

MINIFUNDIO AND DEVELOPMENT:

THE CASE OF COLOMBIA

by GJR

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Ingenierio Agronomo, National University, Colombia, 1965

A MASTER'S REPORT

submitted in partial fulfillment of the

requirements for the degree

MASTER OF SCIENCE

Department of Economics

KANSAS STATE UNIVERSITY
Manhattan, Kansas

1970

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ACKNOWLEDGMENTS

I wish to acknowledge my debt to Professor Wilfred H. Pine, who read and criticized the entire manuscript, and who has also given me the benefit of his experience and knowledge. Professor Orlo Sorenson has given me guidance and encouragement.

I am also indebted to professors Orlan Buller, Alfredo Carrasco, and Patrick Gormely who through their courses have been of great assistance in guiding me. Great thanks are due to hundreds of people who have been helpful in various ways.

Mention must be made of the understanding and encouragement on the part of my wife.

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GLOSSARY

Departamento. A Colombian political subdivision between the Central Government and the municipality.

Family farm in terms of hectares. From 5 to 50 hectares, an area of land providing a "satisfactory" standard of living to the family.

Sub-family farm in terms of hectares. Less than 5 hectares, a small area of land in general not enough to furnish minimum requirements for a family.

Multi-family medium farm in terms of hectares. From 50 to 200 hectares, an area of land which requires the use of additional labor force.

Multi-family big farm in terms of hectares. From 200 to more hectares, a large area of land which is usually farmed extensively.

Hacienda. A large, self-sufficient farming enterprise.

Hectare. A metric land measure, equal to 2.471 acres.

Latifundio. A large tract of land which is either farmed extensively or not at all.

Minifundio. A small area of land in general not greater than 5 hectares, worked by self-employed cultivator, usually characterized by a subsistence agriculture.

Ownership. An owner of the land.

Producer. A person that grows agricultural products.

INTRODUCTION

This report analyzes and interprets the minifundio in Colombia. Minifundio represents a bottleneck in the process of economic development. However, it has been studied very little.

Small farmers (minifundios) constitute 30 percent of Colombia's total population of 21 million and two-thirds of the agricultural sector. Under present conditions, these people have no chance of improving their status or increasing their income.

The government's land reform program should not limit its policies only to the redistribution of land, but should take measures, such as improvement of infrastructure, technical development, provide a degree of motivation among farmers, and stimulate participation in the process of decision making.

What is the minifundio's contribution to production? How has recent agrarian reform affected the small farmers? What are its political implications? I will also examine the problems and conflicts of the process of economic development.

In the first part of this report the historical, economic, and political factors can be observed. In part II, I describe the conditions of the owner and tenant. In part III, an analysis of efforts toward agrarian reform is made. In part IV, I examine farm management, productivity, and the effect of technological change. The following chapter studies the complexities and implications of economic and social development. Finally, some alternatives are suggested as policy elements in a solution.

I. THE AGRARIAN STRUCTURE

The Spanish conquistadores were either members of feudal aristocracy or aspired to enter its ranks. This could be done by acquiring large estates, and these the crown granted liberally as a reward for the conquest of the New World. Here were the ingredients of the latifundio system, under which rich owners of huge estates monopolized the best land, dominated the political scene, and caused economic life to stagnate.¹

From 1492 to 1810 the conquistadores and representatives of the King seized the land which the Indians were cultivating in the production of corn, potatoes etc., and transformed it into extensive pastures for horses and cattle. This, in turn, forced the agriculture of the natives back into the coves of mountains, or onto the steep slopes of the mountains and out and away from the more fertile and accessible land.²

As the years passed many of the property rights to the land, legal as well as illegal, were passed from hand to hand. In an attempt to correct this chaotic situation the king issued in 1591 the famous Cédulas del Pardo which put into effect a regularization of claim to land, which amounted to an agrarian reform.³

During the sixteenth, seventeenth and eighteenth centuries the members of the few powerful families continued taking for themselves the best land. As a result a nearly complete feudal system was established and the

¹Ellsworth, P. T. and Clark Leith, The International Economy (3rd ed., New York: Macmillan Co., 1965), p. 13.

²Adams, W. Dale, "Colombia's Land Tenure System: Antecedents and Problems," Land Economics, Vol. 42, No. 1, February 1966, pp. 43-44.

³Smith, Lynn T., Colombia: Social Structure and the Process of Development (Gainesville: University of Florida Press, 1967), p. 237.

basis was set for Colombia's future latifundio system as well as its two-class society. These have continued since with some small modifications.

A large number of the world's agricultural products could be produced somewhere within Colombia. In the tropical and subtropical areas Colombia has unused land. The agricultural sector has failed to produce the domestic food requirements.

In 1970 the population of Colombia is estimated at 21 million with 53 percent in the urban areas and 47 percent in rural areas.⁴ Agriculture, with approximately half (47 percent) of the national labor force, contributes only a little more than 30 percent of the gross domestic product. In contrast, manufacturing, with about 22 percent of the labor force, produces about 20 percent of the gross domestic product.⁵ This suggests that the productivity in the agricultural sector is low. This low productivity is possibly the result of several factors: poorly educated population; the landownership system; traditional and unorganized farm operators; the poor transportation-marketing complex; and the poor quality of the schools, health centers, recreation, and other "living comforts." All these factors have been principal obstacles to rapid economic and social development. In the next pages we make an analysis of the agricultural sector with emphasis on the minifundio.⁶

⁴ Colombia Information Service, Colombia Today (New York: Vol. 5, No. 2, February 1970).

⁵ USAID/Bogota, Agricultural Development in Colombia, December 1966, p. 1.

⁶ Minifundio: means small area of land in general not greater than 5 hectares, worked by self-employed cultivator, usually characterized by a subsistence agriculture.

The first and only agricultural census, made in 1960, shows two extremes. On one extreme there were 18,197 producers, 1.3 percent of the total, who controlled 10 million hectares⁷ of land which represented 46 percent of the land under the census. At the other extreme there were 1 million units, which represent two-thirds of the total units of the country, with 1.3 million hectares or 6.1 percent of the total area under the census.⁸

According to Table 1, 71 percent of the rural units are below 5 hectares and represent 6.1 percent of the total surface under census. On the other hand 1.3 percent of the units have 46.4 percent of the surface. This 46.4 percent represents the best land but the productivity on it is very low, as this land represents an asylum for capital against the inflationary process and is a source of status. At the same time one of the problems of Colombia is the shortage of capital, so that the social cost of this low productivity and this waste of resources is enormous.

Table 2 shows that as the size of the farm increases the assessed valuation for taxes is lower. This means that the smaller farmer, who owns the less productive land, pays relatively higher taxes per unit than the big owner. At this point it should be said that in the strategy of modern development, taxation plays a considerable role.

Development of human capital, power installation, transportation, and conservation projects may be too large or the returns may be too

⁷One hectare equal to 2.47 acres.

⁸Comite Interamericano de Desarrollo Agrícola (CIDA), Tenencia de la Tierra y Desarrollo Socio-Economico del Sector Agrícola Colombia (Washington D.C.: Union Panamericana, 1966), p. 71.

TABLE 1. COLOMBIA: DISTRIBUTION OF THE AGRICULTURAL UNITS BY SIZE GROUPS

Groups by Size (Hectares)	Units ^a		Surface		
			Total		Average Hectares
	Number	Percent	Thousand Hectares	Percent	
Less than 0.5	292,679	20.4	51.9	0.2	0.2
From 0.5 to 5	727,894	50.6	1,281.1	5.9	1.8
From 5 to 50	337,372	23.5	4,930.4	22.5	14.6
From 50 to 200	61,268	4.2	5,483.3	25.0	89.5
From 200 and more	18,197	1.3	10,161.2	46.4	558.4
<u>TOTAL</u>	1,437,410	100.0	21,907.9	100.0	15.2

Source: Elaborated by INCORA according to data from the Instituto Agustin Codazzi, February 1963 (see Appendix Table M-1) as reprinted in Comite Interamericano de Desarrollo Agricola (CIDA), Tenencia de la Tierra y Desarrollo Socio-Economico del Sector Agricola Colombia (Washington D.C.: Union Panamericana, Secretaria General de la Organizacion de Estados Americanos, 1966), p. 75.

^aDefined for census purposes as "all of the land which a producer uses fully or partially for agricultural and livestock purposes, irrespective of the tenure by which it is held, or its size and location. . . , " as reprinted in Smith, Lynn, op. cit., p. 107.

TABLE 2. COLOMBIA: RELATION BETWEEN ASSESSED VALUATION AND THE SIZE OF THE UNITS

Groups by Size (Hectares)	Average Assessed Valuation	
	Per Unit (pesos)	Per Hectare (pesos)
Less than 0.5	1,489.2	8,399.0
From 0.5 to 5	2,901.2	1,648.4
From 5 to 50	12,560.7	859.4
From 50 to 200	45,842.6	512.2
From 200 and more	186,726.0	334.4
<u>TOTAL</u>	9,038.4	593.0

Source: As reprinted in Comite Interamericano de Desarrollo Agricola (CIDA), Tenencia de la Tierra y Desarrollo Socio-Economico del Sector Agricola Colombia (Washington D.C.: Union Panamericana, 1966), p. 76.

remote to attract private investors. All these explain why governments of less developed countries, the case of Colombia, have to play a central role in the process of economic development.

The government's development program depends in large part on the economic and administrative capacity of its tax system. Recognizing the strategic importance of tax revenues the government has to increase the proportion of national income collected in taxes.

Colombia could increase the proportion of their domestic income taken by taxation without unduly disturbing the economy. One of the criteria for additional taxes, for example, can be the taxation of unproductive investment and luxury items.

Walter H. Heller⁹ says that "a tax reform which changes the relationship between landlord and tenants can be the beginning of an over-all land reform." Among the tax instruments recommended by Heller¹⁰ are "land value increment taxes, taxes on idle land. . . ." At this point it is necessary to say that tax administration has been inefficient.

Furthermore the World Bank Mission to Colombia¹¹ argues that "the most effective method of achieving maximum utilization of land is a system of taxation which would penalize poor use of good land."

⁹Heller, W. Walter, "Fiscal Policies for Under-develop Countries," Reading on Taxation in Developing Countries, Ed., R. Bird and O. Oldman (Baltimore: The Johns Hopkins Press, 1964), p. 27.

¹⁰Ibid., p. 12.

¹¹World Bank Mission to Colombia, "A Graduated Land Tax," Reading on Taxation in Developing Countries, op. cit., p. 413.

Adder¹² remarks "an increase in taxation of, say, agricultural production may be expected to affect adversely the level of agricultural output." However, the disincentive effect of increased taxes may be offset, or more than offset, by the stimulating effect of public expenditure.

Bird¹³ argues in the case of Colombia that "the mass of population, especially the rural population has become relatively worse off than before. . . , the present distribution of income in Colombia is very unequal and may well be growing even more so." With regard to these inequalities there is no place for optimism in this decade. Taxation required for expansion of education, research, and other public services will not play an important role in the redistribution of income, because after all: (a) the wealthy have the power to control the economic and political system; (b) the erosion of the tax base through inflation; and (c) the failure to correct the low valuation bases through higher rates.

It is therefore of paramount importance to improve the efficiency in tax collection before embarking on the much more difficult task of more taxes.

We can see from Table 3 that there is a direct relationship between the size and the owner relationship. At the same time as the size increases the renting proportion declines. Table 3 shows that 75.3 percent of the "farmers" own their land but CIDA¹⁴ points out that 42 percent of the

¹²Adder, H. John, "Fiscal Policy in a Developing Country," Reading on Taxation in Developing Countries, op. cit., p. 38.

¹³Bird, Richard M., "Income Distribution and Tax Policy in Colombia," Economic Development and Cultural Change (Chicago: University of Chicago Press, Vol. 18, No. 4, Part I, July 1970), p. 524.

¹⁴CIDA, op. cit., p. 169.

TABLE 3. COLOMBIA: TENURE FORMS, DISTRIBUTION BY PERCENTAGE OF THE AGRICULTURAL SURFACE ACCORDING TO THE SIZE GROUPS OF THE UNITS
(Percentage in each group by size)

Size of the Units	Tenure Forms					
	Total	Own	Rent ^a	Occupy without Title	Other Forms	Mixed Forms ^b
Less than 0.5	100.0	65.5	28.0	1.3	2.0	3.2
From 0.5 to 1	100.0	59.7	30.5	1.4	1.8	6.6
From 1 to 2	100.0	57.5	29.1	2.0	1.8	9.6
From 2 to 3	100.0	55.8	27.7	2.5	1.6	12.4
From 3 to 4	100.0	60.1	24.4	2.6	1.6	11.3
From 4 to 5	100.0	59.7	23.3	2.9	1.6	12.5
<u>Sub-Total</u>	100.0	58.6	26.5	2.4	1.7	10.8
From 5 to 10	100.0	64.9	19.3	3.3	1.7	10.8
From 10 to 20	100.0	68.8	15.5	4.9	1.7	9.1
From 20 to 30	100.0	71.4	12.3	6.9	1.8	7.6
From 30 to 40	100.0	72.8	10.4	8.4	1.6	6.8
From 40 to 50	100.0	73.2	8.9	9.8	1.9	6.2
<u>Sub-Total</u>	100.0	69.7	14.0	6.2	1.7	8.4
From 50 to 100	100.0	73.0	7.6	12.7	1.5	5.2
From 100 to 200	100.0	75.5	6.3	12.1	1.3	4.8
<u>Sub-Total</u>	100.0	74.3	6.9	12.4	1.4	5.0
From 200 to 500	100.0	78.5	5.2	10.5	1.6	4.2
From 500 to 1000	100.0	82.9	4.0	7.1	1.8	4.2
From 1000 to 2500	100.0	83.5	3.7	7.0	2.1	4.1
From 2500 to more	100.0	76.4	3.4	8.1	3.6	8.5
<u>Sub-Total</u>	100.0	79.7	4.2	8.4	2.3	5.4
<u>TOTAL</u>	100.0	75.3	8.1	8.5	1.9	6.2

Source: As reprinted in Comité Interamericano de Desarrollo Agrícola (CIDA), *op. cit.*, p. 113.

^a According to census definition.

^b Reference cited do not explain its meaning.

agricultural surface in Colombia is not directly cultivated by the owner. The implication of this statement is that farmers have to rent land or work under a sharecropping system, and because of this insecurity of tenure they avoid long term investment in equipment and land improvement, such as conservation and irrigation. It is difficult for the farmer to plan a rational rotation system since he never knows if he will complete the rotation cycle.

TABLE 4. COLOMBIA: LAND TENURE FORM, DISTRIBUTION OF THE AGRICULTURAL SURFACE BY SIZE

Groups by Size	Total Surface	Lands			
		Own	Renting ^a	Occupy without Title	Other Forms of Ownership
Sub-family (Less than 5 Ha.) ^b	100.0	63.1	31.7	3.4	1.8
Family (5 to 50 Ha.)	100.0	75.4	15.5	7.4	1.7
Multifamily Medium (50 to 200 Ha.)	100.0	79.4	7.9	11.2	1.5
Multifamily Big (200 to more Ha.)	100.0	80.7	4.5	11.5	2.3
<u>TOTAL</u>	100.0	78.4	9.6	10.0	2.0

Source: CIDA, op. cit., summary of Table II-16, p. 116.

^aIncluded arrendamiento, aparceria, prestacion de servicios, etc. (See the explanation of these terms on page v).

^bHa equal hectares.

Table 4 points out that 63.1 percent of the farmers under minifundia¹⁵ live on and farm their own land. The other 31.7 percent represent a substantial percent who have been renting land. These communities tend to be characterized by traditionalism in social relations and in employment of technology. Moreover, these communities, often isolated from the large society even when near to towns or cities, tend to be ruled by big landowners, merchants, church and political officials of the areas. In general, the small farmers tend to be extremely property-conscious, to view their security according to their parcel of land, and their future with securing more land.

The small farmers are very poor. In addition, few services are available to them. Firstly, development services like education, extension, research, and credit, are monopolized by large landlords and in very few instances do they reach the minifundio cultivators who need them. Secondly, the bifurcated social structure created by these systems in rural areas may prevent the kind of cooperation between farmers necessary for technical innovations, cooperative organization of processing plants, or marketing organizations. All these inequalities create mutual suspicion and resentment among the farmers and within the country.

A third way in which development is inhibited, is by the influence of large landlords over agricultural income. They tend to dissipate it in luxury consumption, or invest in commerce, or buy more land to be cultivated by the same farm methods instead of investing to raise productivity on the land they own.

¹⁵ Areas minifundistas: Boyaca, Cauca, Cundinamarca, Narino, Santanderes.

The promotion of cooperatives among minifundio farmers can remove some obstacles to technological improvement in several ways. At the same time the cooperatives give some degree of organization and political representation to the small farmer. They can provide inputs, extension services, credit, transportation, and storage and marketing facilities. However, in the initial stage these cooperatives need the strong support of the government and should specialize in the different crops according to the natural conditions of each region.

The cooperatives in Israel are good examples ranging from the collective Kibbutz, which "is an agricultural commune of a few hundred people living together with complete ownership of property, collective production, and collective child rearing and education,"¹⁶ to less collective organizations like the Moshav Oudim (labour smallholder agricultural settlements), Moshav Shitufiim (collective smallholder settlements), Moshav Olim (immigrant smallholder settlements), Kfarim Shitufiim (cooperatives villages), and the Histadrut (The General Federation of Labor in Israel), which combines in a single entity not only the cooperative organization, but trade unionism, and political power.¹⁷ In the case of Israel we have to take in consideration, its ideological orientation and the money and material provided from abroad.

The organization of central cooperatives from the very start would

¹⁶Endleman, Robert, "The Israeli Kibbutz: Social Structure and Personality," Personality and Social Life (New York: Random House Co., 1967), p. 130.

¹⁷Viteles, Harry, A History of the Co-operative Movement in Israel, Vol. I: The Evolution of the Co-operative Movement (7 vols.; London: Vallentine, Mitchell & Co., 1966).

facilitate the development of primary cooperatives, and at the same time could avoid the failure of primary cooperatives.

The cooperatives require careful consideration of historical, social, and economic conditions. Recognition of this led to emphasize that the Israeli experience should not be directly translated to Colombia, but that some type of organization that provides motivation and participation in the decision-making process appears essential.

The acquisition of land does not itself immediately provide the farmer with capital and inputs for productive investment. Productive investment depends also on infrastructure, technical development, and degree of motivation among farmers.

Land tenure systems are not good or bad in themselves. They can only be judged adequately when compared to possible alternate systems. In this case, the test is how efficiently the factors of production are transformed into consumer goods to satisfy the community's want.

Farmers can maximize their returns by extending the total scale of operation. But as tenure systems impede the attainment of that, they can be considered inefficient as far as production is concerned.

II. CONDITION OF OWNERS AND TENANTS

The main forms of tenant relationships in Colombia are: arrendamiento, aparceria, compania, colonato, concertage, farm operator, administrator, and renter.

According to Table 5 the total land rented under minifundio is 26.5 percent of all land and of this, 4.2 percent is in arrendatarios. Arrendatarios work as follows: the farmer's family receives from the landowner a small tract of ground in which they build a crude dwelling and grow some subsistence crops. Usually, the marginal productivity of labor under these conditions is zero or negative. The head of the family has to work for the owner of the land and receives a small salary. Sometimes the farmer pays to the owner a fixed amount of money as rent, or he may pay in kind.

Concertage: they also live on the hacienda. They work for the owner in a state of semi-servitude.

Colonato: their operations are on a small scale and of a subsistence type. They open up new land and use it without title. They do not recognize anyone else's title to the land. They may be ejected only by legal procedures and with indemnities for the improvement they have made.

Aparceros receive land from the owner and sometimes seeds and they pay $1/2$, $1/3$, or $1/4$ of all the total products, depending upon the arrangement. Almost all the farmers give $1/4$ of the final product. Sometimes the farmers own the land.

For farm operators, subdivisions are necessary to take into consideration different kinds of operations: (a) Owner-operators, very similar to the farmer who own the land in Canada, United States; the same may

TABLE 5. COLOMBIA: FORM OF RENTING^a PERCENTAGE DISTRIBUTION OF THE AGRICULTURAL SURFACE BY SIZE
(Percentage of total surface in each group by size)

Size of the Units	Form of Renting ^a				
	Total	Renting	Aparceria	Services Given	Other Arrangements
Less than 0.5	28.0	6.9	9.3	3.4	8.4
From 0.5 to 1	30.5	5.3	15.6	2.8	6.8
From 1 to 2	29.1	4.8	15.2	2.5	6.6
From 2 to 3	27.7	4.1	15.6	2.1	5.9
From 3 to 4	24.4	3.9	14.8	1.7	4.0
From 4 to 5	23.3	3.2	14.9	1.5	3.7
<u>Sub-Total</u>	26.5	4.2	15.0	2.1	5.2
From 5 to 10	19.3	2.9	13.2	0.9	2.3
From 10 to 20	15.5	2.4	11.0	0.5	1.6
From 20 to 30	12.3	2.3	8.3	0.4	1.3
From 30 to 40	10.4	2.5	6.2	0.4	1.3
From 40 to 50	8.9	2.5	4.9	0.3	1.2
<u>Sub-Total</u>	14.0	2.5	9.4	0.5	1.6
From 50 to 100	7.6	2.6	3.5	0.2	1.3
From 100 to 200	6.3	2.7	2.3	0.2	1.1
<u>Sub-Total</u>	6.9	2.7	2.8	0.2	1.2
From 200 to 500	5.2	2.7	1.5	0.1	0.9
From 500 to 1000	4.0	2.4	1.0	0.0	0.6
From 1000 to 2500	3.7	1.9	0.5	0.0	1.3
From 2500 to more	3.4	1.3	0.1	0.0	2.0
<u>Sub-Total</u>	4.2	2.1	0.8	0.1	1.2
<u>TOTAL</u>	8.1	2.4	3.8	0.3	1.5

Source: As reprinted in CIDA, *op. cit.*, p. 114.

^aAccording to census definition.

be true of the farmer who rents land he uses. Large landowners own the better land. However, only a few of these make good utilization of the land, but due primarily to the absence of significant taxation on the land their monopolistic position is secure, generation after generation. They own the land and can use it well, poorly, or not at all. (b) Mayordomo, these farm managers are not scientifically trained and experienced. They have learned about farming and livestock through experience and have been placed in charge of affairs on the hacienda. There are exceptions; a few haciendas are managed expertly and efficiently. (c) Administrator; many of Colombia's largest and best cultivated areas are under the supervision of a manager. In these areas substantial progress has been made in recent years. In some Departamentos like El Valle del Cauca, Tolima the number of administrators is considerable because of a fairly high development of commercialized agriculture. They receive wages or a percentage upon utilities, others have a mixed arrangement. In general they are good farmers, and have a strong motivation that makes them one of the most progressive groups within the agricultural sector.

Renters: some of Colombia's land is owned by private organizations or individuals, who rent them to farmers. Usually these farmers have tractors and farm equipment. They pay a fixed amount of money per hectare as rent. In other cases they pay $1/4$ to $1/2$ of all the products as rent.

III. THE AGRARIAN REFORM

With the great economic depression of the 1930's, the liberal party, to push forward a better deal for the farmer, mainly the landless masses, attempted a radical reform. To promise was one thing, but to fulfill them was quite another. Finally there came the adoption of the new land law, Law 200 of November, 1936, in which the social function of the land was stated.¹⁸

Law 200/1936 was a serious and a conscientious effort to deal with the social problems of the farmer. It recognized the basic injustice of permitting the latifundistas to retain the right, generation after generation, to broad acreages which were deliberately withheld from productive uses, while only 1 or 2 hectares were provided to the farmer to feed him and his family.

Let me reproduce here part of this Law:¹⁹

"Article 1. Presumed not to be public lands, but private property, are the tracts occupied by private persons, it being understood that said possession consists of the economic exploitation of the soil by means of positive actions on the part of the owner, such as planting or seeding, occupation with livestock, and others of equal economic significance.

Inclosure with fences and the erection of buildings do not of themselves constitute proof of economic utilization, but they may be considered as elements complementary to it.

The presumption which this article establishes extends also to the

¹⁸Smith, Lynn T., op. cit., p. 80.

¹⁹Ibid., p. 86.

unused part whose existence is necessary for the economic utilization of the property, or as complementary for the best use of the same, even though the territories involved are not contiguous, or for the enlargement of the enterprise. Together these portions may be of an extension equal to the part utilized and which are reputed to be possessed in accordance with this article.

Article 2. Rural tracts not possessed in the manner specified in the preceding article are presumed to be public lands.

Article 3. In addition to the original title conferred by the state which has not lost its legal efficacy, private property over the respective territorial extension is substantiated, and consequently the presumption stated in the preceding article is invalidated, by written titles recorded prior to the date of the present law, in which are demonstrated acts of possession for the lapse of a period not less than the limit set forth in the laws governing extraordinary prescriptions.

Article 4. The dispositions of article 3 shall not be prejudicial to persons who two years prior to the promulgation of this Law may have established themselves, without recognition of any dominion other than that of the State, and not by precarious title, on lands that were unused at the time of occupation.

In this case, the proof of private property in the respective plot of land may be established only in one of these ways:

(a) By the presentation of the original title, emanating from the State, which has not lost its legal efficacy,

(b) By any other proof, also in full, that the plot has legitimately left the patrimony of the State, and

(c) By the presentation of a title transferring dominion dated prior to October 11, 1821.

Article 5. The dispositions of the present law pertain exclusively to property rights to the surface of the territory, and have no application whatsoever with respect to the subsoil."

Law 200 was interpreted as meaning that the landowner had a ten-year period of grace in which to demonstrate that he was making economic use of the land. Suppose that you owned 10,000 hectares; then you had 10 years in which to put it to use. If by the end of that time you had developed 4,000 hectares, you could have kept that 4,000 and an additional 4,000, and the government would have taken back the remainder. Since these ten years did not end until November, 1946, there was great uncertainty over these years.

In April 1948, and earlier months, strong violence began, and chaotic conditions occurred during that period. The years 1947-1958 were among the most difficult in the entire history of Colombia, for this reason it is not strange that matters relating to agrarian reform were more or less paralyzed during this time.

With the formation of the Government of National Front in 1958, a great impetus was given to agrarian reform as a measure for recovery and development. As a result, in December, 1961, Law 135 was signed and became official policy of the government.

The objective of this legislation is very clear:²⁰

"First. To reform the agrarian social structure through procedures designated to eliminate and prevent the inequitable concentration of

²⁰Ibid., p. 254.

property in land or its subdivision into uneconomic units; to reconstitute adequate units of cultivation in the zones of minifundia and to provide lands to those who lack them, with preference being given to those who will utilize them directly through the use of their own personal labor.

Second. To promote the adequate economic use of unused or deficiently used lands, by means of programs designed to secure their well-balanced distribution and rational utilization.

Third. To increase the total volume of agricultural and livestock products in harmony with the development of other sectors of the economy; to increase the productivity of the farms by the application of appropriate techniques; and to endeavor to have the lands used in the way that is the best suited to their locations and characteristics.

Fourth. To create the conditions under which the small tenants and sharecroppers shall enjoy greater guarantees, and they as well as the wage hands shall have less difficult access to landownership.

Fifth. To elevate the level of living of the rural population, as a consequence of the measures already indicated and also through the coordination and promotion of services related to technical assistance, agricultural credit, housing, the organization of markets, health and social security, the storage and preservation of products, and the promotion of cooperatives."

In order to develop this program, there was created The Agrarian Reform Institute, INCORA, which has been able to take some steps toward agrarian reform. The major obstacles have been: political opposition, deficiency of funds, and shortcomings in the present agrarian reform Law.

In addition to the approximately one million families with farms of

less than five hectares, there are, according to Adams,²¹ 500,000 other rural families who have no land to exploit for themselves. Professor Adams also points out²² that Colombia's population will be adding an average of about forty thousand rural families each year over the next ten years. According to the Agrarian Reform Institute report of activities over six years, 1962 to 1967²³ INCORA has adjudicated 66,501 farm titles to families which means an average of 11,080 families benefit per year. However, against the forty thousand new rural families each year, and against the one million families lacking sufficient land, the scale of INCORA action does not correspond to the magnitude of the national rural social problem.

INCORA²⁴ raises the following questions with respect to its role as a Colombian Agrarian Reform action agency:

"The desire to measure the effectiveness of agrarian reform exclusively by the number of landowners and the number of acquired hectares does not constitute an ideal set of criteria . . . If it is decided that only a small percentage of the land area can be distributed, then should the agrarian reform program limit itself to this activity, and the definition of the program be exclusively limited to this? Or perhaps, should it not be responsibility of the agrarian reform to increase not only the

²¹Adams, Dale, op. cit., p. 49.

²²Ibid., p. 51.

²³Incora Seis Anos de Reforma Social Agraria en Colombia 1962-1967, Informe No. 17, Publicacion del Incora, Bogota, Julio 1968, p. 15.

²⁴Incora "Report of Activities in 1965," pp. VI-VII, as reprinted in Agricultural Development in Colombia by Rural Development Staff USAID/ Bogota, 1966, pp. 15-16.

production of those who can receive lands, but also that of the millions of small farmers who now own their lands but live in sub-human conditions, without hygiene, illiterate and undernourished?"

"In countries having small areas of very good soil for intensive farming is it or is it not the function of the agrarian reform programs to execute works that will multiply production four or five times or to convert the small farms of two or three hectares that are unproductive or uneconomic, into efficient and productive units? Should it not be a function of agrarian reform to assist the great number of small farmers that are incorporating new and good land into the economy by giving them opportunities to do this better and more efficiently? Perhaps, it should not be the responsibility of agrarian reform to attempt to improve the roads that connect the small farmers with the consumption centers so that the transportation costs are reduced and so that more than one product may be marketed?"

On the other hand the rate of growth of Colombia's population is 3.1 percent per year, which means that population will double each 23 years. But the rate of growth is higher in the rural areas, especially among the small farmers. The implication is that the situation in the rural areas, especially for the minifundio, has been and will be worse than in the country as a whole.

The government put out Decrees 2811 and 2969 in 1966. In the first decree registration of arrendatarios, aparceros and similar persons was ordered. The second made indefinite extension of all contracts with owners in order to give protection to the arrendatario or aparcero. The First Law of 1968 extended the contracts until 1978 for farmers working land

below 15 hectares.

At the present time it appears essential for the solution of the Agrarian problem that Colombia have a government which really wants to solve the rural problems. It is necessary to give more power and agility to the Agrarian Reform Institute. If the objective of the Agrarian Reform is to bring more equity in the distribution of the economic and political power, it is necessary to lower the capital-land ratio. This will release capital for other activities. Kuznets²⁵ concludes "that a substantial rise in the productivity of resources in the domestic agriculture sector is a condition of the large increase in overall productivity in modern economic growth."

²⁵Kuznets, Simon, Modern Economic Growth: Rate, Structure, and Spread (New Haven: Yale University Press, 1966), p. 120.

IV. FARM MANAGEMENT AND PRODUCTIVITY

At the present time we are living in the twentieth century with its rapid rate of invention, so that changes in production methods occur annually, monthly, and almost daily. In other words, the farmer should be aware of "how" to produce and "how much to produce" in order to maximize profits. All this implies a need for a constant process of learning which, in turn, generates a management decision in order to meet the changing conditions.²⁶ At this point productivity can be thought as a function of land, labor and capital, and technology can be assumed to be a function of size as well as other variables like managerial capacity and social variables. To understand this clearly it is necessary to have an understanding of the social and institutional framework of Colombia.

In Colombia, land and labor are extremely abundant. However, due to lack of education, confidence, available services, transportation and information, it is not surprising that Colombian farmers are not using modern technology.²⁷ In general, the influence of these sociocultural factors on productivity is only felt through changes in other variables. For example, production coming from the land is low because the farmer is uneducated, and the lack of education of the farmer makes him unaware of the techniques that he can use to increase productivity.

CIDA²⁸ affirms that the intensity of the use of the resources

²⁶Bradford, Lawrence and Johnson Glenn, Farm Management Analysis (3rd ed., New York: John Wiley & Son, 1962), pp. 1-34.

²⁷Felstenhausen, Herman, "Economic Knowledge, Participation and Farmer Decision Making in a Develop and an Underdevelop Country," International Journal of Agrarian Affairs, Vol. V, No. 4, July 1968, p. 274.

²⁸CIDA, op. cit., pp. 137-142.

available, land and labor, increases in inverse relationship with the size of the farm. At the same time the "percent" of land deliberately unused increases as the size of the farm increases, ranging from 39 percent in the units from 2,000 to 5,000 hectares to an average of 78 percent in the units greater than 5,000 hectares.

According to CIDA²⁹ the use of labor per hectare declines as the size of the farm increases the range being from 1.5 persons per hectare in units less than 3 hectares to only 0.02 persons per hectare in units greater than 500 hectares. The use of the labor force is occasional. This generates unstable employment and a sometimes explosive situation.

CIDA³⁰ says "that 42 percent of the total surface in the rural sector has been operated by administrators and not directly by the owner." In addition CIDA points out "that the total productivity per hectare in the minifundio is double than that in the family size farm, five times bigger than in the multi-family farm, and fourteen times bigger than in the latifundio."

According to Table 6: (a) two-thirds of the total output depends upon the small farmers, and less than 15 percent depends upon the latifundio or multi-family farmers; (b) the category of multi-family medium, which has been considered of major importance for commercial agriculture, only contributes about 1/5 of the total output; and (c) the families who own the latifundio get, on the average, a gross income 45 times bigger than the

²⁹ Ibid., pp. 137-142.

³⁰ Ibid., pp. 169-171.

TABLE 6. COLOMBIA: PROPORTIONAL DISTRIBUTION BY VALUE OF AGRICULTURAL PRODUCTION ACCORDING TO THE GROUPS BY SIZE AND RELATIVE PRODUCTIVITY BY UNITS OF SURFACE IN EACH GROUP

Tenure Group	Value of Production (percent) (1)	Number of Families (percent) (2)	Surface (percent) (3)	Coefficient of Partici- pation per Family (1:2)	Coefficient of Produc- tivity per Hectare (1:3)
Sub-Family	20.8	64	5.5	0.33	3.80
Family	45.0	30	24.5	1.50	1.85
Multifamily Medium	19.1	5	25.0	3.80	0.76
Multifamily Big	14.9	1	45.0	15.00	0.33

Source: CIDA, 1963 as reprinted in CIDA 1966, op. cit., p. 201.

income gotten by the minifundista.³¹

Thirty-two percent of the minifundistas do not own the land and pay for rent 1/3 or 1/4 of the crop. Even with these rents the farmer has a low income which means a low standard of living.

Table 7 supplies some data needed for the effective study of the relative importance of the distribution of hoe culture. Two-thirds of all the agricultural units enumerated in the 1960 census depend upon man-power for performance of all the work on the farm. This means that one-half of the people who made their livelihood from the agricultural activities have nothing except their handtools. Furthermore these small farmers do not make use of improved seeds, fertilizer, insecticides and modern technology

³¹Ibid., p. 201.

TABLE 7. COLOMBIA: PROPORTIONS OF THE AGRICULTURAL UNITS REPORTING NO POWER EXCEPT MANPOWER, BY SIZE, 1960

Size of Farms (Ha.)	Percent of Farms Dependent Solely upon Manpower
Less than 0.5	87
0.5-0.9	73
1.0-1.9	68
2.0-2.9	65
3.0-3.9	61
4.0-4.9	60
5.0- 9.9	56
10.0-19.9	53
20.0-29.9	53
30.0-39.9	54
40.0-49.9	54
50.0- 99.9	55
100.0- 199.9	52
200.0- 499.9	46
500.0- 999.9	37
1000.0-2499.9	28
2500.0-over	12
<u>TOTAL</u>	65

Source: Departamento Nacional de Estadística, "Resumen Nacional (Segunda Parte), Directorio Nacional de Explotaciones Agropecuarias (Censo Agropecuario), Bogotá: Multilith Estadinal, 1964 as reprinted in Smith, Lynn T., op. cit., p.

in general. Professor Mellor³² argues "that rapid agricultural development is based on unit-cost reducing technological change, which is more a function of public policy toward research, education, and such matters than price policy."

In the case of Colombia the small farmers do not receive the benefit

³²Mellor, John W., "Agricultural price policy in the context of Economy Development," Journal of Agricultural Economics, Vol. 51, No. 5, December 1969, p. 1414.

of technological change. On the other hand commercial agriculture does. Also price policy is fixed according to technological change. The implication of this is that the small farmers who represent 30 percent of Colombia's total population of 21 million and two-thirds of the agricultural sector have been worse off each day. The continuing migration to the cities reflects the rural frustration and unrest. In the cities, in turn, the nonagricultural sector has not been able to generate the level of employment necessary to make the absorption of these people possible. All this means a high rate of unemployment and more frustration and instability in the country.

Apart from social, political, and local conditions, the factors of efficient production can be summarized: (a) Economic size of the units, (b) incentives and opportunities, and (c) favorable conditions for investment.

From the point of view of farm management efficiency, the large farms which utilize land extensively are wasteful of land, while the minifundio is wasteful of labor. This condition raises the question of maximum and minimum size for redistribution programs.

The maximum and minimum size could be determined according to the managerial capacity of the operators and how efficiently the factors of production are used. It appears necessary to establish minimum limits to the farm in order to prevent the proliferation of too many uneconomic units.

Two factors seem to be clear. A positive factor is that owning land gives an incentive to operate more efficiently. The other is negative in that the Land Reform could establish a small scale holding which is not

compatible with recent technological progress. Some type of cooperative organization could avoid this situation.

Raup³³ is right when he argues that "A farm unit must also be large enough to enable the holder to achieve a surplus, and must endure long enough to motivate him to reinvest in the farm enterprise."

³³Raup, Philip, "Land Reform and Economic Development," Agricultural Development and Economic Growth, Ed., H. M. Southworth and B. F. Johnston (Ithaca: Cornell University Press, 1967), p. 273.

V. THE PROCESS OF ECONOMIC DEVELOPMENT

The process of development itself requires and justifies a substantial increase in the community's level of living conditions. If all the people do not receive the benefit of economic development the political implication could be revolts or considerable protests against the policy maker.

For some years Colombia has been making an effort toward industrialization. This caused a sudden growth in the number of unskilled workers, largely recruited from rural areas. The rate of urban growth has increased rapidly, and the urban working-class conditions are bad. Paralleling these developments in industry, a left-wing movement arose within the country. A strong anarchist movement also emerged in this period.

Pye³⁴ hypothesizes that "with the increase in insecurity which change produces in most traditional societies, there must be a quantitative increase in the degree of aggression and hostility within the society . . . Thus their sensitivity for the feeling of the others can bring about a form of paralysis." This hypothesis is applicable to the case of Colombia. Where the basic trust is replaced with demagoguery, a people suspect that behind the screen of political promises their leaders are really "out to get everything for themselves."

Meier³⁵ points out that "economic development is much too serious a topic to be left to economists." In other words an adequate treatment

³⁴Pye, Lucian W., Politics, Personality and Nation Building: Burma's Search for Identity (New Haven: Yale University Press, 1966), pp. 54-55.

³⁵Meier, Gerald M., The International Economics of Development: Theory and Policy, Revised Ed. (New York: Harper & Row, 1968).

takes us far beyond any single discipline.

This thesis has been examined further by McClelland³⁶ who argues that ". . . the irrational social and psychological factors are so important that programs aiding development ought not to be conceived in purely economic terms."

This analysis suggests that the solution of development problems requires groups of individuals working together making collective decisions about what is to be done. In order for this to happen, some national and local organizations must be integrated and all the organizations together develop the national and regional policy.

The agrarian program should include complementary measures such as better education, health services, housing and food, farm organization, research, extension services, building of irrigation facilities, the construction of access roads to farms, credit, supplies of agricultural inputs, marketing as well as storage and processing facilities. These measures can be carried out without modifying land tenure relations. But if the present bases of land tenure are not altered it will not be possible to achieve the transformation of agriculture.

Camacho³⁷ and others point out that, "although minifundios may be small and inefficient in terms of the agricultural techniques employed, such holdings still provide opportunities. Thus, talk of consolidating small holding is factuous until some alternatives are found to employ the

³⁶ McClelland, David, The Achieving Society (Princeton: Van Nostran, 1961), p. 14.

³⁷ Camacho, Saa Carlos, "Minifundia, Productivity, and Land Reform in Cochabamba-Bolivia," A Research Paper R.P. No. 21, Land Tenure Center (Madison: University of Wisconsin, December 1966), pp. 3-4.

displaced agricultural people either on new land or in nonagricultural employment."

The practical implication of this statement is that the small farmers which represent 30 percent of Colombia's population have to continue living in unhuman conditions, generation after generation. Few people see the poverty in the rural areas. The problem of the city suburbios (ghettos) is quite visible.

People may come to sense that economic development is not for the many but for the few. There is, first, a very large population very near or sometimes below the margin of subsistence.

Despite the obstacles associated with the large number of these small farms, in the actual and immediate future conditions of Colombia, agricultural development has to take place in these small units. The physical size of many farms as well as the economic size, can be increased by redistribution and by creating new operating units capable of generating surplus above subsistence levels. It appears that the new situation must provide: (a) a stable income, (b) security of employment, and (c) good working relations.

There is not a defined sequence, however, for the adoption of agricultural techniques in the course of agricultural development. It varies according to the environment. However, it is possible to suggest a sequence that starts with the introduction of capital cheap improvements (use of improved varieties, planting at regular intervals) that yield a higher income which permits techniques requiring an expansion of working capital (use of fertilizers, pesticides, machinery) and then, the further increase in income leading to possible saving (individual or institutional) which

makes possible the larger longer term investment.

In this case Japan is a good example. According to Schultz³⁸ "Japanese agriculture . . . although the farms are very small, they have successfully demonstrated that they have the capability of using a wide array of complex, modern inputs including mechanization."

Nakamura³⁹ argues that the role of agriculture in the development of Japan's economy was mainly in resource transfer, transfer of rural labor and capital from agricultural production to nonagricultural production, distribution of income (through land reform), and capital formation. In addition Nakamura⁴⁰ says that in order to abolish feudal land relations and restrictions they accomplished the following: "(a) established the principle that farmers were the owners of land. . . . (d) ordered the distribution of land ownership certificates for all land." Other important measures to promote agricultural production were to create an infrastructure; to make long-term, low-cost credit, to agriculture; and to make land improvement which increased labor and land productivity.

The shortage of credit, in the case of Colombia, is undoubtedly one of the factors inhibiting the adoption of new techniques and, in a more general sense, the transition from a subsistence to a market oriented agriculture.

³⁸ Schultz, Theodore, "Foreword," Agriculture and Economic Growth: Japan's Experience, Edited by K. Ohkawa, B. F. Johnston, and H. Kaneda (Princeton University Press and University of Tokyo Press, 1970), p. xiv.

³⁹ Nakamura, James, Agricultural Production and the Economic Development of Japan 1873-1922 (Princeton: Princeton University Press, 1966), pp. 138-173.

⁴⁰ Ibid., pp. 173-183.

The problem of agricultural credit does not lie only in the quantities available to farmers but upon the conditions on which it is granted. Here it is appropriate to stress the equal importance of short-term, intermediate and long term credit for crop financing, credit for purchasing equipment or credit for financing fixed investments. All are necessary in agricultural development.

Agricultural development is important but the real answer is industrial employment. This argues for investment and the other components of an industrial base.

In the meantime the policy should be to rescue people from the poverty of rural life.

Under these conditions the attention of the planner must be concentrated on the needs of the most numerous or typical citizens. This policy implies discouraging imports, production, and consumption of luxuries and discouraging symbolic development like impressive construction.

Great emphasis should be placed on human investment like education, health and also better food and better housing. Professor Schultz⁴¹ observes that "human capital has been increasing relatively not only to conventional capital but also to income." In other words, Professor Schultz believes that investment in human capital holds the key to the explanation of the increase in productivity. He suggests that if we want to have a higher growth rate, we should increase the investment in human capital.

⁴¹Schultz, Theodore W., Presidential address before the American Economic Association in December 1960, reprinted in the Goal of Economic Growth, Edmunds Phelps (New York: W. W. Norton & Co., 1962), p. 110.

In the case of Colombia the elementary, technical, and middle schools need to serve the expansion to all Colombians of not only technical knowledge but also the decision-making capabilities, the receptiveness to innovation, and the ability to recognize development opportunities. In addition to this we can transfer the great accumulative backlog of scientific knowledge and research that can be transferred at small cost. This technical innovation provides a potential for enormously favorable benefit/cost ratios.

The planner must give consideration to world prices. A market strategy, keeping in mind the overall needs for development, is necessary.

Abbot⁴² points out that price fluctuations are particularly severe in the less-developed countries. This is the case of Colombia, because most producers are forced to sell immediately after or before the harvest to meet essential living expenses or to repay debts. For example the immediate post-harvest price of potatoes is one-half what the price is one or two months later. The same is true for other products. These price fluctuations are often magnified by speculative activities without bringing any benefit to the producer. Some protection against unduly low prices seems essential.

Clearly, favorable and stabilized prices can exercise their effect on production only to the extent that the producer actually receives them, a condition which is not always fulfilled.

In practice the most effective means of ensuring that the original producers obtain appropriate prices for their produce seems to be the

⁴²Abbot, J. C., "The Role of Marketing in the Development of Backward Agricultural Economic," Journal Farm Economics, May 1962.

construction of direct channels to the farmers. The government should publish the guaranteed prices so that the farmer is able to go to the nearest buying station and obtain these prices instead of accepting whatever independent local buyers may offer. A practical problem is that the buying stations must be sufficiently widely distributed to be within reach of most farmers.

Commercial farmers have the ability to respond rapidly to the new technology, which means that income will grow. But what about the minifundistas who do not have the ability to meet the changing conditions?

According to USAID/Bogota,⁴³ "INCORA has found that the social cost of improving the lot of the very small farm holder, multiplied by the number of farmers to be served, is far beyond the resources available to INCORA or to the national economy. The agency, therefore, has restricted its operation to clearly-demarcated regions. . . . Moreover, even within the zones of action selected by INCORA, it has found it necessary to restrict its social and economic upgrading effort to farm units of economic size. . . . while leaving the much larger national problem of submarginal farmers largely untouched."

The problem of the minifundio, which amount to 30 percent of the national population, cannot be ignored just because of the problem of diseconomies of scale. If substantial attention is not forthcoming to this sector the unrest will grow, and these less-favored segments may be used to precipitate sufficient discontent to provide the social basis for a radical change. At this point the redistribution of economic and political power appears essential in order to assist the small farmers.

⁴³ USAID/Bogota, Agricultural Development in Colombia, 1966, p. 16.

Dandekar⁴⁴ offers two possibilities. From the socialist point of view, "The first stage is expropriation. Its purpose is to abolish the feudal institutions of tenancy and to destroy politically the landlord class. The second stage is redistribution of expropriated land. . . . The third stage is consolidation or collectivization of the land into cooperatives." On the other hand "If . . . capitalist agriculture is to be promoted and encouraged. . . . the fundamental issue of equality cannot be solved by such means. But people are willing to be patient. . . . the capitalist sector in agriculture, as in industry, must be taxed sufficiently to enable all the residual landless labour to be gainfully employed on work which will create capital in agriculture and infrastructure from which ultimately the capitalist sector will profit."

In recent years, the Agrarian Reform has become the most important government program in Colombia. If the Agrarian Reform is not strongly supported by all the political interests that are involved, then the first solution with all the difficulties, ought not to come as a surprise to Colombian people.

⁴⁴Dandekar, V. M., Overpopulation and the "Asian Drama," Ceres, Vol. 2, Published by Agriculture Organization of the United Nations, Rome, November-December 1969, pp. 52-55.

SUMMARY

The objectives of the study were to analyze the minifundio and to determine, in the case of Colombia, how land tenure structures are obstacles to economic development as well as to recommend appropriate measures to correct them.

The economy of Colombia essentially depends on agriculture. The agricultural sector provides one-third of the gross national product, employs one-half of the labor force and generates nearly 75 percent of exports. However, the development of the agriculture sector has been slow; levels of output and productivity remain low.

One of the factors responsible for the situation is land tenure structure. Land ownership is concentrated in a few large units (latifundios), while at the same time there is a large number of very small farmers (minifundios).

The latifundio, by and large, is not a commercial enterprise operating within a market economy under the postulates of economy rationality. It involves a considerable number of feudal elements. A satisfactory explanation of the latifundio would require going beyond the role of an enterprise. For example, land is used as a deposit against inflation. Also, a political dimension is linked to the concept of economic rationality.

Like the latifundio, the minifundio cannot be fully explained in economic terms. The minifundio is too small to fully utilize the minifundista and his family under labor intensive practices.

The effects of these systems of land tenure on development of Colombia, are manifested in a poor utilization of the factors of production,

unemployment, lack of confidence and unrest.

If land tenure structures are an obstacle to social and economic development, their transformation by different measures appears essential.

The small farmers (minifundios) represent 30 percent of Colombia's total population of 21 million and two-thirds of the agricultural sector.

The minifundistas do not receive the benefit of technological change. The Agrarian Reform Institute, INCORA, does not work with them. From 1962 to 1967 INCORA has distributed land to an average of 11,080 families per year. However, against forty thousand new rural families and against the one million families lacking sufficient land, the scale of INCORA action is inadequate to the magnitude of the national rural problem. The practical implication is that the minifundista has been worse off each day.

One or several of the following alternatives are suggested as policy elements to be considered in a solution:

The small farmers can get better standards of living by extending the total scale of operation. The promotion of cooperatives among minifundio farmers can remove some obstacles to technological improvement, supply inputs, provide motivation, and stimulate participation in the decision-making process. At this point the organization of central cooperatives from the very start would facilitate the development of primary cooperatives.

Great emphasis should be placed on investment like education, research, health, better food and better housing. In the case of education it should serve all Colombians not only in terms of technical knowledge but decision-making capability and receptiveness to innovation. The extension services should be carried out with practical and objective

demonstrations. Other aspects include the introduction of capital-cheap improvements (improved varieties, planting at regular intervals) that yield higher income which permits an expansion of working capital (use of fertilizers, pesticides, machinery) and then, the further increased income leading to possible saving (individual or institutional) which makes possible the larger longer investment. Agricultural credit should be tied to extension services, and to market and storage facilities. All institutions working with the agricultural sector must be well coordinated and integrated.

The answer to the minifundio will not be found within the minifundio but outside. This argues for investment and the other components of an industrial base. Under these conditions the attention of the planner must concentrate on the needs of the most numerous or typical citizen.

The noneconomic factors in this process of development are so important that they require special consideration. Finally, if substantial attention is not forthcoming to these small farmers the political direction of Colombia is unpredictable.

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MINIFUNDIO AND DEVELOPMENT:

THE CASE OF COLOMBIA

by

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Ingeniero Agronomo, National University, Colombia, 1965

AN ABSTRACT OF A MASTER'S REPORT

submitted in partial fulfillment of the

requirements for the degree

MASTER OF SCIENCE

Department of Economics

KANSAS STATE UNIVERSITY
Manhattan, Kansas

1970

The objectives of the study were to analyze the minifundio and to determine, in the case of Colombia, how land tenure structures are obstacles to economic development as well as to recommend appropriate measures to correct them.

The economy of Colombia essentially depends on agriculture. The agricultural sector provides one-third of the gross national product, employs one-half of the labor force and generates nearly 75 percent of exports. However, the development of the agriculture sector has been slow; levels of output and productivity remain low.

One of the factors responsible for the situation is land tenure structure. Land ownership is concentrated in a few large units (latifundios), while at the same time there is a large number of very small farmers (minifundios).

The latifundio, by and large, is not a commercial enterprise operating within a market economy under the postulates of economy rationality. It involves a considerable number of feudal elements. A satisfactory explanation of the latifundio would require going beyond the role of an enterprise. For example, land is used as a deposit against inflation. Also, a political dimension is linked to the concept of economic rationality.

Like the latifundio, the minifundio cannot be fully explained in economic terms. The minifundio is too small to fully utilize the minifundista and his family under labor intensive practices.

The effects of these systems of land tenure on development of Colombia, are manifested in a poor utilization of the factors of production, unemployment, lack of confidence and unrest.

If land tenure structures are an obstacle to social and economic development, their transformation by different measures appears essential.

The small farmers (minifundios) represent 30 percent of Colombia's total population of 21 million and two-thirds of the agricultural sector.

The minifundistas do not receive the benefit of technological change. The Agrarian Reform Institute, INCORA, does not work with them. From 1962 to 1967 INCORA has distributed land to an average of 11,080 families per year. However, against forty thousand new rural families and against the one million families lacking sufficient land, the scale of INCORA action is inadequate to the magnitude of the national rural problem. The practical implication is that the minifundista has been worse off each day.

One or several of the following alternatives are suggested as policy elements to be considered in a solution:

The small farmers can get better standards of living by extending the total scale of operation. The promotion of cooperatives among minifundio farmers can remove some obstacles to technological improvement, supply inputs, provide motivation, and stimulate participation in the decision-making process. At this point the organization of central cooperatives from the very start would facilitate the development of primary cooperatives.

Great emphasis should be placed on investment like education, research, health, better food and better housing. In the case of education it should serve all Colombians not only in terms of technical knowledge but decision-making capability and receptiveness to innovation. The extension services should be carried out with practical and objective demonstrations. Other aspects include the introduction of capital-cheap improvements

(improved varieties, planting at regular intervals) that yield higher income which permits an expansion of working capital (use of fertilizers, pesticides, machinery) and then, the further increased income leading to possible saving (individual or institutional) which makes possible the larger longer investment. Agricultural credit should be tied to extension services, and to market and storage facilities. All institutions working with the agricultural sector must be well coordinated and integrated.

The answer to the minifundio will not be found within the minifundio but outside. This argues for investment and the other components of an industrial base. Under these conditions the attention of the planner must concentrate on the needs of the most numerous or typical citizen.

The noneconomic factors in this process of development are so important that they require special consideration. Finally, if substantial attention is not forthcoming to these small farmers the political direction of Colombia is unpredictable.