

# CEPAL Review

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## The peasantry in Latin America

### A theoretical approach

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and Jaime Crispi\**

The purpose of this article is to analyse the role of peasant forms of production in the process of capital accumulation in Latin America and to assess its future prospects.

Section I describes the position of the Latin American peasant within a context of dependent capitalism and a lower level of development than that of the centres, at a time when capital is increasingly penetrating the rural areas.

Section II sets forth certain criteria for defining the term "peasant units", as regards both their nature and their dynamics within the framework of a concrete social formation.

In section III, the analysis is focussed on the role of the peasantry in Latin America. To this end, an analysis is made of the logic according to which peasant units function and the ways in which they resist disintegration; the role played by the different fractions of capital and their relationship with the peasantry, and the way in which the State prevents the destruction of peasant forms of production because of the role they play in the expansion of the capitalist system.

Finally, by way of conclusion, section IV presents two hypotheses which might be used as a basis for subsequent research. The first hypothesis stresses the idea that the peasantry will remain in existence because of its complementary role in the expansion of capitalism, while the second holds that peasant forms of production in Latin America are not uniform and that they depend on the specific conditions prevailing in the peasant's environment.

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## I

### Considerations on the historical context within which the peasantry is studied

The penetration of capitalism into a particular social formation does not necessarily mean that the same thing happens at the same time with regard to agriculture. The introduction of capitalism into agriculture usually takes place at a later time in history, when the capitalist mode of production is already dominant in the rest of the social formation.

This fact must be borne in mind in any analysis of the peasant economy, as it helps to establish the historical setting under consideration. Thus, bearing in mind that capitalism is the dominant system in almost all the social formations of the region, this article aims to deal with the peasant economy during the process of penetration of capitalism in the countryside.

This means that a series of transformations must already have taken place in the countryside that had created the conditions necessary for capitalism to penetrate it. Of these, the establishment of formal legal land ownership and the generation of free labour are fundamental to any study of the peasant economy. However, formal legal land ownership may be an obstacle when capitalism is being introduced in agriculture, even though capitalism may already be the dominant system in the social formation. The reason it may become an obstacle is the *possibility* offered by land ownership for landowners to appropriate surplus earnings as rent from the land, which may in turn lead to a reduction of accumulation capacity in the non-agricultural economy or in the non-landholding agricultural economy. Because there is this possibility of appropriating a surplus, the system will seek to implement mechanisms that will make it possible to minimize or eliminate the appropriation of rent from the land by landowners, whether they be large or medium-sized owners or peasants.

An equally important fact that must be

borne in mind in any study of the peasantry in Latin America is that it exists within the context of dependent capitalism. The existence of this dependency in the social formations of Latin America has led to the development of certain characteristics that limit their levels of expansion and give rise to problems in the evolution of the system itself. Among these problems are those caused by the transfer of surpluses to the centres and the unsuitability of the technology *vis-à-vis* the labour force available. These two

situations have led to a lack of dynamism in absorbing a large part of the economically active population that lives in the cities, which limits the movement of surplus population from the country to the cities and creates additional problems that make it difficult for capitalism itself to penetrate the rural areas. For these and other reasons, the existence of the peasant economy and its capacity for retaining labour in the rural areas are vital to the system as a whole.

## II

### Criteria for defining the peasantry

In order to study the peasantry of Latin America in the context of dependent capitalism, we must establish certain criteria for making a theoretical distinction between the agricultural units that make up the peasant economy and for stating explicitly what a peasant economy is. These criteria refer both to the intrinsic nature of peasant units (points 1 to 5) and to their insertion and evolution within the framework of a concrete social formation (points 6 to 8).

1. The purpose of production on peasant agricultural units is the reproduction of the unit and not the maximization of the capitalist profit rate. This means that the fundamental law of the peasant economy is that the reproduction of the families linked to the units must be guaranteed at the highest possible level (maximization of the indivisible family income). Consequently, this definition of the peasant economy excludes all units of production whose fundamental purpose is to maximize the profit rate.

2. The peasant economy is made up of economic units that include both production and final consumption. This criterion is aimed at bringing out the fact that when taking decisions in the units that make up the peasant economy, considerations regarding production and final consumption of the family are viewed as inseparable.

3. Peasant economic units use mostly family labour. During certain periods they may also use non-family wage workers, but their

internal logic leads them to utilize all available family labour.

4. When the agricultural production of the peasant unit does not ensure its reproduction, the peasantry sells its labour force. This practice, in which peasants act as temporary wage workers (semi-proletarians) is becoming increasingly common in Latin America. It is important to remember, however, that even when they have family or other ties to a peasant unit, permanent wage workers (proletarians) are not considered peasant in this study.

5. The production of peasant units is usually mercantile in nature even though the peasant, in taking his decisions, may consider both the use value and the exchange value and may seek constantly to minimize his risks. Nevertheless, while there may still be peasant units whose production is not of a mercantile nature or which act as mercantile units only under certain circumstances, in order to minimize risks, at the peasant time the number of such units seems to be declining.

6. The level of material reproduction in the units of each type in the peasant economy depends on the specific historical setting within which the units have developed. This means that there may be, and in fact there are, different levels of reproduction for different types of peasant economy; this makes it impossible to use a given level of material reproduction as a criterion for defining which units belong to the

peasant economy in Latin America, since the level varies according to specific historical conditions.

7. At a given time in time, material reproduction in the units of a peasant economy may be either simple or expanded. This means that a peasant economy cannot be defined empirically as consisting only of units involved in simple reproduction. It could be that some or all the units in a given type of peasant economy would, for a certain time, be involved in ex-

panding the elements of family labour and/or consumption without the use of hired labour. Thus, they would be in a process of expanded reproduction, without ceasing to belong to the peasant economy.

8. In Latin America, the peasant economy is a subordinate form of production. As such, its dynamic character is conditioned by a process of constant fluctuation between disintegration and preservation or between disintegration and re-creation.

### III

## The logic and dynamics of the peasantry in Latin America

Several types of exchange take place within the peasant economy and between the peasant economy and the rest of society. Because of the diversity of these exchanges, the Latin American peasant has a wide range of relations. Some reflection on the meaning and magnitude of such exchanges could contribute to a better perception of the possibilities of the peasantry's survival in contemporary Latin America.

Following this line of reasoning, it would appear that if a peasant unit is able to absorb surpluses through these exchanges, either from other peasant units or from the rest of society, there is a good chance that it will become a capitalist unit. It also seems evident that if the social product generated by such a unit is extracted from it—repeatedly and in large amounts—through exchanges, it will probably disintegrate, with its members becoming part of the wage labour force. Thus, one may reach the conclusion that the character of this form of production will remain unchanged only if the surplus extracted from the peasant units or the surplus accumulated by them is of small magnitude.

In this connexion, the next question that arises is: What determines the direction and magnitude of the flows of surpluses in peasant agriculture? To answer this question, let us look, in the first place, at the logic according to which peasant units function. Later on we will discuss some of the implications of the rela-

tions between the different fractions of capital and the peasantry. Finally, we will comment on the importance of the role played by the State in the functioning of peasant economies.

#### 1. *The logic according to which peasant economies function*

In the previous section, when discussing the criteria used to define the peasantry, we stated that the central objective of the unit is to ensure its reproduction and not to make maximum profits. This characteristic of peasant economies, which is a result of the historical context within which they have developed, allows us to see why peasant units are able constantly to give up part of their surplus labour without disintegrating.

To understand this situation, let us use the capitalist enterprise as a point or reference of the peasant unit. In order to operate over the long term, a capitalist enterprise, in selling its production, must obtain a gross income large enough to: (i) pay its labour force the wages prevailing on the market; (ii) replace the inputs and working elements used during the production process; (iii) obtain at least the rate of profit that is average for the economy; and (iv) if it operates in agriculture, it must also try to obtain rent from its land. If a capitalist enterprise fails repeatedly to obtain a gross income large enough to cover all these items, it will disappear from that field of activity, inasmuch as

capital will find in other activities the conditions necessary to guarantee it such an income. The enterprise will dismiss its workers and they will have to seek other work. The capitalist enterprise is a unit of production and is not responsible for the consumption of the individuals working in it.

In the peasant world, the issue is approached differently. To begin with, there is no free-moving capital, but rather a set of working elements and a fraction of land whose value lies almost entirely in their capacity for making productive use of the labour force available to the family unit. The most important difference, however, is that in this unit production and final consumption are brought together and, consequently, the unit cannot disappear without decisively affecting every member of the peasant family. And the peasant knows how much he is affected by a change of activity. If he is lucky, after selling his land and/or his working elements, he will be able to sell his labour force to some capitalist enterprise; most probably, however, he will not be absorbed into the system and will join the ranks of the marginal population in some city of the country where he lives.<sup>1</sup> Faced with such a prospect, the peasant will protect his form of production at any price and take refuge on his plot of land, which is the only thing that guarantees his survival.

In this context, it is not difficult to understand how easy it is to extract from the peasantry a part of its surplus labour. If the peasant does not have the option of leaving agriculture and is not even able to reduce the amounts produced, it is possible that such unfavourable terms of trade will be imposed on him that he will only be able to obtain the income necessary to reproduce his family. This imposition is not difficult, because the peasant himself makes it easy: to begin with, he does not try to obtain the appropriate absolute rent from his land as part of his income. The peasant does not think of securing a part of the surplus in this way; it is not a part of his logic, and consequently, it has no meaning because it does not fit in his economic categories. According to

capitalist logic, it is normal to expect that if money capital is used to acquire a plot, the investment should produce at least the interest it could earn on the market. For the peasant, however, even though land may have a price, it is not an investment and consequently does not necessarily have to produce rent.<sup>2</sup> Nor does the peasant discuss how to obtain an average profit rate, since, as in the case of rent, this does not fit into his logic or his economic categories. Thus, the peasant leaves to the rest of the system a surplus that any capitalist enterprise operating in agriculture would consider it quite legitimate to obtain.

The above considerations show that the peasant perceives the problem of the terms of trade only in the context of the level at which his reproduction is going to take place. In other words, what the peasant will seek is for the rest of the system to allow him to obtain an income at least adequate to maintain his level of consumption and to replace and improve his working elements. As we have seen before, however, since the terms of the negotiation are unfavourable to him, he finds it difficult to obtain even these levels of income.

One might conclude from the above that the peasantry would tend to disappear, since, if its income levels keep decreasing over time, rapid proletarianization would be the only option open to it. It is not as simple as that, however, since, in addition to what the capitalist system as a whole does to maintain the peasantry—a matter which will be discussed below—the peasantry itself also obviously resists its disappearance. This resistance has several facets, but at this point we will only examine the main ones, namely: (i) the self-exploitation of the family labour force; (ii) the sale of labour outside the peasant unit; (iii) the use of a production strategy that places the main emphasis on own-account consumption; (iv) the use of low-risk technologies; and (v) the organization of the peasantry.

(i) Self-exploitation of the peasant family labour force is understood to be the excess

<sup>1</sup>The problem of margination and redundant population, as Raúl Prebisch calls it, will not be discussed here, as it has already been studied elsewhere.

<sup>2</sup>This does not mean, of course, that at a given time market conditions might not make it possible for the peasant to obtain a surplus that could be considered as falling within the category of rent.

labour which the peasant family puts into its own family unit in order to obtain an amount of product that will enable it to subsist. This excess labour is understood in terms of the average labour that a family of wage workers would have to expend for the same purpose. In our view self-exploitation includes a permanent element that is reflected in the lag there usually is in peasant living standards with respect to those of the proletariat, which is a result of the longstanding extraction of surpluses from the peasantry. In addition, it has a sporadic component that appears during brief periods in which, through the terms of trade, the peasantry is obliged to do extra work in order to survive as such. At any rate, there is obviously a biological limit to self-exploitation that cannot be exceeded.

(ii) The second way in which the peasant may defend his plot of land is by working outside it during part of the year. This is often a form of self-exploitation of the family, since, while part of the family is working outside, the rest continues working on the plot. In this case, the situation is one in which the limitation on the peasant's capacity to obtain enough income as an agricultural producer to ensure the reproduction of his unit is related to the terms of trade that are imposed on him and not the scarcity of land or of working tools. On other occasions, however, work outside the plot is used to complement a peasant's income which is very small because of the scarcity of land or of working tools.

(iii) The productive strategy used by the peasantry has two components that are important to their survival. The first is related to the fact that a substantial part of the unit's production is justified by the potential for own-account consumption: thus, the peasant ensures his subsistence regardless of the terms of trade. The second component is related to the peasant's resistance to specializing production, which enables him to spread the risks and avoid being faced with a situation over which he would have no control.

(iv) The continued use of technologies which, although not the most productive, minimize risks and do not require the peasant to commit large sums of money—either his own

or borrowed—also allows the peasantry to avoid the dangers involved in any relation with a world that is strange and hostile to it. Nevertheless, in many cases this protective device turns out to be a weakness in the peasant forms of production, because if the prices of the goods produced by the peasantry are fixed by the capitalist enterprises that use the most modern technology, the peasant will not be able to value his work at the same level as the capitalist enterprise. Thus, the peasant's income may also be reduced because of the way in which he must protect himself from the risks of the new technologies.

(v) Although the forms of peasant resistance discussed above have a dimension that goes beyond the peasant family and are legitimated by the ideology of the peasant society, their concrete application obviously takes place on the peasant unit. There are many occasions, however, when the peasantry also resists its disappearance collectively, through peasant organizations. It has been very difficult to form such organizations, and, in many cases, their achievements have been minimal. Nevertheless, on other occasions they have achieved their aims, at least over the short term. This shows that unless the peasantry allies itself with other classes it has very little chance of achieving permanent improvement in the terms of trade.

In brief, it may be said that the logic according to which the peasantry functions and the ways in which it is inserted into the capitalist system make it possible for peasants to withstand unfavourable terms of trade up to a certain point. If the terms of trade are too unfavourable, however, the peasantry will disappear as a class. The question that must be discussed, therefore, is that of the approach taken by the capitalist system in dominating the peasantry. We will begin by considering the problem at the level of fractions of capital and then examine it at the level of the State.

## *2. Relations between the peasantry and the different fractions of capital*

To perceive the conditions that the capitalist system imposes on the peasantry, we will study

the problem from the standpoint of small commercial capital operating in agriculture, agrarian capital, agroindustrial capital and large city-based capital that is in one way or another related with the peasantry. We will then make some final comments on the situation as a whole.

(i) Historically, commercial capital was the first to have contact with the peasantry; through it, peasant products reached the urban markets and manufactures reached rural areas. This type of capital played a central role in the early stages of peasant decomposition, as rural crafts ceased to be viable because of the competition of manufactures.

At present, despite the fact that other types of capital reach the peasantry directly, commercial capital is the one that is most closely linked with it. Because of its essentially speculative nature and its great mobility, it extracts everything it can from the peasant, buying as cheaply and selling as dearly as possible. Moreover, in order to ensure that it receives the production of the peasantry and to extract the largest possible amount of surplus labour, commercial capital usually adds to its intermediary function those of finance and transport. Thus, through advance purchases, usurious loans and transport of products, it appropriates for itself a maximum amount of the peasant surplus. Because of this situation, one may reach the conclusion that if commercial capital had been able to retain its links with the peasantry without any outside regulation, it would probably have already eliminated this form of production.

(ii) Agrarian capital, understood as that which brings about agricultural production through wage labour, entered into contact with the peasantry at a much later stage than commercial capital. Nevertheless, since agrarian capitalism is derived, to a large extent, from *hacienda* forms of production, its relationship with the peasantry is longstanding and deep-seated.

The link between agrarian capital and the peasantry has always been a source of conflict. To begin with, in many cases the very growth of capitalism in agriculture involved the elimination of peasant forms of production that had previously existed within the *hacienda*. In other

cases, the conflict arose at a later stage, when capital began to occupy land outside the *hacienda*. Control of good land has always been a basic source of conflict between agrarian capital and the peasantry.

Moreover, agrarian capital uses the land it controls to extract surplus peasant labour through means that are not entirely capitalistic. Because of certain special circumstances, sharecropping (*mediería* and *aparcería*) still exists in agriculture even where the capitalist system is at a very advanced stage. And, of course, when the *hacienda* in transition is the dominant form, such relationships with the peasantry are very frequent. In such cases, however, the *hacienda* in transition or the capitalist enterprise finds it necessary to carry out a regulated exploitation of the peasantry, since these production relations are maintained in a framework in which the survival of the peasant is important.<sup>3</sup>

In addition, agrarian capital uses peasant labour and in so doing tries to pay the lowest possible wages. Here the survival of the peasantry is not the problem of an individual enterprise and, consequently, the relationship will be as unequal as market conditions allow within the existing legal framework. And since an overabundance of labour is usually the normal situation in the countryside, wages are very close to the daily biological subsistence wage.<sup>4</sup>

In brief, one may reach the conclusion in this case that in its relations with the peasantry individual agrarian capital also tends to destroy it and that only in exceptional situations does capital have an explicit interest in preserving the peasantry.

(iii) Agroindustrial capital represents a fraction of total capital which justifies its ex-

<sup>3</sup>This framework may be that created by the pre-capitalist character of the *hacienda* or by the goal of maximum profit that characterizes the capitalist enterprise, where a few permanent peasants are important within the enterprise. However, there may also be maximum exploitation when there is an abundance of labour and price relations do not allow for a viable economic exploitation.

<sup>4</sup>It is worth pointing out the difference between daily and annual subsistence wages. The former only covers the reproduction of the family during the days worked, while the latter must be adequate to reproduce the family taking into account the seasonal nature of agricultural employment.



istence by the greater value it adds in the processing of agricultural products, but which also seeks to extract surpluses from the producers with whom it has relations. Agroindustrial capital is linked mainly with the capitalist and/or the peasant sector, depending on what specific conditions exist in the region concerned as regards technology, terms of trade and land rent.

For example, it will support capitalist enterprises when the selling price of an agricultural product can only be lowered by increasing the supply through improvements in productivity and the technology concerned is indivisible or very costly. In such a situation, when no other alternatives exist, peasant forms of production will tend to disappear, since the terms of trade will not allow them for their reproduction.

In other cases, however, agroindustry will support the peasant economy. This will happen when agricultural prices are high, since the rent obtained by landowners reaches a level that tends to make agroindustry non-viable. Here, support for peasant production becomes a mechanism that helps break the landowners' monopoly over the land. Peasant production is also encouraged by agroindustry when new production techniques are labour-intensive and divisible. Here peasants are able to deliver a product at a lower price than the capitalist enterprise, since the former do not compute rent or the average profit rate and they self-exploit their labour force.

The above considerations lead to the conclusion that, under certain conditions, the survival of the peasantry is fundamental to the functioning of agroindustry. In such situations—contrary to what normally happens with regard to the fractions of capital analysed earlier—individual capital may seek to ensure that its source of income does not become exhausted through over-exploitation, since the heavy investment in fixed capital on the part of certain branches of agroindustry makes it difficult for these to change their activity.

(iv) Large city-based capital related to agriculture may be mainly industrial, banking or financial (or industrial and banking at the same time). However, in every case—as regards individual capital—the capitalist enter-

prises operating in these sectors tend to extract surpluses from the peasantry. We do not believe this process of extraction is aimed preferentially at the peasant—although this is often the case—but rather that it is brought about by the general rules of the system.

Thus, we know on the one hand, that the relatively high degree of concentration of large urban capital in all its activities enables it to set a higher price level for its products or for the money it offers than would normally be the case in a market of perfect competition. And on the other hand, as we have already mentioned, the logic according to which peasant enterprises operate puts them in a position where they are able to sell at a lower price level than it would be possible for a capitalist agricultural enterprise to attain. From these two facts we may see that it is normal for the flow of surpluses to be weighted against the peasant, and over the long term this would tend to make him disappear.

(v) It is quite clear from the above that, except for some branches of agroindustry which might have an interest in ensuring the survival of the peasantry, the remaining fractions of capital maintain a type of relationship whose purpose is to maximize the expropriation of the surplus generated by the peasantry. This might lead to the conclusion that the eventual disappearance of the peasantry is inevitable; however, this is not so sure for two reasons.

In the first place, only the agrarian fraction of capital has any real interest in the disappearance of certain peasant sectors in order to appropriate the best lands and displace the peasant from the markets where products from both types of units are sold. Relations between the remaining fractions of capital and the peasant tend to promote the disappearance of the peasant, to the extent that this is achieved, however, the volume of the product delivered by the peasant to the market decreases and thus capital is forced to allow terms of trade that are less unfavourable to the peasantry, so that the latter again attains an income level that is adequate for survival. What may definitely be assumed is that there is a tendency for the peasantry to persist at a very low level of subsistence and with great instability. The truth is that, in general terms, the historical experience

of the peasant in Latin America has not been too far from reaching this point.

However, we also know that in certain regions, or during certain periods, the peasantry has achieved standards of living above subsistence level and has begun to accumulate to a point where it has been able to improve its technology. In certain cases, this might be explained by the relation that develops between the peasantry of a region and a given agroindustry. In general, however, it can only be understood in terms of a theoretical framework in which the State is the central agent in the social relations that determine the living conditions of the peasantry. This is, in fact, what is discussed in the following section.

### 3. *The State and the peasantry*

The foregoing analysis referred mainly to the relation that may be seen between individual units of capital of different fractions and the peasantry; let us now try to raise the level of abstraction and look at capital as a whole. To this end, we will use the concept of the State.

The State is considered to be a synthesis of the social relations that exist in a social formation. It reflects the relations of domination that exist in the formation, but at the same time reproduces the social conflicts that arise in it. This means that in a capitalist social formation, that is to say, where the capitalist mode of production is predominant, there may be several social relations in the State, but the dominance of capital is explicit, and consequently the main activities of the State will be aimed at guaranteeing and expanding capitalist relations and the corresponding process of accumulation. However, the above statement also means that the State's actions will be subject to the tensions arising from the conflicts that develop between the different social forces in the formation. In other words, the State will reflect, primarily, the conflict between capital and labour, but it will also bear within it the contradictions that arise between the different fractions of capital and the different types of workers. This set of contradictions gives rise to concrete actions by the State which assume a particular shape and give life to a specific pattern of accumulation. The aim of this pattern of

accumulation is that each social sector should play a complementary role in line with the objectives set forth in the pattern itself.

It is in this theoretical context that it seems useful to locate the State's relations with the peasantry. Here we may find the elements for understanding why during certain periods in history, the peasantry has been violently repressed or neglected by the State, whereas during other periods it has not only received support from it but has even been re-created by it. We cannot discuss the concrete reasons for these phenomena in abstract terms, but must necessarily refer to specific cases. It is possible, however, leaving aside the political aspects of this issue, to try to establish what are the main tasks, within the framework of the contemporary development of capitalism in Latin America, that the State tries to get the peasant to perform as part of the different patterns of accumulation existing in the region.<sup>5</sup> This will help us understand, in the specific historical analyses, the relations that develop between the State apparatus and the peasantry.

#### (a) *The role of peasant forms of production in checking the spread of urban marginality*

The development of capitalism in the Latin American countries has resulted in the formation of large marginal groups around the cities. As is well known, these masses grew out of the rural migrations, but in time the population of these sectors has grown to the point where it exceeds the capacity of the cities to provide employment. Moreover, history has shown that in the countryside, as the traditional forms of production —the *hacienda* and the peasant plot— undergo transformation, the employment capacity of the rural sector diminishes too and, consequently, migration to the cities increases.

In this context, the current situation of most countries in the region is serious from the economic and social standpoint, and there is no

<sup>5</sup>These forms will not, of course, be present in every country, since their existence depends on the specific accumulation pattern of each formation, the place that has been assigned to the peasantry within in and the ability of the peasantry to resist the role imposed on it.

solution in sight. The extreme choices for the dominant system are either to find forms of expansion in the cities that will allow for the absorption of the growing labour force, or to prevent the continuation of the rural exodus. In Latin America, the State has usually combined both strategies, and many of the measures aimed at preventing the disintegration of the peasantry by providing various types of support may be understood in this context. Contrary to what used to be the case, the retention of population in the countryside appears to be fundamental to the stability of peripheral capitalism, and one of the few ways in which this can be accomplished is by making peasant forms of production viable. In many countries, the State has taken on this task, even to the point of re-creating the peasantry.

(b) *Peasant forms of production as permanent agents of transfer of value*

There has been a great deal of study regarding the fundamental role played by primitive accumulation during the early stages of the expansion of capitalism. And although it is well known that some of the forms taken by such transfers of value have disappeared, it is no less true that, in the last analysis, the phenomenon continues to occur. The most common way in which such transfers take place is through the production by peasants of wage goods at a price at which capitalist enterprises could not produce them. This is possible because of the logic according to which the peasant economy functions and it means that the peasantry is permanently transferring value generated by it, for the benefit of the rest of the system.

This problem is not so obvious at the level of individual capitalists, but it is perfectly evident among the different fractions of capital and may even create serious difficulties between them. For example, when agrarian capitalism and the *latifundio* sectors are not able to specialize by producing crops different from those produced by peasants, they try to displace the peasants because otherwise prices would tend to drop. On the other hand, the urban fractions of capital often support peasant forms of production, because as long as peas-

ants produce, the lower cost of foods will have a significant and positive effect on their profit rate. The greater or lesser extent of support for the peasantry depends, in the final analysis, on the power that each of these sectors has within the State and on the pressures which the peasants themselves are able to exercise.

(c) *Peasant forms of production as a labour reserve in the countryside*

With the advance of capitalism in Latin American agriculture, the utilization of wage labour grew rapidly. This contributes to the development in the countryside of a labour market in which wage levels are fixed. Individual negotiations between employer and employee, however, tend more and more to refer to a regional or national wage level, which of course is subject to the play of the supply and demand of labour. The bases for such negotiations seem increasingly to depart from the rather fixed set of traditional regulations established in past precapitalist relations.

In this context, the level of rural wages is related to that of urban wages, but it is also related to the supply of labour in the countryside, and it is precisely here that peasant forms of production help to keep down wages, i.e., pure wage-earners in the country are permanently prevented from pressuring for better wages because there are many peasants who are willing to work for less. As we have already seen, the peasant is able to do this because his wages help supplement his reproduction costs as a producer; the pure wage-earner's wages, however, are his only source of income.

In the final analysis, not only does the existence of the peasantry directly help to lower the reproduction cost of the urban labour force by producing cheaper food, but it also does so indirectly: on the one hand, the downward pressure on rural wages has to be reflected in lower prices of agricultural products and hence in lower urban wages, and on the other, because of the interconnexion between different labour markets, the lower rural wages are also transmitted to the cities and even to neighbouring countries where the peasantry is not significant. Thus, the circle again closes with the appearance of yet another way in

which the peasantry is useful to the expansion of the capitalist system.

(d) *The role of peasant forms of production in adjusting the seasonal demand for labour in the countryside*

Obviously, one of the differences between the production processes in agriculture and in industry is the seasonality in the use of labour that is imposed by nature on agriculture. While it is true that mechanization in agriculture tends to smooth the employment curve, the relatively low degree of utilization of machinery may have a negative effect on production costs. This means that employment in the countryside is highly seasonal.

In addition to the various social effects this phenomenon has on workers, it clearly has implications for capitalist enterprises in agriculture. These have the choice of either providing seasonal workers with an income sufficient to live on during the months when the enterprise does not offer them work, or paying high enough wages during the months when they do provide jobs to allow for the workers' subsistence during the entire year.

Here again we see the complementarity of the peasantry. As we have already noted, the peasant, under pressure from the system, is always prepared to sell part of his family's labour and, consequently, when the harvesting season comes, he provides the complement of human energy required by the capitalist enterprise. Thus, during peak employment seasons, there is little or no increase in wages since there is an infinitely elastic supply of labour to meet the new demand. As has been noted above, this also contributes indirectly to capitalist accumulation within and outside agriculture.

(e) *The peasant as a consumer of industrial products*

It is difficult to imagine in abstract terms that

the peasantry, which we have described as a permanent agent of transfer of surpluses to other sectors, could be an important element in stimulating the demand for industrial products. Nevertheless, if we analyse the pattern of accumulation based on import-substitution industries established in several Latin American countries, we will be able to understand that in certain circumstances it is necessary that the peasantry should begin to consume what industry produces, in order not to jeopardize the continuity of this pattern. The problem is that, once the market for products consumed by the middle classes and the proletariat has been saturated, the system has no alternative, in view of the considerable difficulties involved in trying to compete on the world market,<sup>6</sup> but to improve peasant incomes or lose its dynamism and expand only at the vegetative growth rate of the urban population. This is even more obvious if we bear in mind the income-concentrating profile of this accumulation pattern.

The alternative of improving peasant incomes has usually been linked to agrarian reform programmes, which when implemented seriously have brought about a break between the *latifundio* sector and the industrial sector. In such cases, the possibility of increasing the consumption of industrial goods was also associated with an increase in the supply of food and the retention of population in the countryside. Thus, one can easily understand how programmes promoted by the State may be designed to improve the living conditions of the peasant but at the same time to contribute to the development of capitalism in the social formation as a whole.

<sup>6</sup>This is not the place to expand on this point, the theoretical basis of which lies in the problem of initial accumulation levels for industrialization processes and the unequal exchanges that occur subsequently.

## IV

## Conclusions

The above analyses lead to two central hypotheses that may be useful in future research on the peasantry in Latin America.

The first hypothesis is that there is a strong possibility that the peasantry of the region will persist for a long time as an important form of agricultural production. The logic according to which the peasantry functions and the needs of the capitalist system of the periphery complement each other in such a way that, as long as the peasantry continues to contribute towards solving or minimizing the problems facing capitalist expansion, capitalism (which to a large extent depends on this non-capitalist form of production) will ensure, through the State, that individual forms of capital do not destroy the peasantry. In this context, the historical destiny of the Latin American peasantry would seem to be to continue to complement the expansion of capital, so long as capitalist development does not go on to another stage.

This hypothesis might be proved by means of studies in the following areas:

- (i) production, markets and prices of peasant products;
- (ii) technology utilized by peasants and technology generated;

(iii) the peasant labour force and proletarianization; and

(iv) State actions with regard to the peasantry.

The second hypothesis is that, because of the specific historical conditions in which peasant forms of production develop, the complementarity of the peasantry with regard to dependent capitalism may be different in different cases. This would not only explain why there are different types of peasant economies which appear to have nothing in common, but would also make it possible to describe the characteristics of the process of peasant differentiation in the Latin American countries.

This second hypothesis might be studied through research on the following:

- (i) peasant agriculture in the Andean communities;
- (ii) peasant agriculture in traditional *mini-fundio* areas;
- (iii) "farmer"-type peasant agriculture;
- (iv) peasant agriculture derived from agrarian reform programmes:
  - individual family farming units
  - collective farming units.

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