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The history of the *social stratification* of Latin America

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Sociology's contribution to our understanding of the Latin American development process has been closely linked to studies on the social structure and stratification of the region and to analyses and interpretations of the various social groups' characters and behaviour. This investigative effort has been directed towards ascertaining the specific forms taken by the structure of social groups and classes in the region, since it had been postulated that these traits –which are an inherent part of Latin America– were determinants of the patterns which the development process would follow. The present article reviews the main interpretive approaches which have been or are still being used today by Latin American sociologists for the study of the main social groups' and classes' attitudes and forms of behaviour. The profound nature of the changes now taking place provides grounds for a reconsideration of the hypotheses made in this connection; the aim of this re-examination should be to retain the valuable aspects of these hypotheses and to use them as a basis for their further development and perhaps for the formulation of new hypotheses as well.

I

Social structure and stratification

As Latin America moved into the second half of this century, its development options were not only becoming a subject of concern in governmental and political circles but were also one of the main focuses of sociological thought. Sociology's contribution in this field was to point out just how important an understanding of the social structure of the Latin American countries had become, in view of this structure's dual role as an essential condition for the dynamics of change being experienced at the time and as a determinant of the features specific to the societies of these countries. The research usually cited in this connection includes the pioneering work of T. R. Crevenna (1950-1951) and a series of country studies that were conducted soon thereafter. The focus of this article, however, will not be the substantive content of these studies; instead, we will seek to offer a necessarily brief retrospective view of the interpretive approaches taken to the subject of the social structure and stratification of the region because today, given the thorough-going changes that have occurred, there appears to be an urgent need to redefine these approaches and to propose new perspectives that will explain the current dynamics of change.

Only a few of the authors who have dealt with the subject and who are felt to be representative of broader schools of thought will be selected for discussion, although we are aware that any selection process entails the risk of omitting important elements. That risk notwithstanding, there does seem to be general agreement as to the fact that Gino Germani (1955 and 1968) has had a profound influence on our understanding of social structure and stratification in Latin America; although his studies refer specifically to Argentina, the interpretive framework which he formulated has been widely used in the region. Germani was mainly concerned with understanding the special features, in countries such as those of the region, of the modernization process that

was clearly taking place within them. The countries' patterns of social stratification reflected the modalities of that process, which, although it did indeed have certain universal characteristics, also displayed some traits that were clearly specific to the region. For purposes of illustration, Germani drew a distinction between two different types of societies. The first was a traditional society in which the social strata corresponded to clearly differentiated estates, there tended to be little or no social mobility, and the principle of ascription applied to individuals; basically, social status was determined by a person's station at birth. In contrast, the second type of society, a modern society, exhibited a number of different strata (this could also happen in a traditional society, such as a caste system), but the most important point was that the dividing line between one stratum and the next tended to become blurred, and the whole of society took on the nature of a continuum. Germani also assumed a high degree of social mobility, to which migration contributed. In this type of society, the criterion of ascription used in determining social status and in assigning social roles was replaced by that of individual performance or achievement, due to the importance which this form of achievement was taking on. Both of these types of societies were, of course, schematizations that to some extent served heuristic purposes similar to those performed by idealized models, which bear varying degrees of similarity to reality.

Germani also used another type of schematization as a model for comparison with Latin America. In so doing, he referred to the social stratification process in the countries where capitalism had been born. In this scheme, he postulated the existence of three phases or stages of capitalist development which corresponded—here, too, in a simplified form—to three types of societies. The first phase would be characterized by a still large primary sector, a rudimentary secondary sector and a relatively small tertiary sector. The social groups found at this stage of development would be a still powerful but declining upper class; the bourgeoisie, which would be in the process of becoming a majority; and an urban

■ This article is based on the study "Estructura social y estilo de desarrollo en América Latina", prepared in conjunction with Rodrigo Baño for the ECLAC Social Development Division.

proletariat, which would be beginning to form political groups. In parallel with this, the relative position of rural sectors and of the petty bourgeoisie would grow weaker.

The second phase, which was seen as a transitional stage, would be marked by the decline of the primary sector and the expansion of the secondary sector; the tertiary section would have grown as modern services were developed. As the secondary sector grew and the tertiary sector changed and expanded, those who performed supervisory or leadership roles and the members of the bureaucracy would gain in importance in the new type of society that had taken shape. The middle class as a whole would have grown, but would also be displaying some instability in its make-up as new groups emerged and the fortunes of others waned. The urban proletariat, which would also have grown thanks to the expansion of the secondary sector, would become more organized, but it would also become increasingly differentiated, and what was to be known as the working-class aristocracy would become clearly discernible as a group. Generally speaking, an increase in social mobility would also be observed.

The third phase of capitalism—in the countries where it originated—would be characterized by a small primary sector, a stable secondary sector and an intensive expansion of the tertiary sector. A hallmark of this stage would be the separation of ownership from the control of business enterprises and economic activities, which would entail the emergence of a large technocratic sector. The middle class, for its part, would become more stable, in clear contrast to the preceding transitional stage. Among wage-earners, a distinction would begin to be made between manual and non-manual workers. The whole of society would be “moving forward”, and this advance would be perceived by the various social groups as well as by the people as individuals. The result would be a society-wide satisfaction with the situation, except among certain “marginal” groups.

The two schematizations outlined above, which, as noted earlier, Germani used for heuristic purposes as models for comparison with Latin America, entail an implicit theory of modernization, and his postulates regarding social structure and stratification formed part of that theory. Moreover, and especially in the second scheme relating to the phases of capitalist development, the important elements of the analysis of social stratification are the structural transformation of the economy and the concomitant

changes in the social structure, which involve both the emergence, decline or disappearance of what might be called “functional groups” and the power relations established among the various groups and classes.

Germani developed a series of schemes for Argentina and for Latin America that depict the particular historical aspects of their processes of change and transformation. He argued that, unlike what occurred in the development of capitalism's originators, in Latin America the modernization process took place under the direction of “modernizing oligarchies”, whose economic power base was founded upon a commodity-exporting economy rather than primarily upon an industrialization process; the traditional groups which saw their power decline were the ones that had no ties to the export sector. Another important aspect of the modernization process was the significance taken on by the middle class, and above all by those segments with links to bureaucratic organizations (especially those in the public sector, but in the private sector as well). These groups led the multi-class political and social movements that stood up to the oligarchy. The organized proletariat, with some exceptions, was relatively weak and therefore joined ranks with these movements without maintaining a clearly-defined sphere of autonomy or identity. The import-substituting industrialization process that took place in many countries of the region led to a fuller incorporation and integration of the middle class. At the most advanced stages of the process, the upper class—composed of the long-established landholding and industrial bourgeoisie—was joined by a new bourgeoisie which was also linked to manufacturing; the middle class was more heavily dependent upon the existing social structure, and the proletariat grew, but marginal groups also began to expand and, what is more, they did so at a rapid pace.

Bearing all this in mind, Germani, in seeking to deal specifically with the problem of how to go about studying and analysing social stratification in actual cases, saw a need to arrive at an understanding of the occupational distribution of the population, the rank or status attributed to the different occupations according to the predominant sociocultural criteria, and the lifestyle associated with those occupations, including both economic standing and other traits, particularly educational levels. He also placed importance on the social class with which people in the various occupations identified and on the differing belief systems, standards and values of occupational groups which distinguished them from one another.

The occupational structure thus acted as the very foundation for social stratification in Latin America, whose components were as follows: (i) *Rural upper and middle classes*: Primary-sector managers, entrepreneurs and employers, and "family help" and employees in the same sector; (ii) *Urban upper and middle classes*: Managers, entrepreneurs and employers in industry, commerce and services; "family help" working in firms run by the head of household; self-employed workers in the graphics/printing/paper industry; those whose line of business was wholesale commerce, exchange operations, office work, public entertainment, hotels and catering, health services or overland transport; employees and trainees in the secondary and tertiary sectors; and rentiers, retirees and pensioners not included in the economically active population but whose characteristics correspond to the middle class; (iii) *Rural working classes*: Manual workers, apprentices and self-employed workers in the primary sector; and (iv) *Urban working classes*: Manual workers and apprentices in the secondary sector, commerce and services, and self-employed workers in all branches of industry, commerce and services.

José Medina Echavarría addressed the subject of Latin America's social structure and stratification on a number of occasions (1964, 1967 and 1973). He was concerned with exploring the historical peculiarities of the Latin American social structure, which he considered to be of key importance in understanding the modalities of its development and in determining how it might meet the challenges of modernization, whose more general, universal aspects appeared to be virtually inescapable. He was thus aware of how stratification systems changed over time and of the fact that relatively simple schemes reflected only a given period in the Latin American countries' history, such as the years during which the *hacienda* system predominated. He was also aware, however, that even during that period new groups were forming in the cities—of merchants, members of the liberal professions and others—who were displaying a limited but growing degree of autonomy from the traditional oligarchy. A variety of factors that had played a role in the historical process of change were steadily increasing the complexity of the system of social classes and groups. The emergence of new strata, which then moved on to play significant roles in society, ultimately brought on the crisis of the traditional system, which left a series of

problems and challenges in its wake. The changes taking place in the region's stratification were, in his view, almost directly connected to changes in its economic structure. He perceived the trend towards the predominance of manufacturing and services at the expense of the primary (mainly agricultural) sector, which had led to the formation of new upper classes (or, more precisely, bourgeoisie) and of new middle-income strata and working (especially manual workers) classes. The phenomenon he underscored was the burgeoning growth of the cities and the progressive shrinkage of rural groups, many of whose members joined the ranks of the urban classes.

Medina Echavarría made reference to the formation of an industrial society, which certainly was not repeated *pari passu* in Latin America but which exhibited a pattern that, within certain bounds, was generally valid. He contended that the upper class underwent a transformation as it changed over from a traditional aristocracy to a modern bourgeoisie; that a new, steadily growing sector—the middle class—emerged which then occupied a position of singular importance in the industrial structure; and that the lower classes also experienced a transformation as an urban working class emerged which took the place of the more traditional craftsmen and eclipsed the peasantry.

In this author's eyes, the change in structure itself implied a high degree of social mobility associated with the growth of the middle classes and the rural-urban population shift, which, in his view, entailed a considerable step up in the social scale. This type of mobility could be more accurately described by the term "structural mobility". He also believed that the new industrial society was a society of open classes, and therefore exhibited not only structural mobility but also another sort of mobility that was inherent to that type of society. His vision of industrial society involved concepts such as those found in Germani's work: the principle of adscription tended to be replaced by that of personal merit, and the estate-based society, or caste system, gave way to a class-based society. He emphasized that in industrial society, equality of opportunity—at least in theory—was essential in order to achieve an optimum distribution of the population among the various specialized activities being pursued. One might even say that this form of equality was characterized as a functional requirement of the new society. He felt that the predominance of a certain type of rationality

—an instrumental rationality— was an intrinsic part of industrial society. The division of labour—in that society— was now determined by that rationality's emphasis on freedom of choice. To be sure, he did realize that there might be some sort of hiatus between the heralded equality of opportunity and the actual possibility of promotion or upward movement, but there would always have to be some possibility of free circulation by individuals so that they might be incorporated into the system of occupational specialization.

It is important to note that, for Medina Echavarría, the above-mentioned traits of industrial society took on the character of an idealized model which he then contrasted with another idealized model, that of traditional society. These contrasts between the two do, certainly, contribute to our understanding of the particular nature of Latin American societies. He used this technique to highlight a number of pivotal features, such as the degree of institutional specialization. Whereas, in traditional society, most functions are concentrated in a few institutions, industrial society generally has specialized institutions, each with its own limited, specific task to perform. Furthermore, in traditional society the predominant form of action in any given situation is specified, is prescribed in a fairly rigid fashion. In industrial society, on the other hand, forms of action are deliberated upon; society offers a number of guidelines to be taken into account when making a choice, but the essential element is the choice itself (deliberation), which is imposed by the social structure.

Medina Echavarría was especially interested in social behaviour as it related to development and change, and in this regard he saw a particularly clear contrast between traditional and industrial society: "Traditional and industrial society are diametrically opposed to one another in their attitude to change. Traditional society exalts the legacy of the past. Industrial society, in contrast, values and stimulates all change; in other words, change is institutionalized" (Medina Echavarría, 1967, p. 49). He also discerned another especially important facet of industrial society having to do with its political organization and foundations. He felt that, in the past, industrial society had been linked to a particular political model, that of liberal democracy. He was aware that this view was not entirely accepted by many scholars and might therefore need to be reviewed in the future. None the less, he believed that, regardless of the type

of political structure which industrial society might adopt, this type of society appeared to demand a greater degree of political participation on the part of increasingly broad sectors of the population. Although the above statements may indeed be controversial, they do underscore at least two subjects of interest: the presence of a relatively favourable attitude to change, and the topic of political participation and its forms. At one point in our history, these two questions were of pivotal importance, and sociology strove to provide some sort of answer.

Using this typology, Medina Echavarría highlighted the permeability or flexibility of the traditional system of domination as a specifically Latin American trait. Although it is true that the traditional dominant groups or, in the broad sense of the word, oligarchies had resisted the changes which would tend to displace them, it is also true that they accommodated to those changes to some extent in order to survive. Because of the way in which they did so, however, the modernization process was distorted. Moreover, owing to the mechanism used for this distortion-producing adaptation, the crisis of the traditional system did not end in a total breakdown of that system. Although a more complex form of social stratification did take shape, traditional forms of domination did not completely disappear; instead, by transforming itself, part of it managed to remain in operation. It refused to disappear, and to some extent its resistance was successful.

The idea of structural dualism is closely linked to the above. This dualism is, to be sure, characteristic of a transitional phase—in this case, from a traditional society to a modern society. It is also manifested in the coexistence, at any given point in time, of countries at different levels of development. An even more significant type of dualism, however, is the coexistence within a single country of some zones which more closely resemble the model of an industrial civilization and others that are closer to the traditional model; of modern cities and traditional cities, of rural zones that are the prototype of traditional society and others that are taking on the characteristics of an industrial society. In Latin America, because of the distortion-generating flexibility mentioned earlier, the relationships between modern and traditional elements have become extraordinarily complex and intricate.

This coexistence of tradition and modernity gives rise to asynchronies which are then manifested in various spheres of society. There is, for example,

some asynchrony in the process of change as it applies to the attitudes and modes of behaviour of the various strata, which to some extent explains the reason for the role played by society's elites. The change "usually begins in certain sectors of the urban elite and then spreads downward to the various strata of the population, from the highest to the lowest" (Medina Echavarría, 1967, p. 54). But this asynchrony is not limited to the behaviour of people; it is also to be observed in institutions. Thus, Medina Echavarría also concluded that "if institutions do not change at the same pace –and, at times, in the same direction– in a given location and point in time, then some institutions will be closer to the traditional model and others to the industrial model"; [therefore] "it is possible that the technical/economic structure may have moved in the direction required by the industrial model while other spheres have lagged behind. Or vice versa. In any event, these asynchronies may be found in different parts of the social structure" (Medina Echavarría, 1967, p. 53).

The above-mentioned author's main concern regarding this subject was the possible implications in terms of the Latin American countries' development options. The underlying assumption was that the technical/economic structures of the industrial model would require motivations geared to those structures and would therefore be unable to function on the basis of the motivations associated with traditional society. As noted earlier, asynchronies could be observed in the behaviour of both individuals and institutions, and in the relationships between the two as well. Thus, even if certain types of changes took place in the occupational structure, the necessary changes in terms of the motivations, attitudes and feelings of the persons concerned might not come about. Another possibility was that people's attitudes had indeed changed in the way called for by industrial society but that the technical/economic, educational, political and other apparatuses of society had stagnated. In concrete terms, Medina Echavarría warned, it was possible that people's aspirations and attitudes in regard to consumption, their lifestyle, etc. would come to resemble those associated with industrial society but that production would remain at a limited or insufficient level of development. Thus, Medina Echavarría's contribution in this field lies in having addressed the subject of the transformation of the social structure and stratification, and those features of that transformation specific to Latin America, and in having underscored the need to link structural changes affecting social groups and strata

with the values and attitudes that guide the behaviour of the groups in question.

To those authors whose views were more closely associated with Marxist thought, the question of social stratification –or, more precisely, the issue of social classes– appeared to be closely linked to the specific features of capitalist development in the region, and this, as they noted, differed substantially from what might be regarded as the original model. One such author, for example, is Florestán Fernandes (1968 and 1973), who spoke about the difficulty of referring to a class society in Latin America, where capitalism was not, in large measure, the result of an internal evolutionary process and, by its very nature, lacked the capability to create conditions conducive to autonomous development and self-sustained growth. Consequently, the social classes (with the term being defined here as those that form under a capitalist system) did not take in the whole of the population, a large part of which was divided into "social categories" rather than classes. The "class system" was thus limited. Although there were enormous differences between one and the other, they were superimposed upon other social categories (the marginalized, the dispossessed, the extremely poor) and enjoyed a position of some privilege, inasmuch as it was often only they who were able to participate in fundamental decision-making. Furthermore, the classes that did exist did not perceive themselves as such and tended to deny that identity to the other social categories as well.

According to Fernandes, Latin America encompassed a mix of differing stages of economic evolution, at least at the time when he was writing, and it was therefore impossible to talk about a universalization of capitalist market forms. One particularly significant fact was that in large sectors of the economy –in the agrarian sector, for example, but in others as well– it was possible to appropriate labour on a basis that was not, strictly speaking, capitalistic, i.e., in terms of a labour market. It followed from this proposition that the fundamental difference was the possession of goods or the lack thereof. The *category of possessors* included the capitalist sectors as such and other forces having certain class traits, such as the rural upper sectors. In fact, Fernandes drew a distinction between a rural upper class and an urban upper class composed of industrialists, burghers, large-scale traders or merchants, high-ranking or highly-skilled professionals, etc. He also defined an urban middle class which, although it was not, strictly speaking, a

"possessor", associated its interests with those of the possessors; this included a traditional middle class and a modern middle class. The category of *non-possessors*, which was formed by a wide array of different groups, included those belonging to subsistence economies or archaic economic structures and those who were actually beginning to take on the identity of wage-earning proletarians.

Although they did run into difficulties in this area, Marxist-inspired authors strove to apply theoretical concepts taken from that body of thought to their analysis of the Latin American social structure and stratification. Many of them focused on certain groups, such as entrepreneurs or workers; but others, such as De Ipola and Torrado (1976), also tried to apply more comprehensive schemes. These two authors developed a theoretical scheme based on the concept of the social division of labour in capitalist society. On that basis they postulated the existence of what appeared to be a determinative production relation. This production relation was—in Marxist terminology—an exploitative relationship that gave rise to two major groups: actual workers and those who appropriated surplus labour. Thus, one group was made up of "exploited" persons and the other was formed by the "exploiters", and the two were seen as constituting the social classes. In addition, these authors also identified other relationships which were defined by that determinative production relationship and which, on that basis, arose between the agents of production and the means of production involved in a historically determined social production process. These relationships were basically the following: (i) *relationships of ownership*, which might take the form of individual private ownership, collective private ownership, and even private social ownership, with the latter term referring to cases in which the bearer took the form of the entire class of owners as a unit; (ii) *relationships of possession*, which were the relationships existing between some agents of production and the means of production involved in the production process. Through such relationships this type of agent acquired the power to direct and coordinate the production process, thereby ensuring its operation; (iii) *technical control*, which was the relationship between some agents of production and the means of production involved in the labour process. Through this relationship, these agents acquired the ability to set the relevant means of production into motion; and (iv) *deforcement*, which referred to the relationship between direct producers and means of production when those means were

directly involved in the labour process. Each of these relationships implied its opposite, i.e., non-ownership, non-possession, an absence of technical control and non-deforcement.

The social division of labour would determine the distribution of agents of production as a function both of determinative production (exploitative) relationships and the production relationships defined by determinative relationships (ownership, possession, technical control and deformation). The former were reflected in the social classes while the latter were reflected in social strata, which were composed of sub-sets of agents within a given social class who held different ranks.

This social division of labour was specified through the "division of social labour", which determined the distribution of agents of production among the various sub-processes and sectors of activity; this made it possible to identify class segments such as, for example, the industrial bourgeoisie, the commercial bourgeoisie, the financial bourgeoisie, etc. There was also a technical division of labour, which related to the allocation of tasks and functions within each labour process without reference to social production relationships. Finally, "production units" could be defined which were actually economic units (such as business firms, banks, shopping centres, etc.) involving different ranks of functions and levels of decision-making (e.g., concerning supervision, monitoring or execution).

Alongside the economic processes of a given mode of production, non-economic processes were also taking place, with the main ones being legal/political and ideological processes that ensured the conditions necessary for the reproduction of the production process. These processes had their own apparatuses; for example, in the case of legal/political processes, the apparatus included the armed forces, the courts and political parties. In the case of ideological processes, it included the family, the schools, religious institutions and the mass media. The people involved in these non-economic processes formed social categories.

According to the above, the scheme of the social structure in a classist mode of production would be determined by a social production process that generated antagonistic relations based on exploitation, i.e., class struggle. The social production process could thus be broken down into a direct production process which gave rise to class segments and strata. For a full understanding of this phenomenon, the dominant

process, which is what ensured the basic conditions for reproduction, had to be identified; in capitalism, this was the process of circulation and, above all, the labour market. Finally, there were also non-economic legal/political and ideological processes, which ensured the secondary conditions needed for the reproduction of the social production process.

These authors argued that the social classes tended towards a greater or lesser degree of internal differentiation depending upon the type of capitalist development involved. For example, if the capitalist class was defined by ownership and possession and the working class by technical control and deforcement, then in the monopolistic phase of capitalism the former would be divided into owners and executives (possession) while in the latter, technical control would be separated from deforcement (manpower).

The proposed system of stratification can obviously refer to a class system and can apply to a given society the hypotheses derived from the theory of class relations, particularly those which attribute the dynamic of change to class struggle.

Authors such as Filgueira and Geneletti (1981) also dealt with the problem of social conflict in their analysis of the subject of stratification and mobility, but they saw it as essentially a distributive phenomenon. For them, "stratification refers, in a broad sense, to the way in which individuals have access to the available social goods" (1981, p. 2). These goods are primarily income, education, status, power and wealth. They see patterns of social stratification as being the most important causes and consequences of conflict among the individuals and groups in society, and define mobility as changes in distribution patterns for social goods. They distinguish between individual mobility, which is usually measured by the difference between the occupations of a father and son, and structural mobility, which arises out of an increase in some occupations as compared to others having a different status. This form of mobility, which would thus be generated by changes in the production structure, is the type that is of interest to these authors and constitutes the focus of their study.

Latin America has also been marked by a high degree of demographic mobility, primarily in the form of rural-urban migration, which has certainly led to changes in the occupational structure. Consequently, in order to analyse changes in the profile of that structure, Filgueira and Geneletti felt it was necessary to start out by looking at sectoral changes in the economy, establishing the classic distinctions

among the primary, secondary and tertiary sectors. The object was to see how these changes influenced the relative size of the socioeconomic strata making up the economically active population.

The stratification scheme developed by these authors has a number of different components, each of which includes various occupational groups. Their scheme is as follows:

(i) *Middle and upper strata in secondary and tertiary occupations*: white-collar workers in industry, commerce and services; senior personnel in industry, commerce and services; self-employed white-collar workers in commerce; and salespeople, office workers and other white-collar workers in industry, commerce and services.

(ii) *Lower stratum in secondary occupations*: wage-earners, self-employed workers and unpaid family workers.

(iii) *Lower stratum in tertiary occupations*: wage-earners, self-employed workers and unpaid family workers.

(iv) *Middle and upper strata in primary occupations*.

(v) *Lower stratum in primary occupations*: wage-earners, self-employed workers and unpaid family workers.

(vi) *Other*.

From the statistical analyses they prepared based on data up to 1970, Filgueira and Geneletti deduced that at the time they were writing, judging from the fissures being opened up by the emergence of a modern sector in the various areas of economic activity, they were witnessing the early signs of a redefinition of the structure of social strata. Despite the slow growth of this sector in terms of jobs, the authors pointed out the sociological importance of this change in that it was generating groups which could prove to be decisive in the formation and identification of some strata (especially those made up of executives, managers and supervisory personnel), thereby altering the overall composition of the middle classes. They also observed that, by the same token, a "workers' aristocracy" might emerge among the groups formed by manual workers.

These authors also noted that the lower middle strata and non-independent professionals were the groups that had grown the most (one out of every four employed persons belongs to these strata). An extremely important feature of these groups was the lack of correspondence between their job status and their educational status, since most of these people

were highly educated but earned low incomes. There was also a vast difference in status between people performing low-ranking non-manual jobs and those employed in high-ranking non-manual jobs. The former made up what might be described as a "sub-proletariat" of the middle class but none the less did not, in subjective terms, identify with the actual proletariat as such.

In analysing the behaviour of the middle classes, Filgueira and Geneletti found that the rapid expansion of these sectors, especially in the case of the bureaucracy, had been accompanied by an expansion of education that had redounded to their benefit. Most of the Latin American countries went through a phase of development of the various dimensions of the social modernization process (specifically, urbanization and education) which contributed to the integration of these groups. In view of these events, the authors affirmed the existence of "rules of deferred gratification" involving an acceptance of an unfavourable state of affairs in expectation of improvements in the future. They also warned, however, that if, over the long term, the possibilities for maintaining a reasonable balance between aspirations and their fulfilment should become exhausted, then tension would tend to build up to dangerous levels.

The status-related incongruities mentioned above were not only reflected in the behaviour of individuals and the tensions—either personal or collective—that might be generated; they also influenced other aspects, including the operational efficiency of the economic system. In the opinion of Filgueira and Geneletti, there was an increasingly sharp difference between existing levels and types of knowledge and those in demand in the job market. Evidence of this

was provided by the growing percentage of persons performing low-level administrative jobs who had a college education or of people holding generally unskilled jobs in service activities who had a secondary-level education. All this would seem to indicate that the prevailing development style was associated with an increasing underutilization of the available supply of human resources. Moreover, since the asynchrony between the development of the educational system and of the production structure would lead to a "devaluation of education", individuals would have to make increasingly large investments in education in order to attain the same occupational ranks and income levels.

In sum, the dominant model of structural mobility in the region has been marked by a substantial reduction in primary activities (especially in rural areas) in relative terms, by a stable situation with regard to low-level urban activities and by an expansion of the middle and upper strata. However, the manpower made available by the steady, steep decrease seen in the primary sector is mainly being absorbed by the tertiary sector, as the secondary sector's absorption capacity has apparently failed to keep pace with the reduction of the primary sector. There has been some social mobility in the region, but it has been limited because its dynamics have been obstructed. These authors feel that the existing form of social mobility "is only possible if it does not have a strong effect on the basic distribution of economic resources", and they posit the existence of a structural barrier to social mobility which they attribute to the structure of the existing pattern of occupational stratification and its distortions.

II

Description of the various social groups

Latin American sociology has not only established certain interpretive parameters regarding the social structure and stratification of the region. It has also produced numerous studies—some in the form of monographs, others having more ambitious theoretical aspirations—on specific social groups. In view of the volume of this literature, an exhaustive review cannot be undertaken here, however; the following

discussion will therefore be limited to a few examples that are considered to be significant. In addition, most of the studies that describe the characteristics of different groups are valid only for the time period in which they were done, so any attempt to make generalizations would be risky. Nevertheless, since our objective here is to point out changes and transformations, perceptions of a given group's characteristics

at one point in time are useful for comparisons with that group's perceived features at another point in time; this will provide us with at least some indication of the types of changes it has undergone.

1. The oligarchy and the elites

We will focus first on the so-called oligarchy, which is a term often used to describe groups within the upper strata that have traditionally wielded power.

One of the most detailed studies on these groups was done by Bourricaud (1969), and although it refers specifically to Peru, portions of its contents are broadly applicable. The oligarchy and its dominant position were based, according to Bourricaud, on an almost perfect system of patrimonialism whose defining characteristic was the control exercised by the "patrón", or boss, in rural areas on the *haciendas* and by the formation of "clienteles" in urban areas. It should be noted that Medina Echavarría also underscored the importance of the *hacienda* system in shaping a model of sociocultural conduct in Latin America and referred to the system of clientage as one of the particular modes of politico-social relations in the countries of the region. Both authors, too, highlight the importance of family connections for these groups. Bourricaud shows how the oligarchy used family connections to control broad sectors of the economy. From their base in agricultural activities, these families dominated a large portion of the region's foreign trade, exerted a powerful influence over some important media and diversified their interests by moving, for example, into construction. The oligarchy, for Bourricaud, was a group that gained a great deal of control over existing wealth, and its hallmark was the close relationship it managed to establish between economic power and political power.

Graciarena and Franco (1981) detected a change in the control of power, which they felt was shifting from the oligarchy to a new elite. These authors saw the expansion of the social spectrum from which persons were recruited to fill positions of power as a significant event in the Latin American countries. While the oligarchy was in power, this recruitment was primarily family-based since, typically, the oligarchy was composed of people who were related by blood or closely linked through their clienteles. In contrast, the members of the new groups taking up positions of power were drawn from a much more heterogeneous base. Nevertheless, most of them took

on similar, or at least compatible, ways of thinking and acting. This may be accounted for by the fact that they had a common socialization, shared social experience and similar ideologies.

These authors did not limit the category of elites to the upper strata of society. They saw this type of power as being held by a number of different segments; thus, there might be, for example, an entrepreneurial elite, a trade-union elite, a religious elite, a military elite or a civilian-technocrat elite, and complex relations might form among them. The complexity and heterogeneity of these elites stemmed from the heterogeneity of the economic structure itself. Within the production apparatus, a modern, dynamic core segment coexisted with large, archaic sectors of the economy. In addition, there would be a cluster of semi-modern firms that would be less efficient and have lower levels of productivity than the dynamic core group of firms, to which they were subordinate. Each of these types of firms—of differing degrees of modernity—had different patterns of social stratification, and this was the source of the growing complexity and incongruity of the social structure.

Hence, a distinction may be drawn between the oligarchy and these elites based on their differences in terms of the origins of their recruits and their power bases. The oligarchy's base was agricultural, although it had branched out from there to other parts of the economy. The elites, on the other hand, would not be divorced from the processes of modernization and industrialization nor would they be incompatible with the presence of large, influential middle classes. However, observed Graciarena (1967) in another study, the fact of the matter was that in Latin America the elites were oligarchic in nature; because of their mode of recruitment, the groups holding power basically have the defining characteristics of an elite, but their politics conform to oligarchic patterns.

2. Entrepreneurial sectors

Entrepreneurs are another group that has been studied a great deal, but most of the studies have focused on industrial entrepreneurs. This is understandable, in view of the importance which the emergence of a substantial industrial economy has had for the Latin American development process. Latin American industrial entrepreneurs have usually been characterized as having two different origins. One group of entrepreneurs is said to have arisen out of the social ascent of foreign immigrants while the

other is thought to have come from the economic differentiation of the old producer classes in the export-based period. Hence, the birth of industrial entrepreneurs as a group was a fragmented process, and from the very start they have been subject to severe limitations as regards development of an awareness of their own interests. None the less, in both cases the group that served as their ideological point of reference was the traditional oligarchy; this was, in some instances, because the traditional oligarchy was their source and, in others, because of a desire to imitate the oligarchy and thus secure the outward symbols of integration. As a rule, entrepreneurs have tended to associate themselves with those groups having the most economic and social power, and the configuration of an industrialization-promoting alliance – ideally, to be formed by industrial entrepreneurs, the middle class and workers – was therefore often no more than an aspiration of certain ideologues or was an incidental occurrence. The most important entrepreneurs, in particular, identified more closely with the interests of the groups wielding economic and social power.

Another quite significant event – which played a role in the above-mentioned developments – was the formation, starting long before, of large economic conglomerates and holding companies. These conglomerates were involved in all sorts of activities and provided a close link between industry and other sectors (such as banking, for example) that were controlled by more traditional groups.

Furthermore, especially in the case of large enterprises, the degree of external dependence – even if the firm's activities targeted the domestic market – was considerable and was manifested in their financial affairs, technology and even their capital stock. Thus the interrelation of interests tended to favour anything that made that connection possible and the interests that made it viable.

Of course, small and medium-scale entrepreneurs were an important group as well. Although at times they behaved somewhat antagonistically towards large entrepreneurs, more often than not they were in a markedly subordinate position to the latter, which prevented them from carrying their conflicts to an extreme. Moreover, when they were not in a position to meet their employees' demands, they sought to form alliances with the more powerful groups in order to contain such pressures. What is more, small and medium-scale industry tended to be severely affected during downswings in the economic cycle and,

for a number of reasons, their performance in terms of economic efficiency was not encouraging. According to a study conducted in Chile by G. Campero (1984), between 1967 and 1979 the number of small-scale industrial establishments fell by 10.5% and the value added by this sector dropped by 27.6%.

Sociologists studying the behaviour of entrepreneurs and their influence on the modalities of the development process were particularly interested in analysing this group's creativity, its capacity for innovation and its risk-taking skills, among other characteristics. Many such studies found that, except in a limited number of cases and under very special sets of circumstances, entrepreneurs did not usually show a willingness to assume the risk of investing in new companies. For the most part, they were more inclined to use the advantages offered by the market to their benefit and, for that reason, in many cases their behaviour was more like the modes of conduct associated with merchants and financiers. Their frequent disinterest in innovation may be accounted for by the fact that many of them were operating in captive markets. Many of the studies conducted on this subject have found that, during extended periods of time, entrepreneurs' behaviour was marked by a tendency to adapt rather than to opt for change. A tendency was observed on the part of entrepreneurs to confine themselves to the demand possibilities associated with a given social structure. Consequently, the production structure mirrored socially-structured demand patterns.

3. The middle class

Another special concern of Latin American sociology, in addition to the role of entrepreneurs in the development process, has been the behaviour of the middle classes, taking into account their role in the political process and the modernization process in general. In the above-cited study by Filgueira and Geneletti, special attention was devoted to these groups because the authors felt that the change in the percentage of the total economically active population represented by the middle class was a good indicator of changes in social stratification patterns as a whole, as well as being a key factor in understanding social mobility. In view of this group's heterogeneity and the breadth of the term "middle class", their research focused on identifying the strata making up the various areas of activity, since their thesis was that the growth of the middle class was linked to

changes in the composition of the economically active population by area of activity.

Many students of the subject have maintained that in most of the Latin American countries the expansion of the middle class has outstripped the development of the forces of production. Among the causes of this hypertrophy, they cite the convergence of a series of processes, such as urbanization, the development of education and bureaucratization. The majority view is that the fundamental factor has been the expansion of the State apparatus.

Authors such as Ratinoff (1967) have attempted to divide the historical evolution of these sectors into various stages based, in particular, on the types of behaviour observed in each. Thus, they have defined an ascending phase, marked by a successful effort to win the working classes' support for the political proposals of the middle class; by a substantial institution-building capacity; by the formulation of policies and ideologies conducive to State intervention; and by the introduction of changes in the economic, social, cultural and political spheres. The most salient feature of the second phase, which has been called the "commitment phase", would then be the aim of guaranteeing the agendas already on the table.

Graciarena (1967) also postulates the existence of a long historical cycle as part of his understanding of the middle class, in which the pivotal element is its degree of autonomy from other groups. According to this author, the extent of its autonomy was extremely limited in the early days of Latin American society, following independence; later, during the early decades of the twentieth century, it started to increase until, at different points in time depending on the country, it reached its acme. Thereafter the middle class's autonomy began to wane, and by the time Graciarena wrote his study, it was once again at a low ebb.

Graciarena distinguishes two main groups in this process. The first, the "residual middle classes", formed during the colonial period and the nineteenth century in close association with the upper classes and has exhibited high levels of structural dependence and status in relation to them. This group had strong ties to the traditional economy and has been in decline but has not lost all its influence, and is now primarily linked to certain sectors of the government bureaucracy, such as the judiciary, the diplomatic service and some levels of education. Its behaviour is guided by the values associated with the upper class. The second group is the "emerging middle classes".

This group is a product of economic development, and its main base is found in the modern sector of the economy: manufacturing, commerce and services. This group has had greater autonomy than the first and has promoted economic development, which has brought it into confrontation with the oligarchy and the traditional middle classes. This conflict, says Graciarena, was a major one and constituted a milestone in the history of Latin America, although it has subsequently tended to subside.

Many authors contend that a large part of the middle class has lived almost as parasites, a situation which has been promoted by systems that used or still use State resources to add unnecessary employees to the bureaucracy's payrolls, that offered cheap credit to companies and professionals as well as low-priced housing and consumer loans, that advocated public welfare policies which primarily benefited these sectors, and that promoted other, similar measures. When they became aware of their privileged position, these groups—according to the experts—strove to defend a status quo which worked to their benefit. They are also said to carry significant weight in existing power structures due to their numbers and their social influence, which is augmented by the role played in the State apparatus by technocrats and bureaucrats drawn from their ranks. Because of all this, the middle class is said to have helped shape some of the development styles that have characterized the region. Nevertheless, some authors realize that, since these sectors have attained relatively high educational levels, which in practical terms translates into professional training and skills, they have contributed to the development of a technical rationality that has had a considerable influence in terms of levels of economic productivity.

The question of the middle classes' internal heterogeneity has captured the attention of scholars, who have used various criteria for ascertaining their differences. Filgueira and Geneletti, for example, differentiate between those who perform high-status and low-status non-manual jobs. The latter category appears to have expanded more, which would imply some degree of "proletarianization" of these strata, although this does not necessarily mean that their members subjectively identify with working-class sectors. Along with the growth of a relatively impoverished segment of the middle class, however, a "modern" middle class has also been forming. The question then arises as to whether this growth can be sustained and what conditions are needed in order for

this to happen in each country. Regardless of the answers to these questions, it is a fact that most experts agree about the importance of the technocratic groups which have links to these strata. Development itself, they assert, combined with the demonstration effect of the advanced countries in the international system, has made the creation of a technically sophisticated structure necessary. By virtue of the position held by these groups, they can exert a great deal of influence over certain aspects of the development style. O'Donnell (1972), for example, says that senior technocrats in major institutions have certain aspects of their background and socialization in common and establish linkages among themselves which lead to mutual recognition and similar types of conduct, regardless of the particular sector in which they are involved. Their behaviour would appear to be based on a certain definition of what is rational, appropriate and technically effective. Thinking, apparently, about the above-mentioned groups, Fernandes (1968) states that the middle classes are the standard-bearers of ultramodernity and that it is in this sphere that they have the best opportunities for asserting their own worth in the market; modernization incorporates those interests and forms of action that are specific to them as a class. Changes in the weight carried by the various sectors within the middle class have implications for the ideology of the entire sector. According to Graciarena (1967), the middle class has abandoned its original ideological stances and has therefore reduced its chances of influencing the other classes. He feels that the middle classes' power has always been based on an expansion of State control and that, by accepting ideologies that delegitimize State intervention, it has undermined its own power base, thereby leaving the actual direction or supervision of economic processes in the hands of big business.

4. The workers

The available data indicate that between 1961 and 1980 the strata making up the working class expanded in almost all the countries. However, in comparison with the rest of the economically active population, this sector was still not large enough to be a decisive factor, and its size varied markedly from one country to another. For example, in Argentina manual workers represented 27.5% of the economically active population; in Chile, the figure was 25%, and it was no more than 19% in Venezuela and

Panama, 17.5% in Mexico, 16% in Colombia, 15% in Brazil and less than 15% in Peru.

The working class is also internally heterogeneous, but its variability is not due so much to differences in the types of occupations or activities performed, as in the case of the middle class, as it is to other factors. The first difference identified by researchers was the existence of an "old" and a "new" working class. The "new" working class apparently was formed as a result of internal migration and the rapid expansion of the manufacturing sector during the import-substitution stage. Most studies on the subject cast the "old" working class as a type of theoretical model which is actually more valid for the countries along Latin America's Atlantic coastline (specifically Brazil, Uruguay and Argentina) and particularly for cities in which some sort of manufacturing activity had been pursued on a substantial scale prior to the import-substitution phase. Hence, researchers postulated that the working class included a large contingent of immigrants from Europe—particularly Italians, Spaniards and Portuguese—who had something of a working-class tradition and a certain skill level, although they were associated with some artisanal traits and ideologies of the labour movement in their home countries. Subsequent studies amended many of these assumptions. First it was pointed out that this experience—as indicated earlier—corresponded only to some countries, and that even in cases where the number of immigrants from Europe had indeed been considerable, the majority of those immigrants did not necessarily have experience as manual workers, and emphasis was placed on the significance of the immigrants' rural backgrounds. It was made clear that much of what had been said in earlier studies referred to relatively small groups which had been in leadership positions and that the traits of this elite leadership were being mistaken for the characteristics of the whole group. The typical set of features attributed to the "old" working class were used to mark a contrast with the characteristics of the new contingents formed by internal migration and the expansion of the manufacturing sector. Whether or not the comparison was valid, however, the description of the new breed of workers was of some value in its own right.

These workers' most frequently cited traits were their low educational and skill levels, since their rural origins had not afforded them any semi-industrial experience, nor were they skilled craftsmen. Their origins were initially considered to be one of the key

determinants of their conduct and characteristics, but it was later demonstrated that in some countries—one example being Chile, according to Gurrieri (1968)—this blanket statement needed to be analysed with care, inasmuch as rural migrants also had some experience in the admittedly smaller cities of the generally rural provinces. Another interesting point made by Gurrieri is that, at least in Chile, the formation of working-class sectors through migration was not a novel phenomenon; indeed, migration was an integral part of the history of the working class's origins. Nevertheless, for the Latin American countries in general, internal migration came to be a large-scale phenomenon following the Second World War, and new contingents of migrants made their appearance at the time that mass consumption patterns were spreading, which influenced the type of demand that was generated. These people's incorporation into urban life, in terms of what that meant at the time (e.g., access to housing, education and social benefits), overshadowed more specifically labour-related demands.

These changes affected not only workers but society as a whole. The pre-existing norms and standards were no longer as valid, and this had an impact on workers. The formation of a class identity still appeared to be a difficult venture, especially as regarded the definition of shared interests, and what solidarity was to be observed was primarily focused on primary groups. All of this played a part in generating what appeared to be the most common form of political conduct, which was the formation of available and easily manipulated masses.

The statements that had been made about the working class were very broad generalizations, and a number of important differences remained to be established. Di Tella (1964) identified two major strata—a lower and an upper one—within the working class. The lower stratum was most like the “new” workers mentioned earlier by virtue of its members' low cultural and skill levels. Di Tella also noted their tendency towards an “authoritarian personality”. Their social views were somewhat confused and they exhibited an inclination to participate in mass movements which gave them the illusion of direct participation that was not being brokered by any organization. The upper stratum was formed by more highly educated and skilled individuals who would therefore often have an opportunity to move up to leadership positions and thus increase their chances (as individuals and for their families as a unit) of

social mobility. This mobility would bring them closer to the middle class, whose value systems they internalized. The social distance separating them from the lower stratum of workers would cause them to interpret the interests of the working class based on their own situations; their identification with middle-class values hindered communication with the rest of the working class and hampered a full understanding of its problems. Thus, the fact of the matter is that a clearly-delineated class identity was not in evidence among either the lower or the upper stratum.

The distinction between skilled and unskilled workers came to be an important element in analyses of the sector's internal stratification. A number of studies indicated that in Sao Paulo (one of the most industrialized cities in Brazil), for example, unskilled workers saw no improvement in their living conditions either during the 1970s or thereafter, in contrast to the situation for skilled workers, whose real wages rose as well. Moreover, when wages were declining, the decrease for unskilled workers was much sharper. The distance separating the unskilled mass of workers from the better-placed industrial workers was thought to have influenced the direction taken by the trade union movement in many cases and even to have had some political repercussions. The notion arose that the two strata did not share the same values or interests and that the more skilled group would tend to be perceived as a privileged elite.

5. The campesinos

The existing analyses of the *campesinos* in Latin America have been strongly influenced by the anthropological approaches taken to the description of this sector's structure and the study of its members' behavioural traits. Furthermore, many of the early studies were conducted by researchers from the United States, and this is reflected even in the terminology used. Redfield (1956), for example, in considering small isolated communities, made a distinction between “peasants” and “farmers”. He used the term “peasant” to refer to those who had a measure of control over the land that permitted them—and this is the salient point—to maintain and even develop a traditional lifestyle in common; agriculture was the foundation for this way of life and was not regarded primarily as an investment, with a portion of output being sold in the market, or as a business concern. “Farmers”, on the other hand, had an

entrepreneurial outlook, and agriculture was their business.

Some Latin American researchers, such as Quijano (1967), have defined the *campesinos* in ways that emphasize the power relations of which they are a part. The *campesinos*, they assert, are the members of the rural population who belong to economically and socially dominated strata, regardless of the specific function they may perform; they may include day labourers, settlers and sharecroppers, owners of very small holdings, small-scale merchants, craftsmen, students, etc. This definition does not mean that these differences should be ignored; it simply delimits a broad, inclusive category.

Landesberger (1969) attempted to summarize the elements shared by the various definitions of the *campesinos* that have been formulated, with the following results: *campesinos* are "rural cultivators", i.e., people having links to the working of the land or who are very close to it; they have a dual orientation towards the family and the market, but they do not see themselves as somebody who is managing a business in order to get the most out of it; their behaviour is in reference to a community, generally a limited group of families who share the same standards and values and who occupy a subordinate position in a hierarchical economic and political structure. For Landesberger himself, however, the essential point is that they are rural cultivators in low-ranking political and economic positions, and their specific characteristics must be defined empirically in each particular case.

Stinchcombe (1961-1962), on the other hand, attempted to set up a differentiated typology of *campesinos* according to the types of agricultural concerns to which they were linked. This typology encompasses a number of different categories based on decision-making power in regard to production and the distribution of benefits; on land values; on whether the landowner exercises police powers over his workers or is their relative; on the amount of capital required to run the business, excluding the land; and on the enterprise's degree of technical organization. Based on these criteria, Stinchcombe identified various types of agricultural concerns. One was the *hacienda*, which is part of a system that retains much of its feudal, pre-commercial character and involves a dual distribution of land. A portion of the land is divided into small plots that are in the hands of the *campesinos*, who practice subsistence

farming on them; the rest is the landowner's, and its output is marketed. This land is farmed by the above-mentioned *campesinos*, who often work the land on the basis of common-law obligations. The prices of both labour and land are low, and the landholder's power is almost absolute; output is not plentiful, and the level of efficiency is very low. The form of production denotes the separation that exists between the landholder and the *campesinos*. The former is frequently an absentee landlord who pursues political activities in the city; the peasants, on the other hand, live on the fringes of that world in an apathetic state marked by backward conditions and a lack of political rights.

Another type of agricultural concern is the plantation. This type of enterprise is based on large capitalist holdings devoted to crops which generally take a number of years before they are ready for harvesting and require a large amount of labour; they may also require other types of long-term investments such as, for example, investments in machinery. They are labour-intensive and the demand for manpower is often seasonal. Stinchcombe asserts that the dominant class in this type of enterprise takes care to prevent the establishment of small landholdings and will even strive to suppress them if they do make an appearance. Technical control, he says, is in the hands of the above-mentioned social group.

The *estancia*, or ranch, is defined by this author as a capitalist enterprise which keeps livestock or practices extensive farming and whose manpower is primarily provided by wage-earners. The land itself is of little commercial value and the workforce is low-priced, fluctuating and mobile, has few family ties and lives in group camps.

Another category, Stinchcombe adds, is that of *tenant farming*. In this case, the actual landowner is a rentier who gives over his land in exchange for a payment that may be made in cash or in kind, or in a combination of the two. The land used for such ventures is very productive and has a high market value. Its cultivation is labour intensive, but largely unmechanized, and the type of manpower used—apart from that of family members—is inexpensive. The crop cycle is one year or less in duration, and no appreciable economies of scale are attained for factors other than labour. Social contact between these landowners and tenant farmers is extremely limited, and the two groups therefore have very different lifestyles.

The last category defined by Stinchcombe is the *small family farm*. The costs incurred on such owner-operated farms are usually fairly stable; these farmers' most serious types of problems have to do with the marketing of their output, and they often have disputes with middlemen, merchants and creditors. Communication within this group is very limited.

The above studies on the *campesinos* of the region not only described the differences within this sector and, thus, the existing rural structure; they also—especially in the 1960s and early 1970s—sought to provide the basic elements needed to explain the *campesino* movements that were triggered by the agrarian reforms undertaken in many countries. The aim was to gain an understanding of where these movements were headed and of the new types of structures they might engender, bearing in mind the *campesinos*' traditional ties to the land. This being the case, research efforts focused chiefly on the traits of the various *campesino* movements considered to be significant at that time.

6. Marginality and the informal sector

Marginality was the main concept used in the first studies on those people whom we now usually group under the heading of the "informal sector".

As a result of mass rural-urban migration, beginning in 1950 a type of population cluster began to appear in the large cities which was characterized by the installation of makeshift housing on land that was spontaneously "taken over" by these new inhabitants. Studies of these urban settlements found that they often included not only rural migrants, but people who had been pushed out of the cities themselves, as well. Concern about these segments of the population soon brought to light the fact that other groups, too, such as the inhabitants of urban slums and tenements—some of whom had been in the cities for much longer—were also living under similar substandard conditions. What was so striking, however, was the widespread nature and massive scale of the new phenomenon.

Initial concern about the economic marginality of these groups soon sparked concern about their social status and characteristics. Given the importance attributed to the phenomenon of migration, the discussion of this issue revolved around the persistence in such groups of traits associated with rural areas (from where it was supposed that they came), their ability to adapt to new conditions and their manner of

doing so. At first, the tendency was to regard the situation of these groups as a natural part of their transition from rural to urban life. However some authors, such as J. Matos-Mar, for example, contended that in cases of mass migration, such as in Peru, what was actually taking place was a ruralization of urban areas, an idea he summarized quite concisely in the title of one of his essays, *La Serranización de Lima* ["The Sierra comes to Lima"]. O. Lewis' classic studies, too, indicated that, rather than finding a place for themselves in urban life, these groups tended to form what was actually a "culture of poverty".

In a ground-breaking study on marginal communities in Santiago, Chile, Rosenblüth (1963) brought to light how little these groups shared in the benefits of economic development, how restricted their access was to the institutions of the nation-State and, as a result, how they suffered from political, economic and social marginality. The dimension of marginality took on a broader meaning than its purely economic sense. In addition, studies conducted by the Economic and Social Development Centre of Latin America (DESAL) indicated that these groups of squatters tended not to share society's standards and values, their participation in the labour force was perpetually unstable, they had no access to important decision-making opportunities and did not play a real role in the solution of their own problems. These types of studies led to more specific concerns about the economic position of these groups. In particular, some authors who were more open to approaches of a Marxist cast began a discussion about the economic function of these groups. J. Num and others devised the category of "reserve army", although in succeeding writings—largely as a result of a controversy in which, in addition to those already mentioned, F. H. Cardoso also took part—an attempt was made to adjust the concept of "reserve armies" to fit the conditions peculiar to dependent economies such as those of Latin America. Critics of this idea emphasized these groups' position as a "surplus population" in relation to the economy and warned about the existing economic system's lack of absorption capacity. The idea was advanced that the very process of development and modernization in Latin America had the potential to disrupt pre-existing forms of economic activity but lacked the capacity to provide productive ways of absorbing those who were displaced.

It is important to note that when studies began to be conducted on the ways in which these groups

could become integrated into the economy, those early assumptions –according to which marginality was a phase in the transition from rural to urban life and these groups would eventually take up a “normal” role in the latter– were abandoned. Attention shifted back to the characteristics of the economic system and its drawbacks. Many subsequent writings were linked to studies by the Regional Employment Programme for Latin America and the Caribbean (PREALC) which made the connection between the idea of inequality and the concept of the informal economy. Tokman (1979) spoke of the inability of the modern sector of the economy to absorb manpower quickly enough and, at the same time, underscored the heterogeneity of the production structure. This heterogeneity generated differentiated labour markets, and many of the new additions to the urban labour force, regardless of whether their source was natural population growth or migration, were unable to find work in the modern sector. These new entrants’ job search was therefore directed towards other production strata, where the labour market operated differently and the demand for labour was not determined by the accumulation process within the sector; instead, employment levels were dictated by the amount of surplus labour and the opportunities offered by the market to produce or sell something that would provide some income.

Tokman asserts that there are essentially two types of labour markets: a formal market and an informal one. In the formal labour market, jobs are found within organized companies and in the personal services utilized by the higher-income strata. These jobs are obtained by the more qualified people with the most experience in each profession. The informal labour market, for its part, is composed of self-employed workers, people who work in small firms, and those who render personal services at a low level of productivity. He adds that the predominant form of labour in this type of market is owner-operator forms of self-employment. Largely because of this fact, wages are not the most common form of remuneration, and the State takes virtually no

regulatory action, in terms of either legislation or enforcement, regarding labour relations in this sector.

In the above-mentioned study Tokman says that, these definitions notwithstanding, it is difficult to ascertain the size of the informal sector by empirical means. There are a number of other ways of measuring it, however. One focuses on job positions, and includes self-employed workers, people who render domestic services and employees in production units composed of fewer than four people. The second option looks at income levels, and includes all persons whose incomes are below an externally-determined threshold. The third option categorizes all those who do not pay into the social security system –except professionals and employees in establishments having over five people– as informal workers; domestic servants would also be included in this group. Despite the difficulties involved in its measurement, around 1975 it was calculated, based on existing studies of various cities in the region, that the informal sector employed between 46% and 50% of the urban labour force. As regards its composition, research findings indicated that women represented a larger percentage of the workforce in the informal sector than in any other sector of the economy, even when domestic servants were not included. It was also found that the youngest and oldest workers, along with the least educated, were concentrated in the informal sector. In regard to types of activities, between approximately 80% and 85% of persons working in this sector were engaged in commerce, professional services and what are classified as “industrial” activities (e.g., shoemaking, sewing of ready-made garments and food preparation). An important point made by these studies is that peddlers or itinerant street vendors, who, as noted by Tokman, are the most tangible symbol of the informal sector for many people, actually account for only 10% or less of employment in the informal sector in most of the countries, whereas “industrial” activities represent 15% of total employment in this sector in such countries as Mexico, El Salvador and Paraguay.

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