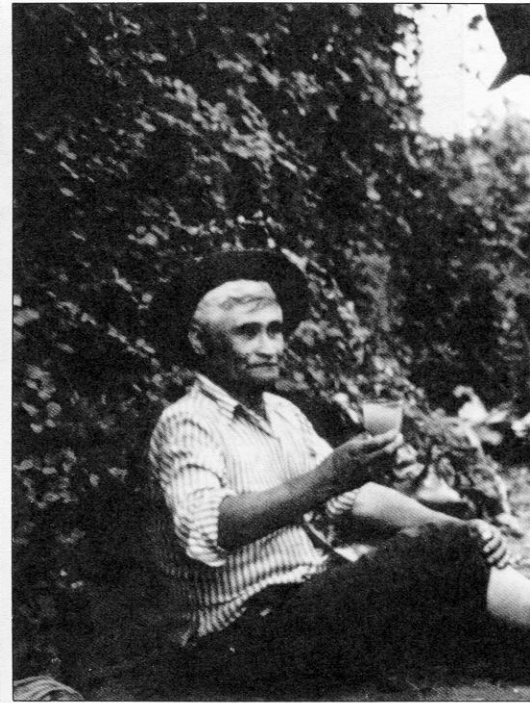


# RURAL SQUATTERS

## CAUGHT IN THE LABOUR TRAP

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Squatter settlements, long a problem in the cities of the Third World, are springing up on rocky hillsides and old roadbeds in Chile's rural areas. Many of these *aldeas*, or new villages, appear to be permanent. Others move with the harvests.

The inhabitants of Chile's *aldeas* are, and always have been, farmers. But they are landless, or jobless, or both.

At the root of this phenomenon are Chile's economic policies with respect to agricultural development. Between 1965 and 1973, Chile's economic strategies emphasized increased government intervention and control in the form of price controls, subsidized credit and inputs, interest rate controls, and trade restrictions. This was also a period of land reform when some 6000 large estates were expropriated.

Since 1973, however, the military government has removed restrictions, subsidies, and controls in a shift of policy to free market operation of the agricultural as well as other sectors of the economy. The land reform program also changed: a third of the expropriated land was returned to the original owners, another third was parcelled out to some 40 000 families, and the remainder was auctioned off.

This sequence of land reforms sounded the death knell of the former *hacienda* system of land tenure. Under this feudalistic system, large landowners employed many families to work the land and assumed responsibility — social, economic, and political — for "their" peasants. But a highly capitalistic form of agriculture, on smaller farms, and a new political regime, has removed the advantages of keeping large numbers of dependent workers. The peasants have therefore been thrown off the farms.

Whereas in most countries these dispossessed would swell the ranks of the squatters in the cities, they have not done so in Chile. Although no census has been taken since 1975, a study of peasant employment, migration, and production, conducted by the Agrarian Research Group of *La Academia de Humanismo Cristiano*, indicates that the urban population has remained stable.

The main reason is the lack of employment opportunities in the cities, particularly in industries. Due to the removal of trade restrictions, local products cannot compete with cheap imports. Unemployment is officially at 12 percent, but a further 6-8 percent of the

urban population work only through a program of minimum employment, doing menial tasks for below-subsistence wages.

Chile's peasants, says Jaime Crispi, the project's director, also want to remain as peasants, to get land in any way they can. But there is little land available.

### THE DISPOSSESSED

In the fertile central zone of the country around Santiago — the north of the agricultural region — there has been an expansion of export-oriented production in large and medium-sized farms, producing mainly fruit. Large capital investments have been poured into these modern mechanized farms, which account for 90 percent of Chile's agricultural yields. Few labourers are needed except during harvest when labour demands jump 10- to 15-fold.

In the south, just before the country breaks up into fjord-indented peninsulas, dairy farming now predominates. This was previously a wheat-growing area, but the removal of subsidies for fertilizer and other inputs, as well as of import restrictions, has made domestic wheat uncompetitive. The dairy farms, like the fruit farms, are capital-intensive

*For Chile's landless peasants, farming means harvesting fruit destined for export. To survive, small farmers must produce and sell more for ever-diminishing returns. They must eventually seek outside work.*



and require few workers. There is little room for small producers.

Between these two regions lies a band of less fertile lands, traditionally given over to crops other than grains in the north and wheat in the south. Little capital has been invested in this region because of poor profit margins. Production fluctuates between various staple crops — potatoes, beans, sugar beets — whatever will bring the highest returns. Here, there is space for small farmers.

The researchers suspected that most of the displaced persons — some 200 000 people — were trying to farm in this area and that this was accompanied by large internal migratory movement. Their suspicions have been confirmed.

The study found that a number of peasants have joined family and friends who own land in this region. Some have found employment on small farms and others have turned to share-cropping, particularly in the south. Still others have become “new villagers”.

The growth of the new villages and their economy is now being studied in a second IDRC-supported project launched by the Agrarian Research Group in an effort to recommend ways of alleviating the problems facing their inhabitants.

The region around Temuco, close to

the dairy-farming zone, for example, was a wheat-farming area. The Mapuche Indians have always owned land on reservations in this area. Worked for generations with few inputs, the soil is poor and individual parcels are small. All those who could get out of wheat farming have done so and now cultivate a variety of subsistence crops. There is the danger of farmers selling their land to large-scale forestry plantations being established in the area. Little employment is available on the neighbouring dairy farms and border clashes have brought a halt to migration to Argentina in search of work. For two or three months of the year, the Mapuches trek north to the fruit belt to work in the harvest where they earn a little more than minimum wage. “What is impressive”, says Crispi, “is that they feel it is like a gift to be able to do so because it is the only way they can earn any money.”

North of this area, below the fruit belt, multiple cropping provides greater employment opportunities. Because the crops ripen at the same time as the fruit, farmers cannot afford to leave their land. While many people have moved to this area in search of employment, the researchers suspect that they

will move on as soon as possible because the economic base in the area is too poor to support them. In fact, while some have found work on farms, many more have been reduced to gathering wild fruit, fishing, and hunting for survival. They will probably swell the ranks of seasonal workers in the fruit belt.

#### NECESSITY OF POVERTY

The IDRC-supported study has shown that Chile's present export-oriented agricultural economy depends on the peasant economy, says Crispi. The supply of seasonal labour, essential to the success of the large fruit farms, is only available as long as there are large numbers of poor desperate for an income.

The impoverishment of the peasants has been documented through the project. Dr Crispi explains that 40 000 small farms were created through land redistribution. Because subsidies and credit are not available, these farmers produce the only things they know how, without any inputs — potatoes, beans, and other staple foods of lower income groups. The resulting increase in the supply of these commodities, combined with a decrease in the poor's buying power, depresses the market price of their products.

The only way farmers can maintain their incomes is by producing and selling more, further depressing the prices. And while this results in a greater availability of common foods, farmers are eventually forced to seek outside work to maintain their incomes, increasing the supply of temporary labour for large farms.

The findings of the peasant employment study and other studies are being disseminated to the numerous, action-oriented, nongovernmental organizations working in Chile's rural areas, such as the Centre for Educational Research and Development (see following article). “For us this is a very important policy,” says Crispi, “to see our research translated into action.”

The research is recording the history of what is happening in Chile. “This will be very important in the future because we will need to have solutions,” he adds. “We are not trying to be provocative, but simply pointing out what is true.” □