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The Peasant Economy: Internal Logic, Articulation and Persistence

Alexander Schejtan

Introduction

Until very recently, studies on economic development, agrarian structure and the agricultural economy in Latin America, whatever the school of theory to which their authors subscribed, failed to perceive peasant agriculture as a specific and distinct form of organization of production.

Under the approaches derived, to a greater or lesser extent, from nineteenth-century liberalism and the Ricardian school of political economy, the peasantry was a socio-cultural remnant of the past—whether termed feudal, pre-capitalist or traditional—destined to disappear fairly rapidly as a result of the growth of commercial agriculture and manufacturing; for that reason, it merited no more consideration as a form of production than that involved in analysis of the mechanisms which encourage or hinder its 'modernization'.

For neo-classical economists, the peasant family unit did not constitute a specific object of analysis as distinct from the agricultural enterprise (or, for these purposes, from any other production unit), since as far as the behaviour of the producer was concerned, the differences they observed could all be attributed to different scales of production and differences in the relative availability of factors. For that reason, decisions concerning what, how and how much to produce were considered to be governed, in both cases, by the tendency for the ratio between the marginal productivity and the price of each of the 'factors' used to become uniform; in other words, the allocation of resources was governed by a single type of operating logic.

The persistence of the peasantry—or, more precisely, the fact that the substantial fall in numbers forecast by political economy seems unlikely to occur within a time scale of significance for social analysis and for the formulation of development strategies—as well as the inability of neo-classical analysis to account for a number of salient features of the behaviour of the peasant producer, have led in the past decade to the emergence of an extensive literature devoted to re-examining the

Reference is made to several of these features in section 1.1.
terms in which the peasant question has traditionally been tackled in economic analysis.

Two landmarks may be observed in this process of re-examination. First, a number of critiques have been made since the mid-1960s of the dualist propositions of various schools of thought, both those founded on the traditional-modern dichotomy and those drawn up in terms of the dichotomy between feudalism and capitalism. Second, a tendency has emerged to analyse the peasant economy as a *sui generis* form of organizing production, based on the 'rediscovery' of the writings of the so-called 'Russian populists' of the 1920s, and particularly those of A. V. Chayanov and his Organization of Production school.

The criticism of dualism was a factor in the abandonment of the view of peripheral societies as split into two sectors: the traditional, pre-capitalist, semi-feudal or feudal sector, regarded as a relic of a colonial past, and the modern, dynamic or capitalist sector, whose task was to 'absorb' and transform the former in its image and likeness.

In opposition to this approach there arose the view that both sectors had been formed by a single historical process, and that they were articulated within a global whole of which both formed an integral part, each accounting for the other. This involved abandonment of the idea of backwardness, and implicit or explicit acceptance of the possibility that peasant forms might persist or even be created as part of a dynamic of capitalist development.

The second of the landmarks mentioned earlier —the study of peasant economy, which is also the fundamental purpose of this article— represents an effort to study an important part of the peripheral economies which, having been described as 'traditional', had suffered from neglect in analysis or had simply been assimilated to a single allegedly universal rationality corresponding to that of the 'maximizer' of the neo-classical type.

The central part of the present article falls within the context of this latter objective. It constitutes an attempt to combine in a single formulation the contributions of various writers to describing the peasant economy, in an effort to demonstrate both the theoretical legitimacy and the empirical importance of this conceptualization in the formulation of development strategies for countries with a substantial peasant sector.

In addition to analysing the peasant economy as a specific form of organizing production —the principal purpose of the article— we shall in the second part sketch the contrast between the main features of peasant agriculture and those characteristic of commercial or capitalist agriculture. The article concludes with a few considerations on the nature of the insertion or articulation of peasant agriculture within the economy as a whole.

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2The impact of Chayanov's writings on Western literature made itself felt surprisingly late, even though one of his articles, containing the most important part of his contribution to theory, was published in 1931 by the University of Minnesota Press in a group of papers edited by P. Sorokin, C. Zimmerman and C. Galpin (A. V. Chayanov, "The Socioeconomic Nature of Peasant Farm Economy", in *A Systematic Source Book in Rural Sociology*). Nevertheless, neither anthropologists nor economists seem to have become aware of Chayanov's importance until the mid-1960s. Eric Wolf, who quotes the text mentioned above, was one of the first to take up the essence of Chayanov's argument, in his book *Peasants* (New Jersey, Prentice Hall, 1966) (pp. 14 and 15). In the same year, D. Thorne, B. Kerblay and R.E.F. Smith published —in addition to a biographical analysis of the writer and an assessment of his contributions to theory— two of his most important works (see A. V. Chayanov, *The Theory of Peasant Economy* (Richard D. Irwin, Inc., Illinois, 1966)). It was after the publication of this book that Chayanov's work became widely known both in the English-speaking world and in Latin America.
I

The Specific Characteristics of the Peasant Economy

The concept of the peasant economy encompasses that sector of domestic agricultural activity in which family-type units engaged in the process of production with the aim of ensuring, from one cycle to another, the reproduction of their living and working conditions, or, to put it another way, the reproduction of the producers and the unit of production itself. Achieving this objective means generating, firstly, the means of subsistence (biological and cultural) of all members of the family, active or not, and secondly — over and above those needs — a fund designed to pay for the replacement of the means of production used in the production cycle and to deal with the various eventualities which may affect the existence of the family group (illness, expenses for formal occasions, and so on).

The operating logic applied to the productive resources available, in other words the logic which governs the decisions concerning what, how and how much to produce and what to do with the product obtained, falls within the framework of the objectives described above, and gives the peasant economy its own rationality which is distinct from that of commercial agriculture. The latter, in contrast, decides what, how and how much to produce in such a way as to maximize rates of profit and accumulation. In this regard, then, we would appear to be faced with two specific and distinct forms of social organization of production. 3

3 We shall speak here of forms of organization of production (or, more briefly, forms) in order to avoid a debate on whether or not the peasant economy is a mode of production in the sense in which the term is used in historical materialism. Although such a debate might be of importance as regards some of its theoretical implications, it is not germane to the purposes of the present article, which are limited to showing what is involved in a form of production which is different from the commercial form and is governed by its own rules. Those interested in the debate can consult, for example: R. Bartia, Estructura agraria y clases sociales en México (Ed. Era, Mexico City, 1974), who considers peasant agriculture as a simple market mode. This view is shared by M. Coello, "La pequeña producción campesina y la ley de Chayanov", Historia y sociedad, No. 8, Mexico City, 1975. J. Tepich, Marxism et agricul-

If one postulated the existence of a universal rationality as regards criteria for the allocation of resources, and if one considered that differences in behaviour between the various types of unit should be attributed exclusively to differences of scale and of resource availability, one would have to classify as purely 'irrational' a number of basic, recurrent and empirically observable phenomena in areas where the peasant economy prevails.

By way of illustration we might mention some of these phenomena, which point to the existence of a specific peasant rationality different from the commercial rationality.

An evaluation of the economic results achieved by peasant units over one or more cycles, using conventional 'factor cost' concepts, will show in the vast majority of cases that these units systematically incur losses. In other words, when the costs of this type of unit are evaluated, using market prices to impute land rent, current wages to estimate the cost of family labour used and market prices to impute...
the value of inputs which are not purchased in the market, with monetary costs actually incurred being added to this total, and when in valuing the product the goods sold are added to those consumed on the spot, valued at market prices, the difference between the value of the product and the cost thus calculated is very often negative. This type of result, which would seem to suggest that "half of mankind is today engaged in productive activity which registers a continuous deficit, is, nevertheless, a sort of reductio ad absurdum" and constitutes "an instructive example not of the stupidity or philanthropy of peasants, but of the mistakenness of the belief that there is only one economic rationality in all places and at all times".

The ability of peasant units to sell their livestock at prices which would in many cases signify losses (even with respect to his current costs) for an efficient commercial producer further testifies to the existence of two different ways of valuing resources and products in the two types of economy.

Another phenomenon of this type may be observed in the readiness of the peasant tenant to pay rents (in cash or in kind) which are generally higher than those prevailing in capitalist forms of letting, without any non-economic pressure necessarily being applied. In neo-classical terms, one might say that the peasant is prepared to pay as land rent more than the estimated value of the 'marginal product of the land' or, in the case of purchase of land, to pay for it more than the value of the expected rent, discounted at the internal rate of return on capital which encourages an entrepreneur to invest.6

Similarly revealing is the presence in some areas of peasant units which, while possessing productive resources in similar quantities or proportions, cultivate their land with different levels of intensity. This would appear to reveal inefficient or irrational practices on the part of some of these producers, who would seem to have rejected voluntarily an economic 'optimum' of the neo-classical type. The same judgment would apply to situations of multiple cropping (or multiple activity), or where staple products occur exclusively despite the possibility of increasing the product through specialization or through inclusion of commercial products involving speculation or risk.

The examples given above are far from exceptional in areas of peasant agriculture, and by no means exhaust the number of empirical observations suggesting the existence of a type of rationality which is distinct from the commercial rationality and is determined by factors of a historical and structural nature, both within and outside the units of production, which will be examined below in some detail.

1. The family-based nature of the production unit

The peasant unit is at the same time a unit of production and a unit of consumption where household activity is inseparable from production activity. In this unit, decisions relating to consumption are inseparable from those which relate to production, and when production is embarked upon little or no use is made of (net) wage labour. This characteristic, which provides an explanation for many others, has been recognized as being of central importance by all writers who have dealt with the subject of the peasant economy; they have even pointed out that, in many cases, the nuclear or extended nature of the family is an integral part of a production strategy for survival.

As early as 1913 studies may be found which highlight the phenomenon mentioned above and define peasant units as "consumer-labour enterprises, with the consumer needs of the family as their aim and the labour force of the family as their means, with no or very little

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7In areas where the amount of land is very limited, this phenomenon may not be manifested very clearly. However, when the peasant unit faces no major limitations on its choice of desirable scales (as in the humid tropics, or in areas with extensive stretches of previously unfarmed land which has not yet been appropriated by large landown-
use of wage labour”. T. Shanin, one of the classics of rural sociology, regards the peasant unit as “characterized by a nearly total integration of the peasant family's life and its farming enterprise. The family provides the work team for the farm, while the farm's activities are geared mainly to production of the basic consumption needs of the family plus the enforced dues to the holders of political and economic power”. J. Tepicht shares this view: “in our model the grounding in the family signifies a symbiosis between the agricultural enterprise (ferme) and the household economy (ménage)”. Chayanov states that “in the family economic unit, which makes no use of hired labour, the composition and size of the family is one of the main factors in the organization of the peasant economic unit”. The division of labour within the family unit is effected on the basis of differences of age and sex, and is frequently governed by custom as regards men's work and women's work. The implications of this attitude to work are analysed below.

2. The irrevocable commitment to the family labour force

The entrepreneur can regulate the labour force in his unit of production at will —if we leave

ers), differences of scale may be observed which cannot be explained in terms of the availability of other complementary resources (labour force, tools, and so on) but must be attributed to objectives different from those which enter into the definition of economic 'optima'.


Tepicht illustrates this by citing a region of Algeria (Zeribe) where a study of the joint property type (ferme) reveals an almost complete absence of mixed situations of joint production activity and separate kitchens, or vice versa. Either the couples join together in work in the fields and at the table, or they separate and become modernized both in the fields and at the table (even if they live under the same roof). Op. cit., pp. 23-24.

Chayanov even comes to see in the family structure size, ages, sexes) the principal element of economic differentiation; we do not share this view, as is indicated below at the beginning of the section on differentiation.

The great flexibility which may be observed in this symbiosis between the undertaking and the family is illustrated by A. Warman with reference to the Zapata period: “as access to the land controlled by the hacienda became more difficult, the extended family gained strength as the most efficient unit for securing an independent supply of maize and raising wage incomes to cover subsistence for the peasants. It was the only form of organisation which made it possible to survive and maintain the men in fighting condition”. Op. cit., 1977, p. 307.


The expression "maximize the labour input" is ambiguous; strictly one should speak of maximizing the input of productive labour, that is, labour which generates increases in net income, and not labour in general.
units. The ranges should be read as follows: the (shaded) upper set includes observations on units covering less than 10 hectares; the next on units of between 10 and 20 hectares, and so on until the last, which includes observations on units covering more than 50 hectares.

It may be noted that what Franklin calls the "labour commitment of the chef d'entreprise" is reflected in the fact that, for a given range of areas, there is a tendency to raise the number of working days per hectare as the number of labour units increases. In contrast, what is not given sufficient prominence by Franklin is that for each level of size and number of labour units there is a whole range of labour intensities per hectare which tends to be broader as the size of the unit declines. This, as we shall see below, suggests that among the units in a single area category and with the same number of labour units, the number of consumers per labour unit may vary.

3. Labour intensity and Chayanov's Law

The intensity with which factors are used — given a certain availability of factors and a certain technological level — is determined by the degree to which requirements for the reproduction of the family and the unit of production, including debts or undertakings to third parties, are met.

Generally, and all other things being equal, there will be a tendency to intensify labour as the ratio of dependents to labour units rises. In other words, for equal resources (land and means of production), the number of working days per hectare will tend to rise with the ratio between consumers who have to be supported and family labour available. On the other hand, if the amount of land available increases, the number of working days per hectare will tend to fall, all other things being equal. In this regard, it may be said that within the technology range characteristic of the peasant economy, the dominant form of substitution is between land and labour (operating in both directions), in contrast to commercial agriculture, where the dominant substitution is that which tends to occur between capital and labour and between capital and land.

The 'rules' for intensification mentioned above can be represented more clearly using a simplified graphic model (Figure 2) where resources (land, means of production, labour force, and so on) and technology are of a given magnitude and are common to all the family units represented, with variations only in the number of the consumers which each unit must support. These consumers are represented in terms of an 'average consumer', in standard consumer units (Uc) into which the different age and sex groups of the family members have been converted. This variable (Uc) is represented in the graph as a downward projection of the horizontal axis. The horizontal axis proper (Uc) indicates the available family labour, standardized and expressed in man-hours per year.

If we assume that available working days are greater than OY, which is the point of greatest intensity (or the point where the marginal product of labour, measured in terms of grain, would become zero), the minimum point of intensity (man-hours per year per unit of area)
will depend on $U_c$, increasing in the same direction as $U_c$. For $U_c = 4$, the hours of labour will be $OX$; for $U_c = 5$ they will rise to $OZ$, and so on up to $OY$ for $U_c = 9$, where the minimum intensity required and the maximum intensity possible will coincide.

In this case ($U_c = 9$), the product required to satisfy consumption by this unit is equal to $OC$, which is the maximum possible in the light of the land, means of production and technology available. For all the other cases ($U_c \leq 8$) the minimum acceptable intensity would be determined, in the sense, for example, that a family with $U_c = 4$ has to perform at least $OX$ working days; but beyond this point, and up to $OY$, determination of the specific level of intensity — what Chayanov calls the "self-exploitation of the labour force" — would be established on the basis of the ratio between the satisfaction of needs which exceed minimum needs and the shortage of additional labour required to meet them.\(^{18}\) It is unnecessary to point out that when resources are insufficient ($U_c > 9$ in the example), not only will the intensity used be the maximum possible, but in addition it will be necessary to seek additional employment in order to secure an income which will ensure the reproduction of the family and the unit of production, or else face its deterioration or break-up.\(^{19}\)

Since in general the situation of peasant units is at or near the point of maximum intensity, the margin for subjective considerations regarding the marginal utility of products and the marginal disutility of effort, which are of central importance in Chayanov's argument, is narrow enough to be irrelevant in practice and to permit determination of the level in terms which lead one to consider that the peasant unit tends to seek to raise its income as much as possible, regardless of the effort involved.\(^{20}\) "In contrast to the capitalist, who does not commit funds if he is not assured of a rate of profit at least in proportion to them, and also in contrast to the wage earner, who for each hour of overtime will demand as much or more than he demands for ordinary working hours, the 'personnel' of a family farm are prepared to contribute additional labour to raise their overall income, which [given the operation of the law of diminishing returns - A.S.] will be remunerated at a lower price, reducing the average value of their collective 'pay' ".\(^{21}\)

4. The partially market-oriented nature of peasant output

Peasant economy ceases to be a 'natural' economy, or one of on-the-spot consumption, or self-sufficiency, from the moment when a vary-

\(^{15}\)A. V. Chayanov, op. cit., 1974, p. 84.
\(^{16}\)A. Warman (op. cit., 1975, p. 326) sets out this "law" as follows: "Once subsistence requirements have been met, the peasant stops producing. Firstly, the diminishing returns from the more intensive activity mean that any additional income over the subsistence minimum demands a disproportionate increase in activity. Secondly, incorporation in the capitalist market means that any rise in income leads to a rise in the transfer of surpluses". Warman also introduces the problem of subordination, to which we shall refer below.
\(^{20}\)J. Tepicht, op. cit., p. 41.
\(^{21}\)Ibid., p. 35.
ing proportion of the material requirements for its reproduction, whether inputs or final consumption goods, must be acquired in the market, using money. For this purpose, the family unit is forced to join the market for goods and services as a supplier of products and/or of labour power.

However, in contrast to a United States farmer or any other kind of family undertaking of a commercial nature, the family unit generally comes to market in its capacity as a producer of use values (to use the classical terminology) and not of products which have been defined *a priori* as commodities, unless elements of external compulsion so dictate. In other words, the decision concerning what to produce is not based on the marketability of the product, but on its role in supporting the family and the production unit.

Frequently, even the manner of selling what has been produced reflects this feature of the peasant economy. Thus, when the product or products sold are the same as those which feature in the basic diet (maize, beans, wheat and so on), the peasant does not, at the time of the harvest, identify how much will be sent to market and how much will be consumed on the spot, but takes out for sale small parts of what has been harvested as the need arises for purchases and payments. Only on an *ex post* basis is it possible to reconstruct how much has been sold and distinguish it from what has been consumed on the spot. Only the presence of external constraints—either of an ecological nature (such as the fact that cultivation of basic grains is impossible) or of a socioeconomic nature (such as the existence of land earmarked by law for a specific purpose)—or the existence of advances or borrowings which give the creditor power to take decisions concerning the crops will prevent the full expression of the partially market-oriented nature of peasant output.

Obviously, the more the peasant unit depends on purchased inputs and goods for its reproduction, the greater (other things being equal) will be the role which market considerations play in decisions on what and how to produce.

It may be deduced from the above that we do not subscribe to the characterization of the peasant economy as a 'simple mercantile economy' adopted by various writers, since, although we agree that the aim of this type of economy is to reproduce its component units, we feel that the internal operating logic is not a purely market-oriented logic, such as that which would be applied by a Western farmer or craftsman. At the same time, to quote Tepicht, in the context of the theory from which the description "simple mercantile economy" has been taken, the latter "is but the embryo of the capitalist economy", while the 'historical vocation' of the peasant economy appears to be very different from this role, in so far as this type of economy persists not only in many formations of a capitalist type, but even in those of a socialists type, as will be emphasized below.

5. The indivisibility of the family income

At the beginning of the article it was pointed out that when evaluating the results of the economic activity of peasant units, conventional economic analyses 'discovered' deficit situations in most cases. This was the result of applying to such units accounting categories identical to those applied to commercial agriculture, where rent, wages and profit are an objective

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22 An interesting example of an ecological constraint is furnished by certain forms of co-ownership of livestock observed in the Mexican humid tropics, where, as a result of the fact that the peasants find it impossible to continue with agriculture based on felling, clearing and burning—because the pressure of numbers on the land does not permit renewal of the plant cover required for this practice—a system of co-ownership has arisen between private stock raisers and *ejidatarios*, whereby the former concentrate on fattening and the latter on breeding. The cattle belong to the stock raiser, and the *ejidatarios* are entitled to half the calves (normally the females) and to the milk, in exchange for the use of their pastures and their care of the livestock under the co-ownership agreement. In these circumstances, the milk, which is sold or is made into cheese for sale, comes to play part of the role of maize, and the female calves the role which livestock normally plays in peasant agriculture: a savings fund and an illusory form of accumulation.

23 See footnote 3 for author references. The term "simple" is used by these writers to describe a situation where there is no accumulation of surpluses nor any increase in the production capacity of the units over time.

reality. For this purpose, the analyses imputed market values to the effort made by the peasant and his family within their own unit, conferring on him the dual character of entrepreneur and wage earner and thus creating a schizoid being who, if he pays himself the current wage in his capacity as a wage earner, is guilty of irrational or philanthropic behaviour as an entrepreneur, since he not only fails to secure the average profit but suffers systematic losses in the 'capital' advanced; if, on the other hand, the average profit is imputed to him as remuneration for his entrepreneurial activities, he is cheating himself as a wage earner, by failing to allocate himself even a reproduction wage.

In contrast to this fiction, which we feel throws no light on the motivations of the peasant as a producer, the important categories are those which have an objective existence or which are capable of being objectified on the basis of the concrete behaviour of the units.

In this regard, the result (and the aim) of the economic activity of the family unit is the total family income (gross or net, in cash and in kind) derived from the joint efforts of its members, in which it is not possible to separate the part of the product attributable to rent from that attributable to wages or profits.

6. The non-transferable nature of a portion of family labour

One of the special features of the peasant unit is that it makes use of labour power which would not be in a position to create value in other production contexts. We refer both to the work of children, old people and women and to the unsystematic use of the spare time of the head of the family and his adult children of working age. This is one of the reasons for the ability of the family unit to bring products to the market at prices markedly lower than those required to stimulate commercial production.

According to Tepicht, peasant labour "is composed of at least two qualitatively different parts, both because of the nature of the forces it uses (some transferable to other economic sectors and others not), and because of the natural character of its products and the labour remuneration which is concealed in the prices at which they can be sold". In other words, "what the peasant unit is in a position to produce with marginal forces in exchange for a marginal payment requires a completely different estimate by society (the market) if one considers the labour force required for this type of output".

This is so much so that even in countries with centrally planned economies one may observe that, in collective units, the ratio between payments per working day devoted to livestock raising and payments per working day devoted to crop farming is greater than 1, whereas the implicit ratio (as indicated by the prices of the products concerned) in the peasant units is substantially less than 1.

This ability to make use of the marginal labour force (that is to say, to convert it into products) may also be extended to land in the sense that areas which are marginal for commercial agriculture because of their extremely low productive potential—in other words, areas which are not even regarded as resources by commercial agriculture—can nevertheless support the peasant family, since the family regards any element which is capable of contributing to a net increase in the family income, as a resource for as long as its reproduction requirements remain unsatisfied and there exists a margin within which its labour can productively be intensified.

A. Warman refers very lucidly to this phenomenon: "the peasant family in a capitalist society is first and foremost a unit which produces using unpaid labour. The labour of children and women, which is the object of very

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25 See A. V. Chayanov, 1966, op. cit., pp. 2-5, and J. Tepicht, op. cit., p. 36. Perhaps the only virtue of the fiction referred to above is to show that peasant units are prepared to supply their products at prices below those which a capitalist producer would demand in order to pay current wages and rents and obtain at least the average profit. However, the reasons why this occurs are totally obscured by this form of evaluation or calculation. E. Bartra, in his study on Mexican agrarian structure (Bartra, op. cit., pp. 34-35), makes use of the categories of wage, rent and profit in the manner indicated.

26 Ibid., pp. 39-40.
27 Ibid., p. 36.
limited circulation as a commodity in capitalist Mexico, is one of the most important components of the peasant product. Women and children contribute thousands of working days which are invested in the independent production of peasants, in addition to performing work which is not strictly productive but which reduces outgoings and makes it possible to continue living with incomes which in statistical terms would be not just insufficient, but downright ridiculous".30 Elsewhere he writes that "looking after livestock demands more energy than it yields, but this energy is distributed over a longer period and in units of low intensity which can be entrusted to people who cannot fully participate in labour during the critical period because they have little physical energy (such as children or old people) or who carry out other occupations at the same time (such as women). Owning livestock proves to be rational: it is like borrowing energy which is paid back with interest, but in instalments which can be paid by those without a full-time occupation in farming".30

7. The special type of risk internalization

For an entrepreneur, at least in theoretical terms, the risk or uncertainty which attach to the profits that can be derived from alternative applications of his capital are viewed in the decision-making process as probability functions which prompt him to seek at least a degree of proportionality between profit and risk. In the case of the peasant, his vulnerability to the effects of an adverse result is so extreme that, following Lipton31, it seems appropriate to take the view that his behaviour as a producer is guided by a kind of 'survival algorithm' which leads him to avoid risks despite the potential profits which would arise if he accepted them.

Lipton states that, while a well-off American farmer may prefer a 50% probability of obtaining US$ 5,000 or US$ 10,000 to the certainty of obtaining US$ 7,000, an Indian farmer who is offered a choice between a 50% probability of X rupees or 1,000 rupees and the certainty of 700 rupees per year, with which he can barely feed his family, cannot put X much below 700.32 The way peasant units thus internalize risk and uncertainty is another of the reasons that help to explain the persistence of cropping methods which, though they generate lower incomes, lessen the variability of the expected values of output. These considerations also explain why peasants will not consider growing certain crops which produce a higher yield per unit area, but which are subject to substantial variations in prices or involve a complex marketing mechanism.33

8. Labour-intensive technology

The need to take maximum advantage of the most abundant resource (the labour commitment referred to in the previous paragraph) and the existence of unfavourable terms of trade for peasant products in the overall or local market give rise to a tendency to reduce the purchase of inputs and means of production to the lowest possible level. As a result, the intensity of means of production per worker, or of purchased inputs per unit of product or per working day, are generally well below those of commercial or capitalist agriculture. In this regard, the decision on what to produce seems to be guided by the criterion of maximizing labour power per unit of product generated and/or minimizing purchased or hired inputs and means of production.

9. Membership of a landgroup

In contrast to an agricultural enterprise, the peasant unit cannot be viewed as a unit separate...
rate from other similar units, but always appears as part of a larger grouping of units with which it shares a common territorial base. What A. Pearse defines as the landgroup, which consists of "a group of families forming part of a larger society and living in permanent interdependence, interaction, and propinquity by virtue of a system of arrangements between them for the occupation and productive use of a single land area and the physical resources it contains, from which they gain their livelihood".

J. Tepicht, for his part, calls this social context the "protective shell of the family economy".

The very reproduction of the peasant family unit depends in many cases on the complex system of non-market exchanges conducted with a greater or lesser degree of reciprocity within the landgroup. Even the survival or decline of the family units frequently depends on the degree of cohesion which the landgroup maintains in the face of limitations on its scope for survival, generally arising from the development of commercial agriculture.

In fact, as is emphasized below, the penetration and development of market relations progressively weaken the role of the landgroup in the cycle of social reproduction of the family units, with the result that this reproduction occurs on an increasingly individual basis, which is unquestionably less secure.

Despite the crucial importance which the landgroup has had and continues to have in accounting for the persistence of the peasantry, and despite the importance it should have when any rural development strategy based on the peasantry is being drawn up, there has very often been a tendency to restrict analysis of the peasant economy to analysis of the family unit. A. Warman, in contrast, emphasizes that "it is obvious that the family cannot remain in a position to produce without capital and without opportunities to accumulate and cannot subsist without reserves or savings, in an environment dominated by capitalist relationships, without the support of a larger grouping which furnishes conditions of stability in this contradictory situation. In the case of Mexico, the larger grouping takes the form of the agrarian community, in which one may observe on a broader and more complex, though still partial, scale the production relations of the peasant economy".

10. Commercial agriculture: principal contrasts

By way of concluding this first chapter it seems appropriate to outline the principal features of commercial agriculture so that we can contrast them, albeit in general terms, with those which have been highlighted as being characteristic of the peasant economy.

A description of this sector does not call for a very detailed conceptual effort, since —given the level of abstraction in this chapter— its principal features are only too well known; reference has already been made to some of them when contrasting them with those of the peasant economy. Accordingly, it will be sufficient to point out that in commercial units there is a clear separation between capital and labour power, and that as a result profit, wages and even land rent are categories which are the objective expression of relations between owners of means of production, landowners and sellers of labour power.

Kinship relations are completely divorced from production relations; in other words, what we have called the commitment to the labour force does not exist.

The relations between units are regulated...
by universal market laws in which there is no place for exchanges based on reciprocity, or, to put it another way, on considerations of community and kinship.

Production is exclusively market-oriented (though for some crops a margin is left to allow for internal consumption or use as inputs within the unit), in the sense that decisions on what and how to produce are completely unrelated to what the producers and their families consume.

Considerations of risk and uncertainty arise strictly in terms of probabilities, in the sense that they are internalized in the decision-making process as ratios between magnitudes of profit expected and probabilities associated with each magnitude.

The principal aim of production, and accordingly the criterion used to determine what to produce, how much, how and for what purpose, is to secure at least average profit, which is destined for accumulation (and, of course, consumption by the entrepreneurs).

The contrast between the two forms of social organization of production referred to is represented diagramatically in the table below.

<table>
<thead>
<tr>
<th>Purpose of production</th>
<th>Peasant agriculture</th>
<th>Commercial agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reproduction of the producers and the production unit</td>
<td>Maximization of the rate of profit and capital accumulation</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Origin of the labour force</th>
<th>Peasant agriculture</th>
<th>Commercial agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basically the family and, on occasion, reciprocated loans from other units; exceptionally, marginal quantities of wage labour</td>
<td>Wage labour</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commitment of the head to the labour force</th>
<th>Peasant agriculture</th>
<th>Commercial agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute</td>
<td>Non-existent, apart from legal requirements</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Technology</th>
<th>Peasant agriculture</th>
<th>Commercial agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very labour-intensive; low intensity of 'capital' and of purchased inputs</td>
<td>Greater capital intensity per labour unit and higher proportion of purchased inputs in the value of the final product</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Destination of the product and origin of inputs</th>
<th>Peasant agriculture</th>
<th>Commercial agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>The market, in part</td>
<td>The market</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Criterion for intensification of labour</th>
<th>Peasant agriculture</th>
<th>Commercial agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum total product, even at the cost of a fall in the average product. Limit: nil marginal product</td>
<td>Marginal productivity ≥ wage</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk and uncertainty</th>
<th>Peasant agriculture</th>
<th>Commercial agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment not based on probabilities; 'survival algorithm'</td>
<td>Internalization based on probabilities, in the search for rates of profit proportional to risk</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nature of the labour force</th>
<th>Peasant agriculture</th>
<th>Commercial agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Makes use of non-transferable or marginal labour</td>
<td>Uses only transferable labour on the basis of skills</td>
<td></td>
</tr>
</tbody>
</table>
II

Articulation and Break-up of Peasant Agriculture

So far we have restricted ourselves to analysing the rules which govern the internal operation of the peasant economy, and the differences which emerge from a comparison with those applying to commercial agriculture. We will now consider the way in which these characteristics influence the position of the peasant economy in the national society of which it is part.

1. The concept of articulation

We consider the concept of articulation of different forms of social organization of production—the peasant and the capitalist forms—to be of central importance in classifying the phenomena which we wish to examine.

By articulation we mean the relationships (or system of relationships) which link the sectors in question one with another and with the rest of the economy, forming an integrated whole (the economic system) whose structure and dynamics are determined by (and in turn determine) the structure and dynamics of the parts.

Articulation takes the form of exchanges of goods and services (or values) between sectors: exchanges which are characterized by their asymmetry (or lack of equivalence), and which lead to transfer of surpluses from the peasant sector to the rest of the economy, as a result of a form of integration in which the peasant economy sector is subordinated to the remaining elements in the structure (capitalist agriculture and the urban-industrial complex).

Although this articulation is expressed or becomes visible at the level of the market relations between sectors—in the markets for products, inputs, labour and even land—the terms of this exchange, or its asymmetrical nature,
cannot be explained at this level, but originate in differences at the level of the process of production, i.e., the level of the forms of production or differences in the operating logic specific to each of the sectors.

We shall first consider the main forms of articulation, and then examine how the nature of each form may be 'explained', in the final analysis, in terms of differences in the process of production.

2. Articulation in the market for products

An initial form of articulation, or, to express it differently, of exploitation of peasant agriculture, is that which arises in the market for products to which the peasant comes to sell part of his output and to buy inputs and final goods which he requires for his reproduction. There the terms of trade, or the relative prices of what he buys and what he sells, are and always have been systematically unfavourable to him. Regardless of the fact that the terms of trade may record improvements in a specific period and with respect to a base year, there is a sort of 'primordial' undervaluation of peasant products which is inherent in the very structure of relative prices (as between peasant production and capitalist production), formed over generations, on which the reproduction of the economy as a whole is crucially dependent because of the well-known relationship between food prices, wage levels and the rate of profit.41

Although the extent of inequality in exchange—in other words, the magnitude of the surplus transferred from the peasant sector to the rest of society through the above-mentioned mechanism—can rise or fall depending on the greater or lesser bargaining power (social power in the market) which each party can exert in the market relationship, its origin lies in the internal logic of production in each sector, and not in the market relationships, although this is where it is expressed.

The 'secret' which makes unequal exchange possible is to be found in the readiness of peasant agriculture to produce at prices lower than those which a capitalist producer would require in order to do so in the same conditions, since while it is sufficient for the former to meet the requirements for the reproduction of the labour force employed and the fund for the replacement of the means of production used, the latter sector requires in addition a profit which is at least equal to the average profit in the economy.

If, to simplify, we assume that the labour force employed in the two cases is the same, that the cost of its reproduction is covered by wages, that the inputs purchased are the same in both cases and that the peasant's replacement fund is equal to the entrepreneur's depreciation, the difference in the prices at which each will be prepared to produce will be the average profit, if they pay the same rent, or the profit plus land rent if both own the land.42

"The small peasant landowner behaves neither like the owner of property nor like the capitalist entrepreneur. As a matter of principle he is obliged to produce regardless of conditions on the market, or he will fail to survive. Immediately he contents himself with the equivalent of a wage, without raising the question of rent, or even the question of profit. The small peasant behaves exactly like a wage-paid piece-worker.43

This is precisely why peasant agriculture may be found in areas (marginal lands) and in lines of products where capitalist undertakings would be uneconomic.

This is the phenomenon which lies at the very foundation of the formation of the price


42Land rent (imputed or actually paid) will have to be added to profit if we compare a peasant landowner with an entrepreneur landowner, since while the former would be prepared to overlook the value of this rent, or (to express it more clearly) to view it as an integral part of his total 'reproduction' income, the latter will demand a return equivalent to that on his other capital.

43K. Vergopulos, "Capitalismo disforme", in S. Amin and K. Vergopulos, La cuestión campesina y el capitalismo (Mexico City, Nuestro Tiempo, 1975), p. 165. Chayanov made exactly the same observation: "...we take the motivation of the peasant's economic activity not as that of an entrepreneur who as a result of investment of his capital receives the difference between gross income and production overheads, but rather as the motivation of the worker on a peculiar piece-rate system which allows him alone to determine the time and intensity of his work". Op. cit., 1966, p. 42.
systems, and particularly of the historical process of formation of relative prices between agriculture and industry, which have made possible a systematic transfer of surpluses from the peasantry to other sectors through the medium of exchange.

This situation does not apply only to the peripheral countries, since it arises in any economy (capitalist or socialist) where there is a substantial sector involving family producers, even the "farmer" type, whose product —to quote G. J. Johnson, referring to the United States—is supplied to society at bargain prices: "A cynic might even say that the family farm is an institution which operates in order to encourage the families of farmers to provide quantities of labour and capital at rates of return which are substantially lower than the norm in order to supply the economy as a whole with agricultural products at bargain or sale prices". This is why over long periods the rise in agricultural productivity in many developed countries has not been accompanied by proportional increases in the incomes of farmers, in contrast to what happens in the remainder of the economy.

This asymmetry exerts pressure for the intensification of family agriculture, which, in the "farmer" type, usually takes the form of overinvestment and, in the peripheral peasant type, that of more intensive self-exploitation of family labour.

State subsidies, either provided directly through the medium of low prices for inputs and products and credit at low interest rates, or implicitly through the financing of infrastructure for which the beneficiaries are not charged, represent no more than a form of partially compensatory recognition of this phenomenon.

3. Articulation in the labour market

Another area where articulation is expressed is the labour market, particularly, though not exclusively, the market for agricultural day-labourers, who can be engaged by the commercial sector at wages lower than their cost of survival or reproduction.

If no peasant economy sector existed, the wage bill would have to be sufficient at least to guarantee the sustenance and reproduction of the labour employed, in other words the sustenance, over time, of the labour force required by the process of accumulation and growth. If an average rate of profit prevailed in both sectors (agriculture and industry), this would lead to higher agricultural prices, with the consequent chain reaction on wages, profits and accumulation.

The fact that a substantial proportion of the labour force employed in commercial agriculture (and even in urban-industrial activities) originates from or is more or less directly linked with the peasant economy, and that its conditions for reproduction are in part generated in the peasant economy, permits a reduction of the wage bill by means of the dual mechanism whereby wages paid per day worked are lower than in other sectors, while payment is made only for days actually worked, however low this number may be, regardless of the fact that this may by no means cover the annual subsistence.

45As an example one might cite the case of French agriculture after the last world war. Denis Céspede has shown very clearly the transfers of agricultural values to the benefit of the industrial sector. Between 1948 and 1958, agricultural productivity rose from 100 to 272, while non-agricultural productivity rose from 100 to 189.2. Nevertheless, over the same period the per capita income of the active population rose from 100 to 167.8 for agriculture, while for the non-agricultural sectors it increased from 100 to 205.4. Let us note in passing that starting in 1937 a similar situation arose in the United States, where average annual growth in the productivity of agricultural labour substantially exceeded that of industrial labour: 3.8% compared with 1.4% for the years 1957-1948, and 6.2% against 3% for 1946-1953. K. Vergopoulos, op. cit., p. 169.
47In order to gain a vivid idea of what would be involved if this asymmetry were to be completely corrected, one need simply observe what happened in the urban-industrial world when the oil-producing countries decided to cease subsidizing the energy which they were selling to the industrialized countries at prices lower than production costs in absolute terms. Oil, like land, is a non-renewable resource (though this applies in a more relative sense to the latter), and can command absolute rent. The fact that, in agriculture, this rent has declined, and even disappeared in many cases, is no more than the result of the subordination of agriculture to the requirements of urban-industrial development.
of the worker himself, and still less that of his family. The viability of capitalist agriculture is frequently due to the fact that it is possible to pay wages lower than the reproduction cost of the labour, especially in areas where the differential land rent (in the Ricardian sense) is very low or non-existent.48

Temporary rural migrations from areas of peasant agriculture to areas of commercial agriculture merely confirm this interdependence. Similarly, in the case of the sale of labour power, the possibility of a non-equivalent exchange—in other words, the possibility of paying less than the reproduction cost of the labour employed—is a phenomenon which, although it is expressed in the labour market, and although it may appear to depend exclusively on the bargaining power between the parties, has its origin in the conditions of production and reproduction of the peasant economy.

The above is connected not only with the fact that subsistence is assured in part by the peasant economy itself, but also with the fact that the amount of labour power supplied by the peasants, as well as the wage levels they are prepared to accept, are determined by the production conditions characterizing the unit to which they belong. In this regard, the further the peasant is from obtaining the level of income (in cash and in kind) required for reproduction in his own unit, the greater will be the number of days he is prepared to work in exchange for a wage, and the higher the level of intensity with which he is working his plot of land, the lower will be the wage necessary to attract him away from it, in accordance with the phenomenon of diminishing returns.

The diagram below, which is of course an oversimplification of real conditions, helps to clarify the above: Here we are comparing two production units (A and B), whose average and marginal product curves (AP and BQ), in this example indicate greater availability of land in unit B. Let us assume that magnitude OCxOM is equal to the net reproduction income. Unit A, with the maximum possible intensity (in other words, using OP working days and with nil marginal productivity), does not achieve the reproduction income, since OCxOP < OCxOM. It will therefore be sufficient to offer a wage equal to OS (=RT) so that the peasant will work away from the plot for at least PR working days (assuming that the family labour available is greater than OR) so as to ensure that (OC - OP) + (PR x RT) = (OC - OM). In contrast, the peasant on unit B, who can achieve the reproduction income on his own plot (OC - OM = UK - OU) by working OU days, will not be prepared to sell labour power unless the wage offered is greater than UK.

The two articulation mechanisms described (product market and labour market), though significantly different in form, nevertheless have a common basis: the peasant unit's capacity and readiness (for structural, not philanthropic reason) to undervalue its working time with respect to the patterns established by the rules of operation of the capitalist sector, either as labour power proper, or as labour power materialized in the products which it places on the market.

This capacity is the source both of the peasantry's strength, in the sense of a force working for its persistence, and of its weakness, in the sense of a force working for its break-up.
4. Break-up, recovery and persistence

As was pointed out in the introduction, all the schools of thought which derive from liberal­ism (liberals proper, rationalists, positivists, marxists and so on) postulated the transitional nature of the peasantry, which was regarded as a segment of society doomed to disappear —some of its members converted into bourgeois, the rest converted into proletarians— as a result of the vigour of capitalist development. Peasantries in specific societies were consid­ered cultural and/or social relics from former times.

Although it is true that the relative impor­tance of the peasant sector, as a segment of the population, has been declining, nevertheless in the peripheral countries the peasantry re­mains one of the largest groups, since it rarely accounts for less than a third of the working population. If this is a mere transitory phase, it must be recognized that the transition has been very lengthy. What is more, in some societies the influences working for its disappearance have been checked, to some extent, by others which are not only preventing its disappear­ance but even, in specific areas and circum­stances, creating peasant forms of organization of production where they did not exist pre­viously.

From the political and economic policy viewpoint, and bearing in mind the above con­siderations, it seems more sensible to abandon the assumption of transitoriness and take the view that for the foreseeable future (and for a period relevant in terms of policy formulation) the peasantry will persist. Consequently, it is necessary to undertake an analysis of the forces working to ensure its persistence, and those fostering its break-up, so that they can be taken into account in the formulation of development strategies and policies designed to ensure that the peasant sector plays a role commensurate with its potential.

In the discussion below, break-up of the peasant form will be understood to mean the process which leads to the progressive narrow­ing down of options which would permit the family unit to survive using its own resources: in other words, loss of the ability to generate a volume of output which is equivalent to the

fund for family consumption and the fund for the replacement of inputs and means of produc­tion.

Recovery will be understood to mean those processes which reverse the above-men­tioned trend, as well as those which lead to the creation of peasant units in areas where they did not exist before.

In general terms, the forces working in favour of the persistence, recovery or break-up of the peasant sector act on, and have their basis in, the basic network of relations between and within sectors (between the peasant and the rest of society), which we have defined as a form of articulation which subordinates the peasant form to the national economy and society, and whose principal features have al­ready been described. In other words, these forces help to intensify, redefine or restrain the elements of asymmetrical symbiosis of a struc­tural nature which have been encompassed here under the concept of articulation through subordination. In this sense these forces can be viewed as superstructural elements, which affect and are affected by the structure defined as articulation.

For descriptive purposes, these forces may be grouped on the basis of their origin, and a distinction may be drawn between those which stem from the State and its policies; those gen­erated by the action of the intermediary per­sons or institutions, or brokers, that represent a link between the peasantry and the rest of the economy; those generated by the conscious ac­tions of the commercial sector; and those which derive from the dynamics of demographic and ecological factors.

(a) Action by the State

Since the State is an expression of the cor­relation of social forces at each moment in time, its action cannot fail to be a blend of contradic­tory forces, even if the resultant of these forces is the maintenance of the conditions of repro­duction of the social whole and, consequently, the maintenance of the type of articulation to which we have been referring.

In general, policies which involve sub-
sidies to the peasant sector, such as credit at preferential rates, support prices, the establishment of minimum wages (especially if compliance is monitored), and so on, are actions which tend to limit or check the break-up of the peasant unit by making possible terms of trade, in various areas, better than those which would be achieved in free market conditions.

Agrarian reform and new settlement are also, at least in theory, policies which impede the break-up of peasant units, and even encourage their creation through the subdivision of larger geographical units and the development of complementary legislation and action to protect the units created.

In contrast to the above-mentioned actions, public investment in irrigation, or in improving communications and prospects for the export of produce, has frequently led to increased imposition on the resources of the peasant sector —both directly, through appropriation of the areas in question by commercial agriculture, and indirectly, through accentuation of the (asymmetrical) trade relations in the process of reproduction of the peasant economy— and have thereby increased its vulnerability.

(b) Action by intermediary elements

Here we are referring to the various types of mechanism for intermediation which link the peasantry to the rest of the economy and permit the extraction of surpluses at the level of relations of distribution and exchange. In general, these intermediary persons and/or institutions make use both of the possibilities opened up by the specific operating logic of the peasant economy and of those derived from the lesser bargaining power of units from that sector and the intermediaries' monopoly (sometimes on a very small scale) of the channels through which this sector is linked to society as a whole.

The functions of the intermediary elements have been classified by A. Warman as follows:

(i) Material adaptation of products, involving a sort of scaling down of what reaches the peasant sector as a product, and a scaling up of what leaves the peasant sector for the rest of the economy;

(ii) 'conversion of symbols', involving 'translation' into the peasant language of the external norms of trade and accounting, in other words, converting units of weight, quality standards and so on into generally accepted terms;

(iii) the physical movement of the products which enter or leave the peasant economy from and to the external world;

(iv) the mobilization of finance by means of which the peasant can be more fully integrated in the market for consumer goods or inputs, to a greater extent than would be possible if he sold his products or labour power himself.

These types of function make it possible to extend market relations in the process of reproduction of the peasant economy and to integrate it in the rest of the national (and international) economy. In order to fulfil this function, the intermediary element “is located between two modes of production, handles two types of language, two types of social relationship and economic rationality, and guides the flow of capital towards the dominant mode. He himself obtains a profit from all his acts, equally when he converts weights into kilos and when he lends money for the sowing of onions... His success depends on his flexibility and diversification, on his being able to sell seven different things and accept a chicken in payment”. Each of the functions described involves the appropriation of surpluses, and in this regard contributes to the break-up of the peasantry; however, to the extent that the persistence and reproduction of the peasantry depend on exchange through the medium of trade, the intermediary elements contribute to its survival, although they exact a high price.

We are using the term “subsidies” in the sense that the prices or values involved are more favourable to the peasantry than those to which they would be subjected in the market without State intervention. In no case are they subsidies in the sense of a return of the impositions arising from the structural relations which are expressed in the price system.

(c) Action by enterprises responsible for processing and intermediation

Although strictly speaking this phenomenon should be included among the structural components of articulation, we have decided to highlight it separately since it is a recent tendency in the organization of agricultural production. We refer to the phenomenon of the contracts commonly drawn up between large agro-industrial or agri-business enterprises and the peasants of specific regions.

These contracts reflect a tendency on the part of capital to abandon direct control of land and the processes of primary production and replace them by financial and commercial control of a huge network of small and medium-sized 'independent' producers, either by creating a sort of peasantry economically attached to them or by "attaching" a pre-existing group of peasants, who can be induced to work on advantageous conditions which—for the reasons already indicated—business agriculture would not accept. This is particularly true in situations where the process of break-up of the peasantry can only be halted by exploring avenues for labour intensification which involve the partial or total abandonment of traditional farming patterns and their replacement by market-oriented patterns with high unit values.

(d) The dynamics of demographic and ecological factors

Natural growth in the peasant population, which is appreciably greater than the expansion of the already inadequate capacity of the remaining sectors to absorb that growth productively, is reflected in increasing pressure on land, or, to put it another way, a deterioration in the land/man ratio, not only in the sense of an arithmetical fall but in the no less important sense of a decline in the productive potential of the existing land.

In general, this is a force which contributes to the break-up of the peasantry, since fragmentation—which is the result of the subdivision of plots as a consequence of population growth—is an inescapable sign of a rise in the fragility or vulnerability of the peasant economy and a prelude to its disappearance.

The existence of possibilities of working outside the plot can help to defer the impact of this tendency through 'subsidization' of the continued existence of the unit with incomes obtained outside it. Within the peasant segment, the above-mentioned forces give rise to a process of differentiation or polarization, in which a minority of the units succeed not only in preventing break-up but even turn the intensification in market-oriented relations to their account and achieve a certain amount of accumulation.

Another section achieves a sort of equilibrium between the various forces and succeeds in maintaining its conditions of reproduction over time with a greater or lesser degree of security.

For the majority, however, the dynamics of break-up—which takes the form of a progressive loss of their ability to support themselves—are inexorable and can be alleviated only by the possibility, which is not always available, for the producer or the members of his family to obtain incomes from outside the plot.

In socioeconomic analysis of the peasant sector, and in the diagnoses which precede the formulation of a strategy for its development, it is of crucial importance to recognize the type of heterogeneity to which the processes of differentiation indicated here can lead.

In other words, we may, for the purposes of description, stratify the peasant segment as a function of the magnitude of a specific variable within a continuum (land, output, and so on). The important distinction is whether or not internal conditions exist for the support of the production unit and/or the landgroup.

This criterion can be used to distinguish at least three important categories within the peasant agriculture sector:

(i) the infrasubsistence segment, or poor peasant segment, made up of those units which need incomes from outside the plot in order to attain a minimum subsistence income. This appears to be the segment recording fastest relative growth in Latin America.\(^{31}\)

\(^{31}\) It need barely be noted that rural workers who are landless or, rather, who are not attached to a family unit which possesses land, are not regarded as peasants in the sense in which this term has been used here.
(ii) the stationary, “simple reproduction” or “average peasant” segment, made up of that part of the peasantry whose product is sufficient to cover the fund for family consumption and the fund for the replacement of inputs and means of production, from one cycle to another;

(iii) the surplus-producing or ‘rich’ peasant segment, made up of those units which, with their resources, more or less systematically generate a surplus over and above what is required for the reproduction of the family and the production unit, although they cannot always convert it into accumulation. Whether or not this stratum will lose its peasant status—in other words, whether or not it will become involved in a process of accumulation founded on the systematic engagement of non-family labour on a substantial scale—will depend on conditions which it is beyond the scope of this paper to analyse.