers in the colonisation areas of the jungle.

In spite of the limitations mentioned, the Agrarian Reform effort in Peru since 1969 is of undeniable importance in the context of historical development patterns in Latin America. Only Mexico, Bolivia and Chile have experienced comparable attempts to transform class relations in agriculture. Even though it did not attain the incorporation of the majority of rural producers into the new cooperative schemes, the amount of land expropriated by the Peruvian reform was massive by historical standards. Whilst under the new agrarian structure agencies

of the state control surplus and transfer it to the (since 1978 increasingly privatised)" industrial sector, the virtual elimination of the agrarian bourgeoisie and pre-capitalist landowners is an accomplished fact of no small significance for the future of Peru.

The future of the Peruvian agrarian scene cannot be predicted with any certainty. However the majority of highland SAIS appear to be undergoing a process of transformation resulting in the division of the central estate lands as well as the plots of the *ex-feudatarios* (*colonos*, etc.) into private parcels. Most CAPs on the other hand are still operating as state-directed production cooperatives, and it is difficult to foresee their privatisation. Especially on the coast, there will be an increasing tendency for workers in CAPs to turn to trade union action to support demands for higher wages and improved working conditions. Finally, outside of the coastal production cooperatives, the agrarian situation in Peru is probably best described as a continuing process of peasant differentiation and impoverishment. We anticipate that the Peruvian state, assisted by international development agencies, will attempt to control and pacify independent peasant producers through programmes of integrated rural development. However, as differentiation and impoverishment proceed, new alliances between sectors of the oppressed classes and new capacities for struggle in the countryside will emerge. These struggles will define the contours of the process of rural transformation.

NOTES

1. No allowance is made, for example, for variations in prices of consumption items between urban and rural areas (see INP, 1975, p. 10).
2. For further reading, see Cotler and Portocarrero (1969), Fioravanti (1974), Handelman (1975), Pease García (1977) and Quijano (1965).
3. Equivalent limits were set for pasture land.
4. For further details, see Stepan (1978).
5. See Valderrama (1976), pp. 58–74.
6. See the 'Chronology' in Valderrama (1976).
7. See Gómez (1976) for a case study of Caylloma, and the SINEA statistics summarised in Martínez (1978).
8. The two earliest and best-known SAIS – 'Túpac Amaru' and 'Cahuide', both in the Central Sierra – were in different ways untypical. The former, based on the livestock estates of the *ex-Cerro de Pasco* Copper Corporation, was unique in not having a '*huacchillero* problem'. 'Cahuide', despite its well-documented contradictions (Montoya *et al.*, 1974; Roberts and Samaniego, 1978) was also something of a showcase.
9. For details and allegations, see Valderrama's (1976) 'Chronology'.
10. The CNA had been among the sponsors of the successful general strike of May 1978. Since 1977 its leadership had been closely associated with the Partido Socialista Revolucionario, the party representing the more radical supporters of the 'first phase' of the military's 'Revolution'.

11. See Petras and Havens (1979).

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