THE COMMERCIALIZATION OF AGRICULTURE AND RURAL ECONOMIC INSECURITY: THE CASE OF HONDURAS

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Honduras is a very poor country. On standard measures of socio-economic development, Honduras typically ranks third from the bottom among Latin American nations. Not surprisingly, the greatest concentrations of its poor are found in the rural areas. In the two and one-half decades since socio-economic development became an object of Honduran public policy and of international actors such as the United States, there has been some improvement in the quality of life for part of the rural population, but less than planned. A significant portion of the peasantry has experienced increasing economic insecurity, in part because of a very high rate of population growth (3.4 percent) and because of the commercialization of agriculture.

Mixed results of the commercialization of Third World agriculture have been addressed by a number of authors (e.g., de Janvry, 1981; Feder, 1976; Griffin, 1978; Hewitt de Alcantara, 1976; Pearse, 1980). In the context of Central America, Durham (1979: 21-51) shows that land scarcity in El Salvador has been the result not so much of population growth as it has been the consequence of increasing land concentration which occurred with the expansion of the production of export (cash) crops. At the same time that per capita food production declined during 1950-1970, per capita land devoted to export crops actually increased. My own examination of the Guatemalan case revealed the same results (Brockett, 1984: 480-87). From 1948-1952 to 1980-1981, the per capita production of basic food crops declined seven percent while the relative share of land devoted to export crops increased ninety percent compared to the share devoted to basic food crops.

Several authors have described similar changes in contemporary Honduras but the evidence has yet to be systematically evaluated. That is the purpose of this study. Since the end of World War II, many landowners have expanded and intensified their agricultural production, especially for export, in response to market incentives and governmental encouragement. While agricultural modernization and export expansion often are justified as fundamental to the develop-

mental process, it will be shown that in Honduras they have resulted in not just increased export earnings, but also declining access for rural people to land and food. At the same time that the relative share of land planted in export crops increased, the per capita domestically-produced supply of food declined.

There is certainly much to commend an argument that in order to improve living conditions, Honduras needs to diversify and expand its exports, including agricultural exports (USAID, 1984: 1). An export-led growth model might be a viable one. However, when the contemporary success stories are examined—countries such as South Korea and Taiwan which have combined economic growth with income distributions more equitably than most—what is clear is that the context is as important as the model. Based on her extensive research, Adelman (1980: 442-443) makes this point explicit:

> The successful countries all followed a process in which the asset that was going to be the major asset of production at each stage of development was redistributed before rather than after its productivity was improved. This asset was redistributed either in terms of direct ownership or in terms of institutional access to its productive utilization. Only after redistribution were policies undertaken to improve the productivity of the major asset.[1]

The evidence from Honduras reinforces Adelman's conclusion, albeit as a negative example. When export agriculture is encouraged under conditions of substantial inequality in the ownership of, and/or access to, resources, especially land, then most of the rural poor are unlikely to profit.

COMMERCIALIZATION OF HONDURAN AGRICULTURE

While Honduras has had a long experience with export agriculture, it had relatively little effect on rural society until the post-1950 period (Durham, 1979; Parsons, 1976; Pfeil, 1977; Ruhl, 1984; Volk, 1981). The traditional export crops of Central America have been coffee and bananas. The coffee boom of the late 1800s had substantial impact on both rural and national class structures in Guatemala, El Salvador, and Costa Rica, but it largely by-passed Honduras. Consequently, the appearance of agrarian capitalism and of both rural and urban bourgeoisie was retarded in this country. The rugged mountainous terrain of Honduras is often too steep for successful agriculture (60.8 percent of its surface area slopes at more than 40 percent), often lacks the soil fertility found in the rest of the region (it lacks its neighbors' volcanic

ash), and usually impedes transportation between the highlands and coastal ports (the capital, in the highlands, lacked an all-weather paved road to the north coast until 1970).

Bananas, on the other hand, have dominated the Honduran economy since the beginning of this century. Not only have they been the country's leading export (peaking at 88 pecent of exports during 1925-1939), but throughout this century the U.S. companies which control the banana industry have played a leading role in politics, from the financing of revolutions in the early years to bribing a government (and indirectly toppling it) in the "Bananagate" scandal of the 1970s (LeFeber, 1984: 44-46, 207-208). Bananas in Honduras, however, are an enclave economy. Grown on the north coast, the banana region has been only loosely connected to the rest of the country, at least until 1954.[2] While foreign banana companies obtained concessions for over one million areas of land by World War I, traditional land holding patterns were little affected since malaria, remoteness, and plentiful land elsewhere had kept the north coast relatively unpopulated until the advent of the banana companies.[3]

Except for the banana export industry on the north coast, until after World War I agriculture in Honduras was of the traditional Latin American style. Most landholdings were worked by families living at the subsistence level. Much of the land, however, was held in larger units which used the land inefficiently, leaving it fallow, grazing it with cattle, or employing sharecroppers. Honduras was unique in one respect, though, and that was the large amount of land that was outside of private ownership. As late as 1965-1966, 12.5 percent of the land in farms was nationally owned and another 21 percent was *ejidal* (community owned) land (Fonck, 1972: 30).

Market incentives and government encouragement after 1950 had a profound effect on this traditional rural society. Following World War II, escalating cotton prices prompted larger farmers throughout Central America to convert land to this new export crop. Within Honduras, the construction of the Pan American Highway through the southern part of the country, along with the construction of connecting highways to Tegucigalpa in the interior and San Pedro Sula in the north coast region, more effectively integrated the country, broadening the internal market and better linking agricultural producers to international markets.

Beginning at about the same time, the government of Honduras began to encourage the diversification of commercial agricultural production as part of its plans for economic development and as necessary

Table 1. Major Commodity Exports, 1960-64 to 1980-81

Product	1960-1964	1965-1969+	1970-1974	1975-1979	1980-1981
Bananas	45%	47%	38%	24%	28%
Coffee	16	13	15	28	25
Beef	3	3	7	6	7
Cotton	2	3	1	2	2
Sugar	--	--	1	1	4
TOTAL	66%	66%	62%	61%	66%
Wood	11	9	14	8	3
Minerals	6	5	7	7	6
Tobacco	1	1	1	2	2
Overall Total	84%	81%	84%	78%	77%

SOURCES: First five commodities through 1975-1979, Weeks (1985: 77); bottom three and 1980-81 for all commodities, United Nations, Yearbook of International Trade Statistics (various years).

+1968-1969 for wood, minerals, tobacco.

for the expansion and diversification of export earnings. In order to do so new institutions had to be developed. Prior to the postwar period, the Honduran government had few responsibilities and little capacity for action. With assistance from international advisers, in the early years of this period state capacity was expanded with the implementation of an income tax and the establishment of a Central Bank, a National Development Bank, and the Agriculture Ministry. Through the activities of these institutions the Honduran government has been credited with the creation of an agrarian bourgeoisie within the country (Posas and del Cid, 1981: 87). The growth of this class and its commercial agricultural activities have been further assisted by financial and technical assistance from international actors, including the United States, the InterAmerican Development Bank, and private capital.[4]

In response to such incentives and encouragements, land planted in coffee, cotton, and sugar and land devoted to cattle raising greatly expanded. Export earnings increased and diversified, as demonstrated

in Table 1. While the five major agricultural commodities constituted two-thirds of total commodity exports in both the early 1960s and early 1980s, the relative shares of the five have significantly altered. Bananas, once 88 percent of export earnings, had fallen to 45 percent in 1960-64 and down to 28 percent in 1980-1981. On the other hand, over the last two decades the share of coffee has increased from 16 percent to 25 percent, beef from 3 to 7 percent and, sugar from 0 to 4 percent. Cotton has been less successful. Its share of export earnings reached three percent in the 1965-1969 period but then fell, due to falling world prices, insect damage, and the disruption of the 1969 war with El Salvador (Blutstein, 1971:147); lately, though, it has partially recovered. Unlike the spread of banana production in earlier days, the expansion of the cultivation of these new crops has had major consequences for agrarian society in Honduras.

IMPACT OF COMMERCIALIZATION

While the expansion of commercial export agriculture has been beneficial in some respects, it has been claimed by several scholars that in Honduras it also led to the conversion of land from food to export production, to land concentration and landlessness, and to rural unemployment and under-employment. The following sections evaluate the relevant evidence from the recent Honduran experience.

Export Crops and Food Supply

Clearly there has been a tremendous expansion in the amount of land in Honduras devoted to the production of export crops. As Table 2 indicates, over the three decades ending in 1983 land under export crop cultivation almost doubled. Meanwhile the amount of land devoted to the production of Honduras' four major food crops (beans, corn, rice, and sorghum) increased by only 22 percent. Consequently, the relative share of land allocated to export crops increased from 36 percent of food crops around 1950 to 55 percent in the early 1980s—an increase of about 53 percent. The most notable growth occurred in the amount of land devoted to coffee (especially up to the early 1970s) and in sugar (especially since the mid-1970s).[5]

This rapid expansion of export crop production has had a pronounced effect on food crop production in at least four ways. First, land was directly converted from the cultivation of food to export crops. There are a number of descriptive accounts of this process.

Table 2. Agricultural Land Use: Changes in Area Devoted to Export Crops Relative to Food Crops, 1948-52 to 1981-83

Crop	1948-1952	1961-1965	1971-1973	1974-1976	1981-1983	Change
Beans	50[a]	73	71	70	74	48%
Corn	283	275	297	333	337	19
Rice	11	9	14	18	23	109
Sorghum	57	42	31	53	56	-2
TOTAL FOOD	401	399	413	474	490	22%
Bananas	57	42	50	50	50[b]	-12
Coffee	63	83	107	110	121	92
Cotton	1	7	5	7	7	600
Sugar	22	33	53	49	93	323
TOTAL EXPORT	143	165	215	216	271	90%
EXPORT as % of food	36	41	52	46	55	53%

SOURCE: FAO. Production Yearbook (various years)

[a]Figures are for area harvested in 1000 hectares. Many are estimates by either country or FAO, especially 1983.
[b]Data not available; figures from latest year available.

Indeed, some have referred to it as an "enclosure movement" as large landowners pushed subsistence farmers off of desired land through coercion (Parsons, 1976: 11-15). Sometimes the coercion was monetary; Parsons (1976:15) cited rents altered from sacks of grain to cash, as well as the rapid jacking up of cash prices. Sometimes the coercion was physical; Durham (1979: 122) gives the example of another study that describes two haciendas that added 22,000 hectares to their holdings through force. Second, new land was opened up for cultivation—30 percent more from 1948-1952 to 1981-1983. Much of this land could have been devoted to the production of food for the growing population; instead, 65 percent went to the four export crops (see Table 4). Third, peasants desiring to buy their own land have had to face not just decreasing supply but also its inevitable companion, higher prices.

They faced not only the competition of other farmers, large and small, but also urban business and professional people who were attracted to agriculture by the new profit-making possibilities (Parsons, 1976: 14). Finally, mention should be made of the vast holdings of the banana companies. It is true that they were obtained earlier in the century largely without disturbing landholding patterns. Yet, as land started to become scarce in the last several decades, their holdings were "plainly needed by, but inaccessible to, a rural population that had quadrupled since 1900" (Durham, 1979: 177). The banana company holdings in 1971 were estimated to be around 200,000 hectares (494,000 acres); that is, about one-half of the total area planted at that time in the four basic food crops.

A more precise picture of the impact of the rapid expansion of export crop production on food supply is provided by the following two tables. As Table 3 indicates, the area devoted to the four basic food crops has increased, as have yields and total production. But the fact is that this increase in production has not kept pace with population growth. While Table 4 shows that total production of the four basic food crops had increased by 115 percent in the three decades since about 1950, the population of Honduras had increased by 183 percent to 1983. Consequently, the per capita production of the basic food crops actually declined across the three decades by 21 percent to 1981-1983.

Table 3. Changes in Production, Area and Yield for Major Crops, 1962-65 to 1981-82

	Production	Area	Yield
Food Crops			
beans	- 6%	4%	- 10%
corn	66	24	35
rice	236	144	2
sorghum	14	40	23
TOTAL FOOD	49%	25%	13%
Export Crops			
bananas	50	19	88
coffee	159	43	137
cotton	55	0	66
sugar	374	179	31
TOTAL EXPORTS	185%	62%	53%

SOURCE: FAO. Production Yearbook, 1970, 1983 (1971, 1984)

Table 4. Change in Food Supply,[a] 1948-52 to 1981-83

Crop	1948-1952	1952-1956	1961-1965	1971-1973	1974-1976	1981-1983	Change
beans	22	22	48	47	32	45	105%
corn	205	204	298	331	363	487	138
rice	18	18	11	15	28	39	117
sorghum	47	48	51	43	49	56	19
Total Production	292	292	408	436	472	627	115%
Production per capita[b]	203	180	200	159	154	160	-21%

SOURCE: FAO. Production Yearbook (various years).

a. Domestic production of four major food crops reported in metric tons. Many are estimates, by either country or FAO, especially for 1983.

b. Kilograms per capita.

A more accurate estimate of the supply of basic food, but for a far shorter period of time, is possible using data supplied to the U.S. Department of Agriculture by its Honduran attache. Table 5 shows estimates of the actual available supply of the same four food crops by taking into account exports, livestock feed use, and stocks on hand at the beginning of the year. The results are the same as the ones presented in the previous table and probably worse. From 1976 to 1981, the domestic supply per capita decreased by five percent while a slight increase is indicated for that period on the previous table (although the endpoints are not exactly the same).

Until the 1970s, Honduras was an exporter of corn and beans, in fact, the leading exporter in Central America of these two products (Fonck, 1972: 12). While it would be a mistake to describe it as self-sufficient in those commodities (as some writers did) since most of the population was malnourished, such exports did contribute to foreign exchange earnings. Since then, the situation has often been reversed. Not only have wheat imports been increasing (Honduras produces only a minor amount of its wheat), but in several years since the mid-1970s

Table 5. Change in Net Supply of Basic Food Crops, 1976-81

	1976	1977	1978	1979	1980	1981	Change
Domestic supply[a]	348	314	476	402	403	400	15%
Domestic supply/ per capita[b]	111	95	138	113	109	105	-5%
Total supply[c]	417	446	570	539	557	512	23%
Total supply per capita[b]	133	134	166	151	151	134	1%

SOURCE: Calculated from USDA/FAS. Attache Report: Honduras (Sept. 11, 1978, Sept. 12, 1980, Aug. 31, 1981).

[a]Annual production for four crops (beans, corn, rice, sorghum) plus estimated stocks on hand at beginning of the year minus exports and livestock feed use; reported in metric tons.

[b]Kilograms per capita.

[c]Domestic supply plus imports of those four crops plus wheat; reported in kilograms.

more corn has been imported than exported. When imports of these five food crops are taken into account, the total supply per capita increases only one percent from 1976 to 1981. Imported food, though, is not comparable to that which is domestically produced. What a rural family would be able to produce for itself if it had access to land, it might not have the income to purchase in the marketplace.

Paralleling these trends for food crops are those for beef production and export. The two are linked; the descriptive accounts almost always identify the desire to fence off new lands for cattle raising as a primary motive for the Honduran "enclosure movement." Cattle raising traditionally has been a primary activity in rural Honduras, but the nature of this endeavor has changed in recent decades. At one time about 80 percent of the cattle were raised by farmers whose herds averaged less than 50 heads. The relatively unimportant exports were often live animals. Cattle were usually sold by the head rather than by weight, thereby minimizing incentive for quality improvement (Blutstein, 1971: 149; Bakken, 1965: 155).

Expanding markets for beef domestically, and especially internationally, have significantly changed the cattle industry throughout Central America (Shane, 1980). Since 1969, the majority of the cattle extracted in Honduras have been for the export market and virtually all have been slaughtered first (Slutzky, 1979a: 113). As demand increased and sales came to be based on slaughtered weight, ranchers had the incentive to expand their holdings and to improve their grazing practices.

The results of these trends are indicated in Table 6 which shows that Honduras has replicated the "Central American" pattern to the extreme. While beef production (as measured by weight) has more than

Table 6. Beef Production, Exports and Supply, 1961-64 to 1980-81

	1961-1964	1969-1971	1975-1977	1978-1979	1980-1981	Change
Honduras						
production	24	33	45.3	44.5	51	113%
exports	3.95	12.9	18.4	22.6	26.2	563%
exports/prod.	16%	39%	41%	51%	51%	219%
prod. per capita	11.2	12.9	14.4	12.5	13.5	21%
supply per capita	9.4	7.9	8.6	6.2	6.6	-30%
Central America						
exports/prod.	15%	32%	34%	37%	29%	93%
prod. per capita	12.4	13.9	15.3	16.2	14	13%
supply per capita	10.6	9.4	10.1	10.2	9.9	-7%

SOURCES AND UNITS OF MEASUREMENT:

Production: FAO, Production Yearbook (various years): metric tons of beef and buffalo meat from indigenous animals--some are estimates by country or FAO.

Exports: United Nations, Yearbook of International Trade Statistics (various years): metric tons of bovine meat, fresh frozen also, for Guatemala and Costa Rica, meat tinned n.e.s. or prepared.

Exports/prod.: exports as a percentage of production.

Production and supply per capita: kilograms. Supply per capita is based on production minus exports.

doubled over the two decades after 1960, exports expanded much more rapidly, growing from 16 percent of production in the early 1960s to 51 percent by the late 1970s. Consequently, beef has become an important earner of foreign exchange; its contribution to export earnings increased from three to seven percent across the two decades to the early 1980s, moving it into third place among commodity exports (see Table 1). By the late 1970s, Honduras had become the fourth leading exporter of beef to the United States among Latin American nations (Shane, 1980: 77). With both population and beef exports expanding rapidly, the per capita supply for domestic consumption, consequently, has declined. As measured by the evidence presented here, this decline has been 30 percent for the two decades up to the early 1980s.[6]

Ironically, throughout much of the late 1970s Honduras had a meat "surplus" (USDA/FAS, 1980). Access to the United States market is restricted by a quota system that was established in response to pressures from the U.S. cattle industry (Shane, 1980: 101-104). The Honduran domestic price is controlled and largely determined by external demand (World Bank, 1978: Annex 12, Appendix 1:6). The U.S. quota is invariably filled, but demand in Honduras is often insufficient at prevailing prices to absorb the rest.[7] In other words, not only was land converted from domestic food production to cattle raising, a controversial practice in itself, but this conversion went beyond what was necessary to meet market demands.[8] A final, and long-lasting, consequence of this conversion to cattle raising is the rapid exhaustion of soil fertility where tropical forests have been cleared (Shane, 1980: 21-27).

A stark demonstration of Honduras' insufficient food supply is provided by the available data on consumption rates. Table 7 shows that the daily per capita consumption of calories and proteins has increased over the last two decades (by 9 and 2.2 percent, respectively) but not at all since 1969-1971 for calories and with a three percent decline for proteins. Furthermore, average daily caloric intake in 1979-1981 was still six percent below the FAO/WHO recommendation for Hondurans. Since this is an average figure, then clearly many consume less than this, some far less. One study has estimated that in 1973, 60 percent of the Honduran population consumed at least ten percent less than the daily recommended caloric requirement (Reutlinger and Alderman, 1980: Appendix Table 2A).[9] The situation is worse for people in rural areas, especially children. In 1978 it was estimated that 64 percent of the rural population was unable to meet minimum dietary needs; for rural children under the age of five the corresponding figure was 90 percent (Morris, 1984:22, 24). Studies in the early 1970s found

Table 7. Daily Food Consumption: Calories and Protein Per Capita, 1964-66 to 1979-81

	1964-1966	1969-1971	1974-1976	1979-1981	Change
Honduras					
calories	1959	2132	2074	2135	9.0%
proteins	51.0	53.8	50.5	52.1	2.2%
Central America					
calories	2127	2128	2242	2254	6.0%
proteins	57.1	58.8	57.8	57.7	1.1%
United States					
calories	3341	3497	3513	3641	9.0%
proteins	102.8	105.7	105.8	105.6	2.7%

SOURCE: FAO. Production Yearbook, 1983 (1984).

the third highest rate of moderate and severe malnutrition in the hemisphere among children under the age of five in Honduras, after Haiti and Guatemala. Other studies suggest that the prevalence of malnutrition among such children increased by 80 percent in Honduras from the mid-1960s to the mid-1970s, paralleling trends throughout Central America (IDB, 1978: 138, 141).

A microcosmic view of these trends is provided by Boyer's (1982: 226-234) field research in the Southern highlands. Among the families that he studied, two-thirds commonly could not produce enough to meet their needs. Even with other income sources considered, in the good crop year of 1978, 40 percent of families failed to cover their nutritional needs while the corresponding figure was about 52 percent in the relatively poor crop year of 1976. In a separate survey of 71 households in 1978, 89 percent indicated that they went more than three months without corn while the corresponding figure for beans, the primary source of protein, was 44 perent. Boyer estimates the minimal amount of land needed to provide an adequate diet (with a three-year fallow cycle) to be about 7.2 hectares; mean land access in his survey was only about 2.6 hectares.

Access to Land and Income

For many farmers the expansion of commercial agriculture has meant an increase in their income and their standard of living; this

Table 8. Change in the Distribution of Farmland, 1952-74

Farm size in hectares	1952 % of farms	1952 % of area	1974 % of farms	1974 % of area
Under 1	10	--	17	1
1 - 5	47	8	47	8
5 - 10	18	8	15	8
10 - 50	21	27	18	28
50 - 100	3	11	2	12
100 - 500	2	18	2	22
Over 500	.3	28	.2	22

SOURCE: Calculated from Ruhl (1984:50).

includes many small and medium size farmers who grow much of the coffee crop (Blutstein, 1970: 145; Molina Chocano, 1983). On the other hand, the expansion of commercial agriculture has undermined the economic condition of many other rural people as it has limited their access not only to food, as documented above, but also to land, employment, and income.

The ownership of land in Honduras is highly concentrated, although not as badly as in the neighboring countries of El Salvador and Guatemala.[10] As revealed by Honduran agricultural censuses, the structure of land concentration changed little from 1952 to 1974 (see Table 8). In 1952, five percent of the farmers held 57 percent of the land; in 1974, four percent held 56 percent of the land. Conversely, only 16 percent of the land belonged to 75 percent (smallest) farmers in 1952 and 79 percent in 1974. The most significant change is an increase in the smallest farm category (under one hectare) from 10 percent of all farmers to 17 percent in 1974.[11] Alongside this increase in the prevalence of the *microfinca* has been a rise in landlessness. After discounting the (relatively) highly paid workers in the banana industry, Ruhl (1984: 49) estimates the percentage of landless among rural families to have increased from 10 in 1952 to 32 in 1974. Consequently, a majority of rural families (51 percent) are classified as landless or near-landless.

Small and large farmers differ not only in the amount of land they have but also in the security of their tenancy. The 1965-1966 agri-

cultural census found that the probability of land ownership steadily increased with farm size; only 14 percent of the smallest farmers (under 1.4 hectares) owned their land while 94 percent of the largest (over 609 hectares) were owners. Ownership by a majority was not reached until the over 34.9 hectare category. On the other hand, 44 percent of the farms under 3.4 hectares were rented (47 percent of all farmers were in this category) while less than 10 percent of the farms over this size were rented. Rental agreements were usually verbal and for less than a year (Fonck, 1972: 30-31). More recently, USAID estimates that only one percent of farmers have fee simple property titles while three-quarters of farmers have insecure tenacy (USAID, 1982: 1).

As commercial agriculture has spread throughout the countryside, renters have found themselves vulnerable and often dispossessed of the farms they had operated. But they have not been alone. As previously indicated, Honduras is unique in the preservation of its public lands—*ejidal* and otherwise (about 33 percent of all farms in 1974). There often have been disputes, however, about who enjoys legitimate access to such lands. Especially in the first years of commercialization, small farmers found themselves pushed off of public lands (Parsons, 1976:15; Fonck, 1972:30).

While small farmers tend to intensively utilize their land,[12] large farmers—who control most of the land—tend to underutilize it, even with the spread of commercial agriculture. In 1952, farmers with less than 10 hectares cultivated about 56 percent of their land, while farmers with over 50 hectares cultivated only seven percent of theirs (Durham; 1969: 127); those with four hectares or less had about 74 percent under cultivation (Honduras, 1954: 38). More recent data demonstrates the same patterns. A World Bank report on proposed irrigation projects gives data on land distribution and land use patterns for areas under consideration. Most of the land is in holdings over 10 hectares in size. Land in pasture for the project areas ranges from 41 to 71 percent with a 56 percent average,[13] while land devoted to corn and beans ranges from only seven to 46 with a 25 percent average. It should be noted that these are usually good agricultural lands—good soil and certainly more level than most of the country (World Bank, 1978: Annex 8).[14]

Since the majority of rural families in Honduras are landless or near-landless, it is not surprising that income distribution is highly skewed. A clear demonstration of the relationship between access to land and income is provided by USAID estimates using 1974 Honduran data (Torres, 1979: 16-17). Landless rural families (34.5 percent of all rural

families) had an estimated per capita income of $50; families with less than one hectare of land (9.8 percent) had an estimated per capita income of $63; and families with one to 35 hectares (48.1 percent) had an estimated per capita income of $135.

Data on income trends are incomplete and somewhat at odds with the other findings reported in this study. Data compiled by Molina Chocano (1983: 77) show the income share of the bottom one-third of the rural population to have increased from 8.1 percent in 1967-1968 to 13.1 percent in 1978-1979. On the other hand, he still finds 57 percent of families nationwide to live in "extreme poverty" and 68 percent of rural families (which constitute 80 percent of all those in extreme poverty). A USAID yardstick indicates that 85 percent of those on farms under 20 hectares live below the "poverty line" and 67 percent of those with farms in the 20 to 35 hectares class.

Peasant Mobilization and Agrarian Reform

In response to the "enclosure movement" and land pressures discussed above, in the 1960s Honduran peasants organized and asserted themselves to a degree unparalleled in Central America to that point (Anderson, 1981; Morris, 1984; Parsons, 1976; Pearson, 1980; Pfeil, 1977; Ruhl, 1984; Volk, 1981).[15] Their major tactic was to stage land invasions. In the early 1960s their usual target was the unoccupied lands owned by the fruit companies, but, as the decade advanced and as land pressures intensified, land held by domestic interests became the more frequent target. Most contentious were lands which peasants claimed were public but which had been taken over by more powerful interests. In the late 1960s the government's agrarian reform agency began to adjudicate such conflicts in favor of the peasantry. The results were electrifying in peasant communities and prompted further mobilization. By the end of the decade, major peasant organizations claimed a total membership of some 90,000 families.

Through 1975 peasant organizations and their urban allies (labor unions, intellectuals, and students) enjoyed substantial influence in national politics. Their "hunger march" on December 4, 1972 was partially responsible for bringing a populist military leader to power (Gen. Oswaldo Lopez Arellano) and for his promulgation of an agrarian reform, first by decree at the end of 1972 and then through legislation in 1975. The zenith of peasant power and populist reformism, however, passed quickly as intense opposition from large landowners

mounted and as more conservative forces came to dominate within the military.

Even at the time of the passage of the 1975 agrarian reform law the reform pace was already diminishing. By the end of 1980, the number of families benefited and the amount of land awarded were only about one-sixth the stated goal of the law. While the reform pace did quicken once again under the civilian government of Roberto Suazo Córdova (1982-1985), the results were less than those of the early reform period, not sufficient to keep pace with the rapidly increasing rural population. As a result, in the mid-1980s Honduras had more landless families than before the beginning of the reform process in late 1972 (Brockett, forthcoming-b; Ruhl, 1984, 1985).

What is most significant about the reform program for this study is its connection to commercial agriculture. Reform land was commonly allocated to groups, not to individuals. In many cases, the groups were in turn part of much larger projects, most notably the 30,000 + hectares Bajo Aguán project. Favored by international lenders, including the United States, the World Bank, and the InterAmerican Development Bank, these projects have been valued by Honduran officials for their commercial potential (Posas, 1979; Slutzky, 1979b). First, these projects have been preferred over other reforms. While they have about one-quarter of the reform beneficiaries, in 1978 they received almost three-quarters of the relevant government spending (Posas, 1979). Secondly, the production of basic foods has been discouraged on these projects; instead, government officials encourage the cultivation of commercial crops, especially those with export promise. These projects are seen as generators of capital which then can be used to promote further agricultural development.

Clearly there have been certain benefits derived from these enterprises. For example, project members enjoy certain benefits when they are commercially successful. Some benefits also accrue to the government when export earnings and foreign exchange are increased; and certainly both national and international agribusinesses share a large portion of the benefit. In almost all cases, the reform projects sell their produce to commercial enterprises which process and export them. Often these are well established multinational firms such as Castle & Cook, United Brands, and, more recently, Mitsubishi. Honduran scholars (Posas, 1979; Slutzky, 1979b) have pointed out how propitious reform projects' commercial production has been for the multinationals operating in Honduras. Since the early 1950s, they have been threatened by increasing labor militancy and, since the early 1960s, by

land expropriations (and, in fact, they have experienced several significant expropriations since). At least in part for these reasons, the multinationals have been switching from direct production on their own lands to contract buying from domestic producers. Now freed from the risks of labor conflict and bad weather, agribusiness has been provided by reform projects with a guaranteed supply, backed by the Honduran government, and partially financed by international donors.

CONCLUSION

At the same time that the policy of the Honduran government toward the reform sector has been to favor the production of commercial export crops over food crops, insufficient access to food is a growing problem for an increasing number of rural families. As demonstrated above, over the three decades to the early 1980s, the relative share of land devoted to the major export crops increased from 36 to 55 percent of the land cultivated in major food crops. Meanwhile, per capita domestic production of the basic food crops dropped by 21 percent and domestic beef supply declined by 30 percent. Similarly, the program of land redistribution, even though inadequate, came to an end in the late 1970s while the number of landless and near-landless families has continued to increase. These trends are obviously related; for a rural population, diminishing access to land eventually results in less access to food, income, and employment (unless accompanied by comparable countervailing developments). More fundamentally, it has been demonstrated by this study that the commercialization of agriculture, especially export agriculture, has been responsible in Honduras (along with a rapidly expanding population), for increasing economic insecurity in the countryside.

The Honduran case is not unique but is instead a common pattern exhibited by all of the Central American countries, as well as the rest of Latin America (Grindle, 1986). A larger study now nearing completion (Brockett, forthcoming-a) demonstrates that the increase in the share of land allocated to export crops relative to food crops in Honduras from 1948 to 1983 is just under the average experienced by the region as a whole (31 compared to 37 percent), while the decline in per capita domestically-produced food supply has been slightly worse than for Central America (19 compared to 17 percent). What is unique about Honduras is the timing of this transformation. In the other countries of the region these trends have halted or reversed due to a variety of political and economic constraints. Since the commercialization of

agriculture began later in Honduras, these trends had yet to run their course. As one example, the percentage of beef production exported continued to climb into the 1980s in Honduras while this was no longer true for its neighbors.

The trends analyzed in this study have resulted from the interrelated processes of the commercialization and internationalization of Honduran agriculture and the further implementation of the agro-export development model. The resulting transformation of rural society has benefited many farmers, including some small and medium farmers (for example, coffee growers) but has undermined the economic security of many others. Extrapolating from the experience of other countries in the region, the growth in the share of land allocated to export crops should come to an end and per capita basic food production stabilize (at least temporarily). By this point, significant progress will have been made in the modernization of agricultural production and the diversification and expansion of agricultural exports. These are important and necessary changes.[16] However, since this transformation has taken place under conditions of gross socio-economic inequalities, the resulting benefits have flown disproportionately to the already advantaged, thereby aggravating already existing inequalities.

The experience of other Central American countries, already further down this path, warns that unless Honduras is able to discover a new route for development, the resulting proliferation of landless rural workers and underemployed migrants to urban areas will cause serious social tensions at some point in the future.

NOTES

1. For some background on South Korea, see Adelman and Robinson (1978); on Taiwan, Clark (1985) and Puchala and Stavely (1979).
2. In 1954 banana workers went on a prolonged strike which had important ramifications for national politics (Anderson, 1981; MacCameron, 1983).
3. Symbolic of the relationship of these companies to the rest of the country is the story of the railroads they did not develop. Much of their land was obtained free on the promise of constructing badly needed railroads. Hondurans expected railroads that would serve the interests of their country. Instead of linking the coast with major cities in the interior, however, banana companies stopped with lowland railroads that served their needs instead (Kepner and Soothill, 1967).
4. For a more complete discussion of these developments see Brockett (forthcoming-b) and Posas and del Cid (1981).
5. It should be noted that the distinction between the two types of crops is not as clean as this table suggests. Honduras did not become self-sufficient in sugar until 1962 nor export sugar until 1967. Furthermore, domestic demand increased rapidly (Blutstein, 1971: 147) and as late as 1972, 75 percent of production went to the domestic market (World Bank, 1978: Annex 12: 9). Cottonseed oil is also a source of cooking oil and margarine. On the other hand, large quantities of both corn and sorghum are used as animal feed—28 percent and 48

percent respectively in 1982 (USDA/FAS, 1981)—and therefore are indirectly related to the export market. It should also be pointed out that the land held by banana companies is much greater than that reported here. It has been their traditional (and controversial) practice to hold reserves substantially greater than the land actually planted (the figure reported in this table).

6. This conclusion is reinforced by other studies. Using essentially the same starting point (approximately 1960), the Central American Bank estimated per capita meat consumption to have declined by 24 pecent by the mid-1960s (Fonck, 1972: 57); It had declined by 13 percent by 1972 (Morgan, 1973:6) and by 35 percent by 1975 (Slutzky, 1979a:114). Slutzky's data are presented on an annual basis, thereby allowing a comparison with other studies; his data for each period substantially agree with the others.
7. There is evidence that cattle are shipped clandestinely to Guatemala to take advantage of its higher beef prices. Similarly, the border with Nicaragua, at least prior to 1980, was also porous (USDA/FAS, 1979; 1980).
8. In 1984, the U.S. government reduced the Honduran beef quota for that year, causing the closing of seven meat exporter companies and the loss of jobs of some 3000 workers (Honduran Information Center, 1984: 8).
9. They also estimate that even with a high rate of economic growth through 1990, 41 percent would still consume at least 10 percent less than recommended (Reutlinger and Alderman, 1980: Apendix Table 2A).
10. Ruhl (1984) gives an excellent comparison of land ownership and tenure patterns between Honduras and El Salvador; for Guatemala see Brockett (1984).
11. At the other end of the scale, land held by the largest farms declined by 6 percent, most of which shifted into the next largest category.
12. In fact, too much so; small farmers in Central America are forced to use the land too intensively. Land scarcity leads to over-use of the land and, therefore, declining fertility and environmental degradation characterized by erosion and deforestation.
13. The project proposals usually call for pasture land to be reduced to about 20 percent of the total.
14. As population increases, at a certain point even the most equitable of land redistributions will be unable to provide all rural families with sufficient land. One scholar belives that point had already been passed in the late 1970s (Torres, 1979: 65).
15. For a more complete discussion, including the impact of both Honduran and United States policies, see Brockett (forthcoming-b), and Posas, (1979).
16. For theoretical justification of the agro-export development model see Goldberg (1981) and Hillman (1981).

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