"So That Land Takes on Value"Coffee and Land in Carazo, Nicaragua

Julie A. Charlip

Latin American Perspectives 1999; 26; 92

"So That Land Takes on Value"

Coffee and Land in Carazo, Nicaragua

by
Julie A. Charlip

The current neoliberal love affair with free-market policies, although touted as the new solution to Latin American problems, in reality is merely an echo of the policies championed by nineteenth-century Latin American nation builders. The nineteenth-century equivalent of the development debate was elite concern with modernization, and in Nicaragua, the vehicle for the transformation was to be coffee. Traditionally, scholars have described the rise of the coffee economy in Latin America in general and Nicaragua in particular as the phenomenon that led to the systematic expropriation of land from the peasantry. As E. Bradford Burns framed the issue, "Along that newly charted course, the patriarchal elites dispossessed the folk of much of their land and impoverished them culturally and economically" (Burns, 1991: 4).[1]

Laws passed by both Conservative and Liberal Nicaraguan administrations were indeed aimed at bringing farm land into the coffee economy. However, evidence from the *Registro de Propiedad* in Carazo, the first region where coffee was grown in Nicaragua, indicates that smallholders[2] did not lose their land; on the contrary, they became active participants in the coffee economy and the land market. In fact, the emergence of the coffee market created opportunities for them. The records show that most of the land planted in coffee was owned by smaller holders who were able to acquire and consolidate holdings in a new land market created as a result of the rise of coffee production. In addition, a subsistence economy of smallholders who did not produce coffee was still guaranteed through *nonmarket* measures by the national and local government, which continued to guarantee the availability of ejidos. These findings are in direct contrast to the traditional view of latifundia expanding at the expense of small farmers and of traditional ejidal landholdings.

Julie A. Charlip is an assistant professor of history at Whitman College in Walla Walla, Washington. She is the author of "At Their Own Risk: Coffee Farmers and Debt in Nicaragua," published in *At the Margins of the Nation-State: Identity and Struggle in the Making of the Laboring Peoples of Central America and the Hispanic Caribbean, 1860-1950* (1998). She is also an associate editor for *Latin American Perspectives*.

LATIN AMERICAN PERSPECTIVES, Issue 104, Vol. 26 No. 1, January 1999 92-105

The picture that emerges is far more complex than the standard version in which the big growers dispossess and proletarianize the peasantry. The state intervened in the land market to guarantee free or low-cost availability of ejido land, thus promoting a continued smallholder class. However, these guarantees were not likely the mark of a benevolent government so much as the actions of politicians providing a stable local workforce to meet the seasonal labor needs of large coffee growers. In this more complex scenario, there were most certainly power struggles and exploitation. Larger growers produced most of the coffee, even though they did not hold most of the land. They were also the most important lenders in the region, and they found money lending to be more lucrative than production. A handful of large producers had a monopsony on purchase of the region's coffee, which they processed and exported. In short, the market did indeed provide opportunities for smaller growers, but it was far from being a level playing field. Relations of production were indeed exploitive, although not in the ways traditionally envisioned.[3] To recognize the limits of opportunity, it is helpful to view the market not from a strictly economic standpoint, in which abstract models posit a harmonious system of equal exchanges, but in terms of a socioeconomic model that (Etzioni, 1992: ix-x)

> sees competition, the market, and indeed the economy, as a subsystem nestled within a more-encompassing societal context. . . . In contrast with Adam Smith's assumption of an invisible hand, socioeconomics assumes that the divergent interests and pursuits of various individuals do not automatically mesh together to form a harmonious whole. . . . Most exchanges occur among nonequals in economic, social, and political power and hence are partially coerced.

The result is a nuanced reading of Nicaraguan history that shows opportunity within a nonequal, partially coercive environment. It is a reevaluation that sheds new light on some of the problems faced by the Sandinistas, whose agrarian reform efforts were led by Jaime Wheelock Román. Wheelock expected to find landless workers interested in collective landholding or a guaranteed wage on state farms. Instead, he found smallholders in unexpected numbers and a desire for land even among the proletarianized or semiproletarianized workers. Campesinos viewed themselves as producers rather than workers and, when given the option of preferential financing arrangements for cooperatives, largely opted for higher interest rates and their own individual properties (see Deere, Marchetti, and Reinhardt, 1985; *Envio*, August 4, 1985; June 6, 1987). These workers wanted what they historically had had.

This study focuses on the land market in the Department of Carazo, which is located in Nicaragua's Pacific Zone, bordering the Sierras of Managua. With 950 square kilometers, Carazo is one of the smallest and most densely populated departments in the country. Originally a subprefecture of Granada, it achieved departmental status in 1891. It rests on a high plateau bordered by the Department of Masaya to the north, the Pacific Ocean to the south, and the Departments of Managua to the west and Granada and Rivas to the east. In 1926, the Pueblo District, made up of Carazo, Masaya, and Granada, was described as producing 44 percent of the country's coffee. The Carazo area lacked the steep hills of the Managua district and therefore allowed "better cultivation and consequently better production both as to quality and quantity" (Playter, 1926: 7). In short, Carazo was the area where coffee growing originated in Nicaragua and remained one of the most important coffee regions in the country.

Nicaragua before coffee was not an idyllic, communal, nonmarket society, but it was a place where access to land was easy and, while there were active local and regional markets, one did not need money to get along. In the colonial period, there were virtually no restrictions on access to land, a pattern unaltered by Nicaragua's incorporation into the Mexican empire and the United Provinces of Central America (Burns, 1991: 2, 131). French engineer Paul Levy, writing about Nicaragua in the 1870s, noted, "The soil is still virgin in infinite points, so that, in general, when one wants to form a plantation, he begins by looking for vacant land . . . and when he finds one he likes, he claims it" (1873: 441). Throughout the colonial period and the early nineteenth century, Nicaragua maintained commercial production of artisanry, the cultivation of cacao and indigo, and the raising of cattle, all traded in local and regional markets. But life was not thoroughly commercialized, and it showed in the limited monetarization of the economy. In 1870, cacao was still commonly used as money, and the most frequently circulated coins were U.S. nickels, dimes, quarters, and half-dollars; French francs; English shillings; and coins from Guatemala, Spain, Costa Rica, and Peru (Lanuza, n.d.: 75).

With the rise of coffee production, Nicaraguan currency—the peso fuerte, equal to an ounce of gold or one U.S. dollar, and the peso sencillo, worth 80 cents and divided into eight reales—came into widespread use. Land was no longer available by simple occupation, but it was available free or at nominal cost from the municipalities in the ejidos, or town commons. Nineteenth-century Latin American land laws are usually seen as an attack on traditional, communal structures, particularly via the break-up of the ejidos. But Nicaragua adopted laws in the nineteenth century aimed at both guaranteeing individual private property and providing municipal "communal" property that would be available to all. True, municipal authorities allocated individual plots within the ejidos, but people most likely always used ejidal land as individuals or families rather than farming collectively. Now this allocation of land was made by municipal officials rather than community elders and included provision of title for land that was already held and the donation, sale, and rental of property from the ejidos.

The constitutions of the United Provinces of Central America in 1824 and the state of Nicaragua in 1826 both recognized ejidal land (Burns, 1991: 28). This commitment was spelled out in the legislative decree of July 13, 1832, which gave ejidos to the towns of Nicaragua. The reasons were clearly delineated: "The Assembly of the State of Nicaragua desires to promote public happiness, promoting rural industry; so that proprietors are created that increase the agricultural riches of the country; so that customs improve; so that land takes on the value that until now it has lacked, and so that the State attains the great advantages that others have offered" (*Código de la Lejislación de Nicaragua, 1821-1863*, libro 3, título 9, lei 1, p. 190). The decree provided that all towns would have ejidos, with agricultural land and cattle pasture.

A shift in emphasis toward individual property began with the bipartisan constitution of 1858, which did not mention communal land but did note the "inviolability of property." An important shift seemingly occurred with the May 17, 1877, decree authorizing the sale of land in ejidos and indigenous communities at prices ranging from 2 to 5 pesos per manzana (1.7 acres or .7 hectare). Land not already claimed would be sold at auction in plots of no more than 10 manzanas in farming areas, with a base bid of 1 peso per manzana, and 100 manzanas in cattle land, starting at 60 centavos per manzana (Nicaragua, *Decretos Legislativos*, 1877, pp. 24-25). In 1881, ejido prices were dropped to 50 centavos per manzana (Nicaragua, *Decretos Legislativos*, 1881, pp. 16-18). Taken at face value, it would certainly seem that now ejidal property was being sold out from under those who had long possessed it.

To put these prices into perspective, it is important to remember that in 1870 in Nicaragua, a hatchet cost 2 pesos and a machete cost 1.60 pesos. A day laborer earned 40 to 45 centavos a day, male farm workers earned 30 centavos a day (women and children earned 15 centavos), and housekeepers earned 6 to 8 pesos a month (Levy, 1873: 453). Prices of 50 centavos per manzana, then, were not prohibitively high.

Clearly, by the 1870s the laws encouraged the sale of land, but dispossession of the landowners is not likely to have been the goal of lawmakers representing coffee interests. Since the coffee economy requires a large workforce only during the harvest, there would have been more interest in giving peasants enough land to keep them nearby, guaranteeing a seasonal workforce. And although the law *provided* for selling ejido land, it did not *require* that fees be charged. In fact, communities continued to donate land to local residents into the twentieth century. Moreover, legislative decrees and property registry records show that the state continued to allocate ejidal land to the municipalities: 10 caballerias (640 manzanas) of agricultural land to Jinotepe in 1877, with additional ejidos granted in 1892 and 1900; 6 caballerias of farming land to La Paz in 1881; 40 caballerias of ejidos in the Dulce Nombre area alone to San Marcos in 1886; and 8.25 caballerias to Santa Teresa and 9.75 caballerias to Diriamba, which acquired more ejidal land in 1892.[4]

The vast majority of the plots provided to residents by the municipal authorities were given free of charge, and most of that land never made its way into coffee production. The government, then, intervened to guarantee the continuation of subsistence agriculture and a workforce for the new coffee plantations. It is undoubtedly no accident that the greatest amount of land donated to individuals from community ejidos was in the community of Diriamba, which was also home to the largest coffee plantations. From 1877 to 1904, the property registry shows 243 cases of individuals receiving ejidal land from these municipalities, and 78 percent of the transactions were donations, typically of 4-manzana plots. Eighty-two percent of the grants were for plots of less than 10 manzanas, and none was a large plot of land. Most of those who acquired land described themselves as farmers, but there were also nine day laborers, seven homemakers, three businessmen, a clerk, a barber, a merchant, a sculptor, and a shoemaker. The ejidos were clearly seen as a place where those without access to land could carve out a piece for subsistence; for example, Victor Mena claimed 3 manzanas of land in Rosario "como vago, para cultivarlo" (Jinotepe, *Registro del Conservatorio*, January 8, 1892, no. 9, f53-55). Some of those who acquired land were illiterate and could not sign the deeds, but they still managed to understand the system and acquire property.

Enrique Baltodano, for example, a poor day laborer, married into the well-to-do Parrales family, and his father-in-law, Francisco de Sales Parrales, gave him work as a carter and some uncultivated land from which he built a fortune, becoming the patriarch of a rich and powerful family. The story goes that although Baltodano was illiterate, he had an uncanny memory; his wife, Dolores, would read to him from *La Gaceta*, and Enrique would repeat the news in conversation as though he had read it himself (Mendoza, 1920: 52-53).[5] People such as Baltodano did not, however, amass their fortunes through the use of ejidos, especially donated land. Only 9.5 percent of the parcels donated to individuals ended up supporting coffee in 1930. Even those who purchased ejidal land tended to be subsistence farmers; only 21 percent of that land was in coffee by 1930.[6] Instead, the ejidos probably remained the mainstay of those who grew subsistence crops, guaranteeing that a workforce would be available for the harvest.

While most ejidal land was donated, some was sold, typically at 4 pesos per manzana. Land could also be rented at a moderate rate: in 1914, land rented for 20 cents per manzana per year for up to 50 manzanas and 25 cents for any additional manzana; contracts were renewable every five years, improvements could be made to the land, rental rights could be sold, and the property could be mortgaged (Carazo, *Libro de Propiedad*, May 11, 1914, vol. 52, f300-301). The sale or donation of ejidal land involved the transfer only of usufruct rights, with dominion remaining with the municipality. But those usufruct rights could then be sold as well. Clearly, ejido land was easily available and easily commercialized.[7]

The commercialization of ejidal land was part of the creation of a land market that accompanied the development of an international market for coffee. As Nicaraguan leaders had hoped, land had indeed taken on value, particularly in the sale of already developed coffee farms. In 1898, Gustavo Niederlein reported that the value of all rural property in Carazo was 3,362,948.10 pesos (1898: 63) and the 1909 *Censo Cafetalero* put the value of coffee property alone at 27,041,200 cordobas.[8]

The vast majority of transactions recorded in the registry for the Carazo region from 1877 to 1903 involved smaller landholdings, and this was not simply a matter of smallholders being bought out. The national government's 1909 *Censo Cafetalero* shows smaller holders to be in the majority, and the substantial rise in sales prices in the majority of cases indicates that the seller most likely was not operating out of duress. The data on 445 properties measuring at least 2 manzanas and involving coffee production that were recorded in the *Registro* from 1877 to 1903 involve trade of some kind and therefore may reflect the greater vulnerability of smaller holders, forced to sell their property. In contrast, the 1909 census gives a picture of landownership that does not involve trade, and in addition, it shows the distribution of land at the end of the regime of José Santos Zelaya, considered to be Nicaragua's most fervent supporter of coffee production and land concentration. The results from the registries show that 88 percent of the property was in the minifundio/small-farm category, and in the 1909 census, 75 percent of the property remained in these categories.[9] The medium-sized farms increased substantially, from 9 percent in the transactions to 19 percent in the census; large farms doubled, from 2 to 4 percent of the total; and the latifundio category remained static at 1 percent. Clearly, the majority of people who owned and traded coffee farms were smaller holders.

The distribution of the numbers of farms speaks to the numbers of people involved in coffee growing, which is an important part of this story, but it says nothing about how much land they controlled. Sixty-three percent of the area in the *Registro* and 55 percent of the land in the 1909 census was held by small and medium-sized farmers. These small and medium-sized growers did not, however, dominate production; the 11 largest growers produced 53 percent of the coffee. They were also the ones who did the basic processing of coffee that took place in Nicaragua (the final stages were handled abroad), exported the coffee, and served as the bankers for the region's smaller growers. Once again, it is important to emphasize that participation in the coffee market as a producer was open to smaller growers and provided opportunities within the confines of a system dominated by a small elite.

While the census data are static, the *Registro* shows us the volatility of the market for coffee land. There were 297 coffee properties that changed hands repeatedly and for which the registry provides both size and price data. These data show the rise in property values: from 1874 to 1889, farm prices averaged 38 pesos fuertes per manzana; from 1890 to 1902, there were only three years in which the price was less than 100 pesos fuertes, with an average of 143 pesos fuertes per manzana for that time period—an increase of 376 percent. Furthermore, most of these properties sold for significantly more than their original purchase prices. In 52 percent of the transactions, prices rose an average of 260 percent; in 25 percent of the transactions, there was no change in price; and in 21 percent of the transactions, prices fell an average of 28 percent. Prices tended to rise for small and medium-sized farms and prices fell an average of 37 percent for all four large farms.

Obviously, there are myriad problems in trying to analyze property prices over time. Property values depend on factors that are not easily measured: quality of the soil, access to water, access to transportation, stock and equipment included in the sale, amount of coffee planted, age and condition of the trees, the existence or quality of fencing, and so forth. It is difficult to explain, for example, the difference in price between two 4-manzana farms sold in 1882—one for 120 pesos fuertes, the other for 75. The higher price was paid by John Peters, a native of Germany who lived in San Carlos and described himself as a businessman; the seller was Yrenea Hernandez, an illiterate Diriamba homemaker (Granada, *Libro de Propiedad*, June 5, 1882, no. 205, f57-57a). The lower price was paid by Josefa Rivera Molina, a San Marcos homemaker, to farmer Terrano Sanches of San Marcos (Granada, *Libro de Propiedad*, December 28, 1883, no. 49, f27a-28). Both properties are described as having coffee and bananas. Perhaps the quality of the land was better, the trees in better shape; perhaps the women drove a hard bargain.

The volatility of the land market is also indicated by how rapidly property changed hands. Coffee land was most likely to be sold within the first four years after it was purchased. Thirty-six percent of the properties were owned for less than a year, and another 34 percent were sold within four years.[10] That the vast majority of properties changed hands within the first few years may indicate the speculative nature of coffee farm ownership or its risks.

The final disposition of the properties bought and sold is crucial to the land-tenure debate. Did these small properties end up as part of large farms? All of the properties registered between 1878 and 1904 were traced through 1930 to determine their disposition. Surprisingly, of the 488 coffee farms of 1 manzana or more that were traded, only 23 percent were merged with others to create larger landholdings. Most of the properties that became part of larger farms did indeed start out as the smallest of farms: 56 percent began in the minifundio category and 31 percent as small farms.[11] But this is not a case of the small producers being absorbed by the latifundistas; most of the newly created farms were still smaller holdings. Fourteen percent of the merged properties actually became larger minifundios. Small farms accounted for 43 percent of the merged properties. Medium-sized farms constituted another 25 percent, whereas 14 percent were large and 4 percent were latifundios.

For example, in 1902, Isidro Sandino sold to fellow Diriamba farmer José María Gonzáles a 6-manzana farm planted in bananas, coffee, and fruit trees for 300 pesos. Gonzáles in turn sold the property in 1907 for 600 pesos to Diriamba farmer Isidro Mendieta, who merged the farm with a 4-manzana and a 2-manzana lot that he had bought from Cristóbal González, a Diriamba farmer, for 1,000 pesos in 1905. Mendieta then sold the reconstituted 12-manzana farm to Eusebio Rodriguez in 1910. Clearly such reshaping of landholdings was not just the province of those with extensive properties (Carazo, *Registro de Inmuebles*, August 28, 1902, no. 419, f256-257; Carazo, *Libro de Propiedad*, September 21, 1905, vol. 6, f277-278; May 16, 1907, vol. 17, f48-49; and October 27, 1920, vol. 17, f49).

While 23 percent of these properties were being combined into new farms, another 3 percent of the traded properties were undergoing dismemberment. Only 14 of the 488 properties splintered, a far smaller grouping than those that were amalgamated; however, these 14 include the largest properties traded during the 1877-1904 period. In other words, most of the largest properties did not stay intact. An extreme example would be the case of Dámaso Martínez, who originally owned enormous landholdings but ended up with rather modest possessions.

About 1882, Martínez owned 21 caballerias of land in San Marcos. Over the years, he sold off the land—in fact, he sold more than he owned. After several lawsuits, he was left without any of the original property, but he acquired several small and medium-sized properties, including a 15-manzana coffee finca and an 8-manzana finca with coffee and bananas (Jinotepe, July 2, 1924, vol. 86, f47-55; July 2, 1924, vol. 86, f57-61). Meanwhile, each of the four original sales of the former Martínez property went through twists and turns, subdivisions and amalgamations. Some of the land ended up in the hands of Carazo's largest growers: José Esteban González, Vicente and Buenaventura Rappaccioli, and Alberto Chamorro. The largest hacienda to emerge from this property was the Chamorros' El Pochotón with 512 manzanas.

Land had indeed taken on value. In fact, it was so valuable that there was even a market for the rights to own land in the future. Among the transactions studied for 1877-1903, there were 36 cases of nonrelated persons using their inheritance rights as a commodity.[12] For example, in 1901, José María Pérez, a Diriamba carpenter, sold his inheritance rights to a coffee finca owned by his mother, Ramona Pérez. The farm was worth 262 pesos, but he sold it for 150 pesos to Diriamba farmer Jorge Madrigal (Carazo, *Registro de Inmuebles*, May 9, 1901, no. 60, f51). Inheritance rights were even used as collateral on loans. In 1911, Alfonso Espinosa, a San Marcos farmer, sold his inheritance rights to the property of his father, Juan Tiburcio Espinoza, to guarantee a loan of 2,250 pesos from Granada farmer Alberto Chamorro. Espinoza could repurchase the inheritance rights if he met the other terms of the loan: repaying the debt with dried coffee of mercantile quality at the current price on the market when the debt was due in February 1912 (Carazo, *Libro de Propiedad*, May 18, 1911, vol. 40, f181). In six cases, people sold their rights to pending litigation. For example, in 1922, Jinotepe farmer José Justo Espinosa traded a small farm worth 200 cordobas to Candida Salinas, a Jinotepe homemaker, for her "derechos litigiosos" in a property dispute between Juan Manuel Lucas and Victoriano Chavarria. The rights had been ceded to Salinas by yet another party, Antonio Angulo hijo (Carazo, *Libro de Propiedad*, February 1, 1922, vol. 70, f258).

The story of Enrique Baltodano is the kind that warms the hearts of free-market types: an illiterate carter gets into the coffee business and manages to make a fortune, founding a powerful family in the process. It has the ring of a Horatio Alger story—right down to the falseness of the image such stories convey. Conservatives use Horatio Alger stories to promote the idea that through hard work and competition anyone can go from rags to riches. But this is not what the story shows: Ragged Dick does not work his way up; he saves the life of a rich man's daughter and is rewarded. Similarly, Baltodano gets his start by marrying into a well-to-do family—Francisco de Sales Parrales gives Baltodano a job, land, and his daughter. Undoubtedly, Baltodano worked hard, but so did many less successful farmers without his advantages.

The old stereotypical picture of sprawling latifundios displacing the peasantry and converting them into proletarians is wrong. In Carazo, the majority of land was held by minifundistas and small and medium-sized farmers—88 percent of the farms and 63 percent of the area in 1877-1902 and 75 percent of the farms and 55 percent of the area in 1909. Furthermore, these small coffee farmers were not "peasants" with no interest in producing for the market or producing only a little to supplement subsistence. The smaller the holding, the more trees were planted. While latifundios averaged 262 trees per manzana, large farms had 306, medium-sized farms had 485, small farms had 573, and minifundios had 799. Although the price of coffee farms may have been beyond the means of some smaller growers—38 pesos per manzana in the 1880s and 143 pesos per manzana from 1890 to 1902—the records show that many small growers did manage to buy small farms and additional pieces of land to expand their holdings, however modestly. Of the farms that merged into larger holdings, 99 percent were minifundios or small or medium-sized farms. Of the new properties that they formed, 82 percent were such.

These patterns reveal the complexity of the property structure in the Nicaraguan countryside. Patterns of landownership were not static; economic fortunes shifted with the vagaries of the international market and landholdings went through a complex process of amalgamation and fragmentation, sometimes due to economic hardships, sometimes taking advantage of the lucrative land market by buying public lands at bargain-basement prices and reselling at the higher market price. It was a fluid and dynamic process, driving some people out of coffee growing while bringing others in. From 1878 to 1904, while 175 persons apparently sold the only property with coffee that they owned, another 102 persons were buying coffee property for the first time.[13]

Meanwhile, those who aspired only to subsistence still had access to the ejidos, and the state continued to provide baldíos to the municipalities to meet those needs while at the same time selling off baldíos to private bidders, most of whom did not use the land to grow coffee. During the period examined, the state sold 15,566 manzanas in baldío land in Carazo. At the same time, it donated 11,393 manzanas to the municipalities for ejidos, and only 5,370 manzanas were distributed, indicating that most peasants already had access to land and therefore were not requesting donations.

Logically, there is no reason for large growers in Nicaragua to have sought to dispossess smallholders completely, even to create a workforce. Although the growers frequently complained about labor scarcity, they needed a sizable workforce only during the three months of the coffee harvest. There was no need to have these workers tied to their land during the rest of the year, when they would have constituted a burden.

Alain de Janvry suggests that it serves the needs of larger growers to maintain their workers as smallholders who produce basic grains, enough to subsist and perhaps to serve the needs of the hacienda but not enough to allow them to ignore the call for workers during the harvest. He is correct that the small and medium-sized grower serves the needs of the larger producer, but he is wrong to see this as the only possible role for smaller producers. There were also small producers who became involved in coffee production.

At the same time, the continued access to land and the marketability of land does not mean that all players were equal and on a level playing field. Amitai Etzioni's socioeconomic model of the marketplace sharpens the focus on the system in which the market is imbedded and the various kinds of exploitation aside from the traditional bourgeois-proletarian dichotomy. That most small farmers did not lose their land to expanding latifundia with the introduction of coffee does not mean there was no exploitation or that the relationship among smaller and larger growers was not conflictive. The struggle was fought on many fronts and in many ways. While the smaller growers produced coffee, the wealthy elite lent them money, processed their coffee, and marketed it overseas. Yes, the land took on value—but not as much as its products.

NOTES

1. This traditional view originated in Jaime Wheelock Román's (1980) *Imperialismo y dictadura* and was popularized in North American literature by Biderman (1982a, 1982b). The Wheelock/Biderman approach became the standard, quoted in most monographs on Nicaragua, such as Enriquez's *Harvesting Change: Labor and Agrarian Reform in Nicaragua, 1979-1990* (1991). The dominant view has found its way into the textbooks as well: see Keen (1992: 449):

> The sudden growth of the world market for coffee created a demand by some members of the elite [in Nicaragua] for land suitable for coffee growing and for a supply of cheap labor. Beginning in 1877, a series of laws required the Indian villages to sell their communal lands; these laws also put the national lands up for sale. These laws effectively drove the Indian and mestizo peasants off their land, gradually transforming them into a class of dependent peons or sharecroppers.

2. Farm size categories for this study are minifundio, less than 10 manzanas; small, 10 to 49 manzanas; medium-sized, 50 to 199 manzanas; large, 200 to 499 manzanas; and latifundio, more than 500 manzanas.

3. Even in lending, there were opportunities for smaller participants: there were 202 lenders on record from 1877 to 1903, most of whom lent money only once. The most frequent lenders were also the larger growers, but land that was confiscated for bad debts was rarely added to the lenders' landholdings; instead, it was resold to smallholders, reestablishing the lending relationship. Debts were usually repaid in coffee, valued at the price paid at the time by three of Carazo's coffee purchasers—who were also usually the largest growers and lenders (see Charlip, 1995; 1998).

4. *Decretos Legislativos*, 1877, pp. 24-25; Department of Granada, *Libro de Propiedad*, February 8, 1881, no. 34, f17-18; September 26, 1886, no. 389, f271-3; February 25, 1890, no. 94, f53-55; April 18, 1890, no. 295, f169-75; Department of Carazo, *Registro de Propiedad*,

August 24, 1892, no. 412, f419-20; May 24, 1892; December 19, 1892, no. 553, f78-80; Department of Carazo, *Registro de Inmuebles*, April 3, 1900, no. 74, f80-81.

5. During Pedro Joaquin Chamorro's Conservative administration, Baltodano was the local power in Diriamba, with backing from the Granada power structure. When he thought that his candidates (he ruled by proxy) might lose an election, he had his opponents jailed on trumped-up charges and sentenced them to such duties as street cleaning. One estimate put his holdings at his death at 190,000 pesos.

6. Scholars have also incorrectly assumed that most vacant national land, known as *terreno baldío*, ended up in coffee as well and became the basis for most of the large coffee estates. From 1877 to 1904, there were 76 transactions recorded in Carazo involving baldíos, with 33 percent of the land ending up in coffee production by 1930. These transactions included 38 direct sales from the state to individuals or groups, with 15 transactions, or 39 percent, ending up in coffee. (Ten properties were described as appropriate for cattle grazing, and two included lime pits.) Another 29 transactions involved the transfer of former baldío property within the private sector; in other words, people were acquiring baldíos from the government and then making a profit by selling them. Still, only 34 percent of the land involved ended up in coffee.

7. A different set of laws addressed the terrenos baldíos. Baldío land was sold at auction, with base prices averaging 2 pesos per manzana of agricultural land and 1.20 for pasture. The laws required the payment of deposits, extensive advertising of claims, and surveys of land; as a result, the baldíos tended to be carved into larger farms. In Carazo, from 1878 to 1903, baldío sales averaged only 1.29 pesos per manzana, but the average size of a parcel was 503 manzanas. Those who bought baldíos came from a higher class than those who acquired ejidal land: nine were farmers; two were priests; and one each was a doctor, miner, licentiate, merchant, businessman, and attorney. Oscar-René Vargas (1890: 31-32) reports that in 1890, 24,598 manzanas of baldíos were sold nationwide, of which 68 percent went into coffee production. But in Carazo, the share that ended up in coffee, 39 percent, was far below the national average, despite the region's importance as a coffee zone. For baldío laws, see Lanuza (n.d.: 64-67), *Código de la Lejislación de Nicaragua, 1821-1863* (199-200, 202-206), *Decretos legislativos* (1860: 6; 1889: 196-197), and *Nicaragua* (1960: 108-146).

8. Both the peso and its successor, the cordoba, which replaced the peso in 1912, were supposedly equivalent to the dollar.

9. The *Registro* transactions show 54 percent of the property in minifundio, while the census shows only 25 percent. *Registro* transactions included 50 percent in small farms, while the 1909 census shows only 34 percent were in this category.

10. Eleven percent were owned for five to nine years, and 19 percent were held for 10 or more years.

11. Another 12 percent were medium-sized farms, and one large farm merged to become yet larger.

12. There were another 28 transactions involving family, usually siblings selling or transferring their shares of inheritance to one of the heirs to keep the property intact and its management under one person.

13. These people may have owned other property that was never registered or property that was registered but gave no indication of having coffee and therefore was not included in the data presented here.

REFERENCES

Biderman, Jaime
1982a *Class Structure, the State and Capitalist Development in Nicaraguan Agriculture.* Ph.D. dissertation, University of California, Berkeley.
1982b *The Development of Capitalism in Nicaragua: Economic Growth, Class Relations and Uneven Development.* Stanford: Stanford-Berkeley Joint Center for Latin American Studies.
Burns, E. Bradford
1991 *Patriarch and Folk: The Emergence of Nicaragua, 1798-1858*. Cambridge, MA: Harvard University Press.
Charlip, Julie A.
1998 "At their own risk: coffee farmers and debt in Nicaragua," in Aviva Chomsky and Aldo Lauria-Santiago (eds.) *At the Margins of the Nation-State: Identity and Struggle in the Making of the Laboring Peoples of Central America and the Hispanic Caribbean, 1860-1950*. Durham, NC: Duke University Press.
1995 "Cultivating coffee: farmers, land and money in Nicaragua, 1877-1930." Ph.D. dissertation, University of California, Los Angeles.
Deere, Carmen Diana, Peter Marchetti, S. J., and Nola Reinhardt
1985 "The peasantry and the development of Sandinista policy, 1979-1984." *Latin American Research Review* 20 (3): 75-109.
de Janvry, Alain
1981 *The Agrarian Question and Reformism in Latin America*. Baltimore: Johns Hopkins University Press.
Enriquez, Laura J.
1991 *Harvesting Change: Labor and Agrarian Reform* in Nicaragua, 1979-1990. Chapel Hill: University of North Carolina Press.
Envio
1985 "The Nicaraguan peasantry gives new direction to agrarian reform." August 4 (51): 1c-19c.
1987 "Rural cooperatives breaking new ground?" June 6 (72): 14-38.
Etzioni, Amitai
1992 "Foreword: the socioeconomics of markets," in Robin Cantor, Stuart Henry, and Steve Rayner, *Making Markets: An Interdisciplinary Perspective on Economic Exchange*. Westport, CT: Greenwood.
Keen, Benjamin
1992 *A History of Latin America.* 4th Ed. Boston: Houghton Mifflin Co.
Lanuza Matamoros, Alberto
n.d. *Estructuras socioeconómicas, poder y estado en Nicaragua, de 1821 a 1875.* Costa Rica: Serie Tesis de Grado No. 2.
Levy, Paul
1873 *Notas geográficas y económicas sobre la República de Nicaragua*. Paris: Librería Española de E. Denné Schmitz.
Mendoza, Juan M.
1920 *Historia de Diriamba*. Guatemala City: Imprenta Electra.
Nicaragua
1906 *La República de Nicaragua*. Managua: Tipografia y Encuadernación.
1909 *Censo cafetalero*. Managua.

Niederlein, Gustavo
1898 *The State of Nicaragua of the Greater Republic of Central America*. Philadelphia: Philadelphia Commercial Museum.
Playter, Harold
1926 *The Coffee Industry in Nicaragua*. Corinto, Nicaragua: American Consulate.
Vargas, Oscar-René
1890 “Accumulación, mercado interno y el desarrollo del capitalismo en Nicaragua: 1893-1909”. M.S.
Wheelock Román, Jaime
1980 *Imperialismo y dictadura*. Havana: Editorial de Ciencias Sociales.