THE ANDES

A QUEST FOR JUSTICE

AN OXFAM REPORT

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A·QUEST·FOR·JUSTICE

NEIL MacDONALD

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A catalogue record of this book is available from the British Library

ISBN 0 85598 200 4

Cover image: a *mola* panel, made by a Kuna woman in the *sergan* style of appliqué work. (Reproduced by courtesy of Tumi Latin American Craft Shop, Oxford.)

Designed by Oxfam Design Studio, 898/PK/92
Printed and published by Oxfam, 274 Banbury Road, Oxford OX2 7DZ
Oxfam is registered as a charity (no. 202918)

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Ecuador: a child from Pimbaro village, Simiatug.
(Julio Etchart/Oxfam)

PREFACE

Centuries of colonial exploitation and decades of conflict and military dictatorship have left a legacy of crippling poverty in the Andean region. Unfair terms of trade, the heavy burden of foreign debt, and harsh new economic policies add to the problem. How is the rest of the world to respond? Poor people in the Andean region do not want hand-outs. They want a hand to push forward their own initiatives. The development programme of Oxfam (UK and Ireland) in the Andean region aims to support the efforts of poor communities to help themselves and to surmount the obstacles that keep them poor. In 1991 Oxfam spent over £2.5 million supporting projects in Peru, Bolivia, Colombia, Ecuador, Chile, and Paraguay. Set against the size of the problem, this is a small amount of money. But Oxfam does not expect that it can solve the problem of poverty. On the local level, that is something that only the people of the Andes can do for themselves. And on the global level, facing the challenge of poverty is the task of governments and international organisations and multinational companies, spurred on by concerned individuals. Oxfam aims to support initiatives that free new resources and create new possibilities, experiments that can catch fire and be repeated by others — associations and networks that can speak for a wider range of poor people.

In a strict sense, Oxfam does not have projects of its own in the Andes. Oxfam supports initiatives that respond to people's own needs as they identify them — projects that are designed and run by local people themselves. This book describes some of these initiatives. Many, though not all of them, are directly or indirectly supported by Oxfam. Some of them are inspiring, some of them are seemingly endless struggles against insuperable odds. But all of them depend on the idea that it must be people themselves who develop their own societies, and that the creativity and initiative of poor people often produce challenging new visions of what development means. Oxfam's role is to work alongside these people, supporting them with funds and, where appropriate, advice. Staff based in the Andes, in offices in Peru, Bolivia, Chile, and Colombia maintain a close contact with the Andean people and organisations who are Oxfam's partners. Staff in the UK and Ireland help to promote understanding of what is happening in the Andes, and throughout the southern hemisphere. Because in today's interconnected world, we are all involved. Poor people in the Andes can make changes in their lives: they can find unused land and grow food for their families, for example. But the prices they can get for their crops are set in the northern hemisphere, not in the Andes. The rules of international trade are set in the North. The banks to whom the South is in crippling debt are in the North. We who live in the North also have our part to play in making the world a fairer place for all to live in.

INTRODUCTION

Ecuador: Pimbaro village school, Simiatug. (Julio Etchart/ Oxfam)

"Our riches have always generated our poverty, to feed the prosperity of others."

Seen from the air, the city of Lima seems like a temporary encampment scattered like a haphazard rockfall over pitiless coastal desert. Lima was the capital established by the Spanish *conquistadores*, and remains the capital of Peru today. Three hundred miles to the east lies Cuzco, the ancient capital of the Incas. The Inca civilisation rose in the late eleventh century AD and, in the last century before the Spaniards came, briefly ruled the entire Andes from Colombia to Chile. In contrast to Lima, the brown walls and dark red tiled roofs of Cuzco's houses seem to flow organically into the green of the valley and hillsides.

The choice of sites says a lot about the attitudes of both societies to their economies. Lima, where nearly one third of all Peruvians now live, is situated on the hot, arid coast – not the best place for a capital city. Founded in 1535, three years after the arrival of the Spaniard Francisco Pizarro and his 180 men, its main purpose was to look outwards to Spain and take in the supplies needed for their conquest of the interior. And Lima was the sinkhole through which poured the gold and silver of the Andes, on their way back to Spain.

In complete contrast, Cuzco is 3,310 metres up in the fertile highlands. It was the seat from which the Inca nobility ordered the economic, social, and religious life of an empire that encompassed present-day Peru, southern Colombia, Bolivia, Ecuador, northern Argentina, and northern and central Chile. From Cuzco the two great road systems of the Inca empire stretched northwards to Quito and from Ecuador into southern Colombia, and southwards to Bolivia and Argentina. At the heart of the empire's economic life was the control of agricultural production on a massive system of terraces (*andenes*). Both towns were built for control. But while Inca Cuzco administered production, Spanish Lima administered pillage. These two stand as symbols of the choices facing Latin America today, 500 years after the Spanish conquest.

The conquest turned Latin America into what it still is today: an underdeveloped part of the world, exporting raw materials cheaply and importing expensive manufactures. At first under the Spanish the exports were gold and silver; more recently they have been other commodities like tin, nitrates, coffee, oil, timber, and fishmeal. The Uruguayan writer Eduardo Galeano remarks in his book *The Open Veins of Latin America* that, since the conquest, "Our riches have always generated our poverty, to feed the prosperity of others." But out of this poverty is emerging a search for alternatives, a quest for justice. To survive their poverty, more and more Latin Americans are resorting to pre-conquest (and even pre-Inca) traditions of mutual aid. And in these traditions there may lie the seeds of a new way of developing their societies.

CUZCO: THE HEART OF THE INCA EMPIRE

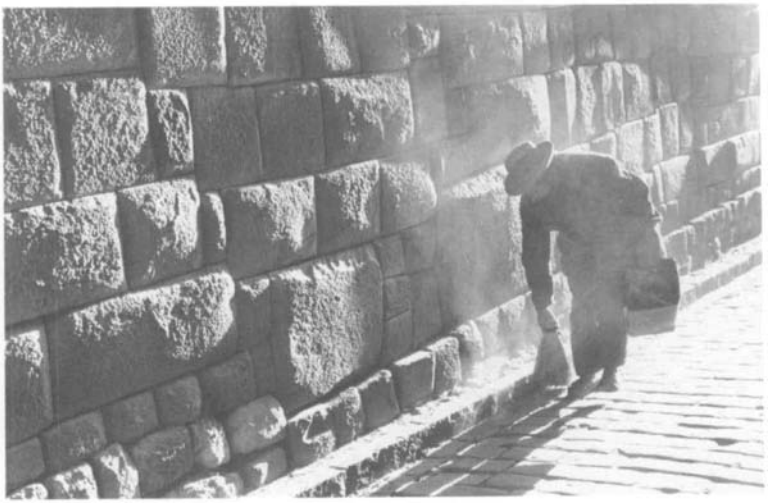
To the visitor today, Cuzco looks like a fine example of architecture from the colonial period. The life of the town revolves around the central square – the Plaza de Armas. Filled with trees, benches, and a fountain, it is flanked by colonnaded terraces, a church, and a cathedral. But the Indian heritage is

everywhere. No sooner do you sit down on a bench than a crowd of Quechua women gathers, murmuring entreaties to buy woven belts. Almost every one has a baby on her back, wrapped in a brightly patterned sling. The styles of the women's hats – like bowlers or trilbies – mark the communities that they belong to. Running between the women are the cheeky shoe-shine boys and street urchins, selling cigarettes and chewing gum. Their louder and higher-pitched calls of "Cheeklets, cigarrillos!" or "Chew-chine, mister?" mingle with the murmur of the women.

It takes a while to notice what is staring you in the face: the Inca foundation of this colonial town. Everywhere, the first three to five feet of the walls of shops, churches, and houses are made of unusually large and well-dressed stone, intricately notched to interlock without cement. The quality of the stonemasons' work here is much superior to that of the walls above. The Inca city is all around; the Spaniards simply built right on top of it.

Two kilometres from the town is Sacsayhuaman, an Inca religious centre. Beyond Cuzco, the Urubamba and Cuzco valleys are dotted with the remains of other Inca centres; the *andenes* are still used for cultivation, heavy and green with maize. The town plan of Sacsayhuaman represented the head of a puma.The subterranean water channels that flowed from here to Cuzco outlined its body. The puma was the Inca god of war, and the location of the water channels was a military secret, to prevent enemies poisoning them. The zig-zag outer stone walls of Sacsayhuaman are still visible.

Some of the stones of Sacsayhuaman are nine metres high and weigh up to 300 tons, and all were moved here from distant quarries without knowledge of pulleys or wheels. Like the gigantic *andenes* and the roads, these feats of construction were carried out by obligatory community labour, a duty imposed by the Incas on each village clan, or *ayllu*. The *ayllus* formed the basis of Andean society. They existed long before the Inca empire rose in the eleventh century AD, and they still exist today.



Peru: an Inca wall in Juliaca.
(Luke Holland/ Oxfam)

The technological achievements of Andean civilisation long preceded the Inca empire: irrigation and the cultivation of maize and potatoes, building techniques, metal-working, weaving, and ceramics. Human history in the area goes back at least 12,000 years. Pre-Inca *ayllu* communities cooperated to organise communal work, and a system already existed for several *ayllus* to pool their efforts to deal with large tasks such as the maintenance of irrigation works. On to this base, the Incas brutally imposed a rigid bureaucratic society which maintained tight control of land, work, travel, and the distribution of food. At the top of the society was the priestly caste who served the Sun God, Inti, and his representative on earth, the Sapa Inca, the emperor. At the bottom were the village communities who laboured under the direction of the elite. To this rigid and unjust society, the Spaniards brought death on a scale hitherto unknown.

The Inca empire was already weakened when Pizarro and his 180 *conquistadores* landed at Tumbes on the northern coast of Peru in 1532. In the 1520s a plague had swept the empire. Among its victims was the last great emperor, Huayna Kapac. His two sons battled for control of the empire. Atahualpa, who had ruled the northern half of the empire from Quito, defeated his brother Huáscar, who ruled the southern half from Cuzco, in a civil war which ended just before the Spaniards arrived. Atahualpa succeeded in re-uniting the empire, but his grasp was feeble, and the Spaniards were able to exploit the rivalry between the brothers. Pizarro was able to seize Atahualpa in 1532 by trickery, initially with the support of Huáscar. Cuzco was sacked and Atahualpa was murdered in 1533. The Inca army withdrew to Quito, which they defended until the end of 1534. Scattered resistance continued for a further 40 years, but the Inca civilisation was doomed.

A NEW SOCIAL ORDER: CONQUEST AND DEPENDENCE

The Spanish defeat of the Inca empire, like the defeats of the Aztec and Mayan civilisations in Mexico and Central America, was more than simply another conquest. It did not just impose another set of rulers in the succession of Andean civilisations. It tore up by the roots the cooperative agrarian society of the Andean *ayllus*. The old heart of the Inca empire in what is now Peru and Bolivia was reorganised for the extraction of precious metals. A way of life that today we would call 'sustainable' was destroyed.

The Inca empire at its height had supported a population of something between 12 and 32 million. By contrast, Peru, Bolivia, and Ecuador today have only just reached a combined population of 38 million. Furthermore, Inca civilisation supported this population without starvation. The authoritarian control of labour and produce meant that food levies stored in central granaries were available to distribute to communities in times of food shortage. This is an achievement still to be rivalled today.

The Spanish introduced forced labour, more draconian than anything the Incas had imposed. Indian slaves laboured six or seven days a week in the mines. Agriculture suffered, irrigation systems fell into disrepair, and the coastal desert grew. New diseases brought by the white men felled Indians in their thousands.

Bolivia: colonial architecture, Cochabamba (Sean Sprague/ Oxfam)

By 1600, this combination of disasters had reduced the Indian population to around two million. From the rich silver mines of Potosí and the mercury deposits of Huancavelica, the mineral wealth of the continent flowed across the oceans to Spain.

Independence from Spain did little to change this. The wars of liberation in which Latin America won its freedom from Spain in the early nineteenth century (1810-1825) were never to build on the traditions of pre-colonial societies. Tupac Amaru II had led the last great Indian revolt against the Spanish in 1780. The revolt spread throughout southern Peru, but by 1781 it had been bloodily suppressed, and the prospect of an indigenous independence movement was ended. Instead, independence movements were led by creole elites who shared their Spanish masters' aspirations to European 'civilisation' and a rejection of indigenous 'barbarism'. In their struggle with Spain, they did not look for support from the indigenous peoples but turned to the newly independent colonies of North America for models and, ironically, to Britain for military help.

Simón Bolívar, the greatest of the liberators of the continent, dreamed of a Latin American union of modern republics. But France and Britain just replaced Spain in monopolising the foreign trade of the new republics. Their grip on the Latin American economies was so strong that in the 1830s they were invited to draft Peru's trade laws. The emerging new power to the north, the USA, in 1823 claimed Latin America as its exclusive sphere of influence. The USA gradually displaced European domination as the century went on. Bolívar's dream was frustrated by the rivalries of local strongmen; and, more importantly, by the fact that Latin America's economies were satellites of those of Europe and North America.

Today in Peru the descendants of the builders of the *andenes* and of Sacsayhuaman, Cuzco, and Machu Picchu still live in a poverty which is the legacy of the Conquest.

THE MANUFACTURE OF MISERY: PERU AND CHILE

The deep crisis of the modern-day Andean region is nowhere more obvious than in Lima. It is a city whose population has grown far beyond the capacity of its resources. On the outskirts of Lima in the bleak desert are the *pueblos jóvenes*, the poor shanty-towns that spring up overnight in land invasions, and then fight for recognition. Peasants have crowded in, fleeing from the violence of a war between guerrillas and the army, and from the collapse of agriculture in the countryside. Thousands of temporary shacks are scattered across the dust. In some, lines of poles in the national colours of red and white indicate where new migrants have staked a claim on land to build their houses. Beyond Lima, the population is sparser. In some places there are giant boulders, in others only dust and sand, and everywhere the naked hills of brown and grey rock. Some patches of the terrain are irrigated. Cows mooch through these tiny patches of scrubby green. But even where it seems to be all desert, there are people, living in tiny shacks made of reed matting. In a dustbowl, a farmer slumps over his spade, as if despairing of the task. The sense of the impermanence of people in this desolate landscape is overwhelming.

In Lima's upper-class districts of San Isidro and Miraflores, the impression of crisis vanishes. The flower-beds along the highways are well-watered, and the night clubs and antique shops are still doing good business. But the crisis is real and pressing. Black-market money changers are everywhere, with their wads of Peruvian *soles* and their electronic calculators, rushing up to every slowing car at traffic lights. They vie for attention with children who clean car windows, and other street pedlars.

Peru: collecting water from one of the few taps in the shanty town of 'Los Pinos'. (Luke Holland/ Oxfam)

In Peru twelve million people, more than half the population, live in poverty. Eighty-five per cent of the population is either unemployed or under-employed. Poverty-linked illnesses such as tuberculosis and cholera have reached epidemic proportions.

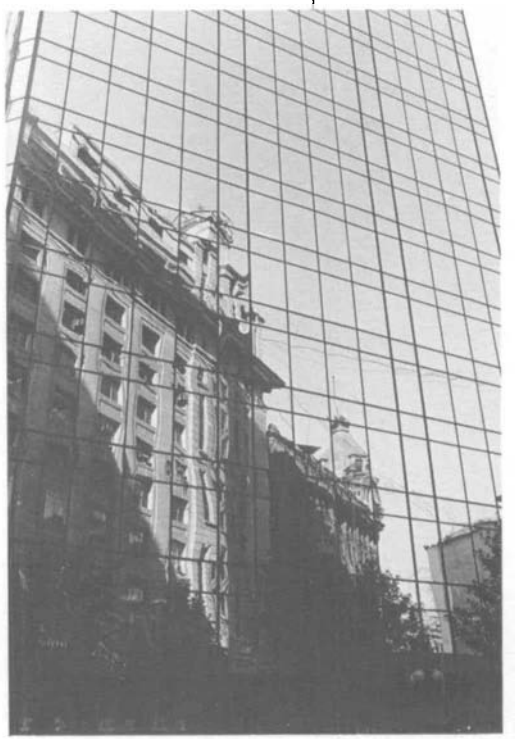
Life for the poor in Lima is hard, as it is throughout the Andean region. On the outskirts of Santiago, the capital of Chile, is an outer ring of slums which the inhabitants call the 'belt of poverty'. The centre of Santiago is a modern, elegant city. It is a testament to the Chilean 'economic miracle' that gave the country during the 1980s one of the lowest inflation rates and one of the highest growth rates in Latin America. But there is a price to be paid for the miracle. In the words of David Ordoñez, a social worker:

"Chile is like two countries. They speak on TV of a country full of flowers and festivals. But this is not how it is for most people. People lack bread and milk. The tourists just stick to the centre and don't know this exists. The police drive the street vendors out of the centre so they can't be seen. It's like apartheid: keep the pretty things in the centre and drive the ugly things out to the periphery."

Chile has rich copper deposits and an industrial base that is relatively highly-developed. In the past it enjoyed a stability and level of social services that led some Chileans to describe their country as the 'England of Latin America'. That all changed after a military coup in the 1970s. The socialist government of Salvador Allende had been elected in 1970 on a radical reform programme. In 1973 the armed forces overthrew the government. Chile under General Pinochet became the laboratory of free-market economics. Milton Friedman and the Chicago economists redesigned the country's economy along monetarist lines. The gap between rich and poor expanded enormously.

Renca is a slum on the north of Santiago in the belt of poverty. Neighbourhoods like this were poor before 1973, but they were self-respecting working communities. Now there is massive poverty where it did not exist before. Drug addiction among teenagers is a visible indicator of social disintegration. Kids without hope hang out on the streets, dulling their hunger by sniffing glue, and mugging and robbing to stay alive. Girls as young as nine years old become prostitutes. People survive by grubbing around in garbage cans.

Javier Vásquez lives in Renca. His life reflects what happened to the poor in the 1980s. In 1973 he was a deliveryman for a bakery. From his point of view the economy has collapsed, not thrived. He found work in the mid-1970s as a builder's labourer. Then he was on a government work scheme. Now he tours the city with a handcart at all hours of the day and night, collecting cardboard for resale. His back garden looks like a junkyard. "Everything has its own price," he says. The garden is piled high with paper and cardboard, except for the small space reserved for five rows of vegetables. The house too is crammed with junk, even the bed his son sleeps on. His wife moves slowly round the living room, which is also their kitchen, rearranging the chaos of pots and plates. There is no stove and no cupboards. Her eyes were damaged when a gang of youths mugged her. There is no money for medical fees to treat her.



Chile: an office block in the centre of Santiago. (Julio Etchart/ Oxfam)

Free-market medicine for the Andes

One by one the governments of Latin America are restructuring their economies. The aim is to make them competitive again in the international market. They are following the radical free-market policies advocated by Western economists in the World Bank and the International Monetary Fund. After a decade of lost growth in the 1980s, incomes in many countries are starting to rise, and inflation to fall. But this has been achieved through privatisation, the promotion of exports, and the reduction of state expenditure on services and subsidies. And it is the poor who pay the price.

Bolivia, where one person in eight is dependent on food aid, shows this clearly. In 1985 the international price of tin collapsed on the London Metal Exchange. Bolivia's main export industry was destroyed. Within a year, nine out of every ten miners employed by COMIBOL, the state mining company, had lost their jobs. In 1985 Bolivia had the highest inflation rate in Latin America: 24,000 per cent. Now it has the lowest (18 per cent in 1991). But the cost was a fall of 60 per cent in incomes between 1985 and 1986.

Other countries, notably Peru under the government of Alan García in the 1980s, searched for alternatives which would avoid these heavy political costs. García's strategy attempted to boost the domestic economy in the hope that the country would spend its way out of recession. His government tried to limit repayments on its foreign debt to what was affordable. For this stand on debt, Peru's applications for loans were blocked by the international lending institutions. At first the strategy appeared to work, but then the economy began to collapse. Today, Peru toes the line and follows the same strategy as the rest of Latin America.

MUTUAL AID IN CHILE

La Caleta is an organisation of community workers. They work in the southern slums of Santiago, but also in Renca and other northern zones, aiming to help the communities to take responsibility for dealing with their own situation. They do not operate as professional social workers: the residents are not their 'clients'. Instead, the residents themselves do the work, and in doing so rediscover their own dignity. The La Caleta team organise the local teenagers themselves to act as youth workers. These 'monitors' share the problems of poverty and deprivation. So, unlike social workers, they can befriend the glue-sniffers and talk to them. They educate the young gangs, and each of them makes special friends with one or two hard cases. Through the monitors, La Caleta also reaches families and communities, linking up with other organisations. Their aim is to connect the individual back into the community. They know that they can't directly change much; that solving the communities' problems depends on social change, not on rehabilitation. But they can provide people with a little dignity and hope, and the tools to work for change. As David Ordoñez of La Caleta says:

> *"All the problems of the system are concentrated in these families. We know we won't solve all the problems. That needs structural change. Our work is preventative, with the addicts themselves, with their families and with the communities. The monitors gradually discover that these things are not*

normal – delinquency, drug addiction, prostitution. Kids get up at mid-day and stay out on the streets all night. Kids here are used to a society where there is no school and no work. But this isn't normal.

It's difficult to integrate into the area. You can't just say, 'We have come to rehabilitate you'. It's not a matter of having campaigns, hanging up banners saying 'No to drugs'. You have to move around on the streets, talking in the streets, getting to know people. This is not paternalistic work, but giving people confidence in themselves. On Saturdays we work at community level – with the mothers in the soup kitchens. This is a logical way of organising people who don't have much expectation of anything."

The soup kitchens exist throughout Chile's cities, and in most other cities throughout the Andes, where malnutrition and anaemia are rife, and where children were coming home from school at lunchtime to empty tables. To survive, communities have been thrown back on their own resources. Women, responsible for family welfare, have taken the lead. Every slum community now has its communal soup kitchen, known as the *olla comun* or common pot. The *olla* in the backyard of Sofía Alvarez's house in Renca is typical. It has functioned every day for ten years. Thirty-six families, 180 people, participate. Everyone contributes 150 pesos (about 30 pencè) a week, and all the women do their turn on a regular rota of work. There are three shifts a day. Cooking starts at 8.00 in the morning, to have lunch ready when the kids come home from school. By mid-day a giant pot of soup is cooling away from the fire. A small oven turns out ten baked loaves every three minutes. The oven was designed, on appropriate-technology lines, with professional help and cost them about £30.00 to build.

Before Pinochet these soup kitchens were not necessary: people at least had enough to eat. Under the military regime that followed, the authorities found the

Chile, May 1987: a soup kitchen in Santiago. (Ana-Cecilia Gonzalez/Oxfam)

existence of soup kitchens an embarrassing contradiction of their 'economic miracle'. They argued that there was no poverty in Chile and that the *ollas* provided a focus for subversion: the police used to smash them up. So, incredibly, the soup kitchens had to be clandestine. Chile returned to free elections in 1990 and the military regime is being slowly dismantled, but the free-wheeling free-market approach to economic development is still in place, and the 'belt of poverty' remains. The ovens of Renca are still baking.

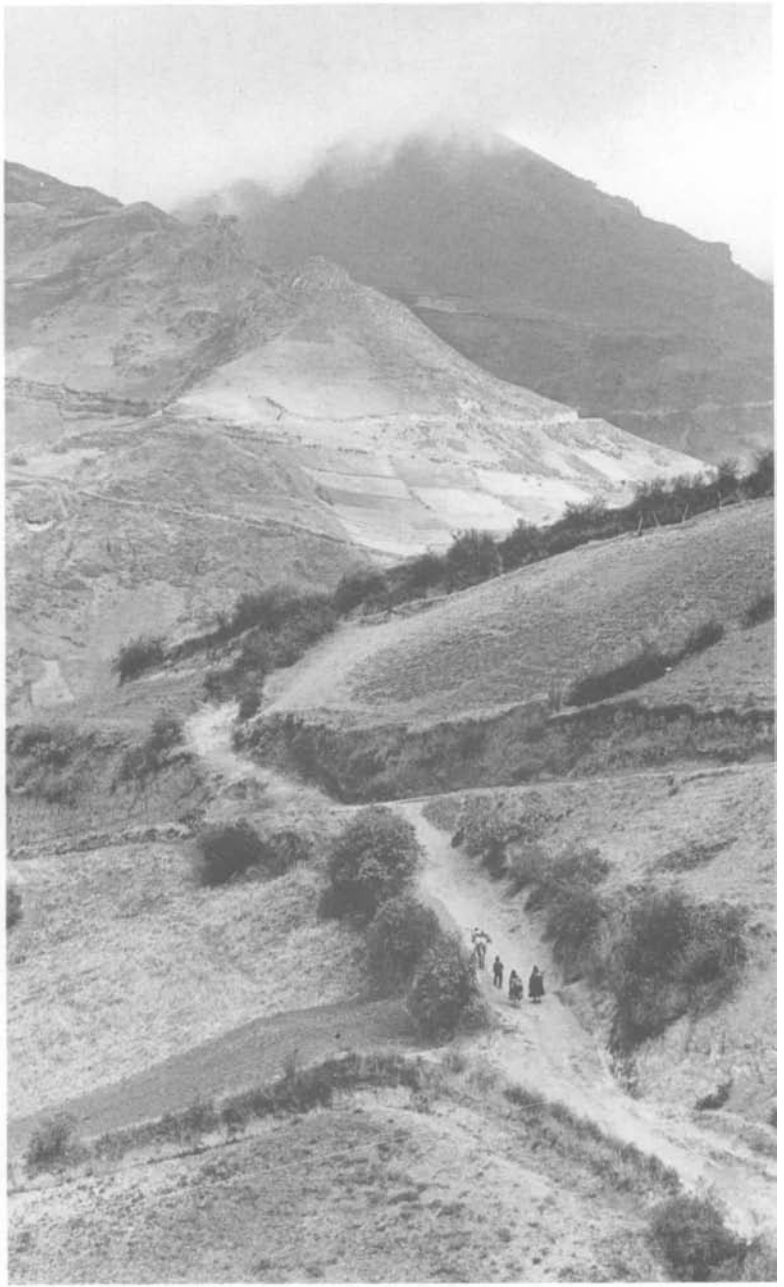
A QUEST FOR JUSTICE

In the slums of the Andean region people are pooling their efforts to find ways to survive. They have created networks of soup kitchens, housing associations, community schools, and health committees. To make money they have started their own tiny businesses, or taken to selling whatever they can on the streets – a phenomenon that economists call the 'informal economy'. An encounter with modern European or North American culture has brought them not progress but poverty. Andean people have been thrown back on the most enduring of their own institutions: the mutual-aid traditions of the Andean community, applied not just in highland agricultural communities, but in new conditions like urban slums.

Latin American thinkers of all political persuasions have seen hope in Andean mutual-aid traditions. For some, the 'informal economy' of the slums shows the vitality of entrepreneurial spirit. For others, the mutual-aid community points the way to a future liberation based on solidarity and sharing. Both views may be true; both grasp a part of the reality. The self-help and mutual-aid traditions of Andean communities can and do mobilise an enormous amount of resourcefulness and creativity. But, alone, they can provide no more than survival strategies. To regenerate the wider society and find an escape from poverty, major changes are needed in the way in which societies and economies work.

A return to civilian rule throughout most of the continent offers the political space for change. But people remain cynical about the benefits of a new democratic politics which is still hedged about with limitations, and which seems to offer no alternative to a rigid economic orthodoxy which tells more and more poor people that they are surplus to requirements. As the five hundredth anniversary of the arrival of Christopher Columbus approached, the governments of Latin America and Spain planned lavish official celebrations, under the slogan 'Encounter of Two Cultures'. In poor communities these celebrations found little resonance. Indian organisations, peasant groups, communities of the urban poor and Afro-Americans have launched their own alternatives, with names like 'Campaign for the Self-Discovery of Our Latin America'. In a continent in crisis, they are searching for a new identity and a new path to development.

PART I: LAND



Ecuador: a landscape with peasant farmers, near Simiatug.
(Julio Etchart/Oxfam)

MAKING THE LAND WORK

The 'discovery' of the Americas was a major intellectual crisis for fifteenth-century Europeans. They thought that they knew the entire world and had mapped it. Suddenly there was a whole 'New World' which disrupted not only the old certainties, but also the ritual elegance of the old three-continent pictures of the world. The shock left a verbal legacy that persists till today in the word 'Indian': Columbus called the indigenous people of the Americas 'Indians' because he thought at first that he had found a western route to India.

THE ECOLOGICAL LEGACY OF CONQUEST

European inability to understand the newness of the New World took another form, with serious and lasting consequences. The Spaniards ignored the traditional ways in which the land was used, and substituted their own ways. European agriculture had evolved in a temperate climate with well-watered rich soils and deciduous forests. In the Andes they found a range of environmental conditions from coastal desert through the bitterly cold high mountains to the evergreen tropical rainforest of the Amazon. During 12,000 years of human settlement in these terrains, Andean peoples long before even the Inca civilisation had learned how to farm the desert, how to cope with the harsh mountain environment with its alternating droughts and floods, and how to care for the fertility of the thin fragile soils of the rainforests. They had domesticated and selectively bred tubers like potatoes, grains such as maize and quinua, and the camelid animals such as the llama and the alpaca. The Europeans instead imported their own plants and animals, adapted to the very different ecological conditions of Europe. Believing their methods to be modern and universal, they insisted on farming in the European way. They introduced also a different role for agriculture: intensive farming of 'cash crops', rather than farming to satisfy the needs of the population. Land which had fed the population was now devoted to growing crops for export, or grazing animals. The consequences were severe: erosion and declining fertility of the soil, poverty and hunger for the people.

Peru: an Inca canal near Sullumayo. (Luke Holland/ Oxfam)

At the centre of traditional management of the environment in the Andes was the management of water. There is either too little or too much of it. The dry season lasts from May to November. Then during the rainy season between December and April, torrents of water pour down towards the coast from the high mountains. Hillsides become sliding sheets of mud. In the valleys, rivers choked with soil, boulders, and water burst their banks and change their courses unpredictably. The rivers then run rapidly to the sea, carrying precious top-soil away and speeding desertification. Some years the rains do not come at all, and rivers dry up. Pre-colonial Andean society had developed massive engineering schemes to harvest, conserve, and redistribute the water. Everything was on a huge scale. The steep mountainsides were reshaped into giants' staircases of terraces, the *andenes*, which increased the area available for cultivation, and reduced soil erosion. The areas prone to flooding were reshaped into elevated fields, the *camellones*, separated by deep furrows. A system of canals criss-crossed the coastal desert, drawing off the ferocious flow of the rivers in full flood, and distributing water and nutrients to irrigate the desert.

All of this was ignored by the Europeans. They brought with them crops that needed plentiful water, and livestock that needed wide and lush pasture. So they concentrated their agriculture on the fertile valleys, draining the water that had supplied the canal networks. Pressed into slave labour in the colonial mines, people no longer had time to keep these systems in good repair. Desert reclaimed the coast. The *camellones* and *andenes* mostly fell into disuse. Now these great engineering works are archaeological curiosities and tourist attractions. The Andean environment today, as a result, has become much harsher.

The Europeans ignored another aspect of pre-colonial Andean agriculture: the way in which land was used socially. In an environment of such harsh extremes, Andean communities reduced their vulnerability to the natural disasters of the

flood/drought cycle by cultivating a range of ecological levels. Each community, where possible, farmed land in the lower valleys and the higher slopes. Drought at the higher levels was compensated for by production at the lower levels; conversely, heavy rains flooding the lower levels brought the mountain sites into bloom. This back-up system depended on a community-based relationship with the land. Plots were allocated to families each year from the stock of communal land. The Incas did not disrupt this traditional pattern of environmental management, though they superimposed their own rule on it. Communities had to pay tribute to the Inca aristocracy, but they also received food from state warehouses in times of need – a final back-up system. The Spanish colonists and their descendants gradually eroded this system and replaced it with the system of individual ownership. The result now is that lowland communities are at the mercy of floods, and highland communities at the mercy of drought.

The imposition of European methods and social practices on indigenous societies goes a long way to explaining why twentieth-century Andean countries have yet to equal the Inca achievement of supporting, without starvation, a population of some 20 million. The poverty which afflicts most Andean communities today is not caused by nature, but rather by social and historical events.

DISASTER PREVENTION IN THE RIMAC VALLEY, PERU

The ecological vulnerability of the Andes to natural disaster has social roots. In Peru, PREDES (the Centre for the Prevention of Disasters) believes that social action can prevent disasters, if people pool their resources and work together to take precautions. PREDES is a group of engineers based in the town of Chosica. They are helping small communities in the Rimac valley to find long-term solutions to the problems of flooding and land erosion.

The valleys of the river Rimac and the neighbouring Santa Eulalia river link the Peruvian capital, Lima, with the country's central mountainous region. The rivers provide Lima with water and electricity, while major road and rail links run along the Rimac valley beside the river. But the abundance of water causes a major problem for the valley dwellers: every year storms and flooding bring immense damage, especially for the poorer people who farm the more vulnerable land.

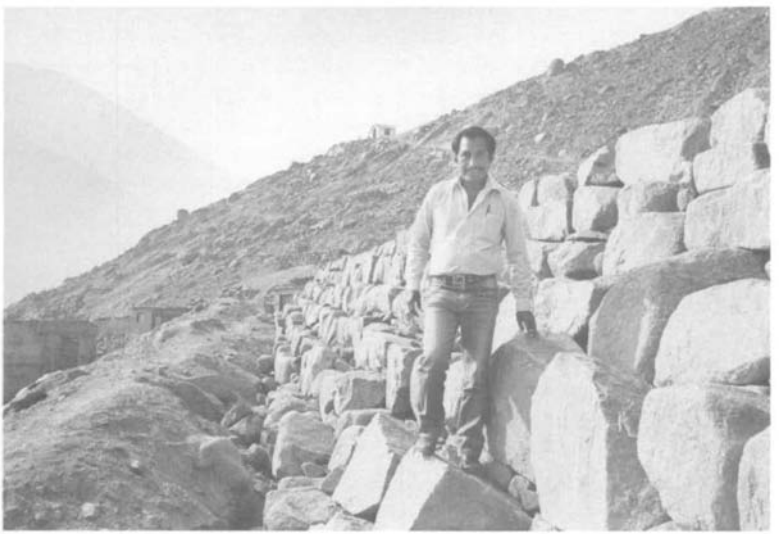
Dora Prieto lives in Santa Rosa, a small community of 50 poor families who grow fruit and vegetables on small plots in a narrow valley pass where the Santa Rosa river meets the Santa Eulalia. Between May and November the valley is dry, but during the rainy season from December to April the rivers become torrents of mud and rocks that often swamp fields and sweep away houses.

The origins of the problem lie farther up the hillsides, where modern methods of cultivation have removed barriers to the torrents of water. Traditional methods of terrace cultivation, appropriate to the steep slopes, have fallen into disuse, and overgrazing has stripped the land of its natural vegetation. From Dora's crude brick house by the roadside her small cultivated plots of vegetables, eucalyptus, and fruit trees slope steeply down to the river which roars turbulently through the valley. The slope above her house is barren, yielding only boulders.

Dora and her neighbours live without electricity, though the pylons of a hydroelectric scheme stalk across the hilltops above them. The municipality cannot afford the local transformer that would be needed to hook them up. They live without running water, though there is water in the nearby reservoirs of the power company. Dora has waited all of her 73 years for electricity and piped water. There is no doctor, no clinic, and no school for the children. Peru's current economic crisis means that the community of Santa Rosa also has to cope with high prices for the goods they buy, and low prices for their produce.

As if this were not enough, every year when the rainy season starts in December, the very hills around them threaten to crush their homes. The torrential rains loose *huaycos* – enormous slides of mud, water, and boulders. The bare hillsides, with no vegetation to fix them, slide crashing down towards Santa Rosa and other nearby communities. *Huaycos* are an enormous threat to life throughout the Andean valleys. Dora's house was flooded in 1987 when the last big *huayco* came. Many others in the community lost their homes. The mud and boulders swept through three kilometres of the valley before stopping. In 1981 in an earlier disaster, nearly half the nearby town of San José de Palle was swept away.

Since 1983, Dora and her neighbours have begun to take action to prevent similar disasters. They are helped by PREDES, which provides technical advice and assistance to communities like Santa Rosa. PREDES works closely and respectfully with the organisations of the communities themselves. Dora has got together with 29 other women and five men. They have built retaining walls of stone, and terraces on the hillsides to contain the minor flows. But the big work came after the 1987 *huayco*. The community has cleared out a channel to contain the destructive forces of the next major *huayco*. PREDES surveyed the terrain in order to predict the path that the *huaycos* would take, and to determine where to



Peru: a stone bank in the Santa Rosa valley, built by local people to counteract landslides. (Neil MacDonald/ Oxfam)

create the channel. For three months at the beginning of 1991 the women toiled two days a week with bare hands and simple tools to clear the boulders from the channel and to bank up the walls with cement and stone. Now they hope they will be safe. But just in case, PREDES has helped them to work out emergency plans which include a refuge that should be safe. Santa Rosa and other communities along the valley have also begun to tap into the waters of the hydro-electric scheme. With a rough system of rusty pipes and canals they have led water along the upper slopes all the way to Chosica. The irrigation has allowed them to start reafforesting the hillsides and so begin to bind together the fragile soil.

PREDES has made a survey of all the potential disaster areas and fostered the formation of similar community self-help groups. These groups have often become the nucleus of further community efforts.

For Dora and her neighbours, moving is not an option. There is no extra land available for them. Other groups still have hopes that they can get hold of some land to work. The constitutions of many countries throughout the Andean region allow landless farmers to lay claim to land that is not being used productively. But claiming this right does not come easily.

GETTING THE LAND: COLOMBIA

The constitution of Colombia says that land is a social resource. The agrarian reform law until 1989 allowed landless people to take over land which was not being used. Since 1989 these 'recuperations', as the peasants call them, have been illegal. People must now go through a convoluted bureaucratic process, easily manipulated by powerful landowners.

The Indian peoples of Colombia are in a more fortunate situation. A law passed at the end of the last century allows Indians to reclaim the land which originally belonged to them before the Spanish conquest. The basis for these claims is title to land, called *resguardo*, originally granted by the Spaniards as a basis for extracting tribute from the indigenous people. The first step is for a community to form a *cabildo*, an elected community council, allowing the right of *resguardo* to be assigned to the community. The *cabildo* was originally a Spanish creation, based on the form of peasant organisation in Spain. These relics of the colonial era allowed Indians to take the lead in land recuperation. Now, a new constitution passed in 1991 has enshrined recognition of indigenous lands. Indigenous peoples' groups, such as the Regional Council of Indigenous People of Cauca (CRIC) and the Regional Council of Indigenous People of Tolima (CRIT), provide advice and training to indigenous and peasant groups on how to guarantee their right to land.

However, where entrenched interests are involved, winning the land can involve dealing with more than legal red-tape. Some peasants have had to pay a very high price for their land. A poster on the wall of the CRIC office in the little town of Popayán reads: "We struggle for the land of the *resguardo*. They give us that of the cemetery."

The 'Eleventh of November' recuperation in Cauca is home to 72 families. It takes its name from the day in 1985 when landless people and casual labourers took over an abandoned farm. This is one of several land recuperations by non-Indian peasants who have been helped by the CRIC. Like many other recuperations in Cauca, the 'Eleventh of November' has its origins in a 1983 earthquake. In the quake they lost their homes and the little they had. They needed help. Donations flooded into the country, but little reached the peasants. But it was the disaster that brought the peasants together. One community leader said, "We should be thankful for the earthquake. Without it we wouldn't have an organisation." The idea of a land recuperation took shape slowly. They found abandoned land, and were able to move on to it without problems. They farm it together, organised into different work teams for livestock, coffee, land clearance, vegetables, and finance and administration. The CRIC provides training, and the community ensures that everyone has an opportunity to learn as much as possible by working in all the different teams. They are careful, following the CRIC's advice, to safeguard the environment. A poster on the wall of the CRIC office in Popayán reads: "We protect the woods, the water, the soil. This too is part of our struggle." In the past, the peasants used to clear land by cutting and burning the trees. Now they have recognised the role that trees play in binding together the soil. If they cut down a tree for fuel or to clear land, they try to plant two or three new ones.

"We protect the woods, the water, the soil. This too is part of our struggle."

Among the most developed of the land recuperations in the area is López Adentro, set in the rich Cauca plain whose sugar plantations and cattle ranches stretch monotonously to the coast. This is a *resguardo* of the Paéz Indians, who have had the land since 1970. More than 620 families now farm the staple crops of maize, yucca (manioc root), and beans as well as vegetables such as tomatoes. Julio Súarez, a middle-aged Paéz, as he methodically shelled maize outside his adobe house on the farm, recounted the history of the land:

> *"There is sugar cane all the way from here to Santander and Cali. It's all owned by one or two landlords. And we need land to work. The only response we get is a bullet. [Before we came here] there were 3,600 hectares all in the hands of a single man with a written paper. But there is an older law which invalidates this.*
>
> *In 1970 we came. This land was totally abandoned. Our forefathers were the lords of all this land you see here. They were thrown out like garbage in the street by the Spanish. So we united. And united we were able to get the land for all of us. In the past the people used to go out in the streets – killing, robbing, terrible things. We had to unite ourselves. We had a campaign and we went around to all places.*
>
> *There were many problems. On the first day when 600 of us arrived on this land, the police and troops came. They said the landlord had a written paper. We said, 'No. We are the real owners. Our grandfathers had this land.'*
>
> *It has been a continuous struggle. Three times there were hard battles with the police and troops. Once when we were having a meeting, they said we*

"We elect a governor for a year, but if he is a dictator, we change him immediately. We don't want any dictators here."

had to get out in 20 minutes. We said no. After 20 minutes, they threw in tear gas. They came back another time. Our crops, the tomatoes and everything, were sown all around when they came the last time. They said INCORA [the agrarian reform institute] *would come, but it was the police who came. About 600 police came in 1984 with tractors and bulldozers to destroy the yucca, maize, and beans we had sown. But we stayed. They set fire to the houses and the livestock with petrol. We waited for two months in the hills for the government to resolve it. But nothing happened."*

Finally their suffering bore fruit. Their claim was recognised; the land became theirs, and they began to develop their community. As at 'Eleventh of November', the land at López Adentro is divided between the community plot and individual family plots of two hectares each. Two days a week people work on the community plot. Mondays are to help pay the administrative costs of the community, while Tuesdays are for the costs of the health programme and the children's education. They have 45 children in the local school. Though they have their own schoolroom in the community, they have no desks. Some members of the community are starting to train as teachers so they can do their own teaching. They run the community in a highly democratic way, as Julio explained:

"This land cannot be sold. Nobody is the landlord of this land. It belongs to the whole community. We organise things in the community meeting. This is the highest body of the law of 1890. The governor is elected by vote of the community. The one with the highest vote becomes governor, and the runner-up the deputy. They are elected for a year, but if he is a dictator, we change him immediately. We don't want any dictators here. This is like how the situation was in the past too."

KEEPING THE LAND: PERU

The story of the community at López Adentro is repeated in one form or another throughout Latin America. Land reform laws were passed throughout much of the Andean region between the 1950s and the 1970s, and at least some of the poor communities in the countryside got access to the land they needed to survive.

Until the 1950s the way in which land was distributed in most of Latin America had changed little since colonial times. This state of affairs frustrated planning for development. The old colonial estates, the *latifundia*, continued to belong to the traditional landed elites – the oligarchies. They monopolised the best agricultural land. The peasants on the *latifundia* produced food for the cities, and received small parcels of land on which to produce their own food. The majority of the remaining peasants were squeezed on to tiny farms, the *minifundia*, which were often too small to support a family. Increasingly, many peasants had no land at all. The result was poverty for the peasants. But there were other results too. The large estates were often undercapitalised and

Ecuador: collective work by a community near San Juan — asserting rights to idle land which they claim under the agrarian reform law. (Julio Etchart/ Oxfam)

underused, while the small farms which produced food for subsistence were confined to the worst land. Only a few small peasant farms were able to produce for the market. Yet the small farms were often relatively more productive than the large estates, given the poor condition they were in. So basic foods were in short supply. In addition, the poverty of the countryside meant that country people were restricted in what they could buy from the towns. This in turn put a brake on development of new industries. The reforming governments which decreed land reforms intended them to serve two purposes. Firstly, they hoped to break the power of the traditional oligarchies, allowing the governments to modernise agriculture and industry. And secondly, they hoped to forestall an explosion of discontent in the countryside, such as that which had supported the revolution in Cuba in 1959.

Today, most of the food comes from peasant farms. However, land reforms have proved less effective in reality than the subsistence farmers had hoped. Land-reform packages rarely included the credit and technical back-up services that poor farmers needed to make their land flourish. And, by the 1980s, Peru's political and economic goals were changing. Governments were turning to a new way to modernise agriculture, through increasing earnings from exports. Beneficiaries of earlier land reforms began to find their gains threatened.

Staying on in the Santa Valley

The fate of the land reform in Peru provides a clear example of the problems of the Andean region. An oligarchy monopolised the best land in the highlands and the river-fed coastal valleys, where they grew cotton and sugar. Some of the estates were as big as English counties, and the owners ruled like feudal barons.

Julio Rivas, a peasant in the Santa valley east of the fishing town of Chimbote, remembers what things were like for agricultural workers before the land reform:

> *"They worked us from six in the morning till five in the evening. They treated us like slaves. They made us work like horses. There were no holidays. And tenant farmers who grew rice had to give one-fifth to the estate."*

In 1968 young army officers led by Juan Velasco Alvarado staged a bloodless coup. They were determined to modernise the country, and decreed a land reform in 1969. Some 9.5 million hectares were distributed – about half of Peru's cultivable land. Coastal estates bigger than 50 hectares were converted into cooperatives for the former estate workers. In the highlands, where there were competing claims on the land from the estate workers and the traditional Andean communities, a different solution was followed: any estate bigger than 30 hectares was turned into a 'SAIS' (Social Interest Agrarian Enterprise); these enterprises were supposed to reconcile competing claims to land.

But in many places things did not work out as planned. In the highlands, the SAIS scheme failed to reconcile the interests of former estate workers and the communities, leaving a continuing legacy of conflict. In the coastal areas, as Julio remembers: "When we formed the cooperative, it was a beautiful thing, but we lacked the preparation to administer it. It didn't come to much."

Cooperatives were created without the necessary back-up. They were short of capital and credit, they lacked the training to administer the estates, and they had no marketing support. There were social problems too. Many cooperatives were artificial entities: they united people from different communities which were sometimes divided by conflicts or family feuds. People in these circumstances found it difficult to accept the discipline of common production plans. As Julio put it, "Everyone sowed just what they pleased." And in many cases, individuals who were highly placed in the cooperatives, such as managers and technicians from the old estates, exploited the new system for their own benefit.

The reforming zeal of the military government began to run out of steam in the 1970s. New laws restored the private market in land. With the return of civilian government in 1980, impoverished members of the cooperatives were allowed to take their own individual 'parcels' of land out of the cooperative. Many sold up to bigger landowners and left.

The family of Sofía Blancas is among those who stayed. By 1989 the cooperative had collapsed and Sofía had become an individual small farmer. She is worried about the future: like other farmers, she has been sowing a lot of cotton, but the price of cotton is low. Falling income is taking its toll: four children had recently died of malnutrition in a nearby village when Sofía was interviewed for this book. She looked around at the fruit trees and flower bushes which grow abundantly around her small neat house, and recalled:

> *"I've been here 25 years. I'm the second generation. I was six when I came. This was all grassland when we came. Every tree is the labour of our fathers. The land is good. Whatever you plant, it produces. Now we young people are trying to organise ourselves for better conditions – to get water."*

They want to extend the valley's 20-year-old irrigation system so that they can make use of the 7,000 hectares that are currently barren. But to do this they must first rebuild the sense of unity among the valley's small farmers, now deeply suspicious of the legacy of the cooperatives. A local organisation is giving them advice in their attempts to rebuild their futures.

Piura: cotton, canals, and cooperatives

The unity that is the key to the Santa valley's future may explain why the experience of land reform was different for the peasants in Piura on Peru's northern coast. The process of dividing up Agrarian Reform cooperatives that has swept the rest of the country has been resisted to some extent in Piura. The climate here is sub-tropical, and Piura produces cotton which is among the world's finest: its quality matches that of Egypt. Even the land conjures up images of Egypt. Just inland from the coast, the featureless desert suddenly gives way to fertile green land fed by the river and a system of canals.

Piura has strong traditions of community organisation going back centuries. Even in popular cafes, delicious spiced fish is eaten from a communal dish and *chicha*, fermented maize beer, is drunk from a communal bowl. The Andean community of San Juan de Catacaos is 413 years old. *"There are two people responsible for the rebellion,"* reads the mural outside the Comunidad Campesina of Catacaos. *"You for oppressing my people, and me for wanting to liberate them."* The quote is from Tupac Amaru II, who in 1780 led a rebellion of indigenous people against the Spaniards. The spirit of independence is strong in this community, which is almost as old as Peru itself. As well as representing the members of the community, the Comunidad provides a series of small services: a rice husker, a bulk-buying scheme for fertiliser, and cheap rental of tractors and trucks, as well as health care. The Comunidad is an adaptation of a traditional form of community organisation; it now forms a key link in a network that unites

Peru: cotton farmers in Piura. (Neil MacDonald/ Oxfam)

"The bosses had jails then. They chained you in stocks by the neck, with your arms and legs stretched out. Just for anything."

peasants in the region. It is composed of 12 cooperatives and 159 committees of small producers (those who farm between a quarter of a hectare and five hectares).

Before the agrarian reform, Piura was dominated by a handful of landed families, notably the Romeros. 'Chino', a member of the Catacaos Community, described what it was like:

> *"I began work on the hacienda for a few pennies a day. It was like we were slaves for them, working from 6 till 6. They used to call your name. If you weren't there on time, you lost the whole day's pay.*
>
> *We formed a tradè union in 1963. Someone came saying, 'You're being exploited'. Some people understood and said, 'But what can we do?' He said, 'Organise yourselves and form a trade union'. An adviser came from another hacienda that had already organised. He told us to meet in secret. We elected a leadership and set the dues. But the boss found out and bribed the leaders. They sold themselves. They didn't defend their class.*
>
> *The bosses had jails then. They could take you prisoner. They chained you in stocks by the neck, with your arms and legs stretched apart. Just for anything – for answering back. I was chained like that when I was a boy. I just took a handful of milled carob and put it in my pocket. And they came and got me and said to my father, 'Your son is a thief'.*
>
> *People then didn't know anything. Most were illiterate. I didn't go to school. Later a schoolmaster taught me how to write my name. People were easily tricked. When the agrarian reform came, they formed a provisional committee. There was an assembly. We wanted to know how we could form a cooperative. It went badly in the first years. It was bad because of bad leaders who made bad investments. We didn't get paid for three or four months. Now each year we are getting better."*

Here, as in the Santa valley, people came up against many difficulties in the agrarian reform. At first, large cooperatives spanning several villages were formed, open to abuse by corrupt leaders. But gradually people have found a form of organisation that makes sense to them. The original 40 cooperatives created by the reform have been split up into 400 smaller ones, organised on the basis of *predios*, areas of about 130 hectares worked usually by 55 families. 'Chino' explained why he preferred the smaller unit:

> *"We can control how much fertiliser, how much seed, how much pesticide we need. We can calculate how much we are spending in each sowing season. We know how much we have to invest until the end of the season, from the sowing to the harvest. No bosses can tell us that the money has run out. We know that we have spent so much and that there is so much left. We can't be tricked."*

These smaller groups cooperate easily, not just to help each other in farming

tasks, but also for bigger development plans, such as the digging and maintenance of feeder canals for irrigation – the vital resource that has eluded the peasants of the Santa valley.

However, even in Piura, the unity has weakened. The government of Alberto Fujimori, which took office in 1990, has brought the agrarian reform to an end. Decree 653, passed in March 1991, emphasises large private investment, rather than the peasant sector, as the way forward for agricultural development. The new law completes the creation of a free market in land which was begun by the government of Fernando Belaunde in 1980. Around three-quarters of the coastal cooperatives have been dismantled. The remaining quarter is hardly functional. Limited forms of cooperation survive, such as 'committees' for joint marketing and joint purchasing. But most families are confronting the crisis as individuals. The only exception to this is the continued legal recognition of communal property. Communities such as Catacaos, which have been in existence since before 1920, cannot be broken up into private plots.

Peruvian agriculture is in a real crisis. Much land is not under cultivation now, because the peasants cannot afford the costs of the inputs such as fertilisers and pesticides. Many peasants, especially the young men, are forced to combine agricultural work with migrant labour in order to survive. The Peruvian Institute of Agrarian Support (IAA) estimates that between 40 and 50 per cent of peasants' productive time is spent in agriculture and 30 per cent in waged employment. The remainder is spent in other activities such as making handicrafts. Agriculture is in long-term decline, partly because cheaper foodstuffs are being imported from abroad. If and when the private sector is reactivated, it will invest in non-traditional export crops such as flowers and exotic vegetables. Meanwhile the peasants are consuming the future to survive today: overfarming land and cutting down trees. One farmer in the Chira valley outlined the stark situation facing them:

> *"We have to buy pesticides. We have to buy petrol for the machines. It means that we must sacrifice our wages. It's consumption that has to suffer. We don't eat so well. We're cutting down on calories. The kids are going without milk. We don't have money to send the kids to school, or for health. Health is suffering with the deterioration in nutrition."*

These problems fall hardest on women. Balbina Martínez Navarro was the first woman to be elected to a leading role in the community of Catacaos. She described their plight:

> *"It is very hard now in the countryside. We can only organise ourselves, nothing more. We can't give any help. There's no work. Many kids are malnourished. There are children dying because of lack of medicines.*
>
> *We get up at three in the morning to prepare the chicha and the morning meal. Then we have to feed the chickens. The men go out to work in the fields. We stay behind making crafts from straw to sell, and preparing the next meal. Then we go out to help the men in the fields. We come back at four in*

the afternoon to cook again. We make crafts like panama hats. A hat takes eight days to make. We get 2,500 to 3,000 intis [about £2.80 to £3.40] *per hat. This doesn't feed us. The price for crafts is very low. During the [cotton] harvest season we all go out to work. This is another sacrifice. To get in a full day's work we get up at midnight to reach the fields. The best pickers manage to earn about 1200 intis* [about £1.35] *a day – and that's working 12 hours, six till six. During the harvest season the kids leave school. The whole family works."*

Everyone talks of the need to find alternatives. But it is unclear what they might be. For the present, part of that alternative comes from coca and the cocaine that can be extracted from it. A quarter of a million families depend on growing and selling coca. Both the World Bank and the UN Economic Commission for Latin America (ECLAC) talk of economic regeneration through a dynamic export-oriented sector. But demand in the North for raw materials is shrinking, not expanding. And there is little possibility of competing with the Newly Industrialised Countries of Asia in the international market for manufactures.

PRESSURES ON THE LAND

2

In their struggle to make a living, peasant farmers in the Andes have more to cope with than poor soils and under-sized plots. Now they have to face the problems posed by the region's new free-market economic policies. The opening of domestic food markets to foreign competition is squeezing out the small producers. In 1989, for example, it was hardly profitable for Bolivian peasants to harvest their potatoes, because potatoes imported from Peru were cheaper. Peruvian farmers in their turn were desperate to unload their produce, faced with markets flooded by even cheaper potatoes imported from France. Since the time of the Spanish, Latin America's agriculture has looked outwards to other countries, rather than concentrating on meeting national needs. Increasing amounts of land are passing out of use for food production, to be devoted instead to growing crops for export. Or the land is being abandoned altogether. Subsistence agriculture is in crisis.

EXPORT AND DIE: THE CASE OF CHILE

Chile's best land is located in the central zone, where 80 per cent of it is now used for growing fruit. This is Chile's 'miracle' new export industry. During the harvest, thousands of workers leave Santiago, Valparaiso, and other towns to work as pickers and packers. Estate owners prefer to employ women, thinking them better suited to the delicacy of the work; but whole families are often involved. Because they are temporary workers, they have no rights.

The Aconcagua valley, about 85 kilometres north of Santiago, is fertile and well irrigated. It is planted almost entirely to grapes, though kiwi fruit are also grown. After the Christian Democrat government of Eduardo Frei decreed a land reform in the 1960s, much of this valley was parcelled out to the peasants. But the pro-export policy of the Pinochet regime drove many off their land, and debts forced others to sell up. Now the land is almost entirely in the hands of a few agro-industrialists. About 30,000 people live in the valley, and their numbers are

Chile: seasonal fruit pickers, Los Andes. (Julio Etchart/ Oxfam)

increased by a further 25,000 during the harvesting season. But fruit picking does not provide secure or profitable income for the poor who can no longer grow their own food. The temporary workers sleep rough in cardboard communities in the barns or fields. They work exposed to the elements and to pesticide sprays. María is one of the temporary workers. She described conditions in the 1989 harvest.

> *"Things are worse now than they have ever been. Wages are down. They say it's because the fruit isn't good and because there are too many people who want work. For every one who leaves, there are two to take their place. The bosses can pay what they like. Last year it was 6.50* [pesos: less than two pence] *a basket. This year they were still offering the same. In January I earned 70,000 pesos* [about £165], *but they deducted 15,000. Some days they don't pay you that day because they haven't got the money ready. You can't complain, either. They always have some excuse.*
>
> *You never know how much money you're going to get. Lots of us can't read and write. People don't know they are being robbed. Before, when they suspended the picking, they still paid you. Not this year. And I got ill. I worked all October, but then I needed a month to recover. I lost it all. We used to work just eight hours. Not now. You work all day, to earn a little bit more. And all day Saturday too. Most people work on feast days. And people are making themselves weaker all the time: there isn't time to cook and eat properly, because they're trying to work so hard. The bosses claim they are losing money. They say they have no profit. But they still go to the beach. They still change their cars every year. And for us it gets worse."*

OPENING THE MINERAL VEINS: ECUADOR

When the value of the land is of strategic importance, the stakes for the poor are driven even higher. In the Amazonian territories of Ecuador, Colombia, and Peru there is a prize of international importance: oil. The international economy relies on it. The world will go to war for it. Huge multinational companies are involved. And for the communities affected, oil could be a blessing or a curse. "They say the oil is for the benefit of the Ecuadorian people," says Corinna Díaz, a Quichua Indian from the community of Sarayacu in Ecuador's Pastaza province, "but we don't see any benefit. We are going hungry."

When test drilling located major reserves of petroleum in the Ecuadorian Amazon in the 1960s, it brought the promise of a boost to the country's development. The oil came on stream in the early 1970s, just as the OPEC crisis pushed the price up. But for the indigenous people whose lands hold the oil, the black gold has brought nothing but misery. Until the late 1980s the vast majority of the drilling was in the northern Amazon. Now the oil companies are turning their attention to the central province of Pastaza. The Indians of the Pastaza are fighting for a share of the benefits and for the right to determine the terms under which the oil will be exploited. According to the Vice President of the Organisation of Indigenous Peoples of Pastaza (OPIP), "Most of the oil companies are to the north of here. There the forest has already gone. It's all finished. But how have the people benefited? It's in a terrible state, there is nothing." He continued:

> *"The forest for us who live in it is a place full of secrets. The companies come and open a huge swathe. They fell trees. They plant dynamite every 100 metres, 15 pounds of it for their test drillings. The animals die or flee. We feel we are losing the spirit of the forest itself. This is important in our beliefs."*

It is not just the oil companies that have wreaked the damage. It is also the flood of poor colonists, denied the possibility of land in the highlands, who follow the oil roads into the forest. The Indians clear small plots in the forest and farm them for only one year. The colonists clear the forest for intensive agriculture or cattle ranching, which exhausts the fragile soil within a few years. The Pastaza is virtually the last forested area of the Ecuadorian Amazon. The Indians of Pastaza are determined that their province should not become like the north. Through OPIP they are mounting a campaign to preserve the region.

OPIP is a thoroughly modern organisation. Faxes stream to and from their headquarters in the jungle town of Puyo. They maintain contact with the scattered communities in the surrounding forest by various means, including their own airline, Aeropip, which flies a single-engine plane from the nearby airbase at a town called Shell (named after the oil company which used to have a base there).

Sarayacu, on the river Bobonaza, is one of the largest and most assertive of the forest communities. It is at least 200, maybe 300, years old, with a population of

"The forest for us who live in it is a place full of secrets."

1,300 scattered along the riverbank. The people live by hunting, fishing, and a little agriculture. Oil exploration is driving away the game, polluting the water, and bringing new diseases, according to the people of Sarayacu. Cesar Santes, the President of the community, outlined the problem they now face:

> *"For maybe 300 years we have been here in Sarayacu. Thirteen years ago we began to get organised in the struggle against the company – Arco – which is harming us. The well they have been digging is only six kilometres away. We want to keep Pastaza province clean. The problem is not just the oil: they fell the trees, an enormous quantity of them. This is bad for us. The rich people live well from the oil, but there is nothing for the indigenous people. We won't give up and let the company in. They are damaging the trees; the animals and the birds which live in the mountains are gone. We are not the kind of people who go to the shops and buy rice or things like that: we live by hunting and fishing. Now [our game] is destroyed. We are suffering hunger. It takes us a four-day journey to find game. Before, we could hunt as much as we needed in one day.*
>
> *We are struggling through the organisation to stop the company. Nobody cares about Sarayacu. The municipality and the provincial government ignore us. Only through OPIP have we had any success."*

'Block 10': an environmental audit

The Organisation of Indigenous Peoples of Pastaza (OPIP) commissioned a study of the environmental effects of the oil exploration undertaken by one company – ARCO – which has a licence to explore 'Block 10', an area of 200,000 hectares in the Pastaza. Below are some the study's findings:

- 36 lines of paths constructed, each 3-4 metres deep at intervals of 1 kilometre, adding up to approx 1,207km of paths.
- 1,368 landing strips constructed, each destroying half a hectare of forest.
- Ten pounds of explosives detonated on each path at intervals of 100-125 metres, in holes 20 metres deep: 92,000 charges detonated in the whole block, equivalent to 12,000 kilos of explosive.
- 41,826 timber-trees destroyed, equivalent to 116,000 cubic metres of wood, with a value running into millions of sucres.
- 167,943 cubic metres of other trees destroyed, including fruit-bearing and medicinal species.
- 200-500 fish killed by the shock waves from each explosion at a distance of 100-200 metres.
- Of approximately 600 people working in the block, 45 per cent have suffered illnesses from among more than 30 types (fever, diarrhoea, colds, whooping cough, coughs, gastritis, malaria, fungal infections, venereal diseases, skin diseases, TB, yellow fever, snake bites, etc.) and work accidents. These affect the communities too, both directly through the recruitment of workers from the communities, and through indirect contacts.

Ecuador: the Amazon town of Puyo, headquarters of OPIP. The slogan on the wall reads: "More petrol, more poverty." (Neil MacDonald/ Oxfam)

The people of Sarayacu are not against change. They want to be able to progress and develop, taking from the surrounding culture those things that will enrich their own way of life, without destroying it. Through their own efforts the people of Sarayacu have established a school. They recognise that the oil companies provide employment for the men of the community, but they are wary of the creation of new needs that come with the cash economy. The focus of OPIP's campaign is recognition of their land rights. With legal control of their own territory, they feel they will be able to move on to solve their other problems: to determine who has the right to live there and to control licensing of oil exploitation.

Because of the government's failure to recognise their claims to territory, the members of OPIP have been surveying and demarcating it themselves. Once they have defined the territory of a whole people, such as the Quichua, they clear-cut a three-metre strip of jungle around the limits and place placards every 50 metres, indicating that this is indigenous territory. The indigenous communities keep a watch over these borders to try to keep trespassers out. In August 1991, when the Arco company attempted to explore a part of the territory which the people of Sarayacu consider sacred, the whole community marched on the site – children included, because it was during the school holidays. The oil workers left. But they will be back. Direct action gives the people of Sarayacu a breathing space. They have temporarily halted the construction of a road that would bring an influx of colonists. But in the end, only a legally negotiated agreement with the government will allow them to defend their land and their culture, and give them the power to choose their own path of development.

They are negotiating hard with the government for recognition of these lands and of their rights to control exploitation of their resources. A previous agreement reached in May 1989, the Sarayacu Accord, has remained on paper. But OPIP is optimistic that a new round of negotiations which began in 1991 will bring agreement. The government has already recognised the territory of the

"We ratify our will to live in a new era with the identity passed on by our elders, in this part of the planet which is our world."

Huaorani Indians to the north, so the precedent is established for recognising that of the Shuar, Shiwiar, Achuar, and Quichua peoples, whom OPIP represents.

In December 1991, negotiations took a big step forward when the government agreed in principle that it could recognise territories of whole peoples. Previously it had insisted that it would only recognise villages and enough land for settled agriculture. OPIP has always insisted that the territory recognised must be an indivisible economic, religious, and cultural unit of the whole people, sufficient for religion and hunting as well as agriculture. The pressure of the campaign was maintained with a long march in April 1992 from Puyo in the jungle all the way to the capital, Quito. Along the way other indigenous groups joined in, as did urban groups in the capital. In the last days of his administration, President Borja had little choice but to receive them and promise progress.

The struggle in the Pastaza is being watched with interest by Indians elsewhere as a possible model. The OPIP is also a member of national and international indigenous organisations. For these other Indians in the Amazon rainforest, OPIP has become a beacon of hope. If it makes progress, its techniques of organisation and patient negotiation may offer an example for others to follow.

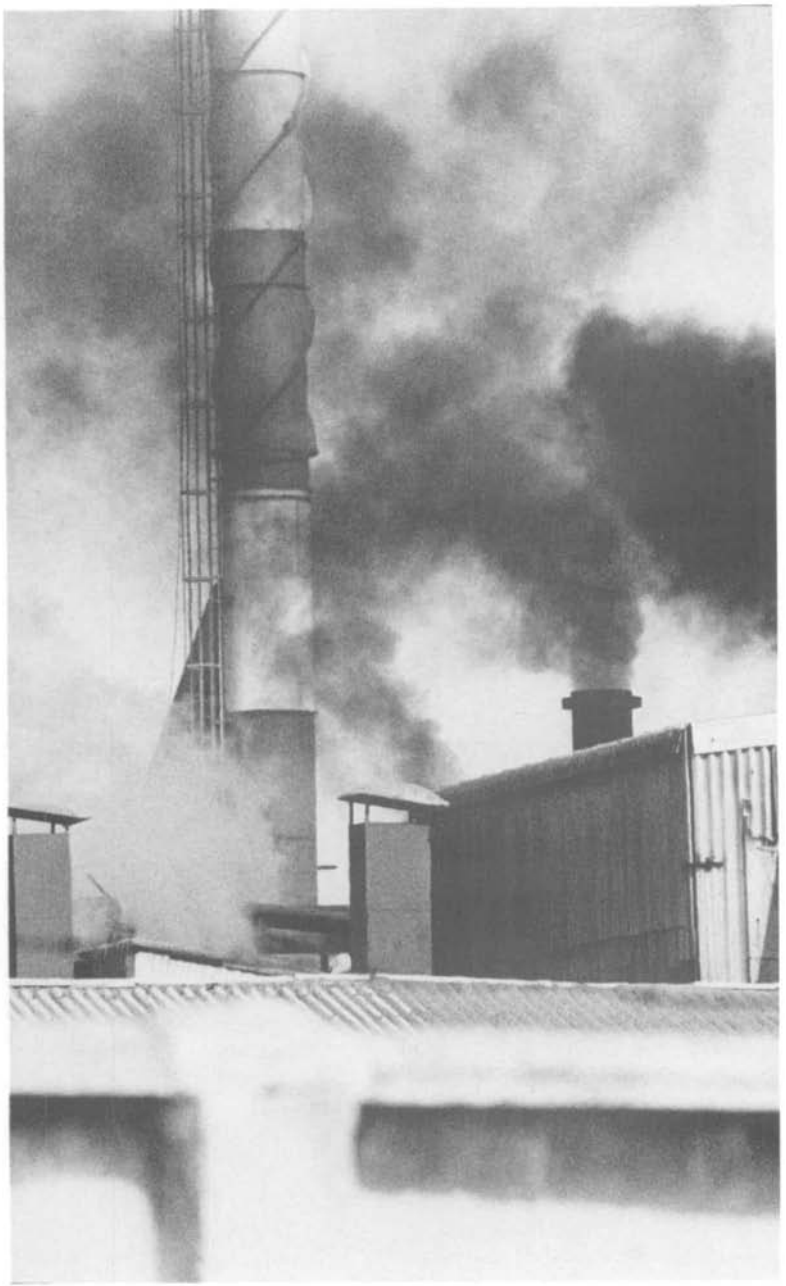
Accord concerning the Territorial Right of the Quichua, Shiwiar and Achuar Peoples of the Province of Pastaza to be signed with the Ecuadorian state

"...We come to speak in the name of all the lives of the forest, but above all of those who are no more, beings of the waters, the *yacurunas*, of the forest, the *sacharunas*, of fertility, of the sowing, of the harvests, of abundance and of medicine. Of the animals who have gone, equally of the *supay*, who are their gods. Of the gods who maintain the life of the forest, of the rivers and lakes, which abandon the world and which are no longer there, the trees, the plants disappear and flower no more. And man, who is part of all this which we call our Pachamama, our Earth Mother, weakens and dies with them."...

"The image of the riches of the forest seduced many, such as the state; previously for cinnamon, vanilla, nutmeg, cloves, quinine, rubber latex, cocoa, indigo, cotton, sugar cane, toquilla, mocora, fibre, zarza and tobacco; now for wood, oil, land, mines. In our understanding, in our feeling, this order of things must end. For the civilisation of the West, the exploitation of these riches has constituted the basis of its fortune, while for our peoples, genocide."...

"We have seen two thousand years of Christianity pass, and we have seen the building of modernism and the progress of the present industrial world as the most advanced expression of Western civilisation; and now we see close at hand its fall, in the face of the threat of the ecological collapse of the planet. We have seen its splendour and its colonial expansion, as well as the peoples who succumbed before its steamroller advance. And we live, despite its blows and consequences. And now, at the beginning of a new millennium, we ratify our will to live in a new era with the teaching and the identity passed on by our elders, in this part of the planet which is our world. And being, at the same time, part of that which we share with other peoples, we will contribute to creating and maintaining in it a new order based on the principles of peace and freedom which are felt fundamentals of life."

PART II: OBSTACLES TO DEVELOPMENT



Chile: industrial pollution, Talcahuano.
(Iain Gray/Oxfam)

3

THE ECONOMY: SOLD TO THE HIGHEST BIDDER

Fairground hucksters all over the world play a game with unsuspecting 'marks'. In some countries it is known as 'Find the Lady'; in others it is called 'The Shell Game'. The 'mark' thinks he knows which of three shells a pea has been hidden under. But the pay-off always vanishes. It is always under another shell. Partnership with the multinational corporations can become a shell game for Latin American governments, as the case of oil exploitation in Colombia shows.

THE SHELL GAME: OIL IN COLOMBIA

Colombia is rich in minerals. It may have as much as 40 per cent of Latin America's coal reserves, and surveys suggest that 67 per cent of the national territory contains petroleum. The quality of this oil is above the international average, so refining the oil costs less than average. Yet Colombia has not benefited. In a kind of economic shell-game, the wealth has gone to the multinational companies. Until 1969, the state assigned 30-year concessions to companies such as Shell and Occidental, taking a 10 per cent cut of production for itself. After 1969, 30-year joint-venture schemes were instituted, in which the foreign company and the state each took a 50 per cent share. On the face of it, this sounds much better for the state. In fact it has led Colombia into increasing debt to the multinational companies. From the first joint-venture scheme, the state has required more and more loans just to reap a reward. This works in a variety of ways.

The first stage of the shell game turns the 1:1 split into a 1:2 split in the company's favour. A contract is established with a third party, who becomes the operator. Usually the operator is a subsidiary of the multinational. The two-way split becomes a three-way split, in which Colombia gets only one-third.

The second stage is that Colombia guarantees to buy up any surplus oil that the associated company is unable to export. In 1989 the state was stockpiling oil at a cost of US$18 a barrel, while exporting it at US$13 a barrel.

The third phase of the shell game is the debt trap. The equal shares of the joint-venture agreement mean that Colombia and the company put up equal stakes of risk capital. It is estimated that, between 1980 and 1990, the operating costs of the oil industry required the state to stake US$2.8 billion. But the state had only US$1.9 billion of liquidity over that period. Hence it had to borrow US$0.7 billion. This loan was provided through the associated multinationals at rates of interest between 9 and 10 per cent. So even more of the oil wealth passes to the multinational. Each contract sinks the state further and further into dependence.

'BREAD TODAY, HUNGER TOMORROW': THE CHILEAN ECONOMIC MIRACLE

Chile is portrayed these days as the model for economic development in the rest of Latin America. Under the military dictatorship of General Augusto Pinochet (from 1973 to 1990), Chile became a laboratory for free-market economic policies. The Chicago School of economists, led by Professor Milton Friedman, were able to test their monetarist theories in a drastic economic overhaul that stressed reduction of state expenditure, privatisation, and export growth. On the eve of the presidential election in 1990 that ended the dictatorship, the world's verdict on Chile was "bad government, good economy". The verdict from the poor has been different. "Bread today; hunger tomorrow" was how Jaime Ruiz Tagle, a Chilean economist, summed up Chile's 'economic miracle' in 1990. Jaime works for the Programa de Economía de Trabajo (PET), an alternative economic think-tank. The gross statistics looked good: the economy grew in 1988 by almost 7 per cent – ten times the Latin American average. The rate of inflation was 12.7 per cent, a fraction of the Latin American average of 473 per cent. But, at the same time, the minimum wage in 1988 had fallen to just over half of its 1981 value; and the *asignación familiar* (equivalent to child benefit allowances in the UK) was worth less than a quarter of its 1981 level. According to one Chilean development worker:

> *"The [economic] model produces riches – but for a tiny group. And everything is directed abroad. We produce copper – for the outside world. We produce fish – for the outside world. We produce fruit – for the outside world. We produce forest products – for the outside world. Nothing is for the people here. People thought that with democracy it would all change. But the situation continues just as before. What is lacking is the participation of the people."*

According to Jaime, the growth that has been achieved is based upon a 'live-for-today' philosophy, and cannot be sustained. It over-exploits not only workers but also natural resources, particularly fish stocks and timber. Fishing communities are working 18-hour days and seven-day weeks, and fish stocks are in danger of exhaustion. Jaime described it as a policy "in the style of the colonial mining industry: take out as much wealth as possible, in as little time as possible, without thinking of the future".

This is nowhere clearer than the twin cities of Concepción and Talcahuano in Chile's Eighth Region, in the middle of the country. The region is the third most important to the country's economy, supplying half of Chile's timber production (the main export after copper) and a third of its fish production. Forestry output quadrupled between 1970 and 1990. Four big companies, joint ventures between Chilean and foreign capital, dominate the industry. They have gradually bought out the original 200,000 small peasant farmers, who now eke out a living in the cities or as temporary forestry workers on the land that was once theirs. Native forest has been replaced with pine and eucalyptus monoculture ,which has destroyed the habitat for local wildlife and raised the acidity of the soil.

In the same region, the fishing industry lands 2,500,000 tons a year (of which 300,000 come from small boats). This, again, is almost four times the 1970 catch. The Catholic University of Concepción estimates that 1,500,000 tons is the maximum catch that would still allow replacement of the fish stocks. In the port of Talcahuano, continuous conveyor belts unload the fish directly into waiting lorries. Very little of this is for human consumption: over 90 per cent is used for making fishmeal for animal feed. The sardines spilling out in cascade are often immature, a few centimetres long. It doesn't bother the companies – it all makes fishmeal – but they are breaking the reproductive cycle of the fish by catching them before they have had a chance to breed. In the First and Second Regions to the north, fish stocks are already exhausted.

"THE FISH ARE DISAPPEARING"

Where the fishmeal and fish-canning plants are now sited around the Bay of Concepción, 600 people used to live off the rich beds of shellfish. It was a popular bathing spot with white sand. Now the shellfish are gone. A layer of white around the shoreline contains the skeletons of shellfish that never made it to maturity in a sea polluted by industrial effluent and the municipal sewage of 600,000 people. A few sea-lions are the only life that miraculously breaks the scummy surface of the sea sucking and plopping against the rancid shore. Most of those whose families used to earn their living from fishing now work in the very industrial fishing fleets and fishmeal factories that displaced their parents. A few hang on grimly to their boats and their homes on the polluted shoreline.

The Caleta El Moro is one such community. There has been a fishing community here for 150 years, catching shellfish, mackerel, sardines, and salmon. Now it is a collection of grimy wooden shacks huddling under the shadow of the giant bright yellow storage tanks of the Angelini company. The company has tried to get them out, but can do nothing legally. The community's long history means that all their paperwork and title-deeds are impeccable. But it is a hard struggle to survive. The effluent has silted up their estuary; only at high tide is the sea level high enough to allow them to launch their boats. They fish all night, as far out to sea away from the pollution as they can get, and return the next day with their dwindling catches. Fewer and fewer people are willing to buy the fish when they know it has been landed in the area. The toxic waste strips the paint

Chile: a fishmeal factory near Concepción. (Julio Etchart/ Oxfam)

off the small boats almost as fast as their owners can apply it, and attacks the wood of the boats and the houses just as viciously. The children who play among the ooze suffer burns from the noxious chemical cocktail.

Despite the wealth produced by the Eighth Region – exports worth US$1,000 million a year – it is the second poorest region of the country. Over half (55 per cent) of the region's people are officially classified as poor (meaning that they earn less than US$200 a month) and a quarter are classified as indigent (they do not earn enough to eat). Nationwide, average income per year is US$2,100, but in the Eighth Region the figure is US$1,450. Only in the city of Concepción does the region achieve the United Nations' health target for the year 2000 of one doctor for every 1,000 people. About half the region has one doctor for every 5,000 people, and in another third it is 10,000 people per doctor. The richest 10 per cent of the region's population enjoy almost a half (46.6 per cent) of its wealth.

Jorge Loros Vergara is the Secretary of FEDEPA, the Federación Regional de Pescadores Artesanales. FEDEPA represents the people who fish on a small scale (known in Chile as artisan fishers) in the region. There are 15,000 registered artisan fishers (and probably more unregistered) in the region, out of 60,000 nationally. Jorge, himself a fisherman and the son of a miner, knows the plight of the fishing communities at first hand:

> *"In the past we didn't need any laws to protect us, because the natural resources were there, and the purchasing capacity. In 1970 only 650,000 tons were caught in this area. But Pinochet didn't care about the country or its future. In 1988 and 1989 the catch was almost five times as much. Well, we can't keep on this way. The fish are disappearing. The shellfish are gone already. We have to think of ourselves as farmers: we are cultivators of the sea. We're not against technology. On the contrary. But with all this technology why can't they develop something that allows you to selectively*

"The fishing companies don't have to invest a single penny. They just take everything."

catch the species that are OK and to leave the other ones? We are having to go farther out to sea without the right kind of boats or equipment, and 70 to 75 fishermen a year are dying at sea."

Jorge is a graduate of a training programme for the creation of grassroots community leaders, run by the Concepción-based Regional Studies Service (SER). Thanks to the development of these training programmes, the fishing communities are finding an effective voice.

In 1991 a new fishing law was drafted. FEDEPA was invited to participate in the drafting. Jorge won't say that he's happy with it, but he thinks it's a first step. At least for the first time it recognises artisan fishers as a specific sector, though they have still not achieved the recognition they want as workers, with the entitlements which that would bring under labour law. The law sets aside a specific area of the sea for the exclusive use of artisanal fishing communities. This will, at least in theory, help to protect their livelihood. Only the future will tell whether the industrial fleets respect the artisan zones, and whether pollution can be controlled. Meanwhile Jorge, like other leaders of the artisan fishers, is looking for ways of maintaining their income without having to catch more fish. They are planning a project for low-tech ovens to smoke the fish, thus adding value and providing more jobs without increasing the catch.

SER's training programme and the work of FEDEPA have given Jorge and other community leaders something else too: confidence. Jorge never had the opportunity of education. He has learned, he says, in the university of life. The federation has given him a lot of confidence. "Five years ago I would never have been able to speak to you like this, equal to equal. I didn't have the education. It's thanks to the organisation that I can do this."

SER's training programme is also helping the industrial workers in the fishing fleets and the processing factories to defend their futures. Teresa Lizano is the fast-talking president of the Federation of Industrial Fishing Unions. She too is a graduate of the training programme. The federation is made up of 40 unions (company shops) which organise 80 per cent of the workers in the industry. She outlined their recent gains and their continuing problems.

"If you're a farmer, you have the costs of planting. Not the fishing companies. They don't have to invest a single penny. They just take everything there is. The shellfish are already gone from here. By October they had already fished the annual quota, and people were laid off.

In the fishing crews people can earn good money: from 140,000 pesos a month up to 300,000 [about £230 to £490]. *But in the plants around a third get only the minimum wage: 33,000 pesos* [about £54]; *the rest can earn up to 180,000* [about £294].

The shift in most factories is ten hours, six days a week. When there is a lot of fish, you can work 16 hours. Often the companies don't respect the law and don't pay overtime rates. The good companies pay for an extra day when you work an overtime shift or when you work Sunday. But this is rare.

If we get ill we have to pay. In my case for example, I just had my baby two months ago. The hospital fees came to half a million pesos [about £820]. *I have to pay 20 per cent of this: 100,000 pesos* [about £164]. *But how can I pay this as a worker? I earn 60,000 pesos a month* [about £98], *so how can I pay?"*

But their situation has improved recently. Thanks partly to the efforts of the union and partly to the new civilian government, they have better working conditions. In the fishmeal plants they used to be employed on a casual basis, when the fish catches were in. Now they are waged workers on regular contracts, whether or not there are fish. They have also won the right to one day off a week.

A 15-HOUR DAY IN THE FOREST

In the forestry industry, progress has been slower. Of the 70,000 timber workers in Chile, about half are in Concepción. Wages and working conditions vary, with those who work in the forest, caring for the trees and felling, getting the worst deal. They work a 10-15 hour day for less than the minimum monthly wage of 33,000 pesos (about £54). They live in camps in the forest, often with their families. Far from the town, they are dependent on company stores, which charge them high prices for food and clothing. Their employment is very insecure: they are taken on by subcontractors for periods as short as 30 to 60 days.

"The bosses get all the money," says one worker. "We are the ones who supply the labour force, but we are so badly paid. They don't give us boots or helmets, or gloves or waterproof clothing. They should give us these. It's not a matter of asking for presents: these things are a need. They cost money and only last a few months."

Even the better-paid workers in the paper and cellulose sectors have to contend with instant hire-and-fire employment policies and poor safety conditions: they get no protective clothing, and there are many cases of chemical contamination. The chemicals used in cellulose production have been linked to an above-average incidence of skin cancer in the region.

Emerging from the years of the military dictatorship, unions are slowly re-establishing themselves. Caupolican Pavez-Muñoz is the former president of the Confederation of Forest Workers (CTF), which represents unions in 70 companies in the Eighth and Ninth Regions:

Chile: logging on a pine plantation near Concepción. (Julio Etchart/ Oxfam)

"When the bosses hear that a union is being formed, they just sack everyone and start with new workers."

"I work a wood-milling machine. There are 1,200 permanent workers in the company I work for: MASISA. I have no rights as a union leader. If they want to get rid of me, all they need to do by law is pay me off. This has happened to many leaders. Although there have been some gains, the labour code today has no relation to what it was in 1973. We have lost in 15 years the conquests of a century. The subcontracting system makes it especially difficult to organise. You have to go carefully. When the bosses hear that a union is being formed, they just sack everyone and start with new workers."

SER believes that the small fishing communities, the foresters, and the factory employees have the greatest interest in defending the fishing and timber industries and in taking a long-term view. "The industrialists don't care. They'll just move farther south," said one staff member from the SER. Elsewhere in Chile, associations of artisan fishers are undertaking similar work. For example, the National Federation of Inshore Fishers (CONAPACH) runs educational courses, and is surveying marine resources in order to defend the industry and the stocks of fish and shellfish on which it depends.

AFTER THE CRASH: BOLIVIA

The future for the forestry and fishery workers of Concepción is plain for all to see in the mining towns of Bolivia. Siglo XX (which means 'Twentieth Century'), high in the Andean mountains, is one of these towns. It is practically a ghost town. Houses stand abandoned, their windows broken, faded plaster peeling from the adobe walls. The school is an empty shell. Round-cheeked and immobile, indigenous Aymara women sit outside their doors like Buddhas, dressed in their traditional many-layered skirts and bowler hats.

Almost 5,000 miners used to work here in the state mining company COMIBOL. Now, fewer than 500 remain. In 1985 world tin prices collapsed, and with them Bolivia's largely state-owned mining industry. To the miners in Siglo XX and other towns such as Catavi and Potosí the government offered severance pay, averaging US$2,500 each, and set about trying to privatise what remained of the mines. A few mining families have hung on grimly, hoping for better days.

Tin was the core of Bolivia's economy until 1985. In the early decades of the twentieth century, Bolivia was the world's largest producer of tin. The country is a stark example of the plight of an economy that is almost entirely dependent on a single commodity. Before tin, Bolivia produced silver for the Spanish: an estimated US$8 billion worth, mainly from the Cerro Rico (Rich Hill) mine at Potosí. Once Potosí was the richest city in Latin America; in the sixteenth century it was bigger than Paris.

But this has not benefited the miners or the poor of Bolivia. Serapia Colque de Quispe is one of the women who has remained in Potosí. She said:

"All the riches have gone from the Cerro Rico to other people, and left us here like this. There's no work. They never invested in factories here. And what are we to do? Starve to death? We don't know how we are to feed our children."

Bolivia today is the poorest country in the Americas after Haiti. It is the largest recipient of aid from the UK in Latin America. One in eight Bolivians, 850,000 people, depend on foreign food aid. Bolivians live in far-flung communities from the tropical lowlands of the eastern part of the country to the Andean highlands (rising to 4,000 m) in the west. But their lives in these remote communities are determined by prices that are set on the other side of the world.

In 1985 events on the London Metals Exchange changed the world for the Bolivian mining communities. Tin was in abundant supply. The manager of the buffer stock, set up by the International Tin Council, tried to buy up surplus tin in order to maintain the price. But the money ran out as a result of international currency fluctuations and lack of international will to refinance the buffer stock. The tin price crashed. The crash threatened the end, not only of the mining communities, but of a whole social order. The miners had been at the centre of Bolivia's democratic life for over 30 years. A major force in the revolution of 1952, they won the nationalisation of the mines and subsidies for basic foods and services from COMIBOL. After 1964, the miners remained the main opposition to a series of military governments. The dismantling of COMIBOL after 1985 also destroyed the mining communities that led the poor in their search for a better future.

Bolivia: a miner and his child at the Siglo XX tin mine. (Jenny Matthews/ Oxfam)

Because of that heritage, some miners were determined to fight for the future of their communities. Many who accepted redundancy payments later found that they had no choice but to drift to the city slums, or to turn to coca farming and cocaine processing. Others were promised 'relocation' – which turned out to be a polite word for unemployment. Some migrated to the jungle as colonists.

BUYING TIME IN SIGLO XX

At Siglo XX about 800 miners stayed on to defend their jobs and try to keep the mine open. As Juan Paquichiri, a leader of the Siglo XX/Catavi miners' union, explained, "We're not just fighting for wages, we're fighting for sources of work."

> *"The government started to cut back supplies to the company stores and the hospitals. Even our pay wasn't coming through. With all that pressure, it wouldn't have been surprising if all the workers and their families had abandoned the district."*

"We had to learn to cook potato peelings and bean husks."

Often there was nothing at all in the stores. Some people did give up and leave. But these mining communities are famous for their resilience and determination. It's not just the men who are organised. As long ago as 1962, miners' wives had organised Housewives' Committees, originally to demand the release of imprisoned miners' leaders, then to press for better living conditions, and to support the struggles of the miners. Food is an issue over which they have mobilised countless times, even before the attempts to close the mine down, as Zenobia de Chavarria, general secretary of the Siglo XX Housewives' Committee, makes clear:

> *"We've gone through years of having nothing at all to cook. We had to learn to cook potato peelings and bean husks. It was that kind of situation that pushed me to become active as a member of the [Housewives'] Committee."*

These women were not to be bought off or starved out. "In my home," says Zenobia, "we never even mentioned the possibility of leaving. It was a psychological defence of ours, to act as though nothing was happening ... just seeing people packing up all around you, it was enough to get you worried and make you want to leave too. But we thought to ourselves, where are we going to go, where can we work? So we didn't leave the mine."

Those who stayed got together and set up the Miners' Food Project (PAM), a cooperatively-run food store where the people involved decide what will be supplied. Yolanda Santiestevan, a member of the Housewives' Committee, described how it works:

> *"It's really good. We manage it ourselves. I say thank God for it. In the past when we had strikes and stoppages, we got no food from the company store. Now we always have food. We finance the PAM ourselves. We pay at cost – nobody gains. It's discounted from the salaries. We ensure that the costs of the family basket don't go over 40 bolivianos* [about £9]. *But we decide what we want. For Christmas and New Year we wanted chicken. So the PAM got in some chicken."*

Here and there on the barren hillside, low buildings gleam against the grey rock. They are greenhouses. Associated with the PAM project and run by work groups of housewives, they provide fresh vegetables to supplement the diet from the PAM stores. Eighty women work here, in twenty teams of four, growing peppers, tomatoes, lettuces, cabbages, cauliflowers, beetroot, and Swiss chard. They share 25 per cent of the produce among themselves, and sell the rest to recoup costs and for reinvestment.

For the Siglo XX/Catavi community, the PAM bought time to explore their own alternatives. The remaining miners' hopes lie in the enormous mountains of slag – 50 million tons produced over 70 years – that dominate the entry to the community. The miners, with technical advice, have devised a plan to extract the tin which remains in the slag. Independent academics judge the plan to be economically viable. Juan Paquichiri explained the plan:

"The 500 of us who are still left have decided that here we are and here is where we will stay. We have been in constant discussions to try and get our plan accepted. COMIBOL says it is not viable. But they are talking about the existing machinery which processes only 200 tonnes a day. This is a ploy. Our plan includes a machine which processes 2,500 tonnes a day. It would need an investment of little more than US$1 million [although in fact the miners' plan also includes another $1 million in operating capital]. *At the present price of $3 a tonne we would break even. We wouldn't gain anything, but we wouldn't lose anything. But what they really want is for Siglo XX/Catavi to close, because it is a bastion of the working class – a threat to them. Their principal objective is to dismantle Siglo XX/Catavi and sell off the machinery to other companies. In fact a lot of foreign companies have come here and shown interest in the mine. There is a Korean company that wants to work the slag. It's not that it isn't viable. It's that they see our strength and they are frightened.*

There is enough of the mineral in the slag heaps and the tailings to last 15 to 20 years. After that we can still survive with the resources of the machine shop and the foundry, making parts and machines for other industries."

The miners are at least partly right, according to independent studies. There may be an economically viable future for at least a slimmed-down industry. The COMIBOL mines were vulnerable because they had been undercapitalised for so long. Earnings from tin were not reinvested in the mines, but creamed off for other state expenditure. Much of the equipment in Siglo XX dates from the 1920s, the hey-day of the Patiño family, who created the industry. The private mines have stayed profitable by diversifying into other minerals, particularly gold and silver. Bolivia has considerable deposits of zinc and lithium, but COMIBOL does not have the capital needed to mine them. The only significant state investment

Bolivia: growing vegetables in a community greenhouse near the Siglo XX mine. (Jenny Matthews/ Oxfam)

is in gas and oil exploitation, which currently generates 40 per cent of the country's legal exports. And even here, the state oil and gas company YPFB is milked of its revenue, rather than being allowed to reinvest it – exactly as happened with COMIBOL.

The miners continue to fight for their plan. The government meanwhile looks for opportunities to privatise the mine. Approaches have been made to foreign companies, but no deal has been signed yet. In these circumstances, the mining communities are unlikely ever to regain their former strength. Without investment, mining will relapse into a highly dangerous form of employment, with low wages and low productivity. This is already the case with the cooperative mining sector.

The government encouraged the formation of cooperatives, saying that they were the best means to revitalise the mining sector. In fact, the cooperatives have been a way to continue to extract tin without injecting capital. Some cooperatives were promised financial support, but here none has been forthcoming. If life for the regular miners and their families is hard, for the cooperative members it is even harder. The miners at least have their wages, regular work in maintenance of the plant, and the support of the company store and the PAM. There are four cooperatives at Siglo XX, with about 4,000 members in total. They are cooperatives in name only. They are actually groups of people all working individually on their own account, trying to tear a living from the tin-bearing rock with little more than their bare hands. Many are miners who took redundancy and then returned when they found there was no alternative work to be had.

Bolivia: Doña Graciela, a miner's widow, crushing stones at the Siglo XX mine. (Jenny Matthews/ Oxfam)

Little shafts and caves are sunk, and the workers carry the excavated boulders to small stone-walled circles that mark their individual workspaces. There they smash the boulders with hammers to extract the tin, and then crudely filter out the mineral. The area rings and echoes metallically with the sound of dozens of simultaneous hammer blows. A miner's widow said, as she bent over a boulder, her seamed face tensing with every blow of her hammer:

> *"I have five children. What I get from here, working seven days a week all the hours of light, isn't enough. It doesn't pay for food or clothing. Relocalisation* [the official name of the redundancy programme] *should mean finding other sources of work. Here it just meant throwing us out into the street."*

THE COCA TRAP: BOLIVIA, PERU, AND COLOMBIA

As the Bolivian economy shrank in the 1980s, unemployed miners and others tried to make a living in whatever way they could. Many migrated to the country's main city, La Paz, where they swelled the 'informal' economy to over 400,000 people, in a city where one million of the country's 7.1 million people live. La Paz is one giant market. Almost every inch of pavement is staked out by the indigenous women wearing their characteristic bowler hats, with a few vegetables or cakes or soap to sell. Farther into the city centre they give way to others selling televisions, typewriters, electric blenders, personal stereos, even computers from barrows: all contraband, and often cheaper here than in the country of manufacture. You can pick up a computer for less than US$600. Bolivia, landlocked and bordering on five countries, is a smuggler's paradise. Contraband keeps the economy alive. There is nothing in the official economic figures which would explain the level of economic activity seen on the streets. The official figures describe an economy in severe depression. But the street merchants continue to trade luxury goods, new buildings continue to go up, and expensive cars are a common sight.

The main source of the illegal money which keeps the whole economy moving is narcotics. For Bolivia has found a commodity for which there is a market in the North: cocaine, which is made from the leaves of the coca plant that grows in abundance in the Andes. For centuries, coca has been a part of highland Andean culture. Chewing the leaves of the coca plant allows peasants to withstand the cold of the highlands, and miners to tolerate the hardships of the tin seams; for everyone it dulls the pangs of hunger. Coca is as central to life in the Andean highlands as tea is to British life. But now there is a whole new demand for the coca leaves and the cocaine that can be extracted from them. A paste is extracted from the leaves by treading them in kerosene, and then the paste is refined into cocaine powder.

Coca-dollars keep the economy afloat. Coca forms Bolivia's main export to the rich northern hemisphere. At the height of the market in the 1980s, the crop earned an estimated US$300-600 million a year. The price has now dropped and the trade probably nets US$200-300 million a year. By comparison, natural gas, the principal legal export, brings in only US$200 million. Bolivia is, after Peru, the world's second-largest producer of coca. Under free-market policies, the government changed its banking legislation, allowing customers to open dollar accounts with no questions asked. This allowed the coca-dollars to be banked in the country, and cushioned the impact of the free-market reforms.

In Bolivia many farmers see no alternative to coca if they are to make a living. An estimated 60,000 Bolivian families produce coca, and many more depend on the spin-offs of the trade. Growing coca for traditional uses is legal; but the expansion of coca planting to feed the cocaine trade is illegal. Yet, despite the problems with the authorities that coca planting can bring, coca is just another agricultural commodity as far as the farmers are concerned. It happens to be one for which there is an export market. Growing coca is, for them, a rational choice

Bolivia: selling coca leaves in Aequile market. (Sean Sprague/ Oxfam)

in the face of the collapse of domestic agriculture. The crop gives four harvests a year and needs relatively little care, even in these poor soils subjected to heavy rains. Properly cared for, the plants can last 20 years. And coca brings in far more money than the traditional crops of oranges, onions, maize, coffee, and peanuts. Many unemployed miners went off to the lowlands to work as coca treaders, employed in the first stage of processing the leaf into paste.

A visit to a coca farmer

'Hernán' is a peasant farmer in the lowland Chapare region of Bolivia, where he has lived for 20 years. He owns a 20-acre farm, and his main crop is coca. From the roadside not much is visible, just an occasional coca harvest drying on sheets in the front yard. But stretching away behind the single row of banana trees fringing the road are the bushes: acres and acres of them. Boys cycle by with great bundles of coca leaves strapped to both sides of their bicycles, like donkey panniers. 'Hernán' points to the sacks of rice he has just harvested.

> *"The price you get for this doesn't even pay for the labour you have to put in. It just isn't profitable. Now this"* (and he gestures towards the piles of green coca leaves in the barn) *"was going up and up in price. So we started to grow coca. Before we knew it, we were able to buy a lorry."*

'Hernán' would rather grow legal crops like rice, and keep cattle.

> *"The government says we shouldn't grow coca, but they don't give us any help. No advice. No credit. What can we do if they don't give us a fair price for other crops? The government is killing us with these prices. I'd like to grow rice. I'd like to raise cattle. But I need credit, at low interest and long terms, with a five-year grace period. Otherwise, I can't even get started."*

Bolivia: 'Hernán', a coca farmer in the Chapare region. (Neil MacDonald/ Oxfam)

In Peru, the world's largest producer of coca, a quarter of a million families depend on the crop. It is estimated that coca exports are worth 20 per cent of legal exports. A US State Department study, much questioned by independent experts, claims that coca growing is declining. It estimates that 121,800 hectares are planted to the crop. But the Peruvian Institute for Agricultural Support estimates that some 300,000 hectares are under coca (compared with the 25,000 that in the past provided coca leaves for traditional uses). This contrasts with the areas under other export crops: 150,000 hectares of cotton and 100,000 of coffee.

The narcotics trade has become a growing international concern, but the response of the international community has failed to tackle the roots of the problem. Peasant producers have been offered incentives to stop growing coca, but compensation at US$2,000 a hectare has not been sufficient to tempt many. Even though the price per 100lb bag of leaves has dropped almost ten-fold from its 1980 high of US$300, the alternatives like growing coffee are even less lucrative.

"The government says we shouldn't grow coca, but what can we do if they don't give us a fair price for other crops?"

Alternatives to narcotics?

The main international response has been to treat the coca trade largely as a policing problem. The USA, for example, gave the Bolivian army US$44 million in 1991 for its anti-drug programme. In comparison, in all the years between 1983 and 1990, US aid for alternative development added up to only US$35 million. Because the illegal profits are high, organised crime has become involved in a big way. Violence by private armies and political corruption follow. The most dramatic example was the much-publicised 'drug war' between the armed forces and the private army of the Medellín cartel in Colombia between 1989 and 1991. But the conclusion of this war with the surrender of cartel boss Pablo Escobar has done little to change the importance of narcotics in Colombia's economy. Escobar escaped again in July 1992 from the jail that had been built to his own specifications. It was then revealed that his luxury prison regime had included fax and phone links to the outside, and even the freedom to leave the jail. Imprisonment had not stopped him running his drugs operations.

The big money in the trade has been made in Colombia, although almost all the coca leaves are grown and harvested in Peru and Bolivia. A paste is extracted from the leaves. Until recently, this paste was then exported to Colombia for processing into cocaine and onward export to the USA, Europe, and Japan. Increasingly the paste is refined into cocaine in Peru and Bolivia, and cocaine is now leaving these countries via Chile, Ecuador, and Brazil. But the majority of the trade is still controlled from Colombia. According to the Colombian government's own estimates, between 15 and 18 per cent of the country's Gross Domestic Product comes from cocaine. This is smaller than the contribution of coca to the Bolivian economy, but in absolute terms is substantially bigger: the Colombian trade earns an estimated US$6,500 million a year, of which less than a third is repatriated to Colombia. It would suit the Colombian government to find a way of legalising this money, to make it available for reinvestment to regenerate the national economy.

Some of the drug money is being laundered back into the legal economy, as the drug barons try to build a place for themselves among the economic elite. Construction and service industries are booming in the cocaine capitals of Medellín and Cali. Coca-dollars have been invested in the cattle and banana industries, although the coffee barons, the oldest of Colombia's economic elites, blocked attempts by the drug cartels to buy into their industry. But the cocaine cartels of Medellín and Cali show no signs of quitting the narcotics trade. Despite the drug war, drug trafficking continues virtually untouched by the law. Bribery is common in order to protect the enormous profits of the trade. There were only 78 convictions in some 8,000 drug-related prosecutions in Cali in 1991. Although the market for cocaine and its derivatives like 'crack' and 'basuco' is becoming saturated, the Colombian cartels are starting to move into growing poppies and producing heroin. In an attempt to throttle the new trade, the government by late 1991 had destroyed 2,000 hectares of poppy fields, a small proportion of the 20,000 hectares that it estimates are now under the crop.

Finding alternatives to narcotics requires more than the police action that has been the main response of the international community. As 'Hernán' indicates, Bolivian peasants grow coca for export because of the failure of the process of development. While the terms of trade continue to deteriorate and the prices of alternative commodities are low, coca provides the only way out. The impact of policing falls mainly on the small producers like 'Hernán', while the big fish are able to bribe their way out of trouble. If the North wants to solve its drug problem at source, it must also respond to the development problems of the Andean region. With the price of coca falling, investment in alternative strategies may now become more viable. One Bolivian organisation which is trying to promote alternatives is CEDEAGRO, whose work is described in Chapter 6.

THE POOR ARE GETTING POORER

4

The paradox of Latin America today is that its economies are expanding, but the people are getting poorer. More and more people are finding out that they are surplus to the needs of society. Governments throughout Latin America are stressing an approach to the development of their countries in which food security (the ability of a nation to feed itself), full employment, and the social needs of the people are secondary considerations. More and more agricultural land is being taken into export production and the creation of industrial enclaves. The price is unemployment, reduced services, and higher prices for basic goods – and it is the poor who pay it.

'EL SHOCK': THE IMPACT OF FREE-MARKET POLICIES

In the 1960s, leading Latin American development economists argued for an approach which would reduce dependency on the economies of the North. Drawing on experience going back to pre-war years, they argued that Latin American states should invest money in building up their own manufacturing industries. This approach, known as *import-substitution*, was intended to reduce spending on imports from the North and simultaneously to develop infrastructure and employment. It is now widely regarded as having failed. The shortage of capital for investment and lack of up-to-date technology created industries which were uncompetitive. Without effective measures to combat poverty, most people's spending power failed to increase, and this limited the size of domestic markets.

During the 1980s, a new approach took the place of import-substitution. Known as *neo-liberalism*, it stresses the disciplines of the free market. It encourages each country to produce what it is best at: in the case of most of Latin America, this means a return to exporting unprocessed commodities. In many ways, neo-liberalism marks a return to nineteenth-century ideas. The leading role of the state in import-substitution is reversed. State-owned companies are to be privatised, and state expenditure is to be reduced. This approach is sometimes described as being imposed from outside by international financial institutions

Indices of poverty in Colombia

Colombia is a relatively rich country by the standards of the region. Yet according to the 1990-94 Development Plan of the Colombian government, drawn up by President Gaviria's office,

— only 48% of the population receive secondary education
— only 20% of the poorest have health services
— piped water reaches only 65% of the population and sewage facilities only 53%
— almost one-third of the population are poor: 13 million people.

such as the International Monetary Fund and the World Bank. Indeed, these institutions often demand that free-market neo-liberal policies are adopted before they will grant loans. But it is also true that there is a 'home-grown' basis for the strategy: governments throughout the region have adopted these policies in an attempt to correct the economic failings of the past decade.

The 1980s are now described by many Latin Americans as "a lost decade for development": growth rates declined and industrial productivity fell drastically. World prices for the commodities that Latin America produces dropped. Governments which had borrowed internationally to finance development now found difficulty in servicing their debts from reduced earnings, and, in some cases, borrowed more – which simply increased the problem. The result was recession and hyper-inflation throughout the continent. As one Colombian economist put it, "Latin America is in danger of falling into the fourth world."

Neo-liberalism is intended to reverse these trends. It has meant a major restructuring of Latin American economies. Whole industries have collapsed as protected markets have been opened to international competition; government spending has been slashed; state holdings in the economy have been privatised; and the prices of basic goods have been allowed to rise dramatically.

The rise of neo-liberalism is a response to a real problem, and appears to have succeeded, at least temporarily, in reversing the falling growth rates of the 1980s. But it has also created new problems. The cost of restructuring national economies has been paid predominantly by the poor. The prices of the basic goods and services on which they depend have risen, while the prices of many imported goods have fallen, undercutting and bankrupting local industries. Government support for domestic industries and state subsidies for basic goods have declined. Large sectors of the population have been plunged into poverty.

Chile, under the Pinochet military regime, was the first to undergo these changes after 1973. But the effects on the poor have been even more dramatic in Peru, which adopted the new course after the election of President Alberto Fujimori in 1990. In Peru 12 million people, more than half the population, live in poverty. Five million of these new poor were created overnight on 8 August 1990 by the introduction of drastic free-market economic reforms, known as *el shock*. A development worker in Lima recounted what this meant for the poor:

> *"I remember the day the reforms were announced. I went out into the street. It was empty and silent. I was afraid, wondering when it was going to explode. We got a 400 per cent increase in inflation from one day to the next.*

Petrol went up 30-fold. Basic foods went up by 25 times. The shops were shut. Nobody knew where the food was to come from. Some people said the church was going to distribute food. Others said that the town council would. There was a queue all the way round the town hall. There are families here who don't eat more than three times a week."

The nation's production in 1991 was worth only around three-quarters of its value in 1979. Eighty-five per cent of the population is either unemployed or underemployed. Poverty-linked illnesses such as tuberculosis are on the increase. In 1990 a new epidemic, cholera, previously unknown in Peru, spread rapidly. As one development worker described it:

"The disease is concentrated in the poorest neighbourhoods. They have no potable water, no sewage, no latrines. People can't afford to heat up their water to kill the bacteria. Water itself is expensive: it can cost more than petrol. In the winter an average of 90 cases a week have been occurring. In the summer it will be worse. But mortality is low – less than one per cent of those infected. Why? The organisation of the people is fundamental. They took immediate measures, constructing latrines and purifying the water with bleach."

Incredibly, people continue to find ways of surviving. They create tiny businesses, making and selling clothing or shoes. They tramp the streets selling what few goods they can afford to buy. They form collective soup kitchens to pool their resources. They repair and resell abandoned goods, even refilling disposable cigarette lighters. People's resourcefulness is impressive, as a development worker commented:

"For me electricity and water is switching on the light or turning on the tap. But for people in the poor sectors it implies a whole process of organisation and knowledge, knowing how to run the motor."

"Water itself is expensive: it can cost more than petrol."

Peru: a backstreet shoe-maker in Urcos.
(Luke Holland/ Oxfam)

BACKSTREET BUSINESSES

For some thinkers, small businesses are a road to development. For others, they are simply a means of survival. Salomón Vargas is 27 years old, a small-scale entrepreneur in San Juan de Lurigancho to the north of Peru's capital, Lima. His business is so small that Peruvians would call it a 'micro-business'. He is one of millions of Latin Americans who have had to try to make a living outside the formal economy. He has turned one room of his house into a small factory making t-shirts. Martín Espinosa is a shoemaker. He too runs a tiny business from a house in San Juan de Lurigancho. Both men are being aided by INPET, a scheme which provides technical training and a rotating credit fund. In San Juan de Lurigancho alone, INPET says, there are 5,000 micro-businesses and 12,000 self-employed people. Most of them have no official existence, no legal registration with the state, and no licences; and they pay no taxes.

Salomón has great hopes from his business, but times are hard. Before 'el shock' in August 1990 he employed five people. He had taken out a loan from INPET for a second sewing machine. By 1991 he had only one regular worker, a young seamstress, and part-time help from a boy to do the sorting and packing. The second sewing machine is now idle. When there is a rush on, his family are pressed into service as well. The business is working far below capacity. Repaying the loan is difficult, because the market is very limited. He has survived by linking up with a commercial shop; an intermediary supplies him with cotton and arranges the sale to the shop. In fact, Salomón is not in business for himself, but is a cheap cottage-industry extension of the chain of production and distribution in the formal economy. As the Peruvian economy contracts, more and more businesses in the formal sector are attempting to cut costs by laying off employees and putting out work to the informal sector. No new wealth is created.

Martín's business too is tied by an intermediary to the formal sector. Martín and four other men work in gloomy conditions, cutting and stitching shoes. Their maximum capacity would be 15-20 dozen pairs a week. A year after 'el shock' they were working at half-capacity, producing between eight and nine dozen pairs. They make two types of shoes: of synthetic material and of the more expensive leather. The synthetics cost just over 2 soles a pair to make; they sell for 3.5 soles a pair. The leather shoes cost 5.5 soles a pair to make and sell for 8. They are currently producing between eight and nine dozen pairs a week, yielding a surplus of around 200 soles (about £140), out of which wages and overheads have to be paid.

Tiny businesses like these suffer from a lack of capital. But, more, they suffer from a lack of markets in the poor shanty towns. It is difficult for them to expand, because they cannot compete with the bigger businesses of the formal sector.

The liberalisation of markets throughout Latin America is intended to make economies leaner and fitter. In the slums and the shanty towns, some have responded to the call to become entrepreneurs and to search for the solutions to their problems in the marketplace. But many have been disappointed by their failure to reap the promised rewards. As the role of the state has declined, people

Peru: a one–man business, making ice–cream cones in La Paz.
(Sean Sprague/ Oxfam)

have been driven not to the private sector but to mutual aid. They have had to find new definitions of the terms 'public' and 'private'. They have created new forms of public action which are not of the state, and new forms of private action which are not individualistic. Micro-businesses and street traders have been driven from practical necessity to work together. They have banded together in credit unions and cooperatives that help them to achieve small economies of scale in buying and selling. These associations have in turn provided them with a basis on which they have been able to negotiate with the local authorities on issues like taxation, licensing, and other by-laws.

Street-traders' unions: Bogotá, Colombia

Henry Recinos is a street trader in Bogotá. At only 31, he's been through many tough times. His family emigrated from the countryside to Colombia's capital in the 1950s. Henry spent his childhood alternately at home, staying with an uncle, and on the street – a not uncommon story for young boys in the poor districts of Bogotá. But somehow he managed to get an education to secondary level.

> *"I used to sleep in the bus station. I carried cases for the passengers at night. I slept during the morning and went to school in the afternoon. Then I studied for my secondary graduation at night."*

Even a secondary education, however, didn't help Henry to get a job, in a country where almost 60 per cent of people are forced to find work outside the formal economy. And he already had other mouths to feed. "I couldn't find any work, in construction or anything like that. I was very young, 16, when we had our first kid. Soon there were four." The street, or the 'informal economy' as it is politely known, became the only chance for work. "I liked the street, selling things, commerce. Also I worked as a street photographer."

Conditions for street traders were barbaric. The municipal marketplaces were run corruptly. One official would charge the traders for use of the marketplace and simply pocket the money. There was no such thing as a written agreement. The marketplace security guards, swaggering around with their nightsticks and peaked caps, constantly harassed the traders. One woman trader, who had her arm broken in a fight with the guards, said:

> *"They used to take my goods from me – guavas and other fruit. Once, when my baby girl was three months old, I had put her down on an empty crate. A guard came and just pulled out a crate underneath, so that she rolled off."*

By 1984 things were so bad that some of the traders, including Henry, decided to form a union. For help they turned to the National Union School (the ENS), which exists to provide training and advice on labour issues, legal rights, and occupational health. Getting the street traders' union off the ground was not easy, as Henry remembers:

> *"This union was born in a fight. The administration of the market didn't want to us to represent the traders. The ENS helped us with training in trade unionism, in legal matters, and to draw up our constitution."*

But now things have improved enormously. Individual street traders are traditionally jealous of their 'patch' and suspicious of others. Through working together in the union they have come to trust each other more, as well as to be more conscious of their own individual worth. More importantly, they negotiate en bloc and now have a guaranteed, recognised right to be in the market to work – their greatest success to date. Now, says Henry, the guards think twice before they beat traders up. The union takes cases of brutality straight to the prosecutor's office.

BREAD AND SOLIDARITY: WOMEN'S GROUPS IN BOLIVIA

In terms of scale, schemes set up by women's groups have been perhaps the most important self-help initiatives of all. Women have pooled their resources in health groups, soup kitchens, and schemes like 'glass of milk' committees which distribute powdered milk. An initiative in the Bolivian mining community of Potosí provides an example of these collective approaches, very different from the individualism of Salomón and Martín.

Mining communities in Bolivia have had to develop new survival strategies since the collapse of the tin price that ended their means of earning a living. In San Pedro, a community in Potosí, live 8,000 ex-miners. They are supported by CENPOSEP, the Centre for Health Education and Production: an integrated development project that provides primary and environmental health care, a nursery, income generation through a bakery, and community vegetable gardens. It is a model of survival through community organisation.

The bakery, which breaks even on a production of 1,400 loaves a day, is run by

50 women in shifts. Unlike many projects which aim to generate income, this one benefits the community as a whole, and not just a handful of people. Says Serapia Colque de Quispe, "The bakery is a source of solidarity, training and unity." Serapia has been involved with this project since a creche for working mothers was set up in San Pedro in 1986 – one of the project's first activities. She recalls:

> *"I wanted to send my three youngest there, but I had no money to pay the quota. So they said I could work in the bakery, and they put me on the rota. Now I join in all the activities and I'm learning a lot. And, with what I earn in the bakery, I can send my older kids to school again. They had to stop studying for two years because I couldn't afford shoes and school materials."*

Bolivia: Serapia Colque de Quispe, a member of the women's co-operative bakery in San Pedro, Potosí.. (Ann Grant/Oxfam)

In fact, the money Serapia earns from her work in the bakery amounts to very little. More important is the way the bakery and other elements of the project enrich the community as a whole, generating income by providing things that the community would otherwise have to buy outside. Nothing could be further from the passive dependency that food-aid schemes have brought to so many women. As Serapia says:

> *" All they do is give you a little flour and sardines. This is not good nutrition. It's not good for the body. They sit you round in circles and teach you to embroider. That's all. They don't give any orientation. They belong to the government. We are organised as a women's committee, and through the popular bakery. We want to struggle, as we are here in the bakery, for our sources of work, for health, for education for our kids. We are ready to struggle. Before we didn't know much. We were like babies who have just opened their eyes. Now we are learning lots of things: how to read and write, how to keep accounts – struggling and suffering. The authorities didn't listen to us. When you are just one person, or three or four, you don't get anywhere. But united we can go forward."*

They have learned to write and read and to keep meticulous accounts. Serapia recounts her experience:

> *"When it was my turn to keep the books in the bakery, I kept losing count of the bread we'd sold. My husband helped me out, but they said, 'Who's supposed to be working here, you or your husband?' I almost left in tears, I*

got so discouraged. But in the end I managed to read and write, and now I can keep the books on my own."

The CENPOSEP health clinic also trains popular health representatives, who help with house-to-house vaccination and health-education campaigns. It is a striking testament to the quality of their work that diarrhoea is no longer the major health problem here, although respiratory diseases, scabies, and of course malnutrition still pose serious threats. The community itself began to bring the situation under control, by clearing a rubbish tip that was a major source of infection. They levelled the ground and then asked the Ministry of Health to build a health centre there. With the community having done so much for itself, it was difficult for the Ministry to refuse. They got their clinic.

SOCIAL TENSIONS AND ARMED CONFLICT

5

The women of Potosí are not unusual. The mutual aid that has kept their community alive is widespread throughout the Andes. But all too often the authorities have mistaken the efforts of poor people to form their own organisations as symptoms of subversion and insurgency. The existence of poverty is itself both the cause and the effect of social conflict. But Latin America lacks the institutions which would allow this conflict to be resolved peacefully. At the height of the Cold War, military regimes justified harsh repression as essential to the defence of national security against communism. As allies in what was seen as a global struggle, they received support from the governments of the West. Even in today's changed world, violent conflict continues.

The women of Potosí know conflict at first hand, and in its most violent form. The Bolivian mining communities were heavily repressed during succeeding periods of military rule, the last of which came to an end in 1982. Like most of the communities featured in this book, they have had to chart a course through conflict. It is one further obstacle to achieving the development which they seek.

Chile: a mural in Santiago (May 1987) quotes the gospel of Luke: "We have proof that this man is stirring up the people." (Ana-Cecilia Gonzalez/Oxfam)

MILITARY JUNTAS AND GUERRILLA MOVEMENTS

During the 1970s much of Latin America was under military rule. Paraguay is slowly emerging from the continent's longest sustained period of military dictatorship: that of General Alfredo Stroessner, who seized power in 1954 and ruled until 1989. In Ecuador military regimes ruled from 1925 to 1931, from 1963 to 1966, and from 1972 to 1979. Chile until the 1973 coup had a much stronger democratic tradition, with only brief periods of military rule in the 1920s and the 1930s. This made the 1973 overthrow of the world's first elected Marxist government all the more traumatic. Chile restored democracy in 1990, but the legacy of military rule continues. The armed forces dominate the National Security Council, which retains the power to over-rule the civilian government in crucial areas. Before handing over to civilian rule, the military regime was able to nominate all the members of the Supreme Court and nine Senators in the upper house, giving the pro-military right-wing parties a majority over the government. According to the Chilean human rights organisation CODEPU, of 375 political prisoners who were being held when Patricio Aylwin took office as President, 66 were still being held almost two years later, despite hunger strikes by the prisoners and mass protests by their relatives.

Military regimes in the region have generally defended the interests of elites who felt threatened by the demands of the poor, but there have also been reforming military governments. The most recent ruled in Peru between 1968 and 1975, and introduced land reform. There have also been attempted insurrections by left-wing revolutionaries, among the best-known of which was Che Guevara's failed attempt to export the Cuban revolution to Bolivia in 1967. Guerrilla wars still rage today in Colombia and Peru.

Peru: military police on parade in Cuzco. (Luke Holland/ Oxfam)

Peru: Sendero Luminoso

In Peru the war between the Shining Path guerrillas and the army entered its second decade in 1990 and continues with growing intensity. The Communist Party of Peru, known as *Sendero Luminoso* (Shining Path), launched its campaign during the 1980 Presidential elections that marked Peru's return to civilian rule. Its origins lie in the province of Ayacucho, one of the poorest and most forgotten in the country, where many of its leaders were originally lecturers and students at the University of Ayacucho. It recruited support among indigenous people, whose desires for education and progress were constantly frustrated. Standing apart from the rest of the Left, Sendero Luminoso single-mindedly pursued a strategy of armed struggle which owes much to Chinese revolutionary theory.

Shining Path aims to gain control of the countryside gradually, and then eventually to strangle the economic lifelines of the cities. Its first dynamite attacks created little attention, but ten years later the guerrillas had spread a civil war throughout virtually the whole country. Often guilty of draconian discipline and of human rights violations, they have nevertheless gained support among the rural and urban poor, desperate for a way out of the country's economic collapse. Military rule prevails in two-thirds of the country, as the armed forces attempt to root out the guerrillas. Over 22,500 people have died in the war. Many peasant farmers, trapped between the two sides, have fled to refuge in the cities, swelling the numbers there who are suffering the effects of the economic crisis. And, as the war expands into the cities too, urban violence makes the slums dangerous places of refuge. Independent community leaders have become targets.

Colombia: guerrillas and private armies

In Colombia, the government has had some success in negotiating a return to civilian life by some of the guerrillas, notably those of the M-19 movement. The guerrillas of the FARC (Revolutionary Armed Forces of Colombia) and the ELN (the Army of National Liberation) fight on in a war that has waxed and waned since the 1950s. The rise in demand for 'nose candy' – cocaine – in the designer cultures of the northern hemisphere during the 1980s added a further ingredient to the violence. To defend their interests, the drug barons created their own private armies, which engaged in a much-publicised war with the army between 1989 and 1991. Control of Colombian national territory is therefore contested between three different armed forces: the army itself, the guerrillas, and now the private paramilitary forces of the drug barons.

COLOMBIA'S ARMOURED HEART

Colombia's violence has created a culture which is paradoxically full of hope. "Why do I laugh, even though I know that there are walls against which they shoot people?" asks a guitarist who plays in the small bars around the student district of Bogotá, Colombia's capital. "Because I have an armoured heart," he replies in refrain, and the audiences cheer. The sentiments are as complex and contradictory as Colombia itself.

"Here we are losing ten leaders a week and nobody says a word."

Colombia encompasses both realities of the Andean region: the hope and the violence. It is almost as if it were several countries. In some areas significant political reforms have opened up the possibility of democratic change. Yet in other parts of the country poor people find themselves in the middle of full-scale war. These profound regional differences were present from the first days of the Colombian Republic.

Colombia was the creation of Simón Bolívar, the 'liberator', one of the leaders who in the nineteenth century freed Latin America from the Spanish. But Bolívar died a disillusioned man. He had seen his vision of a free and united continent fall apart under the pressure of regional rivalries. Latin America was carved up between rival strongmen, and this was nowhere more true than in Colombia itself. The Gran Colombia (Greater Colombia) that Bolívar created broke up after his death in 1830 into the separate states of Colombia, Venezuela, and Ecuador. Within Colombia a modern republican state never really took hold. Geography conspired against attempts to unify the country: the mountains and valleys of the Andean chain cut Colombia longitudinally into three strips. The elites of the coastal regions, the valleys, and the highlands jealously guarded their special interests against the inroads of the centralised state. Local strongmen became used to running the regions as their particular fiefdoms. The nineteenth century saw a succession of civil wars, which continued into the present century. Eventually the regional elites, grouped under the banners of the Conservative and Liberal Parties, agreed on a form of power sharing. Colombia appeared to be a parliamentary democracy, with regular elections. In fact, there was an agreed regular alternation in power between the two parties, and a share-out of cabinet offices irrespective of which party won the elections. Constitutional rights were abridged in a state of seige which lasted 40 years. The power of the local strongmen is still great in some regions of the country.

A 'dirty war' in Colombia

With less than one-tenth of Latin America's population, Colombia has one-third of all its violent deaths. There is the political violence of a guerrilla war which has lasted since the 1950s; the violence of the drug traffickers and the right-wing paramilitary squads they finance; and now the violence of a little-known 'dirty war', aimed at potential 'subversives'. The army has been schooled in the idea of the 'internal enemy', the doctrine of 'national security'. One peasant leader in 1989 was envious of the situation of Chileans under military rule: "I wish we lived in Chile. In Chile, every time there is a massacre there is an international outcry. Here we are losing ten leaders a week and nobody says a word."

The 'dirty war' has been at its most shocking in Barrancabermeja, a tough petroleum town in the sweltering tropical region of Magdalena Medio. It lies in the valley of the Río Magdalena – a river which runs muddily through Colombia's history. Up this river came the Spanish conquerors. Much of the country's wealth has moved along it. More recently some 90 per cent of Colombia's oil was produced here. Yet, like the turbid brown river, silted and polluted, the town has benefited hardly at all from this wealth. It still has a

frontier atmosphere of potholed roads and few social services. The combination of natural wealth and social poverty is an explosive one. The private armies of the large landowners and the drug barons in the Magdalena Medio have traditionally done as they pleased. One Colombian academic described it as "the independent republic of the extreme right". While some parts of the government have attempted to bring the situation under control, elements of the army collude with the violence. Corruption ensures that punishment is rare.

'María' is one of thousands of peasants who was forced to flee from the countryside to the fragile safety of Barrancabermeja in 1989. The story that she and others tell is a harrowing one of all-out war on civilians. Planes bombarded villages and then helicopters flew low, machine-gunning the peasants. María described the day in early 1989 that she fled to the town:

> *"They dropped a bomb right behind my house. I heard the bullets go past. I was very afraid. We fled, just in the clothes we had on, my son in his shorts and me in my workclothes. We hid under the banana leaves. My sister came too, carrying a little bag of clothes and my baby girl. Bullets were coming from every direction. I thought I could get away through the cane fields. I hid in a ditch up to my waist. Then a bomb exploded right on top of the ditch. It injured my legs. I said to my boy, 'They have killed me'. I tried to pick him up and hold him to me, but I couldn't. I managed to get out and reach a gulch. I couldn't feel my legs. I crawled out little by little. I heard my sister crying out, 'Sister, I'm hurt'. This gave me the strength to carry on. We reached the cane fields. I had my little girl in my arms and my sister had her son on her back in a basket. She kept asking 'Is he still alive?', because she couldn't see him. I managed to reach an empty house. We hid there and they didn't find us."*

'Claudia' confirmed reports that the armed forces and the private paramilitaries were operating together:

> *"Four helicopters came firing [with machine guns] and a plane dropping bombs. So I left with my three kids and a friend. We went to a place called Tienda Nueva. There was nothing going on. But the army came. They asked for our ID. They took away my friend and they mutilated him. I think they killed him, that's what I think. For three or four days we had no news. Then they found his body, without the head. They had dressed him in olive green clothes. A commander said, 'You've only got yourselves to blame, because you're aiding the guerrillas.' A friend of mine had a pistol put to her head, right against her mouth, and told to leave. She wasn't even allowed to take her clothes or her small livestock. Just to leave. The army and the paramilitaries are operating together. The paramilitaries may come to an area, for example, while the army hold the perimeter."*

Supposedly this is part of an offensive against the guerrillas' supporters. It is true that the guerrillas are strong here. But there are other reasons, as 'Jaime', a peasant leader, explained:

"The army took away my friend. For days we had no news. Then they found his body, without the head."

"This is a zone of guerrilla influence. They have some support here. It is also a rich agricultural zone. And they have discovered the best-quality coal seams in the country here. It's a petroleum zone too. Also the drug traffickers have good land here for cultivating coca. And there is a plan to build a road to link Santander and Medellín. They want to populate the zone with people they feel they can trust. This is a rich zone, but for the people there are no schools, no hospitals, no medical services."

Economic and military rationales combine in a far-right ideology that considers any kind of grassroots organisation to be a communist threat. 'Rosa' is a leader of the local peasant movement, active in their literacy campaign. She, too, described ill-treatment at the hands of the authorities:

"They tortured me, eight months ago, not physically but psychologically. They covered my face with a hood and left me for three hours. Then they interrogated me. They asked my name and my ID number. They kept asking me about guerrilla bases. Some of us have been terribly tortured. They cut them with machetes. Alberto Gómez, for example: they came for him at night, and took him into the hills. They submerged him in water, then they beat him in the stomach and legs. Another one was hanged. In one case they hung up a little girl in front of her mother and threatened to skin her alive with a machete if the mother didn't tell them what they wanted to hear. Then they make their captives sign a statement saying they have been well-treated."

By the middle of 1989 over 1,000 people had fled to Barrancabermeja, but even in the town they were at the mercy of armed patrols and death squads. The Church, together with a local peasants' association, raised the money to build a refuge as a safe transit centre. Up to 450 people have sought refuge there at the height of the violence. Others have tried to move to safer areas of the countryside, but some have decided to settle at least temporarily in the town. One such group is the community of the Barrio Pablo Acuña.

The story of Barrio Pablo Acuña

On 30 October 1991, the Barrio Pablo Acuña celebrated its second anniversary. Here 90 families of displaced peasants have found a precarious stability. What started as an occupation of vacant land on a hilltop surrounded by ravines has become a legal neighbourhood of Barrancabermeja. They were able to make the down-payment on half of the land, but are still in dispute over the other half. The houses are still crude wooden ones, some little more than a canopy. But there are already signs of permanence and civic pride. Many of the houses are surrounded by carefully tended flower beds that struggle out of the thin parched earth and provide a splash of colour. The people have persuaded the council to run in an electricity supply, and water-pipes have been laid to each house.

All this is taking place under the constant surveillance of the army. A narrow gulch separates the community from a military base, and the soldiers do not make good neighbours. Residents say that the soldiers come at all times of the

day and night, firing rounds. Sometimes they come in armoured cars. Members of the community have been taken away and detained. The police, who have a base on the other side of the community, at one stage sealed off the entrance to the barrio. In the words of 'Renata', one of the community leaders and a leading member of a local peasant association:

> *"We live in a corridor between army patrols and police patrols. They are always stopping people and questioning them about guerrillas, saying that we are guerrilla supporters. We are always on our guard. The dogs give us a warning if anyone strange comes into the community. We all keep a watch on who is coming in, because we recognise the people who normally come here. We have a gate at the main entrance and we keep this shut at night. If there is real danger, we can run down to a gulch. But there is nowhere to escape from here, because the back way is dangerous."*

Colombia: a mural of Pablo Acuña, a peasant murdered by the military. (Neil MacDonald/ Oxfam)

But the community are not downcast. Though they live with insecurity the whole time, 'Renata' is proud of what they have achieved:

> *"Despite all these difficulties and dangers, we have had some success. We have got two primary schools, with teachers who come from the town. We've got two places for children, which you could call nurseries. The electricity supply was another success. It wasn't easy. It took a lot of pressure on the council. The water is piped in, but we are still waiting for a decision to switch it on. We are having to make do with a collective supply. Where I live, there is a collective washing place that is shared between 15 families. We can't go down to the river to wash our clothes, because the soldiers won't let us. We also have our two small projects."*

The projects, organised collectively and each run by a group of families, are a contribution to building the community. One is a small brick-making enterprise, and the other is a fishing group, whose members fish far afield from the community. The bricks are made laboriously of mud and rice husks, two at a time in a simple wooden mould. They are dried for four days and then fired. Part of the production is designated for the community, to produce more permanent houses, and the other part is for sale. They have to depend on their own resources in this way because there is so little work in the area, just low-paid casual jobs. The community want to go on and build up some small businesses

"If you don't share the ideas of the paramilitaries, there are three possibilities: you join them, you leave, or they kill you."

(such as carpentry, shoe-making, and dress-making), when they have the resources. The foundation grid for the workshops is already laid out. They have planted a few crops: yucca and bananas (which form the staple diet of the area), and a bit of rice and maize. But the land is poor and only the yucca grows well. Some people are able to return to their plots in the countryside to harvest small amounts of yucca and fruits, but what they can scrape together is still not enough. They are living with hunger as well as fear.

To survive, they have to pool their forces and organise. The community association elects leaders who form the Junta, which is legally recognised by the council. The members serve for a four-year term, plan the work, and represent the community in negotiations with the council. Many households in the community are headed by single women. The status of women in the community is changing, as 'Renata' explains:

> *"Women have demonstrated that we are capable. Here we all work together – women equal to men. This is different from the way it used to be before."*

At least every month the community meets in an open space of bare flattened earth which they call 'the Park' to discuss plans and to delegate jobs to the different work teams. Everything has to be carefully monitored to ensure that what they have is shared around fairly, and that as much as possible is ploughed back into the projects. This organisation is something they are very proud of, according to 'Renata':

> *"A great success has been the bringing together of the community. Originally we are all from different places, with different customs. But to survive we had to come together. Whatever resources we get are shared. We try and plough back as much as we can into our projects. We don't see any possibility soon of returning to our homes. That would need a real change. If you don't share the ideas of the paramilitaries, there are only three possibilities: you join them, you leave, or they kill you. The army says that we are guerrillas come to the city. But we are a refugee camp. We have to build our lives here. We have to create work. We want the things that make for a dignified life."*

Barrancabermeja remains a dangerous place, permanently militarised. The town is suffering 70 deaths a month. People who register formal complaints are killed. Lawyers who investigate are threatened. In one infamous incident in January 1989, a 12-strong judicial team who were sent to investigate a massacre in the region were themselves killed. Sectors of the state are violating laws promulgated by other parts of the state. This is now acknowledged by the state itself. A report by the office of the Procurator Fiscal (equivalent to an Attorney General) acknowledges that 80 per cent of the complaints identify the military and civil authorities as responsible.

PART III: ACTION FOR CHANGE

Ecuador: formerly landless peasants setting off to work on an abandoned estate.
(Julio Etchart/Oxfam)

6 THE SEARCH FOR ALTERNATIVES

The poor in the Andes often describe themselves as 'marginalised'. They are often literally on the margins of society, excluded from the other part of society, which is rich in natural and social resources, and linked to the international economy. But communities of poor people are often rich in a different kind of resource: faced with threats to their very survival, they have developed their own strategies and alternatives. This chapter celebrates the resourcefulness of the poor in the Andes, and describes initiatives that some of them have taken to escape from their poverty trap. Their successes should not be over-estimated: they are perhaps islands of hope in a sea of crisis. But they may point the way to an alternative future for the Andes.

THE MIZQUE MODEL: BOLIVIA

For peasant farmers, growing coca is a rational choice in the absence of economically sound alternatives. But a Bolivian agricultural organisation, CEDEAGRO, is trying to demonstrate that there are alternatives, by providing models for ways of reviving domestic agriculture. By itself this will not end the rationale for growing coca for export. That would need coordinated international action to support prices of legal crops, and invest in appropriate production. But CEDEAGRO's work does suggest another option for agricultural communities.

The community of Mizque is CEDEAGRO's greatest success: a success based on technical planning and community organisation. The valley of Mizque, in the province of Cochabamba, Bolivia, is an isolated paradise of a place. It is a green, temperate region, sandwiched between bleak windswept mountains and tropical lowlands. In the Quechua Indian language, its name means 'sweet'. In colonial times it was famed for its vineyards, but when Mizque's wine began to compete with wine from Spain, the conquerors ordered all the vines to be destroyed.

Now the valley is producing wine again, for the first time in centuries, together with raspberries, tomatoes, peaches, beetroot, and strawberries. Peasant agriculture in Mizque is being transformed, with the technical help of

CEDEAGRO, which works with local farmers' groups here and elsewhere in lowland Bolivia. The project is a model of a community-based response to the economic crisis in Bolivia, rated the second poorest country in the Americas.

In Mizque, the decline of traditional agriculture was forcing small farmers to give in to the lure of coca, not in Mizque itself, where the climate is not suitable for growing coca, but in regions such as the Chapare. Constancio, a member of the local federation of farmers' unions in Mizque, is critical of the government's lack of interest in the small farmer:

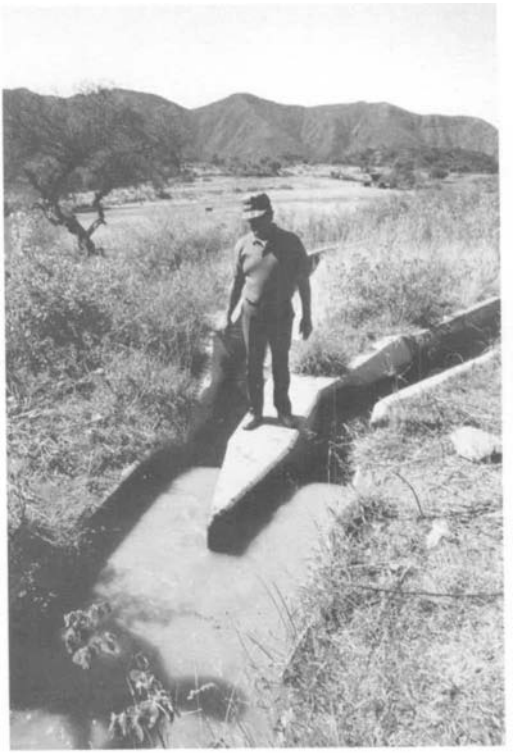
> *"There are no factories, no agro-industry, even though this is fertile land. Our young people became a floating population, going off to the Chapare as day labourers. They don't have any land there. People grow coca because they have no other resources."*

CEDEAGRO has worked together with local farmers in the Mizque valley to design and implement a three-stage integrated development programme which will reduce the need to migrate to the Chapare.

New crops, new markets

Some six years ago, CEDEAGRO began work by bringing together the members of the federation of peasants' unions to survey the region and identify needs. On the basis of this survey, CEDEAGRO designed a nine-kilometre irrigation canal; the farmers built it themselves, in 18 months of back-breaking work. It is the technical key to Mizque's success, channelling the waters of the river that runs through the centre of the valley to farms throughout the area. The social key is the strong community organisation that has developed. There has always been in Bolivia a strong tradition, going back to pre-Inca times, of working together for immediate, concrete goals. In the new plan this tradition became a community commitment to a longer-term cooperative strategy to diversify crops, improve marketing, and generate new capital for future development.

The Mizque farmers now choose a range of crops, and plant them so they can supply the market at times of year when there is usually a dearth of produce and prices are better. "Now there's always a bit of money coming in from one crop or another," says Constancio. "We're not just waiting for the potato and onion harvests."



Bolivia: an irrigation canal built by peasant farmers in the Mizque valley. (Sean Sprague/ Oxfam)

"We have come to understand that we are our own mother and our own father."

Families are specialising in different crops, so as not to compete with each other. This also allows a slow rotation of crops round the community as a whole. Fruits of all kinds are being grown, including raspberries on contract to a local ice-cream factory. The valley is producing wine again. Cattle, sheep, and rabbit-rearing are planned. Reafforestation with eucalyptus, cedar, and pine trees will protect the upper hill slopes and provide building materials. Credit comes from a self-financing community fund, and a proportion of all the profits from each scheme goes into the fund as an investment for future projects.

A pattern for the future?

Mizque may become a model for other agricultural community development plans. CEDEAGRO is working in a similar way in four other provinces. Strong community organisation is certainly the linchpin of this complex and imaginative project. People are beginning to see the fruits of working together and taking control of their own development. "There are fewer people going off to the Chapare now, since we've been working on this project," says Constancio. "Now we've got something to stay for, something to leave to our children and grandchildren." And as one landless woman, a member of the Mizque women's group, commented: "What we have come to understand is that we are our own mother and our own father."

CEDEAGRO's resources are limited. They cannot rebuild the agriculture of the whole of Bolivia. In any case, Mizque is a very special experiment: the special micro-climate of the valley makes it uniquely fertile. But the efforts of people of the Mizque valley and of CEDEAGRO show that peasant agriculture can be revitalised, and they demonstrate an alternative strategy for Northern donors who want to stop the supply of coca at source, and for the Bolivian government which increasingly favours support for big export estates, such as those producing cotton.

ALTERNATIVE MARKETING: PERU

Business acumen and mass mobilisation in equal measure: these have been the elements of an extraordinary move by peasants in Peru to take control of their own markets. Chapter 1 described how peasants in the Piura area of northern Peru got control of their land and the high-grade cotton that it produces. But control of the land was not enough to give them the chance of a livelihood: they had also to get a fair return for their produce. The obstacle was the merchants' stranglehold on prices. No sooner had the peasants gained the land from the old landowners than these same landowners were reborn as export merchants and industrialists, dominating the marketing of cotton. As a past-President of the Catacaos Community explained:

> *"In the past this was all big estates. Then we organised to reclaim the land, under the agrarian reform law. When they stopped oppressing us by taking our land, they started oppressing us with their prices. Now we have FRADEPT, the Agrarian Leagues, the Committees of Producers. We have*

been through great struggles. This has allowed us to keep ourselves going. If the peasant gets a good price for his cotton, he hopes to buy himself a new shirt, and clothe his family."

FRADEPT is the Regional Agricultural Federation of Piura-Tumbes. For much of the last decade it has been trying to safeguard the livelihood of the peasants, and in particular to secure better prices for their cotton.

The breakthrough came in 1988, when FRADEPT gained control of some 15 per cent of the domestic market for cotton, an achievement made possible by a marketing loan of 200m intis (about £226,000) that FRADEPT secured from the Agrarian Bank in 1988. FRADEPT offered the cooperatives a better price than the merchants, and so forced prices up. The merchants responded with legal proceedings, which imposed a temporary halt to FRADEPT's purchases. And this is where the mass mobilisation came in. Though the merchants ultimately lost their case, FRADEPT was fearful that they would be able to use this breathing space to force prices down again. FRADEPT affiliates organised a 15-day halt to sales. The volume of cotton entering the market every day dropped from a normal 20,000 quintals to 300, while peasants staged marches and protests about the merchants' prices. The price continued to rise, reaching around 35,000 intis (about £40) a quintal. FRADEPT won the legal case and was able to resume buying. By 1989 they had pushed the price up to 170,000 intis (about £192) a quintal.

FRADEPT has also made a modest entry into the export market. Despite obstacles placed in its way by the merchants, the organisation succeeded in getting registration in 1984 as a cotton exporter. This has allowed it to negotiate a better deal and to take advantage of state tax incentives to exporters. In 1988 FRADEPT directly exported 300 metric tons, out of a total production of 20,000 tonnes. In 1989 it negotiated a contract with Yugoslavia for 1,000 metric tons, and is now looking for markets in Germany, Spain, and Italy.

In addition, FRADEPT runs a training school for technicians in cotton quality-control. It supports other technical schemes, including plans for improving and extending the region's irrigation system, and efforts to develop natural alternatives to agro-chemicals. Pesticides, which are sold by the merchants, are expensive and are less and less effective as the pest population develops resistance.

FRADEPT represents an alternative approach to development for the peasants of the region. It is conscious that as the population grows, so the pressure on the land grows. Even today some 50,000 peasants in the region still lack land. There is little new land that can be brought into production, so FRADEPT is looking instead towards increasing earnings by adding value: it has plans for ginning and spinning the cotton, and making oil from the seeds.

However, even Piura is not immune from the crisis in agriculture. By 1992 prices of cotton had plunged, while prices of fertilisers had rocketed. The peasants of Piura planted no cotton and have sown only subsistence food crops. FRADEPT has had to change the basis of its support to emphasise self-reliance.

DEATH THREATS AND DRINKING WATER: COLOMBIA

The people of Mizque are taking greater control of their economic lives. Development also means taking greater responsibility for civic life, and here too there are examples of change. The people of the Barrio Pablo Acuña, described in Chapter 5, have visions of a better life, even in the midst of violence, and they are taking the first small steps to develop their community. Thousands of other communities throughout Colombia have the same hopes, and recent political changes may make this easier.

A new constitution, adopted in 1991, recognises for the first time the legitimate place of community movements and pressure groups in the political process. The political stranglehold of the traditional elites who dominate the Conservative and Liberal parties is being challenged. In Colombia and throughout the Andean region, people are saying that they too have a right to expect decent conditions of work, housing, and health. From these beginnings a new and more vibrant democratic life is growing throughout the Andean countries. And in this lie the seeds of hope for alternatives.

Bolivia: election slogans are a sign of the political pluralism that is spreading throughout the Andean region. (Sean Sprague/ Oxfam)

The birth of the Civic Movement

It was not until 1988 that Colombians were for the first time able to elect their local councils, and not until 1991 that they were able to vote for provincial governors. For the first time an independent political movement, the Civic Movement, challenged the dominance of the traditional parties. Colombia's civic movement has grown out of community efforts to secure electric lighting, to help people build their own houses, and to promote participation in local elections. Fabio Arías is a leader of the civic movement in the province of Antioquía. His

explanation of the civic movement in 1989 shows how intimately it connects with people's most basic needs:

> *"There are many poor areas in the country. People want clean drinkable water, a simple basic demand. The state doesn't respond. People form local committees. All sorts of people participate: small shopkeepers, small proprietors, workers, the unemployed, students, housewives. We are a wide, pluralist movement, legal and open, with no relationship to political groups. But because we represent a political alternative, they attack us. [In Colombia] you have to be Liberal or Conservative. Full stop. They are frightened of the movement converting itself into an alternative for power."*

Until the constitutional changes of 1991 this was enough to provoke death threats against them, as Fabio explained:

> *"I was born into a state of siege in a supposed democracy. It's a paper democracy, in which there is no participation. This is not English democracy. It's 'pork-barrel politics'. There's no political education. Politics is prostituted in this country. When you vote, you vote for those who give you most handouts. The civic movement can provide political education, but because of this, it threatens the system. It's a political alternative. It's the third political force in this country. In the last election we had over 100 mayors, mainly in the middle-sized towns. This was a product of wide alliances. To stand for elections is almost a heroic act, because of the threats. They say we are communists, but we are not. We are looking for an alternative, on the European model."*

"To stand for elections is almost a heroic act, because of the threats."

The first civic movement leader was killed in 1983. In the late 1980s, selective killings of leaders gave way to collective massacres. Today things are calmer, but leaders continue to be picked off. Yet despite threats, the movement has achieved changes. Though the 1992 municipal elections produced a landslide for the Liberal Party, the old oligarchy of political bosses was replaced by a new breed of modern politicians, often in alliance with the civic movement. The civic movement continues to be a focus for mutual aid and self-reliance, as the next two cases show.

Peñol: a new kind of politics

Reached by winding roads in the neat mountainous countryside of Antioquía is the peaceful, hard-working, and self-reliant town of Peñol, with neatly laid out roadways and red and white fences. This is what the civic movement is all about. Here was the realisation of the oligarchs' fears. The 200,000 inhabitants of this tranquil town built it themselves over a ten-year period, as their old homes disappeared under the lake formed by a hydro-electric dam. They organised themselves when it became clear that they were not going to get adequate compensation from the state.

The central square bustles with market goods being loaded on to buses. There is a hospital and a school, and good paved roads. Excellent restaurants, serving traditional regional dishes, justify hope for a growth in the tourist trade. Below a

"Solutions don't come from afar. They're in the hands of the people themselves."

collection of community workshops which employ 100 people in carpentry, ironwork, and concrete piping is the community's latest project. In a makeshift boathouse they are building a launch of fibre-glass and wood to take tourists for trips on the lake.

At the centre of it all is the town's dynamic mayor, Arcesio Botero, elected almost unanimously in 1988 by the people of Peñol: a mayor who was not a well-heeled and educated politician, but their own community leader. He was one of about 100 independents elected on the civic movement ticket. He comments:

> *"It's been a hard process. Solutions don't come from afar. They're in the hands of the people themselves. There's still a lot to do, but we have accomplished a lot. It's all the fruit of our own labours. We have cut out the middlemen."*

The political powers did not like being cut out. They tried to cancel his election, claiming he was involved in arms trafficking. The people re-elected him. But he is shadowed everywhere by an assigned bodyguard from the DAS police service. He has received death threats —and all for campaigning for urban improvement.

Despite the violence and the fear, Peñol shows the force and the hope of ordinary Colombians. One of Arcesio Botero's constituents, herself a community leader, expressed their hopes for the future when she said, "This is the birth of a new kind of politics."

Lerida: a build-it-yourself democracy

With the constitutional changes in 1991 came a recognised role for organisations like the civic movement in the democratic process. It became possible to think not only of the construction of houses, but of the construction of participative democracy. The province of Tolima may be an example of what is possible, because violence is at a lower level here than in Antioquía. In the Magdalena Medio, where the Barrio Pablo Acuña is located, such change remains a dream.

The advice centre CIRET provides training in leadership for the civic movement in Tolima. CIRET's work began in Lerida following the eruption of the Nevada del Ruiz volcano, which destroyed the town of Armero. The victims relocated to Lerida, creating major pressures on housing, work, and public services. Some of the displaced people were rehoused with disaster aid in Lerida, but there was nothing for the original people of the town. A civic leader said:

> *"When the new people came, we began to be affected by the problem of water, public services, employment. That's when we began the struggle for land to work, for drinkable water, for sewers for the people. The civic movement grew from there. The political game tries to divide us from each other, to divide us from the new people. But if they are tearing down all the walls in the world, why are they putting them up here?"*

The government has introduced a new policy for tackling the problem of poverty. It is called 'focalisation', or targeting. Aid is concentrated on individual problems, not on mass programmes such as the construction of housing. The poor will be dealt with through the market, on an individual basis: they will get

vouchers or government grants to buy what they need. Already underway in the area of housing, this will soon be extended to land reform.

The La Paz Housing Cooperative in Lerida provides a clear example of how people are responding to this policy. They are trying to take advantage of the independence it offers, while still maintaining mutual aid. The group is a self-build housing cooperative. Most of its members are original inhabitants, though some are displaced people from Armero. One hundred and forty families are building their homes on vacant land, with a government subsidy of 14 million pesos (about £14,000). The project has become a national model, which President Gavíria himself came to see.

The new laws on urban reform promote this self-build solution to the nation's housing problems and specify that the municipal authorities should collaborate with it, providing subsidies, technical assistance, and services. Said Luis Eduardo Gómez, the President of the La Paz Cooperative: "Lerida is the only municipality which is complying with the law." But it wasn't always so, as he remembers:

> *"We had many struggles. This began as a land takeover. Necessity meant that we had to take the land. [We tried] in 1987. We had to take over the land again in 1988 because we had trouble with the police and the army. We had to pressure for the police to respect the people. There was a confrontation. One person died: they took him away, out of town, and shot him. We petitioned the council to recognise the situation so that we could start building. There was a lot of politicking. Everyone in Lerida supported us. There was so much clamour in 1988 that the council had to agree. The whole town rose up. The civic movement organised this. Even the traditional parties supported us. It was not until 1990 that the situation was regularised, after all the red tape. We have been almost four years in struggle for our homes. We began work here in 1990, starting with levelling the land and clearing it."*

Colombia: a woman making bricks in the La Paz Housing Cooperative, Lerida. (Neil MacDonald/ Oxfam)

"The politicians always come when they want votes and say they are concerned for the poor peasants. But when they get to power they forget us."

They were lent a machine for making the bricks, and professional builders hired by the state training agency have given them courses in building techniques. The design of the houses was drawn up by an architect after detailed consultation with the cooperative to find out their needs. Now they are ready to start on the houses. They expect to be finished within 18 months. Each family takes its turn at the site, contributing 30 hours of labour a week. They can choose between a morning or an afternoon or a night shift. Because many of the men are out trying to find work, most of the builders are women, who handle all the same tasks as the men.

What makes this a special example of the construction of democracy is not just that people are receiving aid from the local government, but that they are partners with the government in the development of their own lives. The mayor's office, the council, and the housing movement together control the urban reform programme through the Housing Fund (which has a land bank and a budget). Luis Eduardo summed up what the changes had meant:

> *"Before, the Territorial Credit Institute did everything. They bought the land, authorised the building, distributed the money. Now they say, 'Organise yourselves and we will pass control to you'. It is a prize of organisation – to be able to run things ourselves."*

CIRET helped the La Paz cooperative to get off the ground, with its training courses for community leaders.

The new housing is a conquest, but it is still not enough. Most of the people in the area are peasants, but there is little land and little work. Most of the jobs are temporary: just at harvest times , maybe three months of the year. Economically the zone is dominated by capital-intensive agri-business, particularly the cultivation of rice. This makes land and work hard to come by. The employment problem remains central. As one member of the cooperative put it:

> *"The economic opening* [as the neo-liberal policy is called here] *is benefiting the big producers, not the medium or small producers. The government does not recognise that the small and medium producers provide a service. Before, we used to be able to get credit. Now it is the opposite. We don't have the resources to produce. We need 14,000 or 15,000 hectares here for the 1,300 families who don't have land or work. But the Agrarian Reform Institute is going to disappear. The economic opening is not benefiting us. The politicians always come when they want votes and say that they are concerned for the poor peasants. But when they get to power they forget us."*

Now the civic movement is making a difference. Lerida is one of eight among Tolima's 46 municipalities where civic-oriented coalitions control the council. In the October 1991 elections for provincial governor, the 25-year reign of a local party boss was overturned by a multi-party coalition including the civic movement and a section of the Liberal Party. One of the civic movement leaders expressed her hopes for the future: "We have to put an end to this tradition of party bosses. What they did was to distribute largesse to their supporters so that there was no money left for development."

THE RIGHT TO HEALTH: SANTIAGO, CHILE

Health, like housing, is a vital concern, but health provision has been squeezed in the new free-market reforms. Throughout the Andean region, poor people have formed health groups in response. Valeria García, in the Santiago slum of La Bandera, is one of them.

Valeria is what is known as a health monitor: a volunteer who spreads basic knowledge about health issues and health rights among slum dwellers. She has been trained by the organisation Popular Education in Health (EPES in Spanish). Valeria has shared the experience of impoverishment at first hand, and has seen it bite all around her. "There's a family I know, living a couple of blocks from here," she says. "They have just one room, three square metres, for 12 of them. It's inhuman: conditions for animals. I get so mad when I see things like this."

Health, education, and social services are getting further and further beyond the reach of those who cannot pay for them. The public health system, accessible to all before 1973, has deteriorated woefully, as Valeria remembers:

> *"In the past there was a good system, super-good. The doctors would come to your house. I remember one doctor who used to go to the hospital first before he went to his surgery. He used to see such a quantity of kids. Now they only see 15 kids a day, each doctor. The hospital used to be for the poor. It was good, it had everything. Now it's private, only for the rich. You have to have money now. It costs 8,000 pesos* [about £17, a quarter of the minimum monthly salary] *for the simplest thing. The attention is bad now. It's getting worse than ever. It's super-bad. You can wait from five in the morning to five at night and still not be seen. You have to go early and take a number and wait. If you get a high number and you still haven't been seen by mid-morning, you have to go home and cook the lunch. Then you go back and take another number and start all over again."*

Tuberculosis, which was once thought eradicated in Chile, is on the increase. So are other respiratory ailments. Cholera, another disease of poverty, has made its way into Chile. In one general practice theoretically covering a local population of 44,000, the doctors work only in the morning, devoting the afternoon to their private patients. In this context, self-help in health is the only practical answer for poor people.

Chile: Valeria García, a health monitor in the shanty town of La Bandera. (Neil MacDonald/ Oxfam)

"It's not just bad luck that people suffer hunger. There are reasons."

Health education: sharing knowledge in the shanty towns

This is where EPES comes in. Its basic idea is that people should discover the knowledge they already have, and gain the confidence to use it. People are often surprised the first time they attend a meeting at EPES: they come along expecting to be lectured about health by a professional, and may find themselves playing a board game called "Knowing the Community", designed to enable people to analyse their community and diagnose its social and health problems. When everyone pools their knowledge, it only takes a few minutes for the group to identify the main problems and their interconnections: overcrowded homes, drains overflowing into the street, malnutrition, alcoholism: the list grows and people make the connections, or realise that they knew them all along. The games also help people to discover their own knowledge about subjects such as medicines, mental health, respiratory infections, sexuality, and ageing.

Valeria lives with her unemployed husband and her three children. Despite the problems, she has dreams:

> *"I want to go to university, but it's hard to find time to study. I have to work. I do embroidery to sell. I hate it, but my children have to live. I get up at six to wake the children up, give them a glass of milk and get them off to school. Then I try to study in the morning. Then I work in the afternoon. And then there is everything to do with the group, getting ready for the next day."*

She coordinates a group of health monitors in La Bandera. The group of six women is called *Llareta*, after a flower that blooms in the desert. "I've never been to a grand college to learn what I know," laughs Valeria. "I've learned in practice, with the people." The training that EPES gives stresses the social and environmental roots of health problems. As Valeria put it:

> *"What we want is a real response. I'm not talking about wealth. I only want food, I only want to eat. The problem of health is not a technical problem, it's a social problem. We don't eat well, we live in bad houses, we don't have water. That's why people get ill. It's not just bad luck that people suffer hunger. There are reasons."*

Valeria describes the long process of becoming a health monitor —"a ladder with many steps" — starting when she became aware, through learning how to improve her own family's health, of the wider situation of her community.

> *"I didn't know anything about health, about the importance of giving my children milk and vegetables, for example. Then I began to learn: about nutrition and how good health is connected with everything. I learned that the house has to be clean, that it should have a proper floor and proper walls. Before, the house was just made of cardboard. It was filthy. But we worked, and we put in these wooden walls and this wooden floor. Now people come here and say, 'What luxury you live in!' But it's because they have nothing to compare it with. This is the minimum people should expect: a clean house, rooms for the children. We have a right to these things, to a life of dignity."*

She grows angry as she continues: "Here, people don't have enough to eat, so how can they be healthy? My neighbour had a child who died. He had muscular dystrophy, but he died of hunger. It wasn't the disease that killed him, it was hunger."

This personal tragedy was the spur that led Valeria to become a health monitor for her community. "It's not just a matter of looking after your own family's health. I have to be concerned with the health of my neighbour on this side, my neighbour on that side, my sister across the road. We have to help people to prevent illness, because they haven't the money to be ill, and there isn't enough medical attention for everyone."

Health monitors are not professionals, but people who have learned, through education and training of the kind EPES provides, to trust their own knowledge and experience, and use it to give advice and education to other members of the community. Valeria gives some examples of how they work: "We weigh the neighbourhood children in the church creche, keeping a check on who is underweight, and we organise workshops on diarrhoea and nutrition. We try to teach people how to use their resources better, such as the importance of eating vegetables, which are cheap."

New roles for women

Most health monitors are women, reflecting their role — in Chile as elsewhere — as carers in the family and community. But it reflects another important aspect of the growth of community organisation in Chile. The traditional male-dominated organisations, such as political parties and trade unions, were crushed by the military government. The priorities for community organisation shifted to a different terrain, that of basic, practical economic demands such as adequate food, shelter, and care for children, elderly people, and the sick. These were areas in which women were primarily responsible and around which they organised with skill and strength. These women are strong, self-confident, well able to fight for their rights. Yet they have also had to fight against the opposition of their menfolk, who often object vehemently to their wives' involvement in anything outside the home. Valeria faced this problem:

> *"I've seen many women have to leave groups because their husbands wouldn't let them go to meetings. My husband and I had many battles, we came to the brink of separation. We had so many fights, then he'd apologise the next day and say he hadn't been well. I finally realised I was living with an alcoholic. That was so sad. So I had to find out how you helped an alcoholic. I went to a course on alcoholism to find out how to cure my husband."*

'I believe in a different future'

Chile has now returned to civilian government, and community organising is no longer such a dangerous activity. But the economic disaster remains, and it will take a long time to devise and implement policies to reverse it. The coming of democracy has not made much difference to Valeria and her neighbours:

"We sat down together in a big meeting hall. It was all very pretty, with thick carpets. But nothing happened."

"The situation here has not changed at all. When there is no food, there is no food; when there is no milk, there is no milk. And they say this is democracy. They talk of participation, but it is the participation they decide on and not the one we want. We want concrete solutions to our problems. It's so frustrating, but we continue to study and struggle to improve our lives."

In the meantime, education and advice about preventative measures can never entirely replace a competent, well-funded public health service available to all. Valeria and other health monitors are aware of this, and wary of government attempts to transfer to the community responsibility for services it cannot or will not provide.

"The municipality wants us to give health treatment, but we are health monitors, not doctors. Our job is to educate people about health. We go to all different kinds of groups, teaching them about health. But I won't do the job the state should do. No, never. That's not right."

They organise campaigns to investigate health problems such as cholera and uncollected rubbish in La Bandera, and to educate local people about them, and on the basis of this mobilisation they press for changes, working jointly with other health groups. Valeria described the rubbish campaign:

"There were enormous amounts of rubbish, filling up the green spaces. We took photos of the rubbish piles with a note of where they were. There were walls of rubbish with dogs going through them. Then we went to people's houses and showed them the photos and asked, 'How can you live like this, in such an unhealthy environment?'; and they'd say, 'Oh, where's that?', and we'd say, 'Right there, at the end of your street'. They were living in a rubbish dump and had stopped noticing it. When we showed people, they started to take note. We wanted the mayor to take responsibility for it. We collected signatures and sent them to the mayor, to the regional government, and the Ministry of Health. The mayor moved the rubbish. Where the rubbish used to be we painted the walls, saying: 'Thank you, neighbour. Your signature helped to get the rubbish moved.' People were really impressed with what they had done."

La Bandera, where Valeria lives, has been the centre of a pilot experiment, trying to develop joint work with the local clinic, but they have had an uphill fight with the bureaucrats, who do not like the participative style. The new regime has brought changes. Many health groups have become incorporated into state schemes for the distribution of milk and supplementary food. Valeria and the women of the Grupo Llareta are clear that this is not for them. A case in point is their campaign against the high incidence of meningitis in the area. They organised the sending of almost 4,000 letters to the Ministry of Health. The Ministry invited them to a meeting.

"We sat down together in a big meeting hall. It was all very pretty, with thick carpets. But nothing happened. It's a kind of trickery. They said that

meningitis was endemic, that this had always happened. So we had a march in the centre, right down the Alameda [main street in Santiago] *to the Ministry of Health. We showed them the data: five dead and 11 damaged, all in one little place. We showed them the graphs we had made. The graphs went up and down and then shot off the page. They looked through our documentation and said, 'Very good, very good'. They said they would support us in doing education work in any community we liked. We rejected this. We said that this was the state's responsibility. We were not there to be cheap labour for them. Everything continues as it was before. Nothing has changed."*

Though it costs her a lot in her personal life to keep on battling, she is unswerving.

"I continue struggling because I believe in a different future. Not for me, but for my children, so they can have milk and butter and meat and eggs. It makes me furious that they could have a future without these things."

7 CONCLUSION

In the early morning a group of women wait in the slums of Lima for the arrival of donated milk powder for their children. There are groups like this all over the city. Even the water which they will use to make the powder up into milk is a valuable commodity. ... In Santiago, another group of women fire up their low-tech oven and mix the donated flour into dough. The bread they bake will literally help to keep the roof over their heads: the few pennies they make from selling the bread are spent on materials for repairing their houses. ... In the highlands of Bolivia, peasant farmers are ploughing their onions back into the ground. The prices they would get don't make it worth even harvesting them.

These are among the people who are forgotten and marginalised in Andean society. The development strategies pursued by governments in the past have failed them. In their place, poor people are searching for another way of developing their society, using survival strategies that have been described in this book. Contained within some of these strategies are experiments in new ways for people to relate to each other and to the institutions of society. Within these experiments may be seeds of alternative visions of society. At present, nobody knows what these alternatives might be. They remain to be discovered in people's own efforts to construct a better future for their communities. This discovery will come as people bring together their different efforts, as they try to generalise from them, searching for a basis to unite them in national dialogues about political, economic, and cultural survival.

FREE-MARKET MEDICINE FOR ANDEAN ECONOMIES

The military regimes of the 1970s and 1980s have given way to civilian regimes. The old ideological certainties of the Cold War have ended. This has created new spaces and new possibilities, but in their place have come the harsh new disciplines of the free-market orthodoxy which is excluding more and more of the urban and rural poor from the formal economy.

The restructuring of Andean economies has followed the best advice of international economists and institutions like the World Bank. These economists argue that Third World economies must undergo 'structural adjustment', so that they can earn their way more productively in the world market. The recipe for structural adjustment dictates, as described in Chapter 4, the withdrawal of the state from the economy, and reductions in government expenditure; markets are to be opened to international trade, and this, it is argued, will distribute resources in the most productive way. The advice is invariant, regardless of which country it is applied to. But for the poor, structural adjustment means earning less and paying more. Advocates of free-market adjustment recognise that, in the short term, the cure hurts, but they argue that as growth resumes, the increase in poverty will be reversed, and everyone will benefit. However, some economists doubt that, even in its own terms, the free-market medicine will succeed in curing Latin America's economic disease. They argue that the region's economies are too distorted to provide a basis for recovery simply through the laws of competition. They fear that the policies will create only a few sustainable enclaves of modern competitive industry within economies that remain in decline. They also point to the difficulty of controlling the money supply and exchange rates in the face of the injection of earnings from the illegal narcotics industry.

Salvation through the informal economy?

The economic crisis of the 1980s propelled many landless peasants and unemployed workers into what is known as the 'informal economy' — a vast network of tiny back-street businesses and schemes for earning some kind of income, as described in earlier chapters. Millions of families thrown back on their own resources became street traders, producers of handicrafts, providers of small services, or smugglers. Many international aid agencies see in this informal economy a solution to the problem of restructuring Andean economies while maintaining employment. These tiny businesses are cheap to create (on average, it costs 26 times more to create a job in the formal economy), and they survive without state subsidies. In addition, they rely mainly on local rather than imported materials.

The Peruvian economist Hernando de Soto believes that hopes for the regeneration of the Peruvian economy lies with informal entrepreneurs like Salomón and Martín, featured in Chapter 4. De Soto is a strong free-market advocate. He argues that in the slums, houses are being built, goods are being produced, and services are being provided outside the bureaucratic control of the state and its labour laws. He sees in this the creative entrepreneurial spirit untrammelled by state interference.

But the reverse side of this coin is that workers in the informal economy lead a precarious hand-to-mouth existence, without the job-security or welfare rights that are assured by jobs in the formal sector. They are trying to scrape by on inadequate incomes. Most people involved in the informal economy are not, like Martín and Salomón, producers. Rather they are street traders who distribute tiny quantities of goods and services to parts of the market which are

unprofitable to the formal sector. And, as Martín and Salomón show, even the lucky few who are able to become producers are linked to the cost-cutting strategies of the formal sector. To call them businesses is to coin a grandiose term for what are in reality backroom sweatshops. The informal economy has little chance of being the motor for regenerating national economies. With little capital invested, the productivity of the informal economy is low. The sector is starved of credit and training, which makes it difficult to raise productivity. Most economists working with these tiny businesses argue that the informal sector cannot kick-start the national economy, because the informal sector depends on the formal sector. The informal economy, they say, is a symptom of the problem, not a solution.

Furthermore, the informal economy cannot be viewed solely from the supply side: there is also the question of demand, and the demand is limited and falling. It depends on the state of the general economy and the policies pursued by the government. The collapse of the formal economy reduces consumption. And as the state of the formal economy worsens, more people enter the informal sector, further increasing the problem of over-supply. Most economists working with the informal sector argue that the creation of tiny businesses is not a long-term development strategy, but a survival strategy: a way in which families compensate for declining income. It is unlikely that the informal economy can provide more than short-term survival for most of the people in poor communities. Their longer-term future requires structural changes, but not the 'structural adjustment' changes that are being promoted today by free-market economists.

The all-consuming drive of governments for competitiveness in the international economy offers poor people no future to hope for. They are searching for an approach to development in which they too have a place; in which their experiences, their traditions, and their own resourcefulness might be the basis for the next 500 years. This book has described some of the mutual-aid initiatives which poor people have developed. This concluding chapter looks at some of the ways in which people involved in these initiatives think about their meaning.

REDISCOVERING SELF-RELIANCE

The move to self-determination occurs in a world which is changing dramatically. This means, above all, that there are fewer answers than there are questions. Nobody is sure how to confront the massive new creation of poverty and how to forge a strong citizenship that can build on the new democratic possibilities.

All of this has produced a challenge to the ways in which poor people have in the past confronted their poverty. In the 1970s there were more resources available. It was easier to think about redistribution of wealth. Poor communities fought for improved working conditions through unions and trade associations, for improved services through neighbourhood associations, for political goals through party structures. Against a backdrop of military regimes in many

countries, these associations were often, as we have seen, forced into confrontation with the authorities and the economic elites. But by the 1980s these forms of development action were thrown into question by the magnitude of the economic crisis. Questions of immediate survival came to dominate people's concerns. Issues that had previously been private family concerns, such as food, health, work, and education, took centre-stage. And these concerns threw up new organisational forms, concerned with the stark question of survival.

Changing roles for women

Women have had a special place in these developments, because they are responsible for ensuring that the family is fed and healthy. As the formal economy declined and men were thrown out of work, women's economic activity, which was previously a supplement to family income, became the main source of livelihood for their families.

The growth of the women's movement in Chile provides an example. In the wake of the military coup of 1973, women in the rapidly impoverished shanty towns found themselves thrust into the foreground of the battle for survival. The soup kitchens and the informal economy were responses to immediate family problems, but they also provided the basis for a growing network of groups that expressed women's new-found roles. The traditional male-dominated trade unions and political parties were largely destroyed by the military regime. An increasingly assertive women's movement, which cut across old party loyalties, found itself the main expression of demands for the respect of human rights. Soldiers, who had heavily suppressed workers' movements, were nonplussed when thousands of women took to the streets on International Women's Day, holding up not clenched fists but open palms: the symbol which said, "Our hands are clean. Are yours?" Milagro, a member of a women's group, explained:

> *"The civic life of women in this country is very new. Women only got the vote in the 1940s. Before 1973 all the political parties had their women's departments, but it was all aimed at strengthening domestic work. After the coup there was a different situation. All the conquests we had made were lost. Everyone became individualistic. We lost all the benefits of health, education, and so on. When the women's movement began to grow again, it was in response to things like abuses of human rights: disappearances, torture. There were also things like popular kitchens, which the Church helped with. Out of this welfare work we began to develop workshops and campaigns for women looking for ways to survive. The deterioration in our economic situation was violent. Before, workers at least had enough to eat, and many had their own homes. They had cookers and fridges. We could buy shoes for our kids and educate them. There were possibilities of going to university. Our life changed totally, because we lost all this. So the new groups were looking for ways of making ends meet."*

The return to democracy in Chile has confronted the new social movement with new challenges. As the old political parties have become legal again, they have moved back into the foreground, displacing the community organisations. Many

Chile: Pueblo Hundido, home to a community of sea-coalers in Lota. (Candida March/ Oxfam)

of the parties have continued to work in the old way that they knew in the 1970s. But the challenge from the new movements remains, particularly from the women's movement.

Elisabet is a leader of Killen, a women's group in Lota, in Chile's Eighth Region. She talked ruefully about politicians' lack of support for women's issues:

> *"There are one or two legislative projects which favour women, but this is of secondary interest to them. They spend their time legislating on things which are of great importance to them. But things like divorce, abortion, and family relations are all messed up. Domestic violence is a big problem. It affects every family in the country. We have mounted campaigns, but since the parliament is full of men, they don't understand or feel concerned about it. As for things that are even more controversial like divorce or abortion, this is even more complicated. But we hope there will be a white paper on domestic violence next year."*

Lota is a coal mining as well as a fishing community. Here live some of the poorest people in the region, in a neighbourhood called Pueblo Hundido, which means 'sunken town'. The sea regularly floods the shabby little wooden houses. Just along the beach from Lota is Playa Buenavista, where better-off people regularly come to sun themselves and swim, oblivious of both the pollution and the new threat of skin cancers and cataracts caused by the hole in the ozone layer which is now affecting Chile as far up north as Concepción. But at Pueblo Hundido, the sea washes back and forth the thin black powder of the discharge from the coal mine. A straggle of *chinchoreras* (sea-coalers) spend all day, winter and summer, up to their waists in the icy southern Pacific water, trawling for the tiniest nuggets of coal. Women and children do this arduous labour, collecting the

coal, washing it and bagging it to earn 80 pesos (about 13p) for a 50-kilo bag. For some this is a contribution to family income, but for other women who head their households, it is their living. The quantity of coal in the water varies from time to time, depending on the output of the mine, but cruelly the quantity tends to be greatest in the winter, when the conditions are hardest.

Killen is a group that works specifically with the women of Lota and Pueblo Hundido. They developed a series of workshops, combining training in artisan production — embroidery, stuffed toys — to provide a bit of income with discussion of women's issues, sexual relations, abortion, and domestic life. They have built on local community initiatives which bring women together, such as the sharing of ovens for baking bread, and collective places for washing clothes. They have a slot on the local radio station in which they discuss women's issues. Through these activities local women have begun to develop more self-confidence. As one of the members put it, "At home you feel afraid, but here in the workshop we can become more developed." They recount with humorous pride that some of the men locally call them "the witches of Lota". The husbands respect the activity only to the point where it doesn't threaten the domestic chores. They do nothing to help around the house, unlike the boys, whose attitudes are changing and who do help.

María Hercito Ormeña Ruiz is a sea-coaler and a member of Killen. She is 31 years old. Her son Luis is 8 and her daughter Evalie Margarita is 9. Her husband Luis has casual work at the mine as a mechanic. She said the work as a sea-coaler was important "because sometimes my husband is ill and can't work; then the mine doesn't pay anything". Her participation in Killen is important to her:

> *"I began to work with Killen when it began. I am learning a lot; I've learned how to make shoes and other things. And I feel much better about myself and recognise my importance as a woman."*

"Sometimes my husband is ill and can't work; then the mine doesn't pay anything."

Chile: a craft workshop run by the Killen women's group in Pueblo Hundido. (Julio Etchart/ Oxfam)

"The politicians never come, they never see, they never listen."

From protest to proposal

The new community organisations are the networks of street-vendors, the soup kitchens, and the health groups described in previous chapters. They have two key elements in common: a very high level of participation by women, and a concentration on immediate survival needs. This has created a new form of political participation. They want to engage in a dialogue with local and central governments in order to find a way out. Gone are the generalised protests of the 1970s. They call it the move *de protesta a propuesta* — from protest to proposal. At a time when governments are slashing budgets and privatising state holdings, generalised demands for services and employment fall on deaf ears.

Poor people are now engaging in a dialogue with the state, but this too is on a new basis. They want to be direct participants in the decision-making process. Rather than representational democracy, they are pioneering a form of participatory democracy. Trust in politicians is at an all-time low throughout Latin America. So, in moving from protest to proposal, people at the same time want to strengthen the self-managed nature of their organisations. They want to be partners with the state, not beneficiaries.

Out of necessity, they are building a participatory approach to democracy, which is different from the representational democracy they are being offered by politicians. They want to be present in the political process themselves, not to rely on having politicians speak for them. For, at the same time as political spaces are opening, economic possibilities are closing. The new political approach invites participation, while the new economic approach excludes the majority. This is why people are wary of being bought off by what they see as political games. Lucia lives in a slum in Santiago. She says:

> *"We are the forgotten class, the slum-dwellers. People think in the elections 'I'll support this one', or 'I'll support that one'. But politicians have done nothing for us, not even the ones we have supported. The politicians just use the people and trick us. They never come here. If they came and saw the misery, it might be different. But they never come, they never see, they never listen. The only way we will get a better future is when there are more groups like us and we work together."*

In Colombia, before the recent changes, people expressed similar sentiments. Eladio, a Colombian peasant leader, commented:

> *"Outsiders try to understand things from a European point of view. In Colombia there is a parliament. There are elections. There are Liberal and Conservative parties. So the conclusion is that there must be a democracy. But it's not like that. There is an elite, part of which is Liberal and part of which is Conservative. They are prepared to use whatever means, however cruel, to keep themselves in power."*

Despite the recent changes in Colombia, the political scene is full of contradictions. The government of President Gavíria is hard-pressed by a traditional elite which is largely hostile to the new economic and political ideas.

Chile: tense faces at a political demonstration, May 1987.
(Ana-Cecilia Gonzalez/Oxfam)

Local party bosses resent their loss of power in state and municipal elections. The President cannot count even on the support of all parts of his own party. Initially he had to move slowly in restructuring the economy, and Colombia has had no equivalent of 'el shock' in Peru. To strengthen his hand, Gavíria has made political alliances with parties and movements espousing the interests of the poor. However, as Chile, Peru, and Bolivia demonstrate, it is the poor who will eventually have to pay the costs of the new economic policies. During 1992 the pace of economic restructuring speeded up, and, with it, social tension. The political alliance may prove to be temporary. It has opened new possibilities for the poor, but only if they approach it from a standpoint of their own needs and ideas. In any case, the invitation to mass participation extends only to local and provincial politics, not to national economic politics, which remains firmly under the control of the centralised state.

The new political opportunities are still fragile, and people's experiments with how to use them to assert their own autonomy are at an early stage. They are still threatened by violent conflict in Colombia and Peru. In Colombia for example, different arms of the same state are promoting political participation in Tolima and engaged in a war in the Magdalena Medio. If that conflict is to be brought to an end, a form of development must be found that is equitable and meets the needs of the poor. In Peru the problem is particularly acute: a guerrilla offensive, which has reached the capital city, is further restricting the space for peaceful, independent action by poor people.

Among many people, profound distrust of the political process and of politicians has led either to apathy or populism. In Bolivia, there was a rapid growth of support in the late 1980s for two populist candidates: Carlos Palenque, a radio personality who has spoken out against corruption, and Max Fernández,

a brewery magnate. Though beaten by Jaime Paz Zamora in the 1989 Presidential elections, Fernández is regarded as a stronger contender for 1993. In a surprise result, Peruvians in 1990 chose as their President the unknown academic Alberto Fujimori: a result seen by some analysts as a vote against the known parties of left and right. Across the continent there is a hunger for a politics to provide solutions for poor people. Sometimes the promise of instant solutions is seductive.

The roots of the conflicts in the Andes are to be found in poverty. Even where there is no armed conflict, social tensions exist and are worsening. Herein lies another element of danger: the political and economic cycles are not synchronised. The new political democracies promote participation, while the economic policies of the same governments promote exclusion. And people are responding to this paradox with political cynicism and support for populist demagogues. There is real danger of a future collapse of democratic processes if economic benefits do not reach the grassroots. Governments seeking to promote free-market reforms are at risk of collision with parliaments. Renewed military intervention in political life remains a threat. The suspension of the Peruvian parliament and judiciary by President Fujimori with military support in April 1992 was, at least in part, provoked by this tension. Despite a limited return to democracy at the end of 1992, with elections for an assembly to draft a new constitution, the tensions in Peru between poverty and participation remain.

FROM SELF-HELP TO SELF-ASSERTION

More and more poor people in the Andes see the way forward as building up the strength of their own survival organisations — the soup-kitchens, joint buying cooperatives, backstreet businesses, health groups, and cultural groups. They argue that this organised 'social sector' must defend its autonomy from the political parties, whether of the left or the right. It must unite and frame its own alternatives. Peruvian social scientist Aníbal Quijano put it this way:

> *"The capitalist private sector is not the only possible form of private economic activity, and the state is not its only possible 'public' counterpart. Another concept of what is private and what is public was part of Latin America's earlier history and is still with us today. ...*
>
> *To survive, to withstand the crisis, and to defy the logic of underdevelopment, they [the poor] use solidarity, collective effort and reciprocity as the foundation of democracy. ... Nor are [their] institutions scattered and unconnected. On the contrary, especially during the past two decades, they have formed links with one another, setting up vast networks which in many cases cover the entire country. But such linkages have not necessarily involved the establishment of an apparatus apart from or above day-to-day life. In other words, the socially-oriented private sector tends to generate its own public institutional sphere, but without acquiring the characteristics of a state."*

The reworking of these traditions has much to contribute to the current

Ecuador: formerly landless women set off for work on an abandoned hacienda in the highlands of Riobamba: asserting their legal right to claim idle land. (Julio Etchart/ Oxfam)

international debate about aid and development. Powerful official aid agencies, such as the World Bank and the British government's Overseas Development Administration, have recognised that development aid often fails to reach the poorest people most in need of it, and that structural adjustment programmes must be designed in such a way as to safeguard the poor. These donors are now attaching new conditions to their aid, linking it to democracy and participation, and experimenting with the idea of by-passing central governments and delivering aid through local non-governmental organisations. But democracy must mean more than the ritual formality of elections and the contention between opposing parties. Participation must mean more than consulting people at local level. Democracy and participation must mean the opportunity to exercise real choice. Development must mean people acquiring a reasonable and realistic measure of control over the circumstances of their lives.

Community self-help and mutual solidarity are not enough. They are a building block for wider organisations that can give poor people real options and a real voice in their societies. Community organisations invented the soup kitchens that allow survival in Santiago's slums, and kept the mining communities of Potosí alive, but their horizon often stops at pure survival. Pressing forward demands for the redistribution of land, as in Colombia, depends on wider organisation. Communities in isolation experience the effects

of the national debt and of structural adjustment, but only together can they search for effective alternatives that put people first.

Joining the debate about restructuring the economy requires national organisations, able to synthesise the needs of community groups from different sectors. Community organisation alone tends to raise limited sectoral demands rather than generalised national ones. This is nowhere clearer than in Bolivia, where the miners' union until 1985 formed the core of the Bolivian Workers' Confederation (COB). The COB, uniting miners and factory workers with peasants, students, and professionals, was more than a trade union. It was also the voice of the poor in Bolivia. From 1952 to 1956 it even formed part of the government, introducing the nationalisation of the mining sector and a series of welfare measures.

The COB's ability to develop an alternative vision to that of the powerful elite was severely weakened by the demise of the mining communities. In the past, the miners were effective in voicing the strategic demands of the poor. Now peasant farmers have taken the central place in the labour movement once occupied by the miners. They work in very different conditions, ranging from the coca farmers of the tropical zones to highland subsistence farmers. With the old leadership gone, the COB's ability to construct a platform of demands has been reduced. A strategic vision has been replaced by a fragmented shopping list. This has reduced the COB's ability to negotiate on behalf of the poor with government.

In contrast, where poor people have achieved fundamental changes, they have done so by uniting together. Recent years in Colombia have proved this for indigenous people. Dora Yagari speaks with the self-possession and confidence that she has gained since starting to work as a secretary for the OIA, the Indigenous Organisation of Antioquía. Before the formation of indigenous people's organisations in the 1980s, she explained:

> *"Each community tried to survive as it could. They exchanged a little bit of their produce with each other, but there was no coordination to defend land, culture, or land recuperations. Each community had its own organisation, nothing more. There was nothing that could represent indigenous rights to the government. There were a lot of [white] organisations that were supposed to help the indigenous people, but they never consulted the cabildos* [indigenous community leadership]."

Indigenous organisations began to form throughout the country. The Provisional Coordinating Committee united them. From this was formed the Colombian National Indigenous Organisation, ONIC. Jesús is a white lawyer working with the indigenous peoples of Antioquía, through the OIA. He described its work:

> *"Our work is to make the indigenous communities conscious of their rights and to search for the form in which they can become reality. We have meetings, courses, land-takeovers, marches. We try, above all, to ensure that the indigenous communities themselves are the protagonists. This means programmes of training — in the law relating to indigenous people, and in human rights law. We also have an education programme, to develop materials that indigenous teachers can use to talk about their own culture.*

Then there is the health programme, investigating traditional cures — valuing this knowledge instead of seeing it as witchcraft. We have a production programme too, showing how to avoid nutritional deficiencies and eat better. We also participate in ONIC. We help them and they help us."

The Colombian national constitution which came into force in 1991 recognised the distinct interests and rights of indigenous peoples by reserving two seats in the parliament for their representatives.

Four dilemmas for grassroots groups

New forms of organisation capable of uniting divergent sectors may emerge out of the initiatives that grew from the survival strategies of the 1980s. If they are to develop an alternative vision, they must negotiate their way through new problems, which are being debated intensely in poor communities.

Firstly, there is the choice between *the struggle for survival and the search for alternative strategies*. This will need the creation of organisations and networks, capable of responding to the needs and initiatives of new kinds of community groups, while at the same time going beyond their day-to-day concerns.

Secondly, there is the debate about *self-reliance and the role of the state*. At a time when state budgets are being reduced, people are being thrown back on their own resources. The more they develop their own initiatives, the easier it is for the state to reduce its expenditure still further. Groups like Llareta — Valeria García's health group in Santiago's La Bandera — insist that the state still has responsibilities for the health of its citizens, and they refuse to take over its role. Other groups have argued that the transfer of responsibilities to the community is inevitable, and that they must cooperate with this. In Bolivia today it is estimated that 80 per cent of health care is provided by voluntary groups. But there is a danger that such voluntary organisations lose their effectiveness as 'ginger groups' and become bogged down in simply providing services.

One answer to this predicament may be suggested by the experience of the La Paz housing cooperative in Lerida. The answer bears significantly on a third dilemma: *the nature of democracy and participation*. The members of the La Paz cooperative pool their resources to find solutions to their problems. But at the same time, as a representative group, they participate in partnership with state institutions in a housing project. Here, as with many other groups throughout the Andes, the organisations of poor people are searching out a form of participatory democracy in which they negotiate directly with the authorities. In doing so they are issuing a challenge to the right of politicians and voluntary agencies to speak on their behalf. Their participation in their own development is simultaneously participation in the political life of the country.

Fourthly and finally, there is the question of how to respond to the *threats to people's ability to find their own solutions*. Populist politicians apparently offering easy solutions are the source of one such threat. But the violence of social injustice, the civil wars in Peru and Colombia, and the ever-present threat of repression and coups are further obstacles. Alternative strategies will need to navigate a course around these.

Ecuador: children of Pimbaro village, near Simiatug. (Julio Etchart/ Oxfam)

BEYOND THE ANDES: A CHALLENGE TO THE RICH WORLD

The challenge for the Andean countries in the years to come is to find a way of integrating the new political opportunities with a responsiveness to the aspirations and forms of organisation of the poor. But local changes, and even national changes in the political system, will not by themselves be enough. 'Hernán' in the Bolivian Chapare cannot find an alternative to growing coca until international trading arrangements provide a fairer price for other crops he might grow. The fishing communities of Chile cannot safeguard their livelihood for the future while international economic forces prompt countries to maximise exports in the short term. The women of the health committees in Santiago and the soup kitchens in Lima do not believe that the benefits of free-market economic restructuring will trickle down to them. The poor throughout the Andes are engaged in a search for their own alternatives, and want to be part of the debate about future routes to development. Their search makes a legitimate call on those of us in the northern hemisphere to challenge with them the imbalances of power in the dominant international economy, trading system, and world order which impede their long quest for justice.

Appendix I

THE ANDES AT A GLANCE

	Bolivia	Chile	Colombia	Ecuador	Peru
Area 000km²	1099	757	1139	284	1285
Pop'n (m)	7.1	13	32.3	10.3	21.2
GNP per capita (US$)	620	1770	1200	1020	1010
Average annual economic growth 1965-89 (%)	-0.8	0.3	2.3	3.0	-0.2
Agriculture as % of GDP	32	N.A.	17	8	8
External debt (US$m)	4359	18 241	16 887	11 311	19 875
Life expectancy	54	72	69	66	62
Adult literacy (%)	26	6	12	18	15
Infant mortality (per1000 live births)	106	19	38	61	79
Daily calorie supply	2086	2584	2561	2338	2269
Pop'n per doctor	1540	1230	1240	820	1040
% of age group in secondary education	37	74	56	56	N.A.
Main exports	Coca Natural gas Tin Other minerals	Copper Timber Fruit Fish products	Coffee Petroleum Textiles Coal Bananas	Petroleum Coffee Fish Bananas Cocoa	Petroleum Textiles Copper Silver Minerals Fish products

Source: *World Development Report* (1991), World Bank, Washington DC
NA = figures not available

Appendix 2

A BRIEF HISTORY

The liberation of the Andes

Independence movements flourished in Latin America when the influence of Spain was weakened by the expansion of French power under Napoleon. Britain, keen to end the Spanish control of Latin America, offered to provide military help to the liberation movements. The process began in April 1810 in Venezuela with a bloodless monarchist coup, under the leadership of a Spanish Marquis, which declared the country 'autonomous' rather than independent. A month later the residents of Buenos Aires deposed their Viceroy and declared the creation of the United Provinces of the River Plate. These two timid beginnings, together with a later declaration of autonomy by Paraguay, paved the way for more robust independence movements, particularly those associated with the continent's two most prominent liberators: the Venezuelan Simón Bolívar and the Argentine José de San Martín.

San Martín's army fought off a Spanish attempt to retake Buenos Aires in 1813. He then crossed into Chile in 1817 and, with the Irish-Chilean officer Bernardo O'Higgins, defeated the Spanish in a year-long campaign.

At the same time Bolívar's independence movement was sweeping down from the north. While San Martín wanted to create European-style constitutional monarchies, Bolívar had a vision of a Latin America united in a republican federation. His brief Republic of Gran Colombia merged Colombia in 1819 and Ecuador in 1822 with the Venezuela that his army had reliberated after a 12-year war with Spain. This left the Viceroyalty of Peru sandwiched between San Martín's movement up from the south and Bolívar moving down from the north. Despite their differences, both movements united in the face of a threat from Peru, the conservative centre of Spanish rule in the region. In 1821 San Martín had entered Lima, with British naval support from Lord Cochrane, and declared Peru independent. But at a conference with Bolívar in Ecuador later that year, San Martín bowed to Bolivar's greater military strength and abandoned both his army and his dreams of a monarchist Latin America. Bolívar's army finally defeated the Spanish in central Peru in 1824.

Dictatorship and war

Bolívar's dreams of Latin American unity were short-lived. The modern republics he had hoped to create were beset by power struggles between different regional strongmen. In 1828 Bolívar used his army to impose an authoritarian unity. In 1830 he died a disillusioned man, and his Gran Colombia was dissolved. An era of dictatorships and wars ensued. Colombia virtually disintegrated into warring regions. It was difficult to establish strong national

government in a country which is geographically cut into three strips by the mountain ranges of the Andes. Regional elites with their own power bases exist to this day. The politics of Ecuador too has been heavily influenced by rivalry between the coastal and highland regions. Britain and France monopolised the external trade of the new republics, despite the 1823 Monroe Declaration of the USA (which claimed Latin America as a US sphere of influence).

The nineteenth century was an era of military strongmen and struggles for control of territory between the new republics. Peru had 34 Presidents, 27 of them military officers, in the 29 years between 1826 and 1865. Bolivia became a byword for military coups.

In the 1830s a brief federation existed between Peru and Bolivia which was dissolved by a Chilean invasion in 1839. Chile, almost bankrupted by the costs of its war of independence (financed by a British loan) went to war to recover debts it claimed from Peru and over disputed borders with Peru and Bolivia. The three countries were again at war between 1879 and 1883 over the rich nitrate deposits in the Atacama coastal desert. The war concluded in Chile's favour, with the capture of 330 miles of northern desert from Peru and Bolivia; so Bolivia lost its access to the sea in the process.

Bolivia shrank most in the territorial wars of the nineteenth century. Brazil in 1903 annexed the rich rubber-growing Amazon territory of Acre. In a series of wars with Paraguay in the 1930s, Paraguay gained three-quarters of the Chaco territory. Paraguay itself had been devastated by an earlier territorial war. The War of the Triple Alliance from 1865 to 1870 pitted Brazil, Uruguay, and Argentina against Paraguay. Paraguay lost nearly 90 per cent of its male population and at the end of five years of war was looted, devastated, and in anarchy.

Tension continues between Ecuador and Peru over control of the Amazon territories which were conceded to Peru following a war in 1941. Oil had been identified in the zone at the time of the Second World War, though it was not exploited until the 1960s. Local tradition attributes the war to, among other things, rivalry between Shell and Standard Oil.

Economies

The economies of the Andean countries are based on the export of a handful of commodities: copper and nitrates, timber, fruit, and fish products in Chile; bananas and petroleum in Ecuador. Peru and Colombia developed manufacturing bases, particularly in textiles and leather, but are still considerably dependent on primary unprocessed commodities such as petroleum, minerals, and coffee.

Commodity dependence has been most acute in Bolivia, the poorest country in South America. It was a source of silver under the Spanish, then rubber in the nineteenth century. With the loss of Acre to Brazil in 1903, Bolivia lost its valuable rubber resources. Rich tin deposits in the highlands were exploited during the first half of the twentieth century, and the holdings of the Patiño family who controlled the most valuable mines became virtually a state within the state. The

population derived little benefit from the tin. The tin price collapsed in 1985, and Bolivia's main legal export is now natural gas. However the value of its main illegal export, coca paste for the manufacture of cocaine, exceeds that of all its legal exports.

Politics

There has been an almost unceasing see-saw struggle between harsh repression and attempts at reform in the modern history of the Andean region. Today, governments throughout the region are following free-market economic policies, whose costs fall most heavily on the poor.

In **Bolivia** the defeats in the 1930s by Paraguay were followed by 15 years of disorder in which the poor, led by the mining communities, pressed for reform and improvements to their lives. In 1951 the National Revolutionary Movement (MNR) was elected to government with a reforming nationalist programme. A military coup blocked the MNR's victory, but in 1952 a popular revolution overthrew the junta and returned the MNR to power. The tin mines were nationalised, improving conditions for the miners, and a land reform was introduced. The MNR remained in power until it was overthrown in 1964 by another coup. A series of military governments followed, the harshest being that of General Hugo Banzer between 1971 and 1978. When the army returned to barracks in 1982, the spark of reform proved hard to reignite. With inflation spiralling out of control, the MNR returned to government in 1984, this time with a programme of tough free-market restructuring of the economy. These policies are being followed today by the government of Jaime Paz Zamora, an ex-revolutionary leader, now in alliance with General Banzer.

In **Peru** the armed forces were historically distrustful of radical and nationalist traditions developed in the 1920s and 1930s by José Carlos Mariátegui and Victor Raúl Haya de la Torre. The Popular Revolutionary Alliance (APRA), founded by Haya de la Torre, was banned for most of the period between the 1930s and 1950s. In 1932 an APRA uprising was brutally crushed, and during a brief period of legality in 1948 a military coup deprived APRA of power. Only in 1985 was APRA, now much moderated in its political outlook, able to win power with the electoral victory of Alain García. During the intervening years, the Peruvian military itself had instigated some reforms. In 1968 a military coup led by General Juan Velasco had introduced land reform and other popular social changes. In 1975 General Francisco Morales replaced Velasco as president and the military regime's policy shifted to the right. The return to civilian rule in 1980 saw the election as President of Fernando Belaunde, the old civilian rival of de la Torre. Belaunde's Popular Action Party continued a shift to the right that was interrupted by APRA's election win in 1985. A worsening situation for the poor was one of the sparks that created the rapid growth during the 1980s of the Maoist guerrilla movement *Sendero Luminoso*. By the end of the decade *Sendero* had spread civil war throughout most of the national territory. The inability of APRA's García to rescue the economy from a downward spiral saw APRA lose power in 1990 to the relatively unknown Alberto Fujimori in an election

characterised by profound distrust of the established parties' presidential candidates among the electorate. Fujimori, after some hesitation, put his faith in an extremely rapid introduction of the free-market policies of the right. In the midst of growing tension with the Congress, allegations of corruption, and a worsening military situation, Fujimori (with the backing of the armed forces) suspended constitutional government in 1992. There was a limited return to democracy at the end of 1992, with elections for an assembly which will draft a new constitution.

Colombia too has suffered from continued armed conflict. Regional strongmen contested for power in a series of civil wars during the nineteenth century. But the most serious civil war was that known as *La Violencia* between 1948 and 1964. *La Violencia* was, on the surface, a civil war between the two traditional political parties of the elite — the Conservatives, who formed the government at the start of the war, and the Liberals. But behind this was a pent-up explosion of social tension — from landless peasants and poor urban workers. The ruling Conservative Party clamped down on protest. Under the banner of the Liberal party, local party bosses organised peasant guerrilla groups to strike back. In the next 14 years some 200,000 people were killed. The army arranged a bipartisan deal between the two parties in 1953, establishing a tradition of power-sharing between Conservatives and Liberals that has continued to the present day. But peace did not solve the social tension of poverty. Guerrilla forces regrouped and continued to contest control of the countryside in a low-key war with the army. The private armies of the drug barons during the 1980s added to the military problem. During the 1980s there were attempts to overhaul the political system. Direct elections for local and state governments were introduced. César Gavíria's Liberal Party won the national elections in 1990, and pushed forward further reforms. Three of the five guerrilla groups agreed to lay down their arms and contest power politically. Social sectors excluded from the Liberal/Conservative bloc have been able to enter the political process. However, the power of traditional elites remains strong. A new constitution was introduced in 1991, recognising, among other things, the territorial rights of indigenous groups.

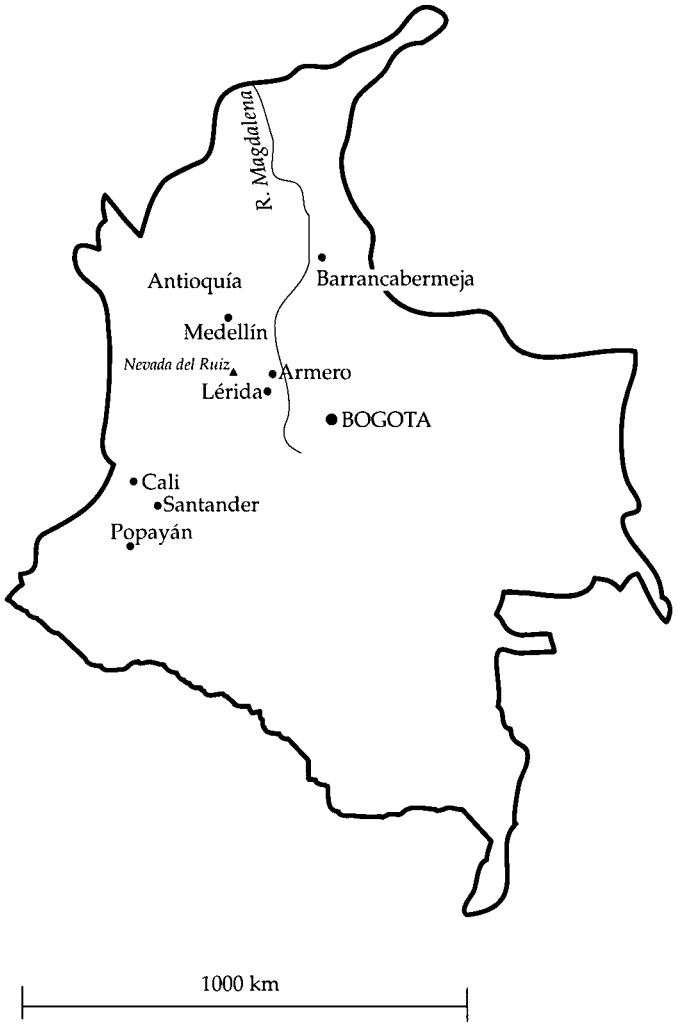
Chile, by contrast, had a more stable history of parliamentary democracy than many countries in the region. However, the military coup led by General Augusto Pinochet in 1973 ended the era of popular reforms in the 1960s under the Christian Democrats and in the early 1970s under Salvador Allende's Popular Unity government. Trade unions were restricted, land reforms were reversed, and opposition leaders were jailed, disappeared, or went into exile. Pinochet's Chile adopted a radical policy of privatisation and free-market stimulation of exports. The economy grew, but poverty increased. Civilian rule was restored in 1990, under the Christian Democrat Patricio Aylwin; but the army retains important powers of veto over the government, and the economic policy remains unchanged.

In **Ecuador**, shifts between civilian and military rule have been much governed by the fate of its commodity exports. At the end of the nineteenth century the country was experiencing a boom in cocoa exports. The merchants of

the coastal region saw the opportunity to end the conflict between strongmen and to modernise the economy. Their 'liberal revolution' of 1895 was brought to an end by the economic depression that accompanied the First World War. Military dictatorships intervened until 1948, when a boom in banana exports gave governments more resources to play with, a little of which filtered through to the people. A new modernising capitalist class came into existence, challenging the old landowners. But as growth slackened again in the 1960s, instability returned and a brief period of military government ensued between 1963 and 1966. In 1972 the generals again took power, this time in order to gain control of the new petroleum-based economic boom. Sharing some of the ideals of Velasco's military government in Peru, the Ecuadorian government attempted to bring the economy under state control. Few of the oil benefits filtered through to the population at large. The business sector, which had at first been enthusiastic about state investment, came to see the state as a competitor. The promised agrarian reform never materialised. The increasingly discredited military government handed power back to civilians in 1979, and a centre-left coalition was formed under Jaime Roldos. Wage increases and social reforms were made possible by high oil prices in the early 1980s, but then falling international prices, high domestic oil consumption, and the burden of debt servicing led to domestic price increases and currency devaluation. With known oil reserves due to run out in the mid-1980s, the need to develop new oil fields gave the international companies stronger bargaining power. In 1984 León Febres Cordero, representing the coastal commercial elite, won the presidency and introduced free-market reforms. The subsequent administration of President Borja, elected in 1988, continued this approach in a moderated fashion.

South America

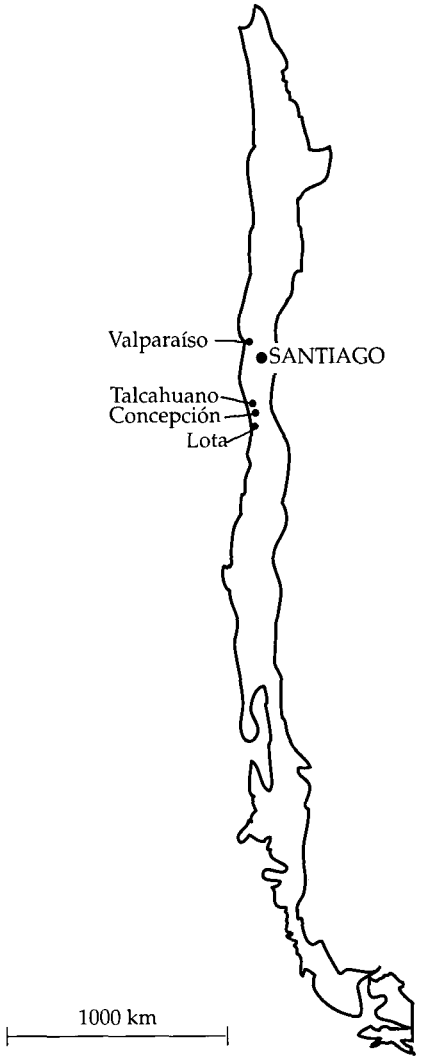
A map of Colombia
showing places featured in this book



A map of Ecuador and Peru
showing places featured in this book

A map of Bolivia
showing places featured in this book

A map of Chile
showing places featured in this book



In comparison with the other maps of individual countries, the scale of this map has been reduced by 50% to make it fit on the page.

What you can do

If you would like to support the efforts of people in the Andes for a better future, why not:

- Organise a display on the Andes in your local library, school, church, or town hall.
- Arrange a meeting on the Andes in your area. Oxfam can supply speakers, sometimes people who are visiting from the region itself.
- Make a donation to Oxfam's work to help communities in the Andes.

OXFAM CAN HELP YOU

Education

If you are a teacher or belong to an educational group, Oxfam's Education programme and its local education workers around the country can help you to teach about development issues. Oxfam produces education materials, audio-visual resources, and simulation games for use in classrooms and with youth groups.

Campaigns

As this book shows, community groups throughout the Andes are campaigning for their rights. Oxfam's supporters in the UK and Ireland help by campaigning here on issues which can alleviate poverty overseas. Oxfam's campaign network is made up of volunteers who try to inform decision makers in their towns, such as MPs and Euro-MPs, of the need for fairer trade policies, better overseas aid, ways of softening the impact of debt repayments, and much more. Please join the campaign network and contribute to the process of change. Our partners overseas are asking us to take up the challenge. Will *you*? For details of activities in your area, contact your local Oxfam area office or national headquarters (see below).

Resources

There are many Oxfam publications, videos, slide sets, and leaflets which can tell you more about the way we work alongside over 2,000 community groups in over 70 countries around the world. These can be bought or borrowed from Oxfam Area Offices around the country. You can find your nearest one in the telephone directory, or phone our headquarters at 274 Banbury Road, Oxford (0865-311311).

FURTHER READING

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Crabtree, John, et al.: *The Great Tin Crash: Bolivia and the World Tin Market*, London: Latin America Bureau, 1987

Eduardo Galeano: *The Open Veins of Latin America: Five Centuries of the Pillage of a Continent*, New York: Monthly Review Press, 1973

Pearce, Jenny: *Colombia: Inside the Labyrinth*, London: Latin America Bureau, 1990

Poole, Deborah and Gerardo Rénique : *Peru: Time of Fear*, London: Latin America Bureau, 1992

OTHER ORGANISATIONS

Amnesty International (British Section), 99-119 Roseberry Avenue, London EC1R 4RE (tel. 071 278 6000)

Catholic Institute for International Relations (CIIR), Unit 3, Canonbury Yard, 190a New North Road, London N1 7BJ (tel. 071 354 0883)

Colombia Committee for Human Rights, 37-39 Great Guildford Street, London SE1 0ES (tel. 071 401 2225)

Latin America Bureau, 1 Amwell Street, London EC1R 1UL (tel. 071 278 2829)

Latin America House, Kingsgate Place, London NW6 4TA (tel. 071 372 6606)

Peru Support Group, 37-39 Great Guildford Street, London SE1 0ES (tel. 071 620 1103)

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