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**CHANGING AGRARIAN INSTITUTIONS:
INTERPRETING THE CONTRADICTIONS**

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(El Colegio de México)

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Abstract

In recent years, the rural institutional framework in Mexico has been completely transformed in order to promote a model of economic growth based on an open market economy. These reforms encompass two different projects for the countryside, '>modernization' and '>globalization', both of which overlap, complement and contradict each other. The first is supported by peasants and farmers aspiring to higher levels of productivity and international competitiveness; the latter project, being highly exclusive, requires international capital to bring about the integration of the agricultural and livestock enclaves into the global economy. This paper analyses the institutional changes by attempting to interpret the reforms as they respond to globalization while attaining a degree of legitimization for the rural constituency of the former corporate system and incorporating rural producers in the ejido sector.

Reforming Agriculture

In less than six years (1989 - 1994) the rural institutional framework in Mexico has been completely transformed in order to promote a model of rural economic growth based on the market and private investment. The axes of institutional change are the North American Free Trade Agreement (NAFTA) and reform of land tenure legislation (Constitutional Article 27). Prior to both, the restructuring of rural policies paved the way for reforms, and will also likely accelerate their implementation.

Deregulation of input and output markets has been intertwined with trade liberalization, privatization of state enterprises and finally the removal of restrictions on rural property in order to attract investment to the countryside (see Figure 1). However the productive and social recomposition pursued by these reforms is far from being attained.

The aim of institutional reform is to remove constraints for more efficient resource allocation and to enable peasants and farmers to become competitive on the international market. But reforms were implemented at a particularly difficult time: public resources for agriculture - which during former decades had supported a low productivity agricultural system - had been severely decreasing for almost a decade of economic recession, starting with the 1982 debt crisis (Appendini, 1992). When announcing reforms, government officials blamed protectionism and corporate structures for leading to inefficiency, and legitimized the proposed reforms with an attack against the former model, which they described as inefficient and corrupt. This discourse underlined the obsolescence of agriculture, particularly the social cost of supporting an inefficient food producing peasantry when imports would guarantee a cheaper food supply. This logic seemed even more valid when grain imports were cheapened by an overvalued exchange rate and trade liberalization (SARH, 1990).

The rural reforms - with the overall aim of attaining competitiveness - encompass two different projects for the countryside that may both oppose each other and overlap, but have not been explicitly distinguished. These two projects refer, on the one hand, to the requirements of the global economy into which Mexico aspires to full integration; and on

the other, to a domestic reality in which the majority of peasants and farmers require a project aimed at agricultural production in order to become competitive, this by way of the transformation of existing technologies and cropping patterns.

Peasants and farmers within the *ejido* sector subscribe to the latter project. They have been the rural constituency of the former corporate system and therefore the restructuring of rural institutions must necessarily be legitimized by negotiations with the so called 'social sector'.

During the Salinas administration, the government thus seemed to play with two proposals: one for farmers with entrepreneurial capacity and another for peasants and farmers who had control over productive resources but were not economically strong enough to constitute production units of the type required for insertion into the international market.

The latter proposal is embedded in a sectoral perspective: agriculture is considered as an activity dependent on a biological cycle having specific requirements of organization of land, labor and capital as opposed to industry. Different crops may require different technologies and be associated with different forms of economic organization. The notion of economies of scale and vertical integration becomes relevant as a means of decreasing production costs. An agricultural branch must be competitive *vis a vis* another country's production. This I will call the 'modernizing project'.

The entrepreneurial vision rests on a much more dynamic production structure, highly sensitive to market signals. Changes in taste, fashion, etc. reflected in price fluctuations prioritizes a rapid response in output, reconversion, flexibility in resource management and access to a variety of market networks. More than permanent control of a vast amount of resources, this model requires access to technology, a variety of resources, a flexible scale of production, diversified geographical locations, a flexible labor force, etc. Entrepreneurial strategies tend to erase the boundaries between production sectors, and both industrial and financial capital may flow equally into agriculture and agro-industry, integrating activities within a corporate business structure seeking higher profit rates. This is the 'global model', aiming at the international rather than the domestic market. The type of organization

required for participation in global business is only viable for a small group and thus this project is highly exclusive and not viable for the majority of domestic farmers.

Thus while the global model is the ultimate aim of the privatization model, the Mexican government finds itself in the paradox of having to assume both economic as well as political responsibilities towards the requirements of a national society - such as assuring a basic agricultural output and minimum conditions for rural livelihood.

Both models seemed necessary and not opposed - though not necessarily complementary. The overall institutional framework encompassing both proposals are defined by NAFTA and the reform of Article 27 (the agrarian legislation).

NAFTA defines the winners and losers within the countryside, it demands competitiveness for both the globalizers - fruit and vegetable producers mainly, who must deepen market penetration - and the domestic oriented - grain and oleaginous producers, who must not lose ground on the domestic market. The reform of agrarian reform defines the new possibilities for investment in the countryside and sets the context for economic agents to reaccommodate.

With the new law - voted by Mexico's congress in February 1992 - the constraint on private investment in rural activities is formally abolished, thus liberating factors of production: land (by purchase, leasing, concession, association, etc.) labor (the ejidatario is no longer obliged to farm his plot in order to hold possession rights), and capital (as well as access to ejido resources and public resources channeled to the ejido such as preferential credit). But most important is perhaps the fact that the new agrarian law goes beyond the reaccommodation of property rights between existing agents. Instead, it allows for a new form of rural property, allowing corporate business to own land. This was banned by former agrarian reform laws, and opens the door for corporate business and non-sectoral capitals.

With the reform of Article 27 the global model is affirmed by which the Mexican government actually goes beyond private sector demands and also the consensus of the 'social' sector, that is, the modernizing model.

Private capital's access to ejido resources was in fact already made possible by the former *Ley de Fomento Agropecuario*, which allowed for ejido associations with private capital, and thus facilitated the ejido modernization project. The reforms cancel the law, while adopting the modernization discourse in the reforms: these will reinforce the ejido by attracting private investment and joint ventures to the ejidos.

Peasant organizations willingly supported the idea of securing property rights on ejido resources but were less enthusiastic about an unrestricted freeing of ejido land for privatization. Since the early eighties, organizations have mobilized in the pursuit of autonomy from corporate state control (Fox and Gordillo, 1989). For example, by gaining direct control over input distribution and marketing of certain crops. Organizations reluctantly agreed to reforms but argued for restrictions on the size of private property. As for individual ejidatarios, the new law allowed the better-off the possibility of accumulating land - with limits as ejidatarios - thus operating with economies of scale.

The global project embedded in the new agrarian legislation may include the modernization project by integrating producers, productive processes etc., and by providing access to ejido through multiple channels offered by the legislation. There are few examples of this (Oliveira, 1993); but it may also nullify the former, by subduing the associated ejidatarios or by directly purchasing ejido resources. The point is that there is a variety of possibilities for the ejido *vis a vis* private capital: coexistence, integration, subordination, or exclusion. But it is also true that the ejido peasantry has lost its significance as a social and economic group with specific rights over part of the rural resources (50% of agricultural land). With or without an actual transferring of ejido land, the fact is that the ejido has been privatized, leading to a radical transformation of the countryside.¹

Throughout the eighties and early nineties, official discourse continued to sustain the 'modernization' model for the social sector and for middle sized farmers of the private sector,² whose profitability depended on producers' organizational support and on support from public resources through agricultural policy implementation. Within this context, the process of

institutional change has been complex, subject to constant confrontations and renegotiations among different economic and social groups.

From the time of the approval of the reform of Article 27 onwards, the government's globalization project and the farmers and peasants involved in the modernization project were in constant tension. During 1992 and 1993, in exchange for support for the reforms and silence around NAFTA negotiations, the government promised a flow of resources towards the countryside.

These resources had multiple intentions, wrapped in the modernization discourse to support the reconversion of potentially efficient farmers and peasants. In fact, resources were more often aimed at disguising critical situations caused by trade liberalization and withdrawal of subsidies. Such is the case of the *Programa Emergente de Apoyo a la Cafeticultura*, the *Programa de Estímulos Regionales*, the *Programa de Apoyos Financieros a la Comercialización (Aserca)*, etc. Resource allocation was also a way of retaining political control over specific groups, regions, etc. in a period in which public resources were seriously restrained.

Programs and resources were negotiated for between groups and regions, opening spaces for individual negotiations rather than for a clear-cut agricultural policy demanded by the 'modernizing' sector. This fragmentation of resource allocation and failure to define the new institutional agents (which have been, in part, privatized) kept farmers and peasants in a vacuum and increasingly promoted mobilization as a means of pressuring authorities to solve specific problems as well as intercede between farmers and private agents. Such an example is the *Barzón* movement for restructuring agricultural credit.

Another example of negotiations with a contradictory result has been the special case of corn. Until the end of 1993, corn required import licensing (all other grains, except beans had been liberalized in 1989), and until the end of 1994 was subsidized through a guarantee price paid by the state marketing agency *Compañía Nacional de Subsistencias Populares S. A.*, *Conasupo*. The result was a relative price distortion favoring corn. This was clearly a negotiation with medium and small farmers, more for social and political reasons since trade

liberalization would have had an adverse impact on millions of corn producers. However it was the large farmers especially of the Northwest who took advantage of the price subsidy, reconverting crops to corn on irrigated land attaining high yields and appropriating a differential rent (Appendini, 1994).

This process of contradictory instrumentation and impact may be understood at the two distinct levels at which the projects are implemented: while the globalization project is designed within the liberalization framework, and subdues the modernization project, the resources for reconverting and inserting into the global market have not been clearly defined - as the absence of an agricultural policy strongly suggests - and are at best negotiated as specific programs (*concertación*). During this period, there has been a flexible but uncertain space for bargaining in which agents and institutions have interacted and in which the government functioned as a mediator when necessary.

For example following the reform announcement, government discourse contained an effort to counteract the privatization vision of the new law and reaffirm the State's compromise with the social sector. A list of commitments to solve demands posed continuously and increasingly by peasant organizations together with resources was announced by president Salinas on three occasions: *Diez puntos para la libertad y justicia del campo mexicano* (November 1991), *Ocho puntos para un programa integral del campo* (August 1992), *Seis puntos* (February 1993) for debt renegotiations, credit, support to input, marketing mechanisms, subsidy to crop insurance (which had been abolished), the creation of *Fondo Nacional para Empresas de Solidaridad*, and the '*rezago agrario*'. At the same time, the channels for concertation policy were diminished with the change of ministers within the Secretary of Agriculture.

Concertation, special programs, supports, etc. were to be replaced by an overall support to peasants and farmers. At the end of 1993, the government came up with the final economic reform - *Procampo (Programa de Apoyo Directo al Campo)* - an income subsidy viable for most farmers - which has substituted former cost and price directed subsidies. This conforms to the norms of GATT and

NAFTA and was presented as a compensation for former subsidies and for the subsidies for which Mexico's trading partners are/were liable. Procampo was to give a final solution to the corn controversy, being crop neutral, thus removing the last constraints for free and efficient resource allocation.

Procampo with *Procede* (*Programa de Certificación de Derechos Ejidales y Titulación de Solares Urbanos*), the program for land certification, and *Pronasol* (*Programa Nacional de Solidaridad*), the poverty assistance program with a productive oriented ingredient to give a supportive network for rural subsistence output, constituted the institutional setting for fulfilling globalization.

Institutions for Transition

Pronasol's productive programs (*Crédito a la palabra* and *Fonoes - Fondo de Apoya a Empresas en Solidaridad*) give credit to subsistence farmers, and small investment funds to organized peasants who are involved in rural micro - industry. The first funds substituted the public rural credit channeled through *Banrural* (*Banco Nacional de Crédito Rural*) for peasants who could not restructure debt with the bank when it was reorganized in 1989, as well as incorporating peasants who had no credit at that time. Pronasol thus extended credit among a wider number of peasants and covered a larger acreage, but the amount of credit was much smaller than resources, as a result of which Pronasol spread out credit resources in a manner consistent with the spirit of a poverty subsistence assistance, and not in support of increased production and/or yields (Myhre, 1993).

Procede began in 1993 with a time-ambitious land regularization program for limiting ejidos and ejido plots and giving land certificates to the legally entitled before the end of 1994. This means settling boundary disputes among ejidos and ejidatarios, as well as family disputes over the rightful person entitled to possess and inherit the ejido plot. Thus the certification process can be complicated.

Procede started as a voluntary program in which land plot certification was carried out in the ejidos that subscribed to the program. However, a

Procede certificate is often required by local or regional authorities for a number of operations such as obtaining credit and the Procampo check. By late 1994, 15.9% of the country's ejido plots had obtained individual certificates for their members and 6.1% of land for common use had been certified by the program.³

Procampo is perhaps the most striking example of a controversial policy. Presented in the guise of an economic reform to compensate farmers for income losses due to trade liberalization and decreasing prices (as well as a compensation for former cost-sided subsidies), its purpose and impact has been political and social rather than economic.

Procampo is directed towards all producers who since 1990 have been engaged in cultivating basic crops and have signed onto the program. The subsidy accrues to the producer regardless of ownership or possession of land. As opposed to support price policy which only accrued to farmers who actually sold their crop, Procampo is attainable by all producers regardless of whether they market their product or not.

The timing of the implementation of Procampo for the Spring- Summer harvest was evidently tied to political ends. 1994 was the presidential election year and 3 million checks were handed out to farmers prior to the August elections. The contradictory policy seen from a sectoral point of view can be better explained by Robert Bates statement that ". . . the role of public policy as a means of retaining political power is useful in explaining several otherwise puzzling aspects of agricultural policy . . . what appear as economic costs may often offer political benefits." (Bates, 1990 :158-9).⁴

The controversy over whether to base Procampo on acreage or output led to heated debate prior to implementation, and the decision favoring acreage was a serious contradiction in the modernization project. In their effort to increase productivity, modernizing farmers are not rewarded for their effort. Rather, the more productive farmers suffer an income loss by changing from support prices to Procampo. The winners are the poor and marginal farmers: first, because they were not likely to be included in the price support subsidy because either they did not sell or did not sell to Conasupo;

and second , because they get the same subsidy regardless of their output.

Thus there is a heavy 'social' or assistance component in Procampo, counteracting the spirit of the Modernization Program which underlines the separation of economic programs from social programs. But this in part explains the wide acceptance of Procampo and the reluctance of the peasant organizations representing the middle stratas (modernization) to refuse the acreage-based subsidy which contained a '*campesinista*' spirit. Thus it is estimated that 2.2 million peasants that had not been included in the former price subsidy were now benefited with an income subsidy.

In 1994 the program covered 13.5 million hectares, a rough estimate is that small farms with up to 5 hectares (65%) held 30% of the land with the eight crops included in the program.⁵ Of these, farms with plots of up to two hectares held 15% of the land. In other words, 15% of the Procampo budget can be labeled 'poverty subsistence subsidy'. Seventy percent of the Procampo budget is destined for farms with plots larger than 5 hectares. This payment may be interpreted as a 'rent' for landholders, at the same time that it is regressive as an incentive for production. Thus, the main agricultural support program directs the largest part of its budget to income supports for farmers who are worse off, while offering little to small peasants.

In fact, Procampo does not compensate at all for income loss from former subsidies. An average farmer on rainfed land, with 2.5 tons of corn per hectare has had an income loss in real terms. This trend has become severe from 1987 on: Procampo income for a farmer has decreased by about the equivalent of 50 days minimum salary (58%).⁶

Procampo became the only major income support for farmers, and a means to further negotiations for state support: such as increasing the amount, or linking it to other supports through organizations - demands that were formulated throughout 1995. As such the program is 'stretched out' as means of using the fund cooperatively for production or marketing purposes within a sectoral perspective. However Procampo seems consistent with the global model. Being a neutral subsidy, and regressive for basic crops, makes it consistent with the aim of economic insertion into a trade block in

which competitiveness requires enormous efforts for modernizing agriculture, such as the farmers are demanding.

The consistency is also time-based. Procampo will phase out and finalize after 15 years, the same period scheduled for liberalizing corn imports. Agriculture will thus be fully liberalized and non-subsidized by the year 2010.

While the debate throughout 1993 was concerned with the productive aspects within the framework of the 'modernization' project and public resources were still available through targeted channels - as mentioned above - 1994 witnessed the emergence of those excluded from both projects - the poorest peasants. With the peasant uprising in Chiapas, land again becomes an issue. Peasants thus reclaim their own project, being excluded from the modernization model and only comprehended in the global project as cheap labor or in the case of the few ejidos and communities that have natural resources to offer, such as forests.

During 1994, those impacted by the modernization project mobilized as the economic context became harsher with debt default, decreasing crop prices, and low monetary income compensation through Procampo. These mobilizations, rather than demanding the support of the modernization model, became a struggle for day to day survival.

The late 1994 crisis and the policy decisions underscored this struggle and unmasked the contradictions of sectoral policy. The case of corn, again illustrates the tensions and conflicts throughout 1995.

The peso devaluation in December 1994 restored international competitiveness to basic grains. The price of importing corn became expensive compared to the support price of 600 pesos per ton (equivalent to 109 US dollars) still implemented by Conasupo in January 1995. In the case of other grains and oilseeds, which had leveled domestic prices to international prices from 1989/90 on, the price advantage became even sharper. Production of beans, rice, wheat and sorghum is expected to increase as domestic prices rose, closing the gap with international prices in 1995 (SAGAR, 1995). Corn farmers immediately demanded price liberalization consistent with the liberalization policy the government had so eagerly promoted. But on the

contrary, a fiscal criteria predominated: the bill for subsidizing consumption in major cities, which has been an important issue related to keeping down real wages and shielding low income urban population from inflation, was again handled as a priority as it has been through the history of food policy in Mexico (Appendini, 1992).⁷

Conasupo announced that it would purchase corn at a support price of 715 pesos per ton (while the price of importing was estimated at 1,150 pesos per ton).⁸ In July 1995 corn prices were set at 815 per ton. But by November, Conasupo was buying the Spring- Summer harvest at 1050 pesos per ton, due to corn scarcity and the increase of market prices. The 1995 output had decreased by 27%. While subsidies for the tortilla industry soared,⁹ resources for Procampo were also reduced on fiscal grounds: Procampo payments per hectare were set at 440 pesos for the Spring-Summer 1995 crop, barely a 25.7% nominal increase. (SAGAR, 1995:25).

Holding corn prices below world prices was a severe blow to the modernization project. Farmers now face a negative subsidy on corn while input costs are increasing above the officially estimated inflation of 52% annually¹⁰ and the support through Procampo has been reduced in real terms.

By denying the opportunity to liberalize or deregulate the corn market in an advantageous conjuncture for Mexican farmers, the government actually undermines the modernization project in favor of the global model, accelerating grain dependency on the American Midwest which has an absolute natural and technological advantage in grains, as well as benefiting from subsidies. This is confirmed by decisions taken recently. The decrease in output will increase imports above the 2.6 tariff free quota negotiated in NAFTA for 1995.¹¹ In order to prevent imports at high tariffs, the government has decided to temporarily liberalize corn imports above the quota. Thus, Mexico has ironically taken the initiative to lift trade protection on its most sensitive crop.

The globalization project is thus in one way or other being implemented. But who and where are the viable groups who will carry out this project?

Small and medium sized farmers, represented through peasant organizations within the

Congreso Agrario Permanente (CAP) have demanded stronger participation in policy decisions and implementation, in order to restore access to productive resources, as well as overtaking some of the state's former role in agriculture - marketing crops, credit intermediation, etc. (CAP, 1995; Reunión Nacional, 1995).

Revising Article 27 reemerges as a demand on account of limiting the amount of land accessible to stockholding firms (*sociedades mercantiles*), controlling the sale of ejido land, guaranteeing *campesino* access to land (CAP, 1995).

Agricultural entrepreneurs stand for confirming both privatization (reformed Article 27) and NAFTA, demanding further advancement in establishing norms and rules in trade regulations and procedures. They also call for the active participation of the state in promoting the conditions for competitiveness, by covering a wide range of needs, including rural development as well as specific support such as Procampo, fortifying the agricultural output for the domestic market, adequate channels for the marketing of goods and new financial schemes to enable credit flows to the countryside. Thus entrepreneurs view themselves as taking part in the globalization process, but as sectoral and national agents rather than 'globalizers'. The recently announced *Alianza para el Campo* which is the Zedillo's governments agricultural policy program, is very short of meeting the requirements posed by farmers organizations nor does it support a program making the modernization project viable. The program does not offer a comprehensive development project so much demanded by the countryside. At best it gives a meager budget that may benefit farmers who have access to credit and to cattle-ranchers. The new proposal for modernization is *Produce*, a 5 billion peso budget to subsidize mechanization, reconversion to grazing land and land conservation¹². The Procampo budget is halved in real terms compared to the 1993/94 budget, and the credit system remains practically unmodified.¹³

In conclusion, farmers, peasants and even entrepreneurs continue demanding a policy and state support for transforming agriculture. While during the 1989 - 1994 period institutional change was a process of transition in which the 'modernization' project obtained specific supports, the bargaining

power of its constituency was severely eroded. The Zedillo government's recent response to these demands is weak and vague, in spite of its rhetoric regarding the need to ameliorate the critical situation in the countryside, and to support agricultural production. With the ongoing trends, the modernization project seems to have lost the battle, while the globalization project seems to be supported only by policy makers, and is still awaiting implementation by economic agents.

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Figure 1. Changing Institutions

INSTITUTION	REFORM	NEW INSTITUTION
Banrural	1989 Stratification of credit	
	Famers: Profitable	Private banks
	Potential	Banrural reorganized, FIRA
	Marginal	PRONASOL FONAES
	1992 interest rate subsidy phased out	
Anagsa	abolished 1989	Agrosemex
Conasupo	1989 support prices for rice, wheat, soya, sorghum, safflower, abolished	Aserca Trade liberalization: tariffs substitute import quotas
		Conasupo restricted to corn and beans
	1994	beans abolished
Parastatal firms	1990-1994 Tabamex, Inmecafe Fertimex	Privatized
rural extension service	Pronase	Privatized
irrigation systems	Albamex Servicios Ejidales Firco reorganized	Privatized
Article 27	February 1992	Reformed Article 27 Procede Tribunales agrario Registro agrario Programa abatamiento del rezago agrario
All subsidies replaced	1994	Procampo
	1994	NAFTA

End Notes

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1. The new agrarian legislation gives ejidatarios practically the same rights as private property over the parcelled plot and common lands. The difference is that there is a limit to land transfers, the embargo of ejido land is temporal and there is a limit to dividing up the land. According to experts in agrarian legislation there are now two types of private property in the countryside: private property with complete property rights and private ejido lands with limited property rights (Juan Carlos Pérez Castañeda, personal communication).
2. Policy restructuring was outlined in the 1990 *Programa Nacional de Modernización para el Campo* (SARH, 1990), setting out the differentiation of farmers and the implementation of policy: 'economically viable', 'potential' and 'non-viable' or 'marginal' farmers. The latter should be redirected towards poverty alleviation programs, namely the *Programa Nacional de Solidaridad, Pronasol*.
3. Based on Procede's estimates of ejidatarios to benefit from the program (Enríquez, 1994) and certificates handed out (Salinas, 1994).
4. Among the denouncements of linking the access of agricultural supports to compromising a vote for PRI, Procampo was outstanding. This was registered by Alianza Cívica in more than one case in Guerrero, Oaxaca, Hidalgo, Durango, Michoacán, Veracruz, Chihuahua and San Luis Potosí (information provided by Alianza Cívica/Observación 1994).
5. Corn, beans, wheat, soy-beans, sorghum, rice, cotton, safflower.
6. Net income is estimated in number of daily minimum salary based on the minimum rural salary in 1980 and at constant prices. Net income is estimated at corn guarantee prices minus costs using a fixed input package and estimating prices for fertilizers and seeds. See Appendini, 1992: Appendix chapter 2.
7. Consumer prices for tortillas are subsidized in large cities through subsidies to the corn flour industry and to the corn millers producing the traditional tortilla, who then sell the final product at controlled prices. There are 4 corn flour industries in Mexico (Maseca, Minsa, Agroinsa and Hamsa). In 1995 they received 2.5 billion pesos in subsidies (the Procampo budget was 6.6 billion pesos) (*La Jornada*, November 6, 1995).
8. By November 1995 the price of imported corn was estimated at about 1,500 pesos per ton. due to further pesos devaluations.
9. The subsidy for the corn flour industry is variable since it is estimated by the cost/price differential. The subsidy to corn millers also increased since Consaupo was selling corn to the millers at 350 pesos per ton.
10. Between January and March 1995 the price of fertilizers rose 42.9%, agricultural machinery and equipment 42.6%, insecticides and herbicides, 38.5%, while inflation was estimated at 16.1% for the period (SAGAR, 1995:20).
11. The tariff for corn imports above the quota was 197.8% in 1995.

12. Produce gives subsidies for the purchase of tractors and other agricultural equipment, the reconversion to grazing land (estimated for 10 million hectares) and for land conservation for environmental purposes.

13. FIRA increases its importance for channeling funds to the countryside through the private banking system. Banrural and rural credit unions are practically bypassed, in spite of the peasant organizations demands to increase their participation in a restructuring of the rural credit system.