

# **Issues in Indigenous Poverty and Development**

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## FOREWORD

Throughout Latin America, the past decade has brought a growing national and international concern for the identity and rights of indigenous peoples. Moreover, in the context of structural adjustment programs in particular, the international development community has expressed a determination to tackle the high levels of poverty and extreme poverty in Latin America, above all in its rural areas. The strong correlation between ethnicity and poverty, with indigenous peoples almost invariably being represented disproportionately among the poorest sectors of society, has drawn attention to the issue of indigenous peoples, poverty reduction and development.

Attempts to target development efforts at the poorest sectors of society, perhaps particularly at indigenous peoples, have raised a number of questions. Why are indigenous peoples disproportionately poor? Do indigenous peoples have particular aspirations with regard to the material as well as cultural aspects of development? Do they generally wish to pursue their own development path in accordance with longstanding traditions? Or do they strive to have a more equitable participation in national development and national institutions? To what extent should programs to redress the poverty of indigenous peoples take account of the wider and growing aspirations of indigenous peoples for autonomy, self-determination, self-government and “self-development”? Or conversely, to what extent should they focus on the more structural aspects of discrimination, combat social exclusion and enable indigenous peoples to participate more effectively in the national economy and society? To what extent, or under what circumstances, should additional measures be taken to protect the economic affairs of indigenous communities from market forces?

These and many related questions are now having to be confronted by the Inter-American Development Bank, as it aims to channel its development resources more effectively at the poorest sectors of Latin American society including its indigenous peoples. After many internal discussions, the Bank is now preparing a formal strategy paper to guide its policies and programs in the years to come.

This paper is the first in a series of studies of poverty and poverty reduction strategies for indigenous peoples designed to provide an important input into the strategy paper. The studies have been contracted by the Indigenous Peoples and Community Development Unit (SDS/IND) of the Bank using resources provided by the European Special Fund for Technical Cooperation in Latin America. Other studies in the series include a country study for Guatemala, also written by Roger Plant, and country studies for Ecuador, Nicaragua and Honduras that are currently in preparation. Additional country studies are planned for 1999.

The study presented here was intended to raise issues and provide a framework that would give coherence to the particular country studies. It looks at the causes and current trends of indigenous poverty, examining the role played by indigenous peoples over time in national economies, describing the considerable differences within indigenous societies in diverse parts of Latin America, and offering a critical appraisal of present day policies and programs to address indigenous poverty and development. This sets the stage for some final strategic considerations as to how the poverty of indigenous peoples could be reduced more effectively.

The study does not aim to discuss all the available mechanisms for tackling the severe poverty now faced by indigenous peoples. Some policy and program interventions are of fairly obvious importance for all groups of the poor, whether indigenous or otherwise. These include access to social services, to health, education, housing, electricity, rural roads and infrastructure. It is taken for granted that all poverty reduction efforts targeted at the areas where indigenous peoples predominate would have some of these elements. Nor does the study aim to identify specific operational strategies, or to indicate how these should be implemented. These are issues that will be considered at a later stage, in the Bank's strategy paper on indigenous development.

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## INTRODUCTION

This paper has been written with fairly broad terms of reference. The author was invited to reflect widely on the question of indigenous peoples and poverty reduction and the challenges involved, and to identify areas that would merit further investigation at the country level.

In undertaking this assignment, the author was given considerable freedom to develop his own work methodology. First, an extensive literature research was conducted, drawing on academic and policy materials, and on relevant documents of the Inter-American Development Bank itself and other international development organizations. Second, field visits were made to Bolivia and Ecuador, to gather research materials and conduct select interviews with government officials, indigenous peoples organizations, academics and researchers, and a wide range of nongovernmental organizations active in the area of indigenous development. Third, two separate visits were made to Guatemala in order to prepare a country case study on this same issue in that country. Several visits have been made to Washington, D.C. The main purpose, apart from the necessary consultations with the Indigenous Peoples and Community Development Unit of the IDB which contracted the present study, was to meet with the operational as well as strategy divisions of the IDB and the World Bank.

In presenting this document, which covers such a potentially large area, it is important to explain its basic objectives. It aims to be a conceptual and issues paper, rather than to identify specific operational strategies for the IDB. It is written in the hope that it can provoke further discussion within the Bank (and perhaps also outside it) concerning some vitally important issues that go beyond the specific issue of poverty reduction programs in themselves. As the paper aims to demonstrate, there have been some exciting changes in Latin America with regard to the ethnic dimensions of development, new participatory mechanisms, and constitutional and legal reforms which now recognize the multiethnic and multicultural nature of Latin American societies. In all the Latin American republics, but most particularly in those countries where indigenous peoples comprise a majority or large proportion of the overall national population, indigenous and interethnic concerns are of vital importance for some of the broader developmental challenges of today—the modernization of the state, administrative reforms and decentralization, financial reform, environmental concerns and forestry development, land tenure reform, labor market reform, the role of civil society, and new approaches to participation in development, among many others.

A recurrent theme of the paper will be the difficulty of generalizing, or drawing hard-and-fast typologies, concerning indigenous peoples and their role in the Latin American economy today. Many policy studies on the issue tend to draw a basic distinction between the “indigenous peasant farmer” (who predominates in the highland regions of southern Mexico, Guatemala and the Andes, and is heavily integrated within the national economy); and the “less acculturated” lowland Indian of the Amazon tropical and forest areas, who is often depicted as living in a subsistence economy almost altogether outside the market economy.

Such typologies are becoming less and less accurate in the rapidly changing economic and social climate of many Latin American countries. The concept of the indigenous peasant, never altogether accurate, is becoming increasingly less adequate to classify indigenous peoples who are migrating more, increasing their presence in urban areas including capital cities, often earning more than half of their income outside agriculture, sending remittances from overseas, and in certain cases increasing their participation in trade and commerce. Once again the conventional paradigms of subsistence agriculture, community development and limited market

interaction have to be examined with considerable care.

Yet on one issue there is wide consensus. By conventional socioeconomic indicators, whether based on income data or on concepts of unsatisfied basic needs, indigenous peoples as an ethnic group are represented disproportionately among both the poor and the extreme poor. Moreover, with very few exceptions, the indications are that this trend has been worsening over the past decade or so. Since a World Bank study drew particular attention to the correlation between ethnicity and poverty in 1994, a large number of general or country studies have reached similar conclusions. This is mainly rural poverty, given that despite recent demographic and occupational trends the vast majority of indigenous peoples are still concentrated in rural areas. But there is also new urban poverty confronting indigenous peoples, with evidence that extreme poverty once again affects them disproportionately as an ethnic group.

A first part of the paper attempts, within the inevitable data limitations, to present some picture of patterns of indigenous poverty over time. Following a brief discussion of the very concept of indigenous (never an easy issue, but one that has to be discussed for practical reasons if there is to be any operational strategy directed at indigenous development), the paper examines some of the historical determinants that can explain the disproportionate poverty confronting Latin America's indigenous peoples today. A final section of this first part provides an overview of diverse economic and survival strategies of indigenous peoples in Latin America today.

The second section of the paper is concerned with measures to combat indigenous poverty through the policies and programs of governments and international actors including the IDB. As will be seen, there has been a tremendous growth in the attention given to issues of indigenous poverty and development over the past decade. Rather than a narrative account of policies and programs, the paper aims mainly to identify the main challenges and dilemmas that are now emerging.

Probably the main dilemma can be expressed in the following question: When, by what criteria and under what circumstances should development initiatives specifically target indigenous peoples as an intended beneficiary group? There has certainly been a tendency to see "indigenous development" as a priority issue for support by the international community. This can be seen in operational guidelines and strategy documents of multilateral development banks, United Nations agencies and programs, or some of the principal bilateral donors. In some cases this began with a combination of human rights and environmental concerns, addressing such issues as land demarcation and titling for vulnerable and minority indigenous peoples in forest regions. But the interest soon expanded, to cover a broader category of indigenous groups and communities who were more integrated within the economy and could, in some cases with difficulty, be distinguished from other sectors of the national population.

In the latter case, some governments have clearly been concerned by what they see as an "ethnic targeting" of developmental and antipoverty resources. Though they accept that indigenous peoples are unduly highly represented among the extreme poor, and that there is a need to target resources at the geographical areas where indigenous peoples are heavily concentrated, they can still feel uncomfortable about singling out indigenous peoples for special attention. Some similar concerns were expressed by Bank officials interviewed either in country offices or Washington, D.C. One reason put forward is that indigenous peoples often live alongside nonindigenous in the same geographical areas, following similar economic pursuits. Another argument is that ethnic targeting of resources, and ethnic differentiation in development programs and approaches, may foster ethnic tensions within society at large.

Other governments have nevertheless chosen to address indigenous development as a specific and high priority



policy concern, creating institutional mechanisms to this effect, and seeking international assistance for projects and programs that are targeted deliberately at indigenous communities and their own self-managed development. Bolivia and to some extent Ecuador can be cited as examples of this approach in recent years.

These are issues of tremendous complexity. Until quite recently, many governments have tried very deliberately to break down a sense of any ethnic differences in their economic and social development programs. In some cases, where important social reforms such as land reform have been enacted, they have been premised on typically “Western” forms of land tenure and occupancy. In other cases, even when reforms have aimed to maintain or promote perceived “indigenous” forms of land tenure and economic management, there have still been efforts to promote a national *campesino* rather than an indigenous identity. Very simply put, whatever the economic philosophy, the gradual erosion of a separate indigenous identity was seen as an important aspect of modern nation-building and national integration.

In recent years there has been some major rethinking of earlier approaches, concerning the role played by indigenous peoples and their institutions in national society. At the international level, these currents are evident in new and evolving legal instruments concerning indigenous identity and rights. Rather than portray indigenous peoples as vulnerable peoples who will benefit from protection and gradual integration into the dominant society, they place more emphasis on the right of indigenous peoples to preserve their cultural values and institutions, to exercise more control over their own development, and to be consulted on all issues that will affect them through adequate consultative mechanisms. Among development actors, this has also led to efforts to move away from mitigatory and protective approaches, toward more positive ones that enable indigenous peoples and their representative institutions to select and implement their own development programs. The guiding principles of development interventions among indigenous peoples are increasingly expressed in the language of “self-development,” “autonomous development,” “development with identity” and similar terms.

At the regional level in Latin America there have been major constitutional and legal reforms, new administrative approaches, and a tremendous growth of indigenous organizations often able to interact at the highest level with government authorities. At the political and philosophical level the real interest is how to structure a multi-ethnic and multicultural state, which challenges social exclusion, which respects cultural identity and indigenous institutions, while at the same time promoting national integrity within the general framework of a modern market economy.

How does this relate to the issue of poverty and indigenous peoples? To what extent are the issues of indigenous identity and rights related to those of poverty reduction and economic development? This depends very much on how either concept is interpreted. There are some advocates of indigenous rights who place their emphasis on a separate cultural identity and institutions, who reject the modern market economy and who associate the very concept of “indigenous” with a traditional lifestyle outside the parameters of a modern market economy. The movement for indigenous rights is also concerned with the struggle against discrimination, with compensatory measures, with access to resources, with equality of opportunity, with improved participation in the state and its institutions. In the words of one analyst, “the concept of self-development rests on a delicate and seemingly precarious balance between maintaining and strengthening ethnic identity on the one hand and improving economic conditions on the other” (Helms, 1994). And on the latter issue, some analysts see the growth of market institutions as one determinant of the severe material poverty now confronting indigenous peoples throughout Latin America. Others would insist that it is precisely the lack of access to markets which maintains many indigenous peoples in their present state of material poverty. Others would see discrimination as the main factor.

There are certainly cases where renewed respect for indigenous institutions has been an important component of national development and anti-poverty programs. A clear example is Bolivia's popular participation and decentralization initiatives since 1994. The aim here is to empower indigenous organizations to participate more effectively in local government, and at the same time to channel a far greater proportion of State resources to local communities. Thus the goal is to enable indigenous institutions to participate more fully in a reformed State structure.

At the same time, given recent trends in indigenous economic and survival strategies, the issue of indigenous peoples and poverty reduction cannot be equated only with local and community development. The local community may be an important source of indigenous identity; and most indigenous peoples, whatever their economic role and position or geographical location, do tend to maintain close links with their communities of origin. But they are increasingly earning their livelihood outside their own communities, and it is unlikely that such a trend can be comprehensively reversed.

This is why the paper has to strike a cautionary note about the concepts of "self-development" or autonomous development, in the way that such terms are commonly understood, as a primary vehicle for indigenous poverty reduction. It is accepted that there are situations and circumstances where indigenous peoples, given the right policy mix together with financial support and technical assistance, can pursue their own development path in such a way as to improve their material situation without sacrificing their cultural identity. The concept of "ethno-development" is important where indigenous peoples can exercise control over an adequate and contiguous territory, on the basis of which they can develop sustainable economic activities. But this cannot be a universal paradigm for the problems of poverty facing indigenous people today. Policies need to be formed on the basis of a careful understanding of the reality of indigenous participation in the average Latin American economy and society.

## ISSUES OF INDIGENOUS IDENTITY: DEFINITIONS, CHARACTERISTICS AND POLICY IMPLICATIONS

Despite the recent resurgence of interest in the issues of indigenous identity and rights, or indigenous poverty and development, the very concept of indigenous has never been an easy one to define. There have been many efforts to identify the actual numbers of indigenous peoples throughout Latin America, or the number of different ethnic groups. Most estimates seem to concur that the figure is in the region of 40 million persons altogether, or approximately eight percent of the hemisphere's total population. In some countries, as in Argentina and Brazil, they comprise small minorities of less than one percent of the national population. In others, such as Bolivia and Guatemala, by some estimates they comprise more than half the national population. These statements have to be made with some care, as estimates of the indigenous population in Guatemala for example range from 42 percent (the most recent census figure) to more than 60 percent (the figure often put forward by independent analysts).

Most particularly in the countries with large indigenous populations, the discrepancy between official and many independent estimates of their numbers tends to be quite wide. This is often attributed to deficiencies in the measures used at the national level for measuring ethnic identity. In the national census in a number of countries, for example, the method is to ask respondents what their main language is. Given the widespread bilingualism in Mexico, the Andes and Central America, and the tendency for Spanish to predominate in urban areas, such methods are very likely to underestimate the numbers who might otherwise identify themselves as indigenous. Nevertheless, when the most recent Guatemalan census used self-perception as the criterion, it still came up with the figure of 42 percent—way below the numbers put forward by other analysts.

The main point of interest for this study is not so much the estimate of numbers, as the implications of being defined as indigenous and the features or characteristics which are usually associated with this definitional status. Clearly, there are some cases in which definition as indigenous marks out the persons and groups involved for separate treatment by the state, including separate economic institutions such as a special land tenure regime safeguarded by law. In other cases, the differences between indigenous and nonindigenous persons and communities may be far less marked. Indigenous peoples may use their own language, and seek at least bilingual education for their children. They may have some of their own institutions of local government, but in terms of their economic and land tenure institutions they may otherwise display no differences from the remainder of the national population. There may be no legislation providing for separate treatment or special rights for indigenous peoples, and they may not even themselves have a strong consciousness of an indigenous rather than *campesino* identity.

Indigenous peoples can be accorded a special status either because of their own wishes and aspirations, or for purposes of protection, or indeed for reasons of exploitation and discrimination. During the Spanish colonial period indigenous peoples were marked out for purposes of tribute and compulsory labor. After independence there were drawn-out conflicts between political liberals (who wished to introduce equality of rights for all within the liberal state, and to do away with a separate economic regime for indigenous peoples) and political conservatives (who basically aimed to maintain racial segregation).

It was the latter decades of the 19th century, as most Latin American governments pursued aggressively liberal economic and social policies, that saw the greatest *de facto* pressure on indigenous lands and communities in the more populated areas. It is at this stage, with the growth of positivist and sometimes overtly racist philosophies accompanying widespread European settler immigration, that the concept of indigenous begins to be seen as a biological rather than a fiscal category. Left without any protection or a special status, indigenous peoples increasingly provided the cheap and servile labor in the new agricultural export sector. The general association of the very concept of indigenous with poverty can be dated to this period.

The early 20th century then saw a reaction against the excesses of 19th century liberalism. A watershed was clearly the Mexican revolution and its social legislation and reforms, which subsequently had a strong effect throughout the continent. A key aspect of Mexican revolutionary philosophy, rather than to provide a separate or “protective” status for indigenous peasants and workers, was to seek a new syncretic nationalism by incorporating indigenous culture and institutions within the new society. Thus the *comunidad indígena* was recognized as a legal entity, and there were provisions for the restitution to indigenous communities of lands over which they could prove unlawful dispossession. But in practice there was no difference between the regime of the indigenous communities and that of the *ejidos* used as the model for land distribution to all land reform beneficiaries. In both cases there were prohibitions on land alienation and mortgaging.

In the Andean countries, the *comunas* or *comunidades indígenas* recovered their legal status in the highlands between the 1920s and 1930s. Yet a relatively small proportion of Aymara, Quechua or Quichua Indians resided in communities with fixed territorial boundaries. Vast numbers lived within the haciendas, under the various forms of servile land and labor arrangements, until the land reforms after the 1950s aimed to eradicate these semi-feudal arrangements. Yet while there were very many indigenous beneficiaries of these land reforms (particularly in Bolivia after its 1952 revolution, and in Peru between 1968 and 1975), their aim was never to strengthen indigenous identity and institutions as such. Instead they were seen as key components of nation-building, with governments keen to foster a sense of *campesino* rather than indigenous identity. Thus in Peru, although land and social reforms aimed to strengthen communal structures with prohibitions on alienation, the once legally recognized *comunidades indígenas* had their name changed to *comunidades campesinas* (Swepston, 1979). In Bolivia, most of the reformed land in the highlands was distributed as private peasant plots to the former estate workers. And in Ecuador, although several hundred indigenous communities in the *sierra* have legalized their status as communes since the 1960s, availing themselves of the 1937 Law of Communes, almost without exception the reformed land itself has been distributed on an individual basis.

These developments, and the integrationist philosophy associated with the social reforms of the mid- 20th century, can explain some of the continuing ambiguities with regard to indigenous identity in a region like the Andean highlands. The expectation of many of the reformists was that, as the discrimination against indigenous workers and peasants was tackled more effectively, and as they enjoyed more access to productive resources, the distinctions between diverse ethnic groups would gradually disappear and some categories of indigenous peoples would no longer merit a special status.

This thinking is evident in the first international legal instrument on indigenous issues, Convention No.107 of the International Labor Organization, adopted in 1957 and since ratified by the majority of Latin American countries.<sup>1</sup> The basic orientation of this instrument was clear from its title, the Convention concerning the “protection and integration of indigenous, tribal and semitribal populations in independent countries.” The objective of the instrument was set out in the preamble, as to facilitate action to assure the protection of the populations concerned, their progressive integration into their respective national communities, and the improvement of their living and working conditions.” The Convention was to apply first to “members of tribal or semitribal populations whose social and economic conditions are at a less advanced stage than the stage reached by other sectors of the national community, and whose status is regulated wholly or partially by their own customs or by special laws or regulations;” and to “members of tribal or semitribal populations which are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization and which, irrespective of their legal status, live more in conformity with the social, economic and cultural institutions of that time than with the institutions of the nation to which they belong.” The term “semitribal” was taken to include groups and persons who, “although they are in the process of losing their tribal characteristics, are not yet integrated into the national community.”

Although the emphasis of the Convention was on gradual integration within the “national community,” it was nevertheless the first instrument of its kind to conceptualize the idea of certain special rights pertaining to indigenous peoples. These covered *inter alia* education and language, and customary law and institutions to the extent that these were compatible with the national legal system and the objectives of integration programs. But the most important issue was land. An initial article affirms that “the right of ownership, collective or individual, of the members of the populations concerned over the lands which these populations traditionally occupy shall be recognized.” Other land articles covered such issues as respect for traditional procedures for the transmission of rights of land ownership and use, and equal treatment for indigenous populations under national agrarian programs. And a key final article related to administration, requiring governments to create or develop agencies to administer programs on behalf of indigenous populations.

As the Convention became widely ratified in Latin America, the issue of definition now assumed greater practical importance. In the words of an ILO official, the chosen definition “makes the Convention flexible enough to apply to indigenous populations in a wide number of countries. In practice, however, a number of practical difficulties are encountered in applying it to particular situations. For example, states ratifying the Convention may consider that only isolated, forest-dwelling groups are included; or that all persons of indigenous descent are included if they retain some kind of ties to their traditional culture; or some other formula between the two. The designation of certain population groups as indigenous can have consequences within the legal and political system such as special treatment in the courts, priority in the distribution of lands, and even in the full enjoyment of their rights of citizenship. Thus the definition adopted may differ widely from country to country” (Swepston, 1979).

Questions of definition, or their policy implications, appear never to have been resolved under Convention No.107. Its practical importance was to enable protection for the more vulnerable forest-dwelling Indians, as large-scale development projects began to penetrate hitherto isolated areas. In Bolivia and Ecuador for example,

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<sup>1</sup> An ILO Convention has force of domestic law in ratifying states, meaning that they have to reform their internal legislation in order to bring it into line with the provisions of the ratified Convention. Before it was replaced by the new Convention No.169 in 1989, Convention No.107 was ratified by 27 countries over half of which were Latin American (Argentina, Bolivia, Brazil, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Haiti, Mexico, Panama, Paraguay and Peru).

until quite recently there was no official machinery for dealing with indigenous communities in the forest regions, nor any government programs to demarcate lands under their traditional occupation.

When the multilateral development banks made their first efforts in the early 1980s to devise operational guidelines concerning indigenous or tribal peoples, the emphasis was also on tribals as unacculturated or isolated minority groups threatened by modernization and development. The emphasis was very much on initiatives to protect these groups from the adverse impact of large-scale development programs, such as hydro-electric, extractive or road-building projects. The main component tended to be land demarcation and titling, aiming to create substantial reserves under a separate land tenure regime.

Over the past two decades, there have been major changes in approaches to indigenous identity and rights. These changes have to be examined at three different levels, though they are all interrelated. First there are the changes at the international level, including new and evolving international standards, and a new and also evolving interest on the part of such international organizations as the multilateral development banks. Second, there are the major constitutional and law reforms within Latin America. Third there is the extraordinary growth of diverse organizations of indigenous peoples themselves, at local, national and regional levels.

At the international level, there has been a clear move in new and draft legal instruments away from integration, and toward a set of principles that stress the right of indigenous peoples to exercise more control over their own development. Implicit behind this current is the need to revitalize indigenous institutions, whether of a social, cultural, political or economic nature. This being said, the new currents are by no means altogether uniform. This can be illustrated through a brief examination of the ILO's revised 1989 Indigenous and Tribal Peoples' Convention (No.169), and draft declarations of indigenous rights prepared by the United Nations and the Organization of American States respectively.

In the course of the 1980s, there was intensive pressure for new international standards. A catalyst was a comprehensive United Nations study on discrimination against indigenous populations, which recommended that this body prepare a declaration on the rights and freedoms of indigenous populations as a possible basis for a future United Nations Convention (Martínez Cobo, 1986). In 1982 the United Nations established a Working Group on Indigenous Populations, part of whose mandate was to give special attention to the evolution of standards concerning indigenous rights. Since 1985 the United Nations has been working on a draft declaration of indigenous rights, the most recent version of which dates from 1994.

It was in the context of these United Nations initiatives, and also under growing pressure from indigenous groups that vocally rejected the integrationist spirit of Convention No.107, that the ILO decided to undertake its partial revision. The new version was prepared quite rapidly, and adopted by the ILO's Conference in 1989. The overall orientation has been amended, presuming the right of indigenous and tribal peoples to continued existence and development along the lines that they themselves wish. The preamble recognizes the aspirations of indigenous peoples to "exercise control over their own institutions, ways of life and economic development and to maintain and develop their identities, languages and religions, within the framework of the States in which they live." There is strong emphasis on consultative mechanisms and procedures. And a new Article 7 recognizes *inter alia* that, "the peoples concerned shall have the right to decide their own priorities for the process of development as it affects their lives, beliefs, institutions and spiritual well-being and the lands they occupy or otherwise use, and to exercise control, to the extent possible, over their own economic, social and cultural development. In addition, they shall participate in the formulation, implementation and evaluation of plans and programs for national and regional development which may affect them directly."

As regards coverage, there is no longer any indication that the Convention should apply only to certain categories of indigenous peoples. It retains a basic distinction between “tribal” and “indigenous” peoples. The Convention is to apply to “tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions or by special laws or regulations: and also to “peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonization or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions.” Self-identification as indigenous or tribal, moreover, “shall be regarded as a fundamental criterion for determining the groups to which the provisions of this Convention apply.”

The land provisions of Convention No.169 are more extensive than in the earlier instrument. They now require governments to take steps as necessary to identify the lands which indigenous peoples traditionally occupy, and to guarantee effective protection of their rights of ownership and possession. Moreover, adequate procedures shall be established within the national legal system to deal with land claims by the peoples concerned. And there is a new section, stipulating that indigenous rights to the natural resources pertaining to their lands shall be specially safeguarded (including the right to participate in the use, management and conservation of these resources). At the time of this writing, the ILO’s Convention No.169 had been ratified by eleven states worldwide, nine of these from Latin America (Bolivia, Colombia, Costa Rica, Guatemala, Honduras, Mexico, Paraguay, Peru, and Ecuador).

The tone of the UN’s draft declaration (1994 and latest version) is different from that of the ILO Convention. Its aim is to proclaim specific rights of indigenous peoples. There is reference to self-determination in the preamble. Its third article proclaims directly that: “indigenous peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.” The following article reads that “indigenous peoples have the right to maintain and strengthen their distinct political, economic, social and cultural characteristics, as well as their legal systems, while retaining their rights to participate fully, if they so choose, in the political, economic, social and cultural life of the country.” A later article aims to clarify the concepts of autonomy and self-determination from an indigenous perspective, stating that: “indigenous peoples, as a specific form of exercising their right to self-determination, have the right to autonomy or self-government in matters relating to their internal and local affairs, including culture, religion, education, information, media, health, housing, employment, social welfare, economic activities, land and resources management, environment and entry by non-members, as well as ways and means for financing these autonomous functions.”

Overall, the thrust of the UN declaration is to emphasize the rights of indigenous peoples to distinct and separate functions and institutions, though at the same time guaranteeing them the enjoyment of all internationally recognized human rights and the opportunity to participate in the state and its political institutions if they so choose.

The OAS draft declaration has the advantage of applying to only one region of the world. Moreover, it can draw on the extensive law and constitutional reforms throughout Latin America in the 1990s, with the increasing reference to multiethnicity and multiculturalism, including the popular participation process in Bolivia, the autonomy measures in Nicaragua, the Chiapas negotiations in Mexico as well as the peace process in Guatemala. Its 1997 version represents an interesting blend of the ILO and UN approaches. Its preamble appears to place relatively more emphasis on integrationist than on separatist notions. Indeed the opening

section has the title of “indigenous institutions and national strengthening.” It recalls that some of the democratic concepts and institutions now enshrined in Latin American constitutions have their origins in the institutions of indigenous peoples, and that many of their participatory and decision-taking structures could contribute to the perfection of Latin American democracies. There is emphasis on measures to eradicate poverty, on land and labor rights, and on the need to combat discrimination. There is also strong affirmation of the right to autonomy in local affairs, and of the importance of indigenous law. In the latter area however, the draft declaration takes care not to conceptualize indigenous law as something outside the framework of state law, affirming instead that indigenous law should be recognized as part of the legal order and of the framework of the State's economic and social development. At the same time indigenous peoples should have the right to maintain and strengthen their juridical systems, and to apply them in their communities' internal affairs including conflict resolution mechanisms. On economic and social issues including land and labor rights, the OAS instrument has a conceptual approach fairly similar to that of the ILO Convention, though also having a reference to intellectual property rights, and to the right to development.

Of the principal development institutions, the World Bank has made a number of efforts to define indigenous peoples or populations for operational purposes. Its earliest directive of 1982 used the term “tribal people” to cover relatively “isolated” and “unacculturated” peoples. In 1991, the World Bank revised its policy and used the term “indigenous peoples” to describe a broader spectrum of social groups (including “indigenous ethnic minorities,” “tribal groups,” and “scheduled tribes”) who possess “a social and cultural identity distinct from the dominant society that makes them vulnerable in the development process” (Davis and Soefstestad, 1995).

The World Bank's revised approach to the definition of indigenous peoples has certainly affected its operational activities in Latin America since the early 1990s. There has been a concern to have indigenous components in a wide range of projects in rural areas, to press for indigenous participatory mechanisms in social funds, or to prepare a multisector indigenous peoples strategy in a country like Guatemala. These issues will be taken up in more detail in later sections.

At the national level, in the course of the 1990s, many governments have displayed a new willingness to recognize the cultural specificity and institutions of their “peasantized” indigenous populations. The reasons must lie largely in the growing indigenous consciousness of these people themselves, of the dramatic growth of their organizations, and the capacity of these organizations to enter into negotiations with governments.

The new indigenous consciousness has sometimes been associated with, or emerged from, severe conflict situations. It has nevertheless taken different forms in different countries. In Mexico for example, where conflict continues in those southern states with the largest indigenous populations, there have been intensive negotiations concerning issues including indigenous land rights, customary law, and mechanisms for political representation of indigenous peoples. Similarly in Guatemala, an agreement on the identity and rights of indigenous peoples was signed in 1995 by the government and armed insurgents in the context of peace negotiations, setting the stage for further negotiations between the government and indigenous organizations concerning their rights and status. A wide range of issues are now subject to negotiation and reforms, including indigenous land rights, participatory mechanisms at all levels, educational reform, the role of local indigenous communities and authorities in local government and resource administration, and customary law.

In the Andean countries, issues of ethnic identity have arisen mainly in the context of demands for land rights. The greatest mobilization has come from lowland indigenous organizations in the 1990s. Examples are the 1992 mobilization of indigenous peoples from the central Ecuadorean Amazon, and the 1992 march of indigenous peoples from the Bolivian tropical lowlands for “territory and dignity.” But the demands have gone



way beyond the specific issue of land titling. In 1994, Ecuador's national level indigenous confederation CONAIE (*Confederación de Nacionalidades Indígenas del Ecuador*) published a series of political, economic and cultural proposals. Demands ranged from the reform of public administration and the consolidation of autonomy and customary law to economic measures facilitating improved indigenous participation in industry, commerce, artisan production and tourism.<sup>2</sup> The government has responded first by setting up a special office for indigenous and also black affairs within the State structure, with the participation of indigenous organizations, and then by devising a special nationwide project for indigenous development.

In Bolivia, there may still be a general tendency to associate indigenous identity, rights and claims with the situation and grievances of the diverse, and usually numerically small, indigenous peoples of the lowlands. But there have again been recent changes in official perceptions, reflected in new legislation, policies and organizational structures. The laws and process of popular participation since 1994 place a strong emphasis on the role of indigenous institutions in development, and allow for the creation of specifically indigenous districts within the new municipal structure. Since August 1997, the incoming government has officially incorporated the concept of “development with identity” within its overall national priorities. The policies thus set the framework for promoting the concept of a specifically “indigenous development.”

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<sup>2</sup> *Proyecto Político de la CONAIE*, Consejo de Gobierno, 1994.

Similarly in Peru, there now appears to be a renewed willingness on the part of the authorities to respect the cultural identity of the *campesinos indígenas*. Under the 1993 Constitution, the State recognizes and protects the ethnic and cultural plurality of the nation. Any Peruvian has the right to use his own language before any authority through an interpreter. Under the new constitution the state also respects the cultural identity of the *comunidades campesinas* as well as the *comunidades nativas*, both of which can carry out certain functions within their territorial units in accordance with their customary law.

Altogether, there is now a renewed readiness on the part of states to support and strengthen the cultural patrimony of indigenous peoples. Bilingual intercultural education for example is now receiving greater support throughout the continent, though with many logistical difficulties. Recent developments in Bolivia, Colombia, Ecuador, Guatemala and elsewhere demonstrate a willingness to respect and even promote traditional and new forms of indigenous institutions, to facilitate participation in the development process.

At the same time the status of traditional economic and land tenure institutions, often seen as such an essential part of indigenous culture, remains very much in the balance. The relationship between traditional indigenous land tenure issues, poverty and development remains an issue of much and often controversial debate. The issues need to be placed in some historical perspective. This is the subject of the following section.

## **DETERMINANTS OF INDIGENOUS POVERTY: LAND, LABOR AND MARKETS**

A structural analysis of indigenous poverty has to examine the role played by indigenous peoples in Latin American economies over time. The recent findings of economists concerning the high contemporary poverty levels among indigenous peoples should be placed in the context of Latin America's economic and social history. Over the centuries, indigenous peoples have been subject to various forms of legal and extra-legal coercion in order to surrender their traditional lands, and to provide cheap labor in various sectors of the economy.

Indigenous institutions are often contrasted with those of the modern market economy. Indigenous communities tend to be portrayed as largely subsistence economies, having limited interaction with other economic sectors. Throughout Latin America, however, a large proportion of indigenous peoples have for centuries been integrated within the wider economy, though in a situation of severe disadvantage vis-a-vis other sectors of the population. The provision of labor by indigenous peoples has been a key factor in export growth strategies, whether in mineral enterprises during the colonial period, or in the agro-export economies of the late 19th and the 20th centuries.

Ethnic historians are increasingly turning their attention to the early integration of indigenous peoples in colonial economies. In the Andean region in particular, a wealth of recent literature serves to show the active role that Aymara and Quechua Indians played in emerging commodity markets, without being fully assimilated into the dominant society (Larson and Harris, 1995).<sup>3</sup> In the early colonial period, indigenous peoples provided much of the trade and the transport, as well as foodstuffs for the burgeoning mineral enterprises of that period. The essential feature was that this was not a free market, based on equality of opportunity for ethnic groups. Indigenous communities had to produce surplus wealth, to meet their tributary obligations to the Spanish Crown.

As one author has argued, the indigenous peoples of the Andes were not opposed to markets as such, but rather “to certain forms of coercion by which they have been forced to hand over their surplus, to offer their labor and produce at disadvantageous or unjust rates, or to sell or give up land vital for the reproduction of their agriculture” (Harris, 1995). Thus the main issue has been the unequal terms on which the indigenous populations have entered into market relations with other sectors.

There has also been a resurgent interest by historians and anthropologists, in the role played by indigenous peoples and their institutions in the earlier stages of Latin American nation-building. In the colonial period there may have been much uniformity in the way that subjected members of once flourishing indigenous civilizations were treated by the Spanish Crown. A series of studies have now examined the regional differences and some policy debates, as liberal thinkers tried to break down the concept of the corporate indigenous community, while the economies depended heavily on indigenous tribute or forcible labor contributions until well into the 19th century (Jackson, 1997). In some countries there has been a fairly clear connection between the pressures on indigenous communal lands and the need for labor in the commercial sector of agriculture. In other countries,

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<sup>3</sup> The opening essay by Brooke Larson, “Communities, Cultures and Markets,” provides an overview of the literature and the arguments.

this has been far less the case.

The roots of present day indigenous poverty are often attributed to the liberal reforms of the late 19th century, which aimed *inter alia* to introduce exclusively private notions of land ownership. Though in certain cases indigenous communities received title to their lands during the Spanish colonial period, or were able to purchase communal lands in the first years after independence, the tendency after the mid-19th century was to recognize only individual land titles under civil codes. As most indigenous communities had neither the means nor the knowledge to register their lands as private property during this period, the era of 19th century and early 20th century liberalism paved the way for the very substantial dispossession of indigenous communal lands throughout the continent.

From an indigenous perspective, the situation appears to have been particularly serious in those countries where the development of cash crops for export (such as coffee) led to demands for indigenous labor as well as to pressure on their lands. In Guatemala and parts of Mexico, where the coffee economy grew particularly rapidly at this time, indigenous peoples lost much of their communal lands. Many became resident workers (*colonos*) on the coffee plantations; and in the Guatemalan highlands, where the indigenous population was now mainly concentrated, farm plots rapidly became too small to provide for a subsistence income. Regular periods of migrant labor to the large agricultural plantations became part of the Guatemalan Indian's life. Until the 1940s, coercive debt-bondage and vagrancy laws compelled indigenous peasants to provide seasonal estate labor; since that time, with most indigenous lands unable to provide a subsistence income, market forces have been enough to provide the migrant and seasonal labor in commercial agriculture.

In the Andean countries there were differences, in that commercial export agriculture was never developed with the same intensity. Where large haciendas developed, indigenous peoples were employed under the servile labor systems (*yanacónaje* in Peru, *huasipungo* in Ecuador, *ponguaje* in Bolivia) through which they had to provide cheap or unpaid labor in exchange for access to subsistence parcels. In other and more remote parts of the *sierra*, land registration and privatization laws of the late 19th century appear to have had less practical effect than in Mexico and Central America. Traditional indigenous communities survived in practice, if not in law.

Throughout the Andean region, as in Mexico and Central America, liberal reforms in the late 19th century tried to legislate the communal and corporate indigenous tenure systems out of existence, aiming to modernize agriculture by creating a free and unencumbered land market. In the meantime, there was no attempt to create free labor markets. Indigenous tribute remained of importance to national revenue collection until the latter half of the 19th century. In Peru, this gave way to the head tax or *contribución personal* levied on indigenous male heads of household until the turn of the century (Jacobsen, 1997). But in Peru there was less *de facto* alienation of indigenous lands in the remoter communities, though market pressures increased with improvements in the transport system by the turn of the century. In Bolivia, where the major cities were located near to indigenous areas, and where the mining industry expanded after the liberal reforms, increasing the demand for indigenous labor, patterns of land concentration and dispossession were stronger. By the time of the 1952 Bolivian revolution, six percent of landowners owned one thousand or more hectares of land and controlled over 90 percent of all cultivated land, most of this being underutilized (Klein, 1982).

The half century between the 1920s and the 1970s, approximately, saw gradual shifts in state policies, originally inspired by the 1910-1920 Mexican revolution, and culminating in the land reform era of the 1950s through 1970s which in many countries had the declared aim of distributing reformed land to indigenous communities. In Mexico, where the process of land concentration and alienation of indigenous lands had been particularly acute in the prerevolutionary decades, one of the revolutionary banners had been the restitution of

indigenous lands. The 1920s land reforms empowered the State to restore alienated land to the indigenous peasantry, either through donation in the form of the inalienable *ejidos*, or through restitution to the *comunidades indígenas* in cases where they could prove valid title to the land. In practice land was distributed almost exclusively through the *ejido* system.

Throughout the Andes, perhaps inspired by the Mexican model, legislators gradually amended their laws to recognize the indigenous communities once again as legal entities. Restitution laws were enacted in Peru in the 1920s and in Bolivia after the 1952 revolution. In Ecuador a new *Ley de Comunidades* was enacted in 1937. After that, policies became something of a hybrid. Under Bolivian land reform laws, former estate lands were distributed among Aymara Indians, though normally as individual land parcels. In Peru, where several hundred thousand indigenous people from the highlands benefited from the 1968-1975 land reforms, the government aimed to develop cooperative farming units under close state supervision. In Ecuador, where distribution under the land reforms of the 1960s and 1970s was actually more limited, the emphasis was again on individual farm plots. And in all cases, reflecting the integrationist spirit of the period, governments aimed to foster a *campesino* rather than indigenous identity. In both Bolivia and Peru for example, the governments promoted *campesino* organizations to support their reform programs.

A key objective of the land reforms of this period was clearly to eradicate the nonmarket systems found on the traditional hacienda, replacing these with exclusively wage labor. At the same time many of the reforms placed restrictions on land markets, retaining the earlier status of communal peasant and indigenous lands as inalienable and nonmortgageable. The trend was most pronounced in Mexico, but also important in Bolivia and Peru. Places with virtually no land redistribution included Chiapas (bypassed by the agrarian reform experience that took place elsewhere in Mexico) and Guatemala (where a short lived 1952-1954 land reform experience was aborted by a military coup). In Ecuador, there was very limited land redistribution, as landowners threatened with expropriation were given the option of “modernizing” their production, and often did this by introducing capital-intensive methods and ridding themselves of the servile indigenous labor force. Even when there was some political commitment to land reform, in some cases it had the perverse effect of promoting the expulsion of indigenous labor.

By the 1960s, the role of indigenous labor in the Mexican, Central American and Andean economies was clearly undergoing changes. By this time, new commercial agro-exports were being developed throughout the region. New areas were opened up to fruit and vegetable production in northern Mexico, to cotton and sugar production on the Pacific coast of Guatemala, also to sugar and cotton cultivation in the frontier areas of eastern Bolivia, and sugar among other crops in the Ecuadorean and Peruvian coastal regions. All of these crops had two things in common. They were developed in areas with relatively low population density and consequent labor shortages. And their peak labor demand was very high, but only temporary during the few months of the harvest season. With new opportunities for commercial and capital-intensive farming, most agricultural credit and technology was invested in the rapidly growing commercial sector. In the meantime, rapid industrialization in certain countries was increasing the need for marketable, cheap food to cater for the needs of the rising urban population.

In response to this new context and opportunities provided, one finds a diversity of indigenous survival strategies. First much of the staple food for urban consumption (at least until urban diets change with more wheat imports etc.) is provided by indigenous agriculture. But prices have been kept low for such staples as maize, beans and potatoes; and indigenous communities have rarely been able to develop their own marketing infrastructure. Second, there has been an increasing tendency to undertake rural-rural migration to the new poles of commercial agricultural development. Where conditions were particularly poor and salaries

exceedingly low, there are reasons to believe that this became a survival strategy of last resort. But in the most impoverished indigenous communities (those where land subdivision had reduced farm plots to less than one hectare or even half a hectare), seasonal migrant labor increasingly became a fact of indigenous community life.

## ECONOMIC AND SURVIVAL STRATEGIES: AN OVERVIEW

### Preliminary Comments

This section aims to portray trends in the present day economic and survival strategies of different indigenous peoples. The objective is to present the broad picture rather than detailed case analysis, assessing some possible differences by country and region.

In presenting the information, it is important to stress the lack of systematic information in this area. By and large the available literature devotes far more attention to recommending desirable development approaches, in accordance with indigenous aspirations and their own world view, than to empirical analysis regarding the economic and income-earning activities of indigenous peoples. Owing to this dearth of comparative data, the present view can only hope to be illustrative.

The emphasis so far has been on the situation of the *campesino indígena* or indigenous peasant. While this section retains the conventional distinction between the indigenous peasantry and the largely forest-dwelling communities of the Amazon basin and similar areas, it is accepted that this distinction is not always a useful one. There is considerable overlap between these categories for all kinds of reasons. First, indigenous communities in highland regions have considerable scope for deriving a livelihood from forestry as well as agricultural activities (though they are sometimes prevented by short-sighted national legislation from doing this). Second, with much spontaneous as well as official colonization, indigenous peoples from highland regions are increasingly intermingling with the hitherto more isolated communities in the rainforest regions. Third, the differences between the two categories have become increasingly more blurred in recent years. It is very rare to find an indigenous community anywhere that does not have fairly strong links with the market economy. Indigenous peoples everywhere need incomes, and thus tend to participate in both rural and urban labor markets.

However, given the wide diversity of situations and economic activities, some form of categorization has to be attempted. An important difference, as was seen in the earlier historical analysis, is that many of the highland dwelling or “peasantized” communities lost the capacity to provide for their subsistence within their local economies a long time ago. For them, an effective development strategy can no longer be a defensive rights-based approach of protecting their resources against further encroachment, through land demarcation and titling for example. For indigenous peoples in the Amazon and other rainforest areas, with their relatively smaller numbers and larger potential territorial base, the issues are obviously different. Land demarcation is not in itself sufficient to provide for an adequate subsistence. But it can be an essential first step. There is scope for providing the territorial unit, on the basis of which a cohesive community development strategy can subsequently be elaborated.

In all situations, the community of origin may be an important reference point for indigenous peoples. It is this physical place of origin that can give them a basic sense of cultural identity. Yet there can be a danger of seeing development for indigenous peoples as one and the same thing as community development. In the words of one analyst, “...millions of indigenous migrants from traditional peasant areas are living in urban centers or in the poverty belts that surround our enormous metropolises, or are migrating from one place to another, sometimes across borders, either alone or with their families, in search of work, security and stability. Clearly, given these

changes, the traditional policies of ‘community development,’ which targeted what was thought to be the immutable indigenous peasant community, have to be revised and adapted to the new circumstances created by a global economy” (Stavenhagen, 1996).

An issue which still needs far more analysis is the indigenous presence in urban areas, and their degree of participation in the urban economy. It is generally known that, in Latin America as in all parts of the developing world, there is a growing indigenous presence in the large cities. In Bolivia, for example, where 36 percent of individuals living in urban areas are estimated to be indigenous,<sup>4</sup> UNICEF has mapped the density of the indigenous populations in such towns as Cochabamba, finding that certain districts are now inhabited almost exclusively by indigenous peoples. Seeking urban employment for at least a period of time has long been part of indigenous survival strategies. Young indigenous girls comprise a large proportion of residential maids in Guatemala City, using the opportunity to further their education. But the more serious problems arise when indigenous urban migrants have no fixed employment, no legal residence, and at the same time lose contact with home communities. These can be the carriers, the casual laborers, the shoeshiners, streetsellers and others who tend to live in ramshackle huts in the more precarious shantytowns on the fringes of the large cities.

Moreover, indigenous peoples participate extensively in the interlocking rural and urban labor markets, which are now a growing feature of most Latin American economies. Indigenous communities and families can have complex trading and support networks between rural communities, local towns and large cities. While initial temporary or permanent migration may be poverty-driven, indigenous families can capitalize on the chance to improve educational and technical skills, or to develop a small enterprise with strong links to the local artisan or agricultural economy. While many indigenous peoples figure among the poorest of urban dwellers, urban migration can also be the most promising route out of extreme poverty.

The analysis below examines some trends of indigenous participation in various sectors of the economy, including peasant and commercial agriculture, labor markets including national and international labor migration, regional commerce and the urban economy. Economic and survival strategies in the tropical lowlands are dealt with separately, in another section.

### **Indigenous Agriculture and Rural Livelihoods**

How important is small-scale agriculture as a source of income and livelihoods for indigenous “peasant” communities? Despite the prevailing myth of the predominantly subsistence-oriented indigenous peasant farmer, there are reasons to believe that indigenous families earn most (and an ever increasing proportion of) their incomes outside their own agricultural production. An important question, which needs far more research, is what proportion of their incomes are earned outside their own geographical communities.

Since the redistributive phase of land reforms ended approximately two decades ago, reducing the prospects of agricultural self-employment for the next generation, indigenous peoples have inevitably sought alternative survival strategies. In countries like Guatemala—where in the absence of any land reform the fragmentation of small farms has been particularly acute—this trend has been in evidence for a longer period. A 1989 survey estimated that only one quarter of the population in the indigenous western highlands of Guatemala is engaged

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<sup>4</sup> Estimate based on the results of the 1993 household survey, cited in The World Bank report No.15272-BO, *Bolivia: Poverty, Equity and Income*, Washington, D.C., February 22, 1996.



primarily in farming their own land, with another 27 percent deriving their main income from agricultural wage labor, and the remainder earning their living from commerce, artisan production, and other nonagricultural activities (Smith, 1995). A 1997 study of the Guatemalan highlands observed that peasant agriculture, particularly of basic grains, is no longer sufficient to satisfy the average family's needs, thus explaining the trend to occupational diversity. The most important alternatives are now small-scale commercial agriculture, participation in regional and also international labor markets, formal and informal commerce throughout Guatemala and neighboring countries, services, transport and extractive activities.<sup>5</sup>

A recent study in Ecuador compares income-earning strategies for different levels of the indigenous poor. It finds that the poorest group derive 22 percent of their earnings from agriculture, 16 percent from livestock, 9 percent from artisan work and 53 percent from migratory employment. Those with progressively higher earnings derive a relatively larger proportion of their income from agriculture and livestock and less from migratory activities (CONADE/GTZ, 1992). Again, the findings are hardly surprising in the light of recent land tenure trends. A 1990 household survey in the *sierra* region found that 28.4 percent of rural inhabitants were landless, 31.8 percent had less than one hectare, and 29.1 percent between one and five hectares. At the same time, all of these families were now resorting to various forms of tenancy and share-cropping arrangements.<sup>6</sup>

Similarly in Bolivia a recent study from the highland departments of Chuquisaca and Potosi argues that access to land is no longer a crucial criterion for defining the rural poor, in that it does not explain the full degree of socioeconomic differentiation. The smallest farmers are in many cases no longer the poorest. Although *minifundistas* as a group are generally characterized by lack of land and lack of individual rights, a recent survey estimated that 30 percent of these *minifundistas* belong to the extremely poor, 37 percent to the poor, 25 percent to an intermediate group, and 8 percent to the relatively "rich." The basic argument is that nonagricultural activities and temporary migration have become so important that these can no longer be considered as "side activities" (Zoomers, 1997).

While indigenous peasants are traditionally seen as the producers of basic grains and other staple food (often satisfying much of the national demand for these crops) there are important exceptions. In Guatemala for example, different micro-regions within the indigenous highlands have been able to specialize in new crops. These have included irrigated vegetable production for the Central American market, snow peas and broccoli for United States markets, fruit farming for mainly national markets, as well as extensive indigenous smallholder participation in coffee cultivation. And in Mexico, coffee cultivation has been an important source of income for the indigenous communities of Chiapas and Oaxaca. Nationwide, over 70 percent of coffee farmers have plots of less than two hectares. And in Chiapas, Mexico's most important state for coffee production, 91 percent of producers have less than five hectares.

The past few years have seen intensive debates, concerning the land tenure regimes or reforms required to enable indigenous producers to take advantage of market opportunities, while at the same time respecting their social structures. Indigenous peasant producers live under different land tenure regimes. In Mexico, both indigenous communities and other peasant land reform beneficiaries occupied their land under common property regimes until the 1992 reforms paved the way for land privatization. In Guatemala, though there is

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<sup>5</sup> *Estudio Básico del Altiplano Occidental de Guatemala*, Movimiento Tzuk Kim-Pop/CONSOC, Quetzaltenango, October 1997.

<sup>6</sup> INEM, *Encuesta de Hogares*, 1990, cited in PRODEPINE project document, COMPLADEIN, Ecuador, June 30, 1997.

provision for indigenous common property under law, in practice almost all indigenous land in the highlands is held as titled or untitled private plots. The most recent agrarian census in 1979 estimated that less than one percent of the agricultural land surface was held under communal forms of tenancy (though much of the forest land in the western highlands is communal land under municipal control). In Ecuador, as in Guatemala, communal tenure is exceptional, being limited to pasture lands at high elevation. In Bolivia, indigenous communal land areas are recognized by law, and are likely to comprise approximately a quarter of the land area in the *sierra* region. In Peru the communal lands of both highland and lowland-dwelling Indians have been regulated by special legislation, though the 1993 reforms to the Constitution ended the outright prohibition on the alienation and mortgaging of these lands.

A body of economic opinion sees the survival of traditional land tenure systems for indigenous peoples as a continuing cause of poverty, preventing access to credit and full market integration. The market-oriented land reforms of the 1990s in Mexico and Peru are clearly motivated by these concerns. Advocates of these market-oriented reforms also point to the widespread gap between law and reality, in that there tends to be an active market of indigenous lands despite the legal prohibition on land transfers. Yet throughout Latin America, while there have been considerable debates within the development community concerning the appropriate methodologies for land titling and registration systems, there has been little systematic evaluation of either the economic performance of communal tenure systems or possible reasons why indigenous communities may not have been able to perform more effectively within the market economy. By contrast there are vibrant debates in the African context regarding the relationship between systems of common property resource management and agricultural productivity (Migot-Adholla, 1991; Barrows and Roth, 1990; and Bruce, 1991).

In a number of countries the recent law reforms, which are seen as emphasizing private rather than indigenous communal title to lands, have been opposed by indigenous peoples and their support groups. The clearest example is the Mexican reforms after 1992 which, while giving indigenous peoples the option of maintaining the communal regime, have effectively terminated the prospects for submitting land claims. In Ecuador, indigenous organizations expressed widespread opposition to the 1996 land law. In Guatemala, the recent peace agreements place most of their emphasis on market solutions to land reform, and to a land cadaster and registration to clarify property rights. But the indigenous agreement (*Acuerdo de Identidad y Derechos de los Pueblos Indígenas*) emphasizes the importance of indigenous communal lands, recognizes the principle of land restitution, and provides for a joint commission of government and indigenous representatives to make land policy recommendations. A controversial issue has been the government's efforts to implement a local land tax, resisted by indigenous as well as by landowner groups.

Bolivia has been the exception to the recent trend. Its 1996 Law of the National Agrarian Reform Service (*Ley INRA*) actually places more restrictions on the alienation and transfer of indigenous lands (in both highland and lowland regions) than did the previous agrarian legislation. Indigenous community lands, community properties and the peasant plot (*solar campesino*) are all considered to be indivisible and non-mortgageable, and not liable to land tax. The new law clearly divides agrarian properties between the more commercial lands, fully integrated within the market and liable to tax, and those within the indigenous or peasant sectors. The law has to be seen together with other participation and decentralization initiatives since 1994, which place some emphasis on the revitalization of indigenous institutions at the local level.

Finally, in the context of land registration discussions, it should be remembered that indigenous peoples have traditionally had access to multiple land use zones. While this is well attested for the tropical lowlands, it has received rather less attention in the case of highland indigenous communities. In Guatemala for example, with its highly varied climactic zones in a small country, the extension of commercial agriculture to Pacific lowland

and piedmont areas reduced the access of highland indigenous communities to the settlements and colonies which they had previously cultivated on the south coast (McCreery, 1994). In Bolivia, much attention is now being given to the agro-ecological context of land tenure in the indigenous highlands, and to the vertical character of its ecology. Communities traditionally spread risks by holding lands in different ecological areas. Land titling and registration approaches, which do not understand the complexity of these land use systems, are likely to have an adverse impact on indigenous livelihoods.

### **Poverty and Indigenous Livelihood in the Tropical Lowlands**

In poverty studies and poverty reduction initiatives, most of the emphasis has been on the more “acculturated” indigenous peoples, the indigenous peasant, the farm worker, migrant worker or urban dweller. Conventional poverty indicators and poverty reduction programs are perhaps most easily applicable to persons more integrated within the national and market economy.

This being said, attention is now being paid to the living, working and survival conditions of the “less acculturated” indigenous peoples of the continent, and significant resources have been channelled into the lowland and tropical areas by the international development community. It is also these areas, and the diverse indigenous peoples traditionally occupying them, that have received the lion's share of attention from human rights organizations and environmental lobby groups.

Most of the concern to date, whether by governments or international organizations, has been with land and resource rights. This is again understandable. The environmental habitat of tropical and lowland indigenous groups has been most particularly under threat from the kind of development project that is likely to receive multilateral funding. Though economic penetration of the Amazon and similar areas is nothing new, the past two or three decades have seen massive increases in investment. Almost every country which possesses these tropical and lowland regions is now doing its utmost to develop natural resources within them, whether oil, gas, timber, gold or water. Furthermore, there is tremendous pressure to promote colonization projects to relieve the pressures of population and growing landlessness in the uplands.

In terms of land demarcation and titling, there have been some significant achievements over the past two decades. In the Andean region, Peru in the mid-1970s was the first country to undertake large-scale titling of indigenous forest lands. In the course of the 1980s, large-scale titling of forest lands in indigenous communities also took place in Colombia. In this period the government recognized the territorial rights of indigenous groups over approximately half its Amazon area, or approximately 70,000 square miles altogether. Of the “late starters” Ecuador, following a major uprising in 1990, embarked on the first significant land titling in the Amazon in the years after that. And in Bolivia (following a series of decrees over the past decade that declared the need to vest land titles in the hands of Amazonian indigenous communities, and declared a moratorium on new forestry concessions) the stage is now set for a major titling program that could give indigenous communities control of up to ten million hectares of forest lands.

There is general agreement, however, that land demarcation and titling alone will not be sufficient to arrest poverty, and provide a sustainable development pattern. The point was emphasized in the World Bank's first comprehensive evaluation of its land regularization and titling projects in lowland South America (Wali and Davis, 1991). The survey, based on thirteen separate projects with Amerindian components carried out since 1982, concluded that these had been instrumental in the demarcation and regularization of lands for lowland,

forest-dwelling indigenous people. Without them, indigenous people “would have suffered more trauma as a result of the development and exploitation of the tropical forests.” However, the experience indicated that land regularization in itself would not be sufficient to protect indigenous peoples' land security. It must be linked to the promotion of sustainable development programs that incorporate indigenous peoples' knowledge of natural resource management and environmental conservation—a direction in which follow-up projects were then heading.

While “lowland” Indians are often referred to as a distinct category, to differentiate them from the indigenous peasant of the highlands, we have observed there is tremendous diversity within the tropical lowlands. In terms of their economic strategies, the indigenous peoples of the Argentine, Bolivian and Paraguayan Chaco, for example, have little in common with those of the Indians of the Amazon Basin. Moreover, even in lowland areas some indigenous groups have come to landlessness or near-landlessness over time, working as farm laborers, and even today sometimes enduring servile conditions.

An example is that of the Chiquitano Indians of the Bolivian southeast, numbering almost 60,000. Over the centuries the extension of agricultural, livestock, forestry and livestock activities has taken its toll, to the extent that only small numbers earn their living as independent farmers, while the majority earn their principal livelihood as farm laborers (in particular from seasonal labor on sugar estates), and substantial numbers reside either in the smaller urban settlements of the Chiquitano region or in the major eastern town of Santa Cruz (Thiele and Nostas, 1994). It is significant that, after the 1996 land reform law provided the titling of indigenous communal lands in the eastern regions, the Chiquitanos had to petition for lands outside their traditional areas of origin which had been almost completely taken over by colonists.

In the Amazon region, though with few exceptions indigenous communities have for long enjoyed some degree of market integration, the past two or three decades have seen dramatic changes. As observed in a recent report on development prospects in the Peruvian Amazon, until the 1960s contact with the market economy was sporadic and mediated through the bosses that had survived from the era of Peru's rubber boom. Now, almost all indigenous peoples of the Amazon produce for, and negotiate directly with, the market. While kinship relations remain of fundamental importance in local settlements, each family unit has now established new types of social relations through its links with the market economy. Cattle-raising, artisan and ceramic production, community stores and participation in transport enterprises are all a feature of the emerging market economy in the Amazonian hinterland.<sup>7</sup> Nor are the Amazonian Indians altogether immune from the problems of urban unemployment, as new townships spring up together with improved communications throughout the Amazon.

### **Indigenous Peoples and the Labor Market**

Labor market discrimination, or at least segmentation, is now an important feature of the poverty facing Latin America's indigenous peoples. As was seen earlier indigenous peoples have always participated extensively in labor markets, until quite recently through various forms of coercion, in many countries providing the bulk of cheap labor in agriculture and mining. While unpaid or semifeudal labor systems for indigenous workers were a feature of the hacienda economy until the mid-20th century, indigenous participation has also been an important feature of the seasonal and migratory labor markets for such crops as coffee, cotton and sugar.

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<sup>7</sup> “Pueblos Indígenas de la Amazonía Peruana y Desarrollo Sostenible,” ILO/UNDP/Hivos, March 1997.

It is difficult to provide numerical estimates (given the dearth of statistics on rural labor trends throughout Latin America), or to calculate the ethnic composition of this itinerant rural labor force. In Mexico, where the rural labor market and indigenous participation within it has been studied in some detail, government figures of the late 1980s were that over 4.6 million persons (or over 80 percent of the economically active population in agriculture) sold their labor at one time or another during the harvest season (Sánchez, and Arroyo, 1993). Already in the early 1970s it was estimated that seasonal migrants comprised almost a quarter of the total agricultural labor force, harvesting the commercial crops outside the regions where their own *ejidos* were located (Astorga Lima, and Commander, 1989). Much of this labor is clearly indigenous. In Chiapas, the labor force used for the coffee harvest is either recruited locally from indigenous communities, or from Guatemala through labor contractors. And for the fruit and vegetable harvests of the northern states of Sonora, Sinaloa and Baja California, the government's solidarity program PRONASOL found in a survey of over 50,000 of these migrants that more than half came from the predominantly indigenous states of Guerrero and Oaxaca (Sánchez, and Arroyo, 1993). Indigenous workers were apparently preferred because they were more docile, because their monolingualism facilitated the breach of their labor rights, and because the salaries proved more attractive to them than to non-indigenous workers.

For Guatemala, a mid-1990s study undertaken for the Ministry of Labor estimates the total volume of the migrant labor population at between 500 and 600 thousand workers (including men, women and children), though the number of separate individuals is likely to be between 400 and 450 thousand persons, as many of these undertake migration several times in any one year (Flores Alvarado, 1995). According to sources from the sugar industry, sugar alone accounts for some 60,000 mainly indigenous seasonal cane-cutters in any one year. Recent research indicates that most sugar enterprises recruit between 65 and 100 percent of their cane-cutters from the western highlands. Migrant workers are often preferred as being more disciplined, and more likely to stay for the entire cane harvest. Moreover, wages in the sugar industry appear to have increased significantly in the course of the 1990s, as employers are more selective about their recruitment techniques, and as piece rates have been introduced while new harvesting techniques have led to major increases in labor productivity.<sup>8</sup>

In the Andes, the indigenous migrant labor flows to commercial agriculture may be less important in numerical terms than in Mexico and Guatemala. They have been a feature of the cotton and sugar industry in eastern Bolivia, and the sugar industries in both Ecuador and Peru. It is again the case that the most arduous jobs are performed by indigenous migrant workers. In Bolivia the increasing indigenous presence in the towns of Sucre, Cochabamba, Oruro, La Paz and Santa Cruz is readily apparent. While there are some areas of thriving indigenous commerce, such manual jobs as carrying and loading in the cities are likely to provide incomes of less than one US dollar per day.<sup>9</sup>

There is also a tendency toward more permanent rural-urban migration. A 1997 study of the Bolivian southern highlands, based on community interviews, estimated that 18 percent of the population had outmigrated since 1983, 45 percent of these to the city of Sucre, 18 percent to urban Santa Cruz, 7 percent to rural Santa Cruz,

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<sup>8</sup> Data taken from unpublished doctoral dissertation by Elizabeth Oglesby, "Raising cane: class politics and the transformation of industrial agriculture in Guatemala," Department of Geography, University of California, Berkeley, May 1997.

<sup>9</sup> Estimates provided by peasant leaders in Cochabamba, August 1997 interview.

and 10 percent to Argentina (Barron and Goudsmit, 1997). The same trend is abundantly clear in Guatemala, where there have been several hundred thousand new migrants to Guatemala City over the past decade. This may be explained partly by the flight from the highlands during the years of intense civil conflict, but can also be attributed to economic factors in more recent times.

Distinctions between temporary and more permanent migration are clearly difficult ones to make. It is well known that the more economically successful indigenous migrants tend to keep close links with their communities of origin, financing festivals and otherwise maintaining close political ties. Overseas migration has been a vitally important source of remittances for indigenous communities of northeastern Guatemala. While large numbers of international migrants return, there are also more permanent settlements of Guatemala's indigenous peoples as far away as the United States. The same can be said of Ecuador's Otavalo peoples, whose success in artisan commerce is internationally known. It is also true that far from all the urban indigenous dwellers are poor. In Guatemala, indigenous peoples are progressively breaking into new commercial and professional activities. In Quetzaltenango, Guatemala's second city, there has been a significant increase in recent years in the number of indigenous university students.

For the most part however, indigenous peoples are migrating from extreme poverty into poverty or extreme poverty. From a humanitarian standpoint, the recruitment, transport, working and living conditions of indigenous seasonal migrant workers in agriculture remains an issue of particular concern. While day wages can be high, in comparison with average earnings in communities of origin, the costs in terms of health, hygiene, lost education for children and social dislocation can be serious.

## **ADDRESSING INDIGENOUS POVERTY AND DEVELOPMENT: A REVIEW OF POLICIES AND PROGRAMS**

### **Government Policies and Programs: Basic Approaches**

The Latin American countries that have a large proportion of indigenous peoples within their national frontiers have generally pledged to commit resources to the reduction of indigenous poverty. Similar commitments to combat the poverty facing indigenous peoples, as a major policy objective, have been made by the IDB, the World Bank, the major United Nations agencies and several bilateral donor organizations.

Within these broad commitments, there are some clear differences in the manner in which both governments and international agencies have addressed the issues of indigenous poverty and development. A key issue is whether, or under what circumstances, resources should be specifically targeted at indigenous peoples as an ethnic group. Less difficulties arise when indigenous peoples control their own territorial space and pursue lifestyles largely apart from non-indigenous members of the population. But specifically ethnic targeting of resources is bound to prove a more sensitive issue in countries like Ecuador and Guatemala, where in many parts of the country indigenous and nonindigenous groups may live side by side. And the growing indigenous presence in small towns and capital cities poses further problems. There may be substantial evidence that, in urban and rural areas alike, indigenous peoples are subjected to particularly high levels of poverty and extreme poverty, but in urban areas, how is it possible to differentiate between indigenous and non-indigenous families or groups in a normal poverty alleviation strategy?

Further questions relate to the most appropriate institutional mechanisms for addressing indigenous poverty and development. Should there be a state entity, such as a secretariat or ministry for indigenous or ethnic affairs, with primary responsibility for these issues? If so, what should its role and functions be? Should they be essentially normative, aiming to ensure that all government policies and programs give due attention to indigenous issues and concerns? Or should they also be operational? Clearly the arguments for or against such an entity will vary from country to country, depending on the numerical importance of indigenous peoples and their degree of participation in the national economy. Where indigenous peoples are a small and vulnerable minority, threatened by extractive projects as in the case of the Brazilian or Venezuelan Amazon, there can be an urgent need for a state entity to safeguard indigenous rights through land demarcation and titling programs. In other cases, where indigenous peoples have developed their own strong and representative organizations at both regional and national levels, they may resent government efforts to compartmentalize indigenous or interethnic issues within any one entity.

In some countries, there have been longstanding efforts to coordinate indigenous development programs through a specialized entity. One example is Mexico's *Instituto Nacional Indigenista* (INI) created in the 1940s. Notably in the southern states with the largest indigenous populations, INI has played an important role in rural development programs. In the early 1990s, as much as US\$100 million of government funds are estimated to have been channelled through INI in regional solidarity funds for infrastructure and productive projects to indigenous communities (Brysk and Wise, 1995).

In other countries, the initiatives have been far more recent. In Bolivia for example, the strengthening of local

indigenous institutions has been a declared cornerstone of popular participation reforms since 1994. Indigenous institutions, formed according to their traditional uses and customs, can receive the legal personality that enables them to participate in municipal government. And decentralization measures allow also for the creation of specifically indigenous municipal districts, as subunits of the municipal structure of local government. The measures have often been depicted as ones to encourage indigenous self-management or self-determination, enabling indigenous groups to preserve their socio-cultural units and to consolidate their own forms of political administration (Hendrix, 1997). Yet it seems to be the government, rather than autonomous organizations of indigenous peoples themselves, that is now taking the lead in promoting this kind of structure. In late 1997 the incoming government of President Hugo Banzer Suarez included among its strategic objectives a plan for *reordenamiento territorial* (territorial restructuring) for indigenous peoples, aiming to promote the “development with identity of aboriginal populations, to help increase their quality of life, economic progress, political participation and cultural affirmation.” To this effect the Ministry of Sustainable Development and Planning would attend to 3.7 million indigenous people residing in 310 potential indigenous municipal districts in nine departments of the country.<sup>10</sup>

In Bolivia, responsibility for devising and implementing indigenous development policies rests with the Vice-Ministry for Indigenous Affairs, within the Ministry of Development and Environment. Originally created in 1993 as a Secretariat for Ethnic Affairs, with mainly normative functions, this entity was recently restructured as a Vice-Ministry and appears now to be assuming a more operational role. There are currently proposals to create a National Service for Indigenous Development within the ministry.

Ecuador is arguably the one South American country where the indigenous question has attained national political importance, affecting both *campesino* and lowland indigenous groups through their representative organizations. This is often attributed to the indigenous “uprising” of 1990, in which indigenous communities from all parts of the country pressed their demands to land. At various times over the past two decades, the government has tried to create a state entity with broad responsibility for indigenous affairs. A first initiative was the creation of a National Office for Indigenous Affairs within the Ministry of Social Welfare in the early 1980s. Successive governments then created a National Secretariat of Indigenous Affairs and Ethnic Minorities (SENAIN) and an “Ethnic Ministry” (*Ministerio Etnico*). By most accounts these entities had little impact, in that they had limited resources, failed to develop specific proposals for addressing indigenous development, and in particular because their legitimacy was questioned by the major indigenous confederations. Two of these confederations are now generally seen as representing indigenous interests at the national and lowlands levels respectively. These are the Confederation of Indigenous Nationalities of Ecuador (CONAIE) at the national level; and the Confederation of Indigenous Nationalities of the Ecuadorian Amazon (CONFENIAE) in the eastern tropical lowlands.

The present interim Government of Ecuador has taken a different approach, creating a National Planning Council of Indigenous and Black Peoples of Ecuador (COMPLADEIN) with the active participation of representative organizations of indigenous and black peoples in the country. Created in 1997, COMPLADEIN was originally headed by an indigenous person with ministerial rank, and had the overall objectives of implementing the concept of a multicultural nation in all aspects including national, regional and local development planning. Its four main work areas include: intercultural development in Ecuadorian society; political, juridical and administrative State reforms; integral and sustainable development; and the affirmation of identity, culture and bilingual intercultural education.

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<sup>10</sup> *Para Vivir Mejor*, Plan Operativo del Gobierno del General Hugo Banzer Suarez, December 1997.



The above objectives can be seen as long-range and ambitious ones, reflecting the demands of CONAIE and other indigenous organizations for major reforms in order to give effect to the concept of the multiethnic and multicultural state. In practice, one of CONPLADEIN's major initiatives to date has been the preparation and negotiation of a very substantial World Bank loan specifically to finance an "indigenous and black peoples' development project" in the country. Prepared through its technical arm PRODEPINE (Project of Indigenous and Black Peoples of Ecuador), the project seeks to address poverty specifically among indigenous and black peoples by:

- C strengthening the capacity of indigenous organizations to participate more effectively in the formulation of government policies, and to providing significant services to their members in the economic area,
- C improving access by indigenous peoples to land and water,
- C increasing the capacity of organizations to have access to funds for the financing of small investment projects, and
- C creating an adequate capacity within the government to formulate policies and plans, and to coordinate activities directed at the indigenous and black populations.

This substantial loan, of over US\$25 million, was approved by the World Bank in late 1997.<sup>11</sup>

In Peru we have seen that, at least until very recently, there has, as in Bolivia, been a tendency in official circles to perceive only tropical and Amazonian communities as "indigenous." Their status has been legally defined as "native." It is clear however that the lands of both "peasant communities" in the *sierra* and "native communities" in the lowlands have been governed by special legislation, with restrictions on their alienation and transfer. And as in the other Andean countries, recent constitutional reforms have recognized the ethnic and cultural plurality of the Peruvian nation. The 1993 Peruvian Constitution also affirms (Article 149) that authorities of the "Peasant and Native Communities" can carry out jurisdictional functions within their territorial ambit in accordance with their customary law.

The State entity with specific responsibility for indigenous issues was until recently the Peruvian Indigenist Institute (IIP). Created in 1947, and originally conceived as a more independent institute within the government along Mexican lines, since 1993 the IIP has been located within the Ministry of Agriculture. It held the main responsibility for implementing the government's indigenous development policy, and for ensuring application of the norms and regulations in favor of indigenous peoples (including the demarcation and titling of indigenous lands). In late 1996 the IIP's functions were transferred to the Indigenous Communities Programs Unit within the newly created Ministry for the Promotion of Women and Human Development (PROMUDEH). The functions of PROMUDEH's indigenous unit are largely investigative and informational. But it also has the role of facilitating concertation and negotiation between indigenous communities, private enterprise and government agencies; and promoting entrepreneurial activities among indigenous communities. A number of other government agencies are now involved in programs related to indigenous poverty and development. The 1997 project of the Social Development and Compensation Fund (FONCODES) contains a strategic plan to

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<sup>11</sup> These details are given on the basis of a draft COMPLADEIN project document given to this consultant in September 1997 during his visit to Quito. The project document is likely to have undergone changes before its final approval by the World Bank in late 1997.

increase indigenous participation within this fund through improved targeting and promotional activities. And the Ministry of Agriculture's National Project for the Management of Watershed Basins and Soil Conservation (PRONAMACHCS) has been implementing a major poverty alleviation project in the indigenous *sierra*, aiming to increase rural production and productivity, and to strengthen rural organizations so they can become autonomous and sustainable entities.

In Guatemala, no official entity has as yet been given responsibility for coordinating indigenous affairs. Interestingly, when the incumbent President Alvaro Arzu Irigoyen offered to create a Secretariat or Ministry of Indigenous Affairs soon after taking office in early 1996, the idea was widely criticized by indigenous organizations. Most of them publicly opposed the idea, arguing that this would serve only to “compartmentalize” indigenous issues within one government agency rather than allow their concerns to permeate all institutions of government and society. At the same time Guatemala is the only Latin American country to include within its compensatory social funds a specifically Indigenous Development Fund (FODIGUA). FODIGUA was formally created in 1994 with the mission to “help and strengthen the process of human, sustainable and self-managed development of indigenous peoples of Mayan ascendancy, of their communities and organizations in the framework of their worldview, raise their standard of living through the implementation and financing of their economic, social and cultural programs and projects.” FODIGUA is structured as a bipartite entity of the government and indigenous organizations, comprising a national council of Mayan elders and four regional councils. However it is poorly capitalized in comparison with the Social Investment Fund (FIS) and the National Peace Foundation (FONAPAZ), both of which have given primary attention to areas of indigenous concentration.

Since the conclusion of a final peace agreement in late 1996, including the signing of a separate Agreement on the Identity and Rights of Indigenous Peoples in March 1995, the government has clearly seen the need to give renewed attention to the indigenous aspects of development. The Indigenous Agreement itself, while not primarily concerned with issues of economic and social development, places much emphasis on the right of indigenous peoples to participate in society at all levels through their representative institutions, and also to determine their own development priorities. While many of the government's commitments under the Indigenous Agreement concern measures to combat ethnic discrimination, and to promote genuine equality of opportunity with regard to a wide range of cultural rights, issues of local and regional autonomy and customary law also receive attention. The Agreement contains a commitment to define the status and legal capacity of indigenous peoples and their authorities constituted in accordance with their customary norms. More specifically it calls for “definition of the modalities for promoting the equitable distribution of government expenditure, including the percentage of the State's general budget of regular revenue which is transferred annually to the municipalities, among the communities, indigenous or nonindigenous, that make up the municipality, strengthening the capacity of those communities to manage the resources and to be the instruments of their own development.” There is also a section on land rights, emphasizing mainly the communal and collective aspects of indigenous rights to the land. In this area, perhaps the most significant government commitment is to institute proceedings to settle the claims to communal lands that may be formulated by indigenous communities, and to restore or pay compensation for these lands.

Guatemala's Indigenous Agreement came fully into force upon the signing of the final peace agreement in December 1996. While there is no time-frame for implementing any of the specific commitments, the main implementation mechanism is the establishments of several commissions (some of them to be comprised of equal numbers of government and indigenous representatives) to make reform proposals in certain key areas. The Agreement provides for “Joint Commissions” of government and indigenous representatives in the areas of educational reform, participatory mechanisms and institutional reform, and indigenous land rights.

Additional commissions are to study arrangements for granting official status to indigenous languages, and to identify indigenous sacred sites and make recommendations for their preservation. All of these commissions were established during the first half of 1997.

Both poverty reduction and respect for Guatemala's ethnic diversity figure prominently among the government's overall priorities for the 1996-2000 period. The 1996-2000 Action Plan for Social Development and the Construction of Peace (PLADES) recognizes that poverty and extreme poverty affect in particular the indigenous population, and also identifies respect for multiculturalism and ethnic diversity among the seven basic principles for government action.<sup>12</sup> Yet rather than aim (as in the Bolivian model) for the promotion of "separate" indigenous institutions and the concept of a model of specifically indigenous development, it appears that the current objectives of the Guatemalan government are to promote more intercultural dialogue and greater indigenous participation in all institutions.

Current Guatemalan approaches are perhaps best exemplified by a government project regarding policies and strategic projects of sustainable human development for the indigenous population. Originally designed as a project to disseminate the Indigenous Agreement itself as widely as possible throughout Guatemalan society, and to solicit proposals for subsequent reforms, the project is now embarking on a second phase more related to public intercultural policies. Involving a consultative council with the participation of the most prominent national indigenous organizations (as well as other indigenous and nonindigenous personalities), it aims to support a range of government agencies (including the Peace Secretariat, the Planning Secretariat and the Social Cabinet) in the "formulation, implementation and dissemination of intercultural public policies to consolidate the multiethnic, multicultural and multilingual State and nation."<sup>13</sup>

## **International Approaches**

At the international level we have seen that there has been a dramatic resurgence of interest in Latin America's indigenous peoples over, approximately, the past decade. This can indeed be seen as a global trend, in which diverse development actors, and also human rights advocates, have paid more attention to the situation of indigenous peoples worldwide. In part this can be seen as a response to the growing and ever more articulate demands of indigenous peoples themselves. In part it can be attributed to the new concerns of the major international development actors with the interrelated issues of poverty reduction, attention to vulnerable groups, environment, sustainable development, decentralization, bottom-up participatory approaches to development, governance and the role of civil society.

Yet within this broad trend there are two rather separate issues which sometimes tend, unsatisfactorily, to be lumped together. One is the reduction of the material poverty and extreme poverty facing the vast majority of Latin America's indigenous peoples. The other is the issue of indigenous rights within a multicultural state,

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<sup>12</sup> *Desarrollo Social y Construcción de la Paz: Plan de Acción 1996-2000*, Secretaría General de Planificación, Guatemala, November 1996.

<sup>13</sup> *Proyecto de Interculturalidad, Políticas Públicas y Desarrollo Humano Sostenible, Q'anil B*, Government of Guatemala/UNDP, 1997.

including the rights of indigenous peoples to their autonomy, self-determination or self-development, or at least to exercise the greatest possible degree of control over their own development.

International development policies have clearly been influenced to a large extent by the emerging normative framework on indigenous rights, including the ILO's Convention No.169, and the draft declarations on indigenous rights of the United Nations and the Organization of American States. Of these, arguably the most important is the ILO Convention as the only binding instrument with force of domestic law in several Latin American states. The ILO Convention, while not directly addressing such issues as autonomy and self-determination, lends implicit support to the concepts of self-management and self-development. The strongest statement is to the effect that indigenous peoples shall "have the right to decide their own priorities for the process of development" and "exercise control, to the extent possible, over their own economic, social and cultural development" (Article 7). At the same time, the ILO Convention places similar emphasis on the elimination of discrimination, the right to participation within the state and to consultation over all matters that affect indigenous peoples directly. The UN draft instrument places relatively more emphasis on the rights to autonomy and a separate status.

The concept of indigenous "self-development" or "ethno-development" is certainly striking a chord among bilateral and multilateral international organizations concerned with development. An example is a 1994 strategy document of the Danish government, which in recent years has taken something of a lead in financing indigenous development projects through both governments and indigenous organizations in Bolivia and Central America. Among DANIDA's strategic objectives, "top priority will be given to projects that support self-organization, recognition of rights to land and resources, and work to obtain self-determination. This includes, not least, support to the indigenous peoples' own organizations to ensure that they formulate their own needs and development models" (DANIDA, 1994).

Of the United Nations agencies, the International Fund for Agricultural Development has developed a specific strategy for its policy and projects affecting indigenous peoples in Latin America and the Caribbean, issued in 1994 (Helms, 1994). The basic conceptual premise is again that of self-development, though different specific strategies are recommended in accordance with the economic situation of diverse categories of indigenous peoples. A first strategy seeks to tailor certain project components to indigenous peoples' needs; this strategy is seen as appropriate when (as in Mexico, the Central American and Andean highlands) some portion of the target population is nonindigenous, or when indigenous peoples' economic activities closely resemble those of other poor farmers in the region. A second strategy option, which calls for designing projects specifically for indigenous peoples, is seen as more suitable when some combination of geographic concentration, isolation and a strong indigenous identification occur within the target group (as in the case of the South American lowlands). A third option proposes that, in cases where severe territorial insecurity pertains, investment projects should be made conditional on a government commitment to territorial rights for indigenous peoples.

Of the multilateral development banks, it is interesting to compare the recent experience and approaches of the World Bank and the IDB itself. Both entities have unambiguously identified both poverty reduction, and in particular the reduction of the extreme poverty facing indigenous peoples, among their foremost priorities in recent years. Both have recruited specialists in the areas of indigenous cultures to guide their policies and programs. Both entities can point to a significant and growing number of individual projects that either relate directly to, or have an impact on, indigenous development. However, certain differences in approach to date merit discussion in this paper.

It was seen earlier that the World Bank issued its first policy statement on indigenous and tribal peoples in 1982.<sup>14</sup> This focused on the tribal groups considered to be relatively isolated and less acculturated. Five years later the World Bank carried out its first review of the policy.<sup>15</sup> This argued that the policy should be revised because it was necessary to pay more systematic attention to legal issues related to land tenure, and that the World Bank then lacked the professional capacity to carry out monitoring and evaluation of the projects with indigenous components.

A new Operational Directive on indigenous peoples (No.4.20) was then issued by the World Bank in 1991. This new directive adopts a considerably broader definition of indigenous peoples than its predecessor, now covering various social groups with a “social and cultural identity distinct from the dominant society that makes them vulnerable to being disadvantaged in the development process.” It is now observed that indigenous peoples engage in economic activities ranging from shifting agriculture in or near forests, to wage labor and also small-scale market-oriented activities. An important feature of the 1991 directive is the requirement that, for an investment project that affects indigenous peoples, the borrower should prepare an indigenous peoples' development plan consistent with the World Bank's policy. Any project that affects indigenous peoples is expected to include components or provisions that incorporate such a plan. When the bulk of the direct project beneficiaries are indigenous people, the World Bank's concerns would be addressed by the project itself and the provisions of the directive would thus apply to the project in its entirety. There should be informed participation of indigenous peoples in the preparation of development plans and the design and implementation of the project.

The World Bank has recently reviewed the impact of this directive on its operational activities in Latin America and the Caribbean for the five-year period between 1992-1997.<sup>16</sup> Altogether the review covers 72 projects, 48 of them under implementation and 24 still in the preparation stage. The largest number cover rural development, natural resource management, land administration and agriculture grouped together; followed by social funds, environment fund projects, biodiversity, education, health and infrastructure projects. The review concluded generally that almost all of the projects identified indigenous people, but that the type of approach taken to address the presence of these groups varied widely. Only about half of the projects affecting indigenous peoples had directly addressed their needs and concerns through an indigenous peoples development plan or strategy, a component or pilot, or a whole project. The remaining projects had either used poverty targeting, stated that there were no adverse effects upon indigenous peoples, or stressed the participation of indigenous peoples. The review concluded generally that greater information was needed about indigenous peoples in Latin America, to incorporate them more fully into development projects. The upcoming challenge in Latin America was thus to support greater participation of indigenous peoples in projects that affect them. The review saw the inconsistency in the application of OD 4.20 as being due in part to the vagueness in the directive itself, but also to a general lack of knowledge about indigenous peoples, their cultures, needs and abilities. Thus future approaches to indigenous peoples' development would necessitate greater information about the requirements

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<sup>14</sup> Operational Manual Statement OMS 2.34, “Tribal People in Bank-financed Projects.”

<sup>15</sup> “Tribal peoples and economic development: a five-year implementation review of OMS 2.34 (1982-1986).” The World Bank, 1987.

<sup>16</sup> Kathryn Johns Swartz and Jorge Uquillas, “Portfolio Review: Indigenous Peoples and OD 4.20 in the Latin America and Caribbean Region, 1992-1997” (Draft, June 26, 1997).

of the operational directive and the needs of indigenous communities, together with increased consultation with borrowers about the important role that indigenous peoples play in their country's development.

Over and above these general conclusions, it is interesting to examine in more detail some of the projects and programs to which the World Bank's OD 4.20 has been considered applicable. Some of the projects, though of national coverage in their geographical scope, are deliberately targeted specifically at indigenous populations or other ethnic groups. This is the case of the Ecuador Indigenous Peoples Project, recently approved. This project aims to strengthen indigenous organizations with a capacity-building program, to support land tenure and water rights regularization, and to address the issue of conflict resolution. A central feature of the project is "to establish the technical, legal and institutional capacity to empower indigenous people to take the planning and implementation of community-based development into their own hands, to support their ethno-development."

In other cases the World Bank's OD 4.20 is seen as applicable to projects and programs which, while not necessarily targeted at indigenous peoples, embrace a geographical area or areas where indigenous peoples predominate. One example is the Peru Sierra Natural Resources and Community Development Project, aiming to support resource conservation in the water basins of the Peruvian *sierra* at high altitudes. Given that most of the land in this region is controlled by indigenous peoples' organizations, the project provides for a study of the legal framework regarding indigenous people in Peru. It is also to work with community organizations and support community strengthening with training in participatory planning. A Guatemala Land Administration Project (currently at the preparation stage) exemplifies a project with an indigenous peoples development plan or strategy. Its basic aim is to support land regularization in selected areas for communities and smallholders who already possess land. It also envisages institutional strengthening to support the process of legal recognition of indigenous communities and communal land rights, and to provide support for organizational activities and training of community members in aspects of law. Furthermore, the extensive consultations with Guatemalan indigenous organizations during the preparation of this project subsequently led to efforts to develop a multisector indigenous peoples development strategy for the World Bank's entire Guatemalan portfolio.

With more specific regard to antipoverty projects, the World Bank has become increasingly concerned to target indigenous communities within the context of social funds. As the review observes, the first generation of social investment funds relied upon geographic targeting and the utilization of poverty maps to identify the poorest municipalities. It was assumed that such strategies would benefit all the poor, indigenous and nonindigenous alike. However the results of the earlier fund projects pointed to the limitations of poverty-targeting mechanisms, and to the need for special efforts to achieve greater indigenous peoples' participation, helping them to make their demands known by project implementing agencies. Thus the development of the next generation of social funds has placed a greater emphasis on the specific targeting of indigenous communities, and to the provision of resources to assist them in developing their own proposals. This has included special training programs for indigenous extension workers, the use of indigenous languages and bilingual promotion materials.

Altogether, a reading of recent World Bank literature on this area and discussions with the most pertinent officials, points to a tendency to single out indigenous peoples for separate treatment. The very thrust of OD 4.20 is to emphasize the differences between indigenous peoples and the remainder of society in economic and social as well as cultural and political aspects. This is implicit even in the World Bank's working definition of indigenous, which lists one of the five characteristics of indigenous as "primarily subsistence-oriented production." There is a further tendency to focus on the indigenous community rather than to examine the actual and potential role played by indigenous peoples in the economy at large, and to analyze the constraints

to more effective and equitable participation in this wider economy and society. The World Bank's 1994 Indigenous Peoples and Poverty study was clearly a watershed, drawing widespread attention within this organization to the close correlation between indigenous identity and poverty. But much of the response has been to seek remedies within the framework of a self-development or ethno-development approach, based on empowerment of indigenous peoples within a local economy, rather than to examine and confront what may be seen as the structural causes of indigenous poverty.

The IDB approach to indigenous peoples, poverty and development appears to be far more open-ended. There is no equivalent of the World Bank's operational directive, conditioning policies and programs in any one country yet. The IDB has nevertheless given increasing attention to indigenous poverty and indigenous development strategies in recent years. This apparently began in the early 1990s, as in the case of the World Bank, with concerns to mitigate the impact of IDB projects on the situation of tribal and vulnerable groups. This "mitigatory approach" is evident in the first strategy document on indigenous and tribal issues published in 1990 (Inter-American Development Bank, 1990) where the emphasis is very much on the protection of indigenous groups considered vulnerable to outside intervention.

In the course of the 1990s, however, there have been some significant changes in IDB approaches to indigenous poverty and development. The Bank's eighth replenishment stresses that project design and execution mechanisms should seek to strengthen the capacity of indigenous groups to undertake and implement development projects. A recent IDB strategy paper on poverty reduction (Inter-American Development Bank, 1997) highlights the importance of indigenous community support mechanisms, as strong assets when designing and implementing sustainable bottom-up development projects. And as this study emphasizes, it is paramount, especially in countries with large indigenous populations, to address the sociocultural dimension of poverty and to establish poverty reduction strategies that are based on a better understanding of the linkage between poverty and ethnicity.

A further 1997 IDB policy document has identified some of the main challenges ahead in the area of indigenous peoples and sustainable development (Deruyttere, 1997). As is observed, the structural adjustment and market-led reforms pursued by many Latin American countries since the 1980s have led to renewed pressure on indigenous communal lands, and placed indigenous people in an especially disadvantaged position. Thus, the emphasis in the debate about the role of indigenous people in national development is now "shifting from natural resource management and preservation issues to addressing indigenous development in the context of social sector reform and poverty reduction strategies. This implies a shift in focus from countries where indigenous communities are living in tropical lowlands and are small minorities, to countries where indigenous people comprise large sectors of the rural peasantry."

At the country level, most of the IDB country documents reviewed listed the alleviation of indigenous poverty, or the more effective incorporation of indigenous peoples within national development models, high among recent strategic objectives. In its 1996-1998 strategy document for Guatemala, for example, the IDB identifies support for the poor indigenous population as a specific aim within its overall poverty reduction objective. Proposals in this area include: to improve social services for indigenous peoples; to stimulate an increase in their production and incomes; to increase and improve the quality of basic health services; to increase bilingual education; and to define and protect indigenous land rights, both communal and individual. The document also proposes a study on the access of indigenous peoples to social services. The Peru document emphasizes that poverty reduction efforts will be directed predominantly at the poorest segments of the population in the *sierra* and *selva* regions, with special emphasis on indigenous communities. Moreover the fight against poverty will include direct support for civil society organizations, including indigenous organizations, and indigenous

communities are listed among the intended beneficiaries of measures to improve the efficiency and effectiveness of social service delivery. An early version of the Bolivia country document (first draft, December 1997) indigenous are generally listed, together with women, among the beneficiaries of all poverty reduction efforts. The Ecuador document, rather than identify specific objectives at this stage, calls for a study of indigenous organizations and their development priorities.

IDB projects and programs as they relate to indigenous poverty and development have not been subject to systematic evaluation at the time of this writing. Some examples of the Bank's evolving strategy on indigenous development, incorporating indigenous needs into IDB operations in recent projects, have nevertheless been given in a 1997 IDB publication on indigenous peoples and sustainable development (Deruyttere, 1997). The same document also summarizes elements of the IDB's overall strategy on indigenous development, and identifies a series of challenges ahead. As in the case of much World Bank analysis referred to above, the IDB's Indigenous Peoples and Community Development Unit also places much emphasis on the essential differences between indigenous and nonindigenous populations with regard to their development aspirations. As is observed, a major challenge is: "to deepen the understanding of poverty in indigenous communities, developing culturally sensitive poverty indicators that can define poverty in terms of unsatisfied basic needs, taking into consideration the nature of traditional subsistence economies. These economies are characterized by low levels of cash income. Basic needs are largely satisfied through nonmarket mechanisms for the redistribution of goods. It will be crucial to take into account indigenous views and aspirations regarding poverty and development. The latter is particularly important because poverty may also be seen as a relative concept rather than an absolute one to the extent that it includes not only the material conditions but also the aspirations of the peoples involved."

Of the projects and loans reviewed (either through examination *in situ*, or through review of project documents and discussions with officers of the three operational divisions at Washington, D.C. headquarters), it is difficult to detect a consistent or uniform line with regard to the issues of indigenous poverty and development. What did emerge from all discussions was a strong desire to address the issues. As regards the five countries to which primary consideration has been given in this review, the following general comments can be made.

In Mexico, high priority has been given to addressing indigenous poverty and development in the southern states of Chiapas, Guerrero and Oaxaca. The methodology has been to devise and implement relatively small projects in conjunction with indigenous organizations and communities. The strategy has been elaborated to some extent together with the World Bank. This has been one of the few countries where there has been an effort to address the issues of labor market discrimination facing indigenous peoples, through a project that deals with the needs of indigenous children.

In Bolivia (where the issue of indigenous development and the institutional mechanisms for achieving this have been accorded high priority by the past two governments) specifically indigenous concerns have been addressed within the framework of a governance and decentralization program aiming to reorganize municipal boundaries to coincide with indigenous territorial areas. Beyond that, issues affecting indigenous peoples in the *sierra* have tended to be addressed within the overall framework of microenterprise and rural development projects and programs without specific reference to indigenous identity.

In Ecuador, support has been given to indigenous organizations through the small projects facility. In this country an attempt was actually made to devise a broader-based project in the area of indigenous development, but without success. The IDB has seen the need to conduct a more systematic appraisal of the various indigenous organizations, to have a better understanding of their own aspirations. At the time of the visit to Ecuador, the new entity COMPLADEIN had presented a request for a credit support project.



In Peru, through a small reimbursable grant, the IDB has aimed to strengthen the Indigenous Populations Program Unit of the development ministry, seeing as a strategically important objective the existence of a State entity to interact with indigenous communities and the private sector. Other small projects have aimed to consolidate communal enterprises within the *sierra* region, and to provide technical assistance and strengthening to the Confederation of Nationalities of the Peruvian Amazon (CONAP) in the tropical lowlands. The initial small grants and technical assistance programs are seen by the country operations division as a learning experience, perhaps preparing the ground for more substantial investments at a later stage. Moreover the *sierra* based project, implemented through the National Association of Communal and Multicommunal Enterprises (ANECOMSA) appears to be seen strictly as an income-generating and productive project, rather than one associated with any concept of indigenous identity or cultural regeneration.

In Guatemala, arguably the most significant IDB initiative since the signing of the December 1996 peace agreement has been its loan for the Program of Community Development for Peace (DECOPAZ), to be implemented in several remote municipalities of Huehuetenango department with a budget of over US\$50 million. While the DECOPAZ project is sometimes depicted as targeted at indigenous refugees, it is clear from the project document and analysis (and from discussions with the operations division and project staff) that DECOPAZ is deliberately *not* targeted exclusively at indigenous peoples. An estimated 82 percent of the population in the DECOPAZ project area is indigenous, but the project document stresses the importance of nondiscrimination in the allocation of resources between different ethnic and other groups. The overriding objective of DECOPAZ is the restoration of the physical, human and social capital of areas affected by armed conflict, effectively delegating to the local beneficiaries the powers of decision over individual project components. At the same time the project document specifies in advance the amounts to be allocated to education and health services, productive projects, and items identified by local communities in accordance with their own priorities.

Several small projects in Guatemala (both past, present and pipeline) have been directed largely (occasionally exclusively) at indigenous communities, or implemented at least in part through organizations which identify themselves as indigenous. These include a program of agro-industrial centers for indigenous women; a project to improve living standards of the mainly indigenous population in the Chixoy river basin; and a project to promote private sector participation in training in rural areas, for which one of the two executing agencies is the Foundation for the Development and Education of Indigenous Women, based in Alta Verapaz. Indigenous concerns have also been addressed within the framework of broader sectoral programs and projects. An example is the bilingual education component within an IDB project to support educational reforms through the Ministry of Education.

## REDUCING INDIGENOUS POVERTY: STRATEGIC CONSIDERATIONS

At the present time the IDB's Indigenous Peoples and Community Development Unit is preparing a strategy paper on the broad issue of indigenous development. This final section aims to provide some input to the IDB's evolving policies and strategy in this area. Though the main concern here is with the issue of poverty and its reduction for indigenous peoples, these are necessarily related to concepts of indigenous development.

Perhaps the main point argued in this paper is that the reduction of indigenous poverty cannot be simply equated with the promotion of indigenous community development. Moreover, the targeting of development resources specifically at indigenous peoples, while advisable in certain contexts, may not be the most effective way of redressing indigenous poverty. In tackling the structural dimensions of indigenous poverty, it may be more useful to channel resources at the sectors and sectoral issues where indigenous peoples continue to suffer discrimination.

It has also been argued that, largely because of the vigorous movement for the promotion and protection of indigenous rights and autonomy (a global movement but one of particular importance in Latin America over the past decade) there can be a tendency to confuse different though related issues. Respect for the cultural and political rights of indigenous peoples, and the promotion of their sociocultural development, is not the same issue as the reduction of the material poverty facing indigenous peoples. The point may seem obvious. There has nevertheless been a tendency in highly influential circles to deal with the two issues together.

The point is best illustrated from the context of some policy documents and declarations relating to indigenous self-development or "ethno-development." There is a clear and continuing tension in both the normative and development policy area regarding the concepts of participation and social exclusion on the one hand, and autonomy and self-development on the other. There is an emerging consensus that indigenous peoples must be consulted, in good faith and through their representative institutions, regarding the development projects that affect them. There is also a growing realization that, to give real effect to the concept of the multicultural and multiethnic society, this must involve more than consultation over project modalities in indigenous areas. It should involve adequate consultative mechanisms to discuss broader law and policy concerns as they affect indigenous peoples and their role in the national economy, including agrarian policies, decentralization policies, infrastructure and labor market policies, even judicial reform and state modernization. Customary law for example is an issue of vital importance, in the context of land titling and cadaster projects, extra-legal forms of conflict resolution, and many other issues.

However, while there is an obvious need for participatory and bottom-up planning to ensure that poverty reduction and other development efforts take full account of the cultures and aspirations of indigenous peoples, this does not mean that indigenous peoples should necessarily be set apart from other sectors of the urban and rural poor. In Guatemala for example, tremendous sensitivities arose over external efforts to impose an "indigenous development plan," precisely because the government feared that this could polarize poverty reduction initiatives along ethnic lines. Moreover, an attempt to channel resources at what are perceived to be traditional indigenous economies and institutions could actually misread the aspirations of many indigenous peoples themselves. While there is a strong and growing indigenous concern with the concept of development with identity, this is not a separate development.

While the paper has attempted some typologies of indigenous peoples and societies, examining their role in the economy and degree of market integration, it has been accepted that such an effort is not altogether satisfactory. There are important differences between indigenous urban dwellers, indigenous peasant societies and the remoter forest-dwelling communities. It is clear that many of the differences are breaking down, as all types of indigenous community experience more market integration. Perhaps the most important thing to emphasize is the growing and diverse indigenous participation in all kinds of labor markets, usually in a situation of extreme disadvantage. Some labor markets are the almost exclusive preserve of indigenous workers and their families, notably the seasonal migration in commercial agriculture which sometimes transcends national borders.

These points are not an argument against developmental efforts to revitalize indigenous communities in their traditional places of origin, through education, agricultural support, other productive activities, infrastructure and the strengthening of representative indigenous institutions at the local and regional levels. This can be one very important aspect of poverty reduction, reversing the trend to urbanization, ensuring a more effective financing of decentralization initiatives with more genuine popular participation. But it is essential not to see this as the only or overriding issue of indigenous poverty. It is impossible and unwise to ignore the wider demographic and socioeconomic trends which have moved indigenous peoples on a temporary or more permanent basis away from their communities of origin, and in some cases has made them a significant proportion of urban populations.

Much can be gained by improving the conditions of labor. One can envisage how a range of investments could improve the bargaining power, recruitment and transport, educational and hygienic conditions of indigenous workers and their families. Programs to combat poverty in areas of outmigration have to be linked to projects and programs in areas of origin. Some interesting programs have been started in Mexico, but far more needs to be done elsewhere in the continent.

Altogether, what is striking is the absence of solid and recent data and ethnographic studies, concerning recent trends in indigenous economic and survival strategies. This point has already been made in the World Bank's 1994 econometric study on indigenous peoples and poverty in Latin America. But it deserves to be repeated here. In Guatemala, Bolivia, Ecuador, and briefly in Mexico, a number of interviewees made the same point. There is very little systematic knowledge concerning indigenous participation in urban economies (whether the capital cities, intermediate or smaller towns) and the links between this and their communities of origin. It is clear that indigenous peoples are increasingly penetrating some urban markets, but are excluded from others.

With regard to indigenous land rights and the rural economy, this paper has only been able to scratch the surface of the issue. The question of communal land tenure systems is certainly being revisited, in both law and policy appraisals in Latin America. For a long time international development analysis was dominated by the evolutionary theory of land rights, seeing communal tenure as a constraint to greater agricultural productivity, and envisaging a gradual progression to private tenure. At the same time many Latin American analysts have argued that indigenous communal tenures were never given a fair chance after the mid-1950s. They can point to biased credit allocation and State failure to provide infrastructure and services, all of which ensured that indigenous communities had poor market access and integration. In some cases substantial indigenous opposition to land privatization programs has provoked new attention to communal tenures. But the issue needs far more attention, particularly in the light of the current developmental emphasis on land titling, registration and cadastral reforms.



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