

Issues in Indigenous Poverty and Development

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Washington, D.C.
December 1998 - No. IND - 105

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,¹ 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 primarily in farming their

¹Estimate 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.

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.²

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.³

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

²*Estudio Básico del Altiplano Occidental de Guatemala*, Movimiento Tzuk Kim-Pop/CONSOC, Quetzaltenango, October 1997.

³INEM, Encuesta de Hogares, 1990, cited in PRODEPINE project document, COMPLADEIN, Ecuador, June 30, 1997.

way for land privatization. In Guatemala, though there is 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.⁴ 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.

⁴“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.⁵

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.⁶

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, 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

⁵Data 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.

⁶Estimates provided by peasant leaders in Cochabamba, August 1997 interview.

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.⁷

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.

⁷*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:

- 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,
- improving access by indigenous peoples to land and water,
- increasing the capacity of organizations to have access to funds for the financing of small investment projects, and
- 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 1997.⁸

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.

⁸These 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.

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 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.⁹ 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."¹⁰

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

⁹*Desarrollo Social y Construcción de la Paz: Plan de Acción 1996-2000*, Secretaría General de Planificación, Guatemala, November 1996.

¹⁰*Proyecto de Interculturalidad, Políticas Públicas y Desarrollo Humano Sostenible, Q'anil B*, Government of Guatemala/UNDP, 1997.

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, 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 1982.¹¹ 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.¹² 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 1992-1997.¹³ 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

¹¹Operational Manual Statement OMS 2.34, “Tribal People in Bank-financed Projects.”

¹²“Tribal peoples and economic development: a five-year implementation review of OMS 2.34 (1982-1986).” The World Bank, 1987.

¹³Kathryn 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).

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 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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