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Notes and explanation of symbols

The following symbols are used in tables in the *Review*:

Three dots (...) indicate that data are not available or are not separately reported.

A dash (—) indicates that the amount is nil or negligible.

A blank space in a table means that the item in question is not applicable.

A minus sign (−) indicates a deficit or decrease, unless otherwise specified.

A point (.) is used to indicate decimals.

A slash (/) indicates a crop year or fiscal year, e.g., 1970/1971.

Use of a hyphen (-) between years, e.g., 1971-1973, indicates reference to the complete number of calendar years involved, including the beginning and end years.

References to "tons" mean metric tons, and to "dollars", United States dollars, unless otherwise stated.

Unless otherwise stated, references to annual rates of growth or variation signify compound annual rates.

Individual figures and percentages in tables may not necessarily add up to the corresponding totals, because of rounding.

Trends and recent changes in the Latin American food and agriculture situation

*Luis López Cordovez**

This paper analyses the chief trends and recent changes in the agriculture and food situation of the Latin American countries and seeks to give a brief overall picture, despite limitations arising from the insufficient and sometimes partial data.

In making the analysis, account was taken of a number of outstanding aspects of the new world agricultural context that have had an impact to varying extents on the performance of national agriculture.

The regional agricultural situation reflects a variety of different types of progress resulting from the sometimes only partial exploitation of its potential and a number of unsolved problems which may be becoming more serious. In any event, the economic progress achieved is obvious, since the dimensions of the sector increased by a factor of 1.4 during the 1970s. The technical progress that has taken place in the region is evident but at the same time presents an uneven picture. These two forms of progress have been based both on stimuli resulting from public policy and on attractive, although selective, conditions in expanding markets. To a great extent the expansion achieved in production was made possible by accelerated capital formation in entrepreneurial-type production units. The coexistence of this material progress with the continuing rural poverty is the most noteworthy negative feature of Latin American agriculture.

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I

Agriculture in the overall context*

The diversity of the current situations in national agriculture presents an obstacle to assessment of a regional scope. Nevertheless, despite the difficulties arising from growing disparities that lead to major differences in the significance of agricultural activities within the framework of the global economy, in agricultural production policy, in the relationship between agricultural activities and internal and external markets, in the size, characteristics, dynamism and economic performance of the various agricultural segments, and in the interrelationships among those segments and between them and the rest of the economic system, there are enough common elements to put together an overall picture of the region showing the orientation and scope of the economic and social changes that Latin American agriculture is undergoing.

Owing to its size and resources, in past decades agriculture was an outstandingly important sector in most national economies, whereas industry was in a relatively early stage of development. For that reason, and because capital resources were scarce at that time (except in those countries with high levels of mineral and petroleum exports), while there was only a low volume of external financial assistance, agriculture had to contribute to the growth of other economic activities. In addition to this situation, there was the widespread conviction that agriculture could be expanded by making more effective use of the resources already applied to the sector, since agriculture's own capital requirements were quite modest.

While there is no doubt that industry has been the most dynamic sector as regards development of the Latin American economic system, agriculture has played an important role by making a major contribution to the industrial sector. It continues to play the same role, but in spite of the fact that its economic dimensions are a good deal larger than in earlier decades it no longer occupies the promi-

*The author wishes to express his gratitude for the valuable observations and suggestions made by Messrs. Emiliano Ortega and Rolando Chateaneuf.

ment place it once did as a sector whose economic surplus could be transferred to the rest of the economic system.

At the beginning of the 1980s the position is that agriculture is still extremely important in a number of countries, whereas in others it occupies a more modest position. Between 1970 and 1980, at the regional level and on the basis of national accounts, there was an annual increase of 3.5% in the agricultural gross domestic product, compare with an annual growth of 5.6% in the overall gross domestic product. Over the same period agriculture's share in the total product dropped from 14% to 11.4%. In the course of the 1970s the proportion of the total labour force employed in agriculture dropped from 42.1% to 36.2%.¹ Naturally, the agricultural product's growth rates, the share of that product in the total product, and the size of the agricultural population in relation to that of the total population vary from one country to another.

When an economy undergoes change and becomes more diversified the importance of agriculture in relation to the total gradually decreases, which generally leads to misjudgement of the agricultural sector's performance and to a negative assessment of it. In the economic development process it is normal that there should be a drop in agriculture's contribution, measured on the basis of global macro-economic indicators that may be disaggregated at the sectoral level. In itself, such a decrease does not mean that inadequate dynamism is being displayed. The nature and magnitude of the evolution of agriculture should be considered not only in the light of statistical indicators on production and productivity, but also in the light of indicators reflecting socio-economic changes resulting from changes in distribution of income, the scale of extreme poverty and the level of employment of the labour force.

In the 1970s it was observed that in most countries, for some time past and to varying degrees, the socio-economic structures of agriculture and the interrelationships between them had been undergoing substantive

changes. Analyses were carried out and it was shown that the technological modernization of agriculture was not an isolated event, but that it constituted part of a series of events, which made evident its integrated and interdependent character in respect of the development of the other economic sectors. This series of interrelationships and repercussions is extended by, and linked with, the national economies' system of external relations.²

The integration of agriculture into global development and its interdependence with such development is therefore a determining factor in the changes that are being noted in it; for a complete understanding of what has happened in agriculture, both from the point of view of production and from the point of view of the social stratification of this sector, particular attention should be given to intersectoral relations, which help to explain events in the light of more comprehensive and complex situations and processes than those linked only to variables in the agricultural sector itself.

Within this framework of integration and interdependence, it has become increasingly difficult to make the goals pursued by the State through its priority programmes and actions—goals which are general in the case of agriculture as a whole and specific in the case of each individual branch of production, or for the benefit of the peasantry at large—fully compatible and coherent among themselves and between them and the goals set for the economic system as a whole. The difficulties, inconsistencies and contradictions involved have been even greater when countries have had to make choices, review goals and objectives, and apply internal adjustment policies in order to cope with the short-term external situation.

The average income of the population depending on agriculture continues to be a good deal lower than that of the non-agricultural population. Despite the progress achieved in production, which is described below, trends in agriculture still do not meet the economic and social demands made on that activity by the Latin American economy and society.

¹CEPAL, "Projections of Latin American development in the 1980s", April 1981 (E/CEPAL/G.1158).

²CEPAL and FAO, "Rural social development in Latin America", CEPAL/FAO Technical Meeting on rural social development in Latin America, Montevideo, Uruguay, 9-11 August 1978 (CEPAL/FAO/78/2).

II

Regional agricultural production in the 1970s

The marked changes and uncertainties which have prevailed on a worldwide scale in the economic, social and political spheres in the past decade, and especially in the second half of that decade, have had a strong impact on the international agricultural markets for products, technical inputs and finance, and through those markets they have influenced the agricultural production process of the developed and developing countries in various manners and to varying degrees.

Latin America did not escape this impact. When the proportion of a product exported exceeds one-third of the regional total produced, external market conditions obviously have a great impact on the production process; a brief outline of world agriculture will therefore be given, before developments in regional agricultural production are considered.

1. *Some leading aspects of the new world agricultural context*

In general, the period between the beginning of the 1950s and the early 1970s was one of definite and stable growth in world agricultural production, particularly of food, together with unprecedented growth in food consumption. In 1970/1971 the chief problem confronting world agriculture was how to reconcile the need to increase income from exports of agricultural products with the need to raise the income of agricultural producers in both the developed and the developing countries and, at the same time, maintain a greater degree of stability and firmness in international markets and thus a better equilibrium between supply and demand at the world level.

It may be concluded from FAO figures³ that the value of world agricultural production grew at an annual rate of 2.9% between 1950

and 1972, whereas the value of international trade in agricultural commodities would appear to have grown at an annual rate of 5%. A characteristic of the period in question was the increase in the developing regions' dependence on food imports. In 1972, owing to simultaneous major production deficits in a number of interrelated commodities, there was a substantial increase in international demand, and it was therefore necessary to draw heavily on reserves in order to close a major portion of the gap between supply and demand. When the reserves were bordering on their lowest levels, in 1973, there was a marked increase in prices. The sharp rise in oil prices and the resulting financial and monetary disturbances had an impact on balances of payments, accelerated inflation and encouraged speculation, introducing additional uncertainties into the situation that generated conflicts between supply and demand in international agricultural markets.

The rise in the price of fertilizers, pesticides, fuels and lubricants gave rise to adjustments in production systems, particularly as regards the location and composition of crops and the selection of energy-saving technical processes.

In 1975/1976 the industrialized countries' economic recovery began, international agricultural prices dropped and stocks accumulated in the importing countries.⁴ In 1977 there was an increase in world agricultural production and supply, which coincided with a recovery in demand as a result of an increase in consumer income, and there was even a recovery in stocks to a certain extent. When demand recovered in 1978 prices rose slightly, which coincided with a considerable increase in the prices of exports of manufactures, resulting in a deterioration in the terms of trade. Following

³FAO, *Production and Trade Yearbook*, Rome, various years.

⁴FAO, *Commodity Review Outlook, 1975-1976*, Rome, 1976.

two years of substantial expansion in production (1977 and 1978), in 1979 output dropped and the trend was reversed, which in turn generated a further rise in prices.⁵ In 1980 world production rose slightly, but in per capita terms it dropped for the second consecutive year. International prices of fertilizers rose by 20% to 30% in comparison with their levels of 1979, which contributed to a further increase in agricultural prices at the beginning of 1981.⁶

FAO selected 21 products representing about 50% of agricultural trade in order to assess the degree of instability in prices and the volume of international trade between 1968 and 1978 (see table 1) and established that the most significant feature was the major and widespread increase in the instability of prices in the mid-1970s, in comparison with the late 1960s and the early 1970s. There was little fluctuation in export volumes. In the period 1974-1978 there was a significant widespread trend towards slightly greater stability.⁷

There are many complex and widely varying reasons for the evident destabilization of such a wide range of agricultural commodity prices. However, it appears that among those reasons fluctuations in the volume of output and of exports played only a subordinate role, and there does not appear to have been a great degree of price inelasticity either. Between 1974 and 1976 changes in trade patterns, the shrinking of residual world markets owing to a greater degree of self-sufficiency of importing countries and the higher level of protection afforded to national producers took on greater importance. The acceleration of world inflation and the higher level of instability in world monetary markets are factors that have made possible a greater level of activity in world trade in agricultural products and contributed to greater fluctuations in their prices.⁸

It would appear that between 1970 and 1978 the value of world agricultural exports grew at an annual rate of 18.3% at current prices and 4.4% in terms of real prices, whereas world

output grew at an annual rate of 2.5%.⁹ In the period in question the *United States* maintained its position as the world's leading exporter of grains and oilseeds. Exports of these products, together with exports of livestock products and other non-food products such as cotton and tobacco, meant that United States agricultural exports grew at an annual rate of 9% between 1972 and 1980, compared with the annual rate of 5.5% recorded during the period 1950-1972.¹⁰

United States production of cereals and oilseeds rose from 147 million tons to approximately 350 million tons between 1950 and 1980. As from 1973, 65 million acres of land previously not used entered into production. Among the chief producers and exporting countries the United States demonstrated that it had a greater production capacity and a greater ability to adapt its policies to changing situations in international markets; it increased its competitiveness in those markets while at the same time raising its production to keep pace with the expansion in world demand. By the early 1980s the United States had put virtually all suitable land, including land that had not been cultivated for over two decades, into export production.¹¹

In addition to having turned to international markets more intensively, United States agriculture succeeded in eliminating redundant manpower; the chronic disequilibrium between land and labour force, which lasted until the early 1970s, ceased to be an insoluble problem.

Gradual migration to the cities, residence in rural areas not associated with employment in agriculture, full utilization of available land, a flow of technological innovations that, in addition to freeing manpower, enabled production to grow as rapidly as domestic and, in particular, external, demand, and achievement of an improved ratio between agricultural and non-agricultural productivity, owing to the fact that the rate of return increased appreciably in

⁵*Ibid.*, 1979-1980.

⁶FAO, *The state of food and agriculture*, 1980, Rome, 1981.

⁷FAO, *Commodity Review Outlook, 1979-1980*, Rome, 1980.

⁸*Ibid.*

⁹*Ibid.*

¹⁰United States Department of Agriculture, *Agricultural-food policy review*, Washington, April 1981.

¹¹United States Department of Agriculture, *op. cit.*

Table 1
 WORLD: VARIATIONS IN EXPORT PRICES AND IN QUANTITIES EXPORTED
 OF THE PRODUCTS INDICATED, 1968-1979 AND 1974-1978^a

(Percentages)

	1968-1972		1974-1978		Ratio 1974-1978/ 1968-1979	
	Price	Quantity	Price	Quantity	Price	Quantity
Coffee	9.16	11.09	34.97	17.18	3.82	1.55
Tea	5.56	13.42	24.48	20.47	4.40	1.53
Sugar	19.19	18.27	44.14	16.89	2.30	0.92
Wheat	8.26	17.28	11.70	10.01	1.42	0.58
Rice	10.04	13.55	22.89	14.84	2.28	1.10
Maize	8.22	17.47	12.29	12.93	1.50	0.74
Barley	6.75	20.94	7.01	11.88	1.04	0.57
Butter	25.81	26.54	5.62	12.31	0.22	0.46
Cheese	23.26	8.57	6.15	9.12	0.26	1.06
Soya beans	5.09	24.93	38.18	22.38	7.50	0.90
Soybean oil	13.75	21.76	23.19	22.51	1.69	1.03
Cottonseed oil	14.88	43.34	18.64	26.12	1.25	0.60
Olive oil	9.42	21.59	4.94	29.30	0.52	1.36
Palm oil	15.60	15.26	22.25	15.81	1.43	1.04
Rubber	13.07	6.16	16.61	7.00	1.27	1.14
Cotton	5.65	18.73	14.15	12.64	2.50	0.67
Cocoa	19.51	8.34	25.43	8.66	1.30	1.04

Source: FAO, *Commodity review outlook, 1979-1980*, Rome, 1980.

^aFAO calculated the coefficients of variation on the basis of quarterly data concerning export prices and quantities, which is adjusted to take account of trend.

the 1970s, are factors that, taken together, led to the disappearance of the classic land/man disequilibrium.¹²

Unlike in the past, the problems upon which attention was focused in the taking of decisions regarding United States agricultural policy are not related to the handling of excess production capacity, but to the introduction of adjustments in production in order to avoid scarcity, particularly of cereals and oilseeds. The United States supplies almost half of the volume of the products in question traded in international markets, and fluctuations in world demand for, and production of, these products therefore have a considerable impact on United States annual production decisions. The rate of expansion of international demand for United States agricultural products trebled

in the 1970s, and it is clear that it will continue to grow in the course of the current decade.

From 1973 onwards monetary instability had a serious impact on EEC agriculture, which led to the adoption of complex measures and the establishment of monetary compensations in order to avoid the disintegration of the common agricultural market, with the result that the task of setting annual agricultural prices, within the global economic context, was one of the biggest difficulties confronting the Community.

In the 1970s EEC agriculture underwent structural adjustments accompanied by technical advances. The size of agricultural units increased rapidly, and the number of producers dropped; as a result, productivity improved and the annual volume of virtually all products rose steadily. Consumption did not always expand at the same rate; in the case of a number of

¹²*Ibid.*

products it expanded at the same pace as production, in the case of others, specifically dairy products, it increased as a result of a high level of intervention in the form of public agricultural expenditure, and, lastly, in the case of still other products, meat, sugar and dairy products, in which surpluses were formed or maintained, exports were promoted through extremely active specific programmes, together with costly measures to encourage domestic consumption in various ways.

Between 1978 and 1980, intra-Community agricultural trade showed a tendency to stagnate in the case of most products, particularly cereals and meat, in contrast with the considerable increments recorded in the period 1973-1978 following the incorporation of the United Kingdom, Denmark and Ireland into the EEC.¹³ This shows that the Community depends increasingly on exports to third countries in order to dispose of some of its surpluses. Exports of sugar and dairy products benefited from the drop in production of the principal producer countries, owing to adverse climatic conditions or to political objectives, which resulted in a fall in supply and high prices in world markets.

The chief problem confronting the EEC in the short and medium-term is that of deciding how it can dispose of expanding production volumes, both on the domestic market and externally, at suitable prices that safeguard the income of producers and at the same time remain within the limits of State intervention determined by the levels of public funds allocated for that purpose.

The EEC occupies second place as a world exporter of agricultural products (10% of the world total), being preceded by the United States (approximately 20%) and followed by Canada (7%). The EEC share of the world total has remained relatively stable in the long term. Its exports fell slightly in the period 1973-1976, but between 1976 and 1979 they recovered. In 1978 48% of EEC agricultural exports went to industrialized countries, 43% to developing countries and 9% to countries with centrally

planned economies. Approximately two-thirds of its exports consisted of processed products.¹⁴ The case of products processed from coffee, tea and cocoa, which the EEC does not grow but exports in great quantities on the basis of imports of primary products from developing countries is worthy of note.

Two years of unsatisfactory world harvests (1979 and 1980) led to a deterioration in the world food situation. Since the 1981 harvest was considerably better than anticipated, the threat of another large-scale food crisis appears to have diminished. However, as a result of the drop in cereal production in 1980 import requirements rose substantially. FAO¹⁵ estimated that in 1980/1981 the developing countries imported 95 million tons of cereals, a figure approximately 7% higher than during the preceding biennium. Demand rose when the smaller availability had caused a net increase in prices. Since the cost of maritime freight also increased, the cost of food imports rose sharply.

2. Regional production behaviour

In the case of a number of Latin American countries expansion of domestic markets had a decisive impact on the behaviour of their agricultural production and its composition, while in the case of other countries agriculture has continued to become more international. In both cases national agriculture has been affected not only by the impact of the need for a greater volume of production, but also by the characteristics and composition of the markets upon which it fundamentally depends.

When national agriculture is considered in the light of its scale, —as measured in terms of the agricultural gross domestic product at 1970 prices—¹⁶ in the three-year period 1970-1972 Mexican agriculture was the largest, followed by Brazil, Argentina, Colombia, Peru and Venezuela, in decreasing order of importance. At

¹⁴*Ibid.*

¹⁵FAO, *Global information and early warning system on food and agriculture: Food outlook*, Rome, various issues during 1981.

¹⁶CEPAL, "Projections of Latin American development in the 1980s", April 1981 (E/CEPAL/G. 1158).

¹³Commission of the European Communities, *The agricultural situation in the Community. 1980 Report*, Brussels, December 1980.

the end of the decade (the three-year period 1978-1980) Brazil occupied first place, followed by Mexico and Argentina, with Colombia slightly behind, followed by Peru, which was, in turn, almost equalled by Venezuela.

Four countries (Paraguay, Brazil, Guatemala and Colombia) achieved annual average increases in their agricultural GDP exceeding 4% in the 1970s, while five other countries (Nicaragua, Venezuela, Ecuador, the Dominican Republic and Argentina) achieved an annual rate of agricultural growth of 3% to 4%. The next four countries (Bolivia, El Salvador, Costa Rica and Mexico) had an annual increase of 2% to 3%, while in the last six (Chile, Haiti, Panama, Honduras, Uruguay and Peru) the average annual increase was below 2%.

Analysis of production trends as seen from the growth of the sectoral gross domestic product, on the basis of national accounts, suffers from a number of limitations, including, in particular, the fact that it is impossible to explain what happens in the case of the various production lines and the difficulty of identifying and assessing the factors responsible for dynamism or stagnation. The production performance of agriculture is therefore considered below in terms of the physical volume of products. The growth rate of this volume has been dynamic (an annual rate of 3.3% in terms of the gross value of production) compared with that obtained by the developing regions as a whole (an annual rate of 2.9%) and the developed countries (an annual rate of 2%). When the evolution of the sector is considered in terms of the per capita gross value of Latin American production, it must also be regarded as relatively dynamic, since it rose at an annual rate of 0.8%. However, this rate is inadequate as regards the potential demand for food by Latin American society, which includes approximately 45 million persons suffering from malnutrition; growth in physical volume has not kept pace with effective demand, since it would appear that the latter has risen at an annual rate of 3.6%. It is also inadequate in view of Latin American agricultural production potential, since only a little over one-quarter of the cultivable area is utilized. Furthermore, it is inadequate in view of the amounts of ag-

ricultural products which the Latin American countries need to export in order to correct their trade balances and their balances of payments and to reduce their external indebtedness. Lastly, it is inadequate in view of the level of growth in production required as an essential material basis for raising the quality of life in the rural environment.

Production behaviour has been uneven. Crop farming has grown at a lower rate than livestock production (annual rates of 3.1% and 3.7%, respectively). This trend, for which many complex factors are responsible, became apparent in the 1960s. Here attention should be drawn once again to the impact of unfavourable climatic conditions on the annual volume and composition of production.

Trends in individual lines of production display marked disparities from one group of products to another; there has been dynamic growth in a number of lines, while growth has been slow in others, and some have even shown reductions. Four groups of vegetable products expanded at a more rapid rate than that of the population: oilseeds, green vegetables, fruits and sugar crops. In the case of livestock products the same was true of poultry, pork, eggs and milk. Cereals, stimulating beverages, dry legumes and beef grew at a slightly slower rate than that of the population. Lastly, in the case of roots and tubers and vegetable fibres, excluding cotton, production fell. Table 2 shows what happened in the case of each group of products and each separate principal product.

Among crops, the most dynamic group is that of oilseeds, and within that group soya-beans are particularly prominent. The principal factor responsible for the spectacular increase in oilseeds was expansion of the area harvested, which accounted for 68% of the rise in production. At the same time, however, the increase in yields of these crops, which rose at an annual rate of 2.8% (double that of the growth in average crop yields), should not be underestimated.

Both internal demand for, and exports of, oilseeds have expanded substantially; the former rose by an annual rate of almost 9% between 1969/1971 and 1977/1979, and the latter grew at an annual rate of 17.2% over the

same period. The combined effects of internal and export demand permitted the absorption of regional production that expanded at an annual rate of over 14%.

Table 2

LATIN AMERICA: PRODUCTION, AREA HARVESTED AND AVERAGE PHYSICAL YIELDS,
1969-1971 TO 1978-1980

(Annual growth rates, percentages)

Crops	Volume produced	Area harvested	Physical yields
<i>Cereals</i>	2.4	0.7	1.6
Wheat	2.6	1.5	1.1
Rice	3.4	2.1	1.2
Maize	1.3	-0.1	1.4
Sorghum	5.5	2.6	2.8
<i>Roots and tubers</i>	-0.7	0.3	-1.0
Potatoes	1.4	-0.3	1.7
Cassava	-1.1	0.7	-1.8
<i>Sugar cane</i>	3.5	2.3	1.1
<i>Dry legumes</i>	0.7	1.1	-0.5
Beans	0.5	1.3	-0.7
<i>Oilseeds</i>	14.2	11.1	2.8
Soya beans	25.9	23.6	1.9
<i>Vegetables</i>	3.2	2.1	1.1
<i>Fruit</i>	3.5	0.3	3.2
Bananas	1.9	0.3	1.3
Citrus fruits	7.5	...	...
Apples	7.1	...	...
<i>Beverages and tobacco</i>	2.5	0.9	1.6
Cocoa	4.2	0.5	3.6
Coffee	1.9	0.8	1.0
Tobacco	4.1	2.3	1.7
<i>Raw cotton</i>	1.4	0.5	0.9
<i>Vegetable fibres</i>	-1.4	-0.2	-1.2
<i>Other crops</i>	5.0	4.0	1.0
<i>Total crops</i>	3.1	1.7	1.4
<i>Livestock products</i>	Volume produced		Animals slaughtered or in production ^a
<i>Meat</i>	3.3		...
Beef	2.1		2.0 b
Pork	3.4		3.3 b
Poultry	9.3		9.3 b
<i>Other livestock products</i>	3.3		...
Milk ^c	3.2		2.6 c
Eggs ^d	5.1		4.5 d
<i>Total livestock products</i>	3.6		2.6
<i>Total agricultural products</i>	3.3		...

Source: Prepared by the CEPAL/FAO Joint Agriculture Division on the basis of FAO figures.

^aIncluding improvements in physical yields.

^bTotal animals slaughtered.

^cDairy cattle.

^dTotal laying hens.

In the case of fruits, the expansion of production of citrus fruits and apples (by 7.5% and 7.1% per year, respectively) contrasts with the slow increase in bananas (at an annual rate of 1.9%), which was lower than the population growth rate.

At the beginning of the decade, within the branch of poultry production, the level of egg production was higher than that of meat, but the meat/eggs ratio, which was 0.85 in 1970, rose to 1.23 in 1980. The widespread reduction in the price of poultry meat compared with that of beef was achieved as a result of a decrease in production costs, resulting chiefly from greater efficiency and productivity. An additional factor was active intervention by large-scale producers in the marketing process, which has helped to reduce costs and promote demand.

At the same time trends in world trade in beef, together with the relative inelasticity of supply, contributed to higher domestic beef prices. The urbanization process also contributed to the higher level of poultry meat consumption, since the large cities are well supplied by dynamic and efficient poultry enterprises.

The sharp increase in poultry production has not been accompanied by an equally rapid rate of growth in production of secondary cereals. Maize production grew at a slower rate and, at the same time, the proportion produced for human consumption dropped from 38% to 29%, progressively greater volumes being supplied as feedstuffs for poultry and pigs. The relative stability of maize supplies and prices on international markets, particularly from 1976 onwards, have had an impact on domestic price levels; although they did not actually discourage production, they did not promote it either. In addition to this factor, there was competition from sorghum, whose production was thus encouraged and became more dynamic. Although regional production of sorghum is still low compared with that of maize, this may well mark the beginning of a trend that will become more marked in the 1980s.

The drop in consumption of legumes appears to be a definite reality in many countries of the region. It is not clear whether this fall in consumption has been responsible for the drop in the growth rate of production, or whether the

opposite has been the case. Factors responsible for lower consumption of legumes are their relatively high price compared with that of other foods and the fact that they require more fuel and cooking time; at the same time, the urbanization process could be contributing to the drop in per capita consumption. Roots and tubers, for their part, are basic foods chiefly in rural areas. The factor responsible for the slow growth in potato production (an annual rate of 1.7%) could be concentration of demand as a result of changes that have taken place in the relative importance of the urban and rural population. The higher cost of transport and of storage of this type of product may also have played a role in the fall in per capita consumption.

3. Basic reasons for this behaviour

Growth in production continues to be based chiefly on an increase in area harvested, but it has already become apparent that productivity is making an increasing contribution to the total produced. In the 1960s the expansion of the area harvested accounted for two-thirds of the increase in the harvest, and the remaining third was accounted for by higher yields. In the following decade this ratio changed significantly. Three-fifths are now accounted for by a more extensive area harvested, and two-fifths are accounted for by higher yields. The area harvested has expanded at an annual rate of 1.7%, whereas yields have risen at an annual rate of 1.4% (see table 2).

It is estimated that only just over one-quarter of the cultivable agricultural area is utilized. The greatest reserve of land—72% of a total of approximately 600 million hectares—¹⁷ is located in the humid tropics, whose soil has a low level of natural fertility and is vulnerable. Approximately 24% is located in the subtropics, and the remaining 4% in the temperate subregion and the temperate sections of the Andean Cordilleras. Somewhat over half (54%) of the cultivable land reserves belong to Brazil, Ar-

¹⁷CEPAL, *25 años en la agricultura de América Latina: Rasgos principales, 1950-1975*, Cuadernos de la CEPAL series, No. 21 (study prepared by the CEPAL/FAO Joint Agriculture Division, 1978).

gentina and Mexico, and a major proportion of the remainder is concentrated in the countries of the Andean Group. In the past decade, Brazil, Colombia, Argentina, Paraguay, Cuba, the Dominican Republic, Bolivia, Guatemala, Honduras and Costa Rica, have increased their harvested area at a greater pace. The regional area harvested has risen from 85 million hectares to 100 million hectares. Of the 15 million extra hectares, 62% is accounted for by new oilseed crops, chiefly soybeans; 24% by cereals (wheat, rice and sorghum); 8% by sugar cane; 5% by coffee; and the remaining 1% is distributed among various crops, whose harvested area has barely increased.

Unit yields have risen in most national agricultures. A variety of factors were responsible for this, including completion of an organic research project and dissemination of the corresponding results, particularly as regards the genetic improvement of plants, application of new techniques relating to use of fertilizers and pest control, and advanced cultivation methods. In other cases, successful land-preparation programmes and the completion of investment in irrigation have had an impact.

Mention should also be made of the advances resulting from more effective technical and economic organization of entrepreneurial-type production units. However, there are instances where there has been no significant improvement in agricultural yields over the course of the ten years under consideration; although progress has indeed been made in the case of a number of crops, this has had no impact on the average level of productivity of the total area harvested.

The increase in physical production capacity has been made possible by the technical advances applied, which have varied according to the characteristics of each line of production, their requirements as regards technical inputs, and the importance of each technological package adopted, measured in terms of the number of its components and the level of their interdependence. These technical advances have also varied in accordance with the economic agents that introduced and implemented the technological change and according to whether prevailing market conditions encouraged or restricted production.

Seventy-seven per cent of the fertilizers used are concentrated on three crop groups: cereals, sugar crops and oilseeds. In turn, these crops occupy 72% of the area harvested and represent 70% of the foodstuffs consumed. The use of pesticides is more general than that of fertilizers; however, pesticides are used above all in the case of cotton, followed by cereals, fruits, coffee and potatoes, which together absorb almost 90% of the pesticides used and occupy 63% of the area harvested (see table 3).

As regards the scale of average application of fertilizers per hectare, sugar cane is followed in order of importance by soya beans, citrus fruits, bananas, green vegetables, tobacco, cotton, potatoes, sorghum, rice, wheat and maize.

Regional consumption of fertilizers has risen from 3.6 million tons of NPK to 6.8 million tons, representing an annual increase of 8.5% (6.6% for nitrogenous, 10.1% for phosphatic and 9.7% for potassic fertilizers). In the past decade the consumption ratio between phosphorus, potassium and nitrogen has changed. The P/N ratio has risen from 67% to 93%, whereas the K/N ratio has risen from 45% to 60%. The regional average is strongly influenced by the figures recorded in Brazil, where consumption of fertilizers quadrupled in the 1970s (with an annual growth rate of 16%), growth in consumption of phosphorus and potassium being extremely rapid owing to the requirements of certain crops and the nutrient content of the soil. Crops grown in a hot, humid climate, particularly oilseeds and sugar cane, account for the rising use of phosphatic and potassic fertilizers. It is not known to what extent changes in formulas and the possibly more effective use of fertilizers in the case of crops grown in temperate areas may have contributed to this.

When total consumption of fertilizers is linked to the annual area harvested, it is found that the level of fertilizer use has risen from 35 to 67 hectares. At the same time, regional production of fertilizers has expanded, and the share of imports in regional consumption has therefore dropped. The importation/consumption ratio has dropped from 58% to 51% in the case of nitrogen and from 56% to 38% in the case of phosphorus, while it has remained at 99% in the case of potassium. Brazil, Colombia,

Table 3

LATIN AMERICA: CHANGES IN THE STRUCTURE OF PRODUCTION,
AREA HARVESTED, AND BREAKDOWN OF CONSUMPTION OF
FERTILIZERS AND PESTICIDES
(Percentages)

Products	Structure of production		Breakdown of area harvested		Breakdown of consumption of technical inputs 1974-1976	
	1969-1971	1978-1980	1969-1971	1978-1980	Fertilizers	Pesticides
I. CROPS						
<i>Cereals</i>	17.8	16.4	55.7	50.0	25.2	18.8
Wheat	3.3	3.1	10.1	9.8	6.7	2.1
Rice	4.0	4.0	7.6	7.7	6.8	2.5
Maize	8.6	7.2	30.7	225.6	5.9	9.7
Sorghum	1.4	1.6	4.2	4.5	5.4	4.5
<i>Roots and tubers</i>	5.2	3.9	5.0	4.3	3.6	8.0
Potatoes	2.1	1.8	1.2	1.1		
Cassava	2.3	1.6	3.1	2.8		
<i>Sugar-crops</i>	7.4	7.4	5.9	6.2	26.7	7.0
Sugar cane	7.2	7.3	5.8	6.2	26.7	7.0
<i>Dry legumes</i>	3.1	2.4	8.7	8.4	1.1	0.6
Beans	2.7	2.1	7.6	7.2	1.0	
<i>Oilseeds</i>	2.9	6.9	7.3	15.8	24.8	1.0
Soya beans	0.8	4.5	1.9	10.6	21.8	...
<i>Green vegetables</i>	4.3	4.6	1.2	1.2	2.0	0.9
<i>Fruits</i>	9.1	9.3	2.2	1.9	7.9	13.9
Bananas	3.5	3.2	1.4	1.2	3.5	3.0
Citrus fruits	1.7	2.4	...	...	3.5	3.1
<i>Beverages and tobacco</i>	8.3	7.7	8.0	7.3	3.2	10.1
Cocoa	0.7	0.8	1.2	1.1	0.2	
Coffee	6.5	5.7	6.2	5.6	1.4	9.6
Tobacco	0.9	1.1	0.6	0.6	...	...
<i>Raw cotton</i>	4.1	3.5	5.1	4.5	4.9	39.6
<i>Total crops</i>	62.7	61.7	100.0	100.0	100.0	100.0
II. LIVESTOCK PRODUCTS						
<i>Mear</i>	23.1	23.7				
Beef	14.7	13.3				
Pork	3.9	4.0				
Poultry	3.5	5.9				
<i>Other</i>	14.2	14.6				
Milk	9.1	9.0				
Eggs	4.1	4.8				
<i>Total livestock production</i>	37.3	38.3				
<i>Total production</i>	100.0	100.0				

Source: Prepared by the CEPAL/FAO Joint Agriculture Division on the basis of FAO figures.

Cuba and Uruguay are the countries in which production of phosphatic fertilizers has increased the most.

Consumption of pesticides rose from 77 million tons of active ingredient to 136 million tons, equivalent to an annual rate of increase of

8.4%. Insecticides represent 49% of pesticide consumption, fungicides 24%, and herbicides the remaining 27%. Herbicides and insecticides have expanded at a faster annual rate (13.9% and 9.1%, respectively) than fungicides (8%). The regional average volume of pesti-

cides applied per hectare is four times greater in the case of cotton than in the case of fruits, coffee, potatoes and sugar cane, these being followed in order of importance by tobacco, green vegetables, sorghum, maize, rice and wheat (see table 3).

With regard to agricultural machinery in service, the number of tractors has risen from 613 000 to 852 000: an annual growth rate of 4.8%. Brazil, Venezuela, Ecuador, Honduras and Bolivia have raised their number of tractors by over 70%; Mexico and Panama by 60%; while the remaining countries have increased

their stock of tractors by 20% to 50%. The average number of hectares harvested by each tractor in the region has dropped from 137 to 113. Mechanization has been a major component of the process of expanding the area cultivated.

The number of combine-harvesters has risen from 95 000 to 117 000, representing an annual increase of 3.1%. In Venezuela, Guatemala, Ecuador and Mexico the number of this type of machine rose by over 50%; while it would appear that in Argentina and Brazil the increase was around 30%.

III

Agriculture and the external sector

There has been no substantial change in the characteristics of concentration, dependence and vulnerability of Latin American exports. A limited range of products is exported to a small number of import markets with well-defined seasonal requirements, particularly in the case of fruits and vegetables. The combination of these two situations curbs the region's export dynamism and forms an obstacle to the reduction of the risks inherent in fluctuations in the volume and prices of the products exported. The external demand which Latin America has to try to satisfy is not stable, since it is determined by economic fluctuations in the principal importing countries. This is so particularly in the case of coffee, bananas and sugar, of which Latin America contributes a major proportion of the world supply. As a result, the instability of revenue from agricultural exports continues to have a harmful effect on Latin American agricultural and global development.

1. Exports

In the 1970s, Latin American agricultural export volume rose at an annual rate of approximately 2.8% (between 1950 and 1972 it rose at an annual rate of 2.9%), whereas the annual world rate was almost 5% in the decade under

consideration. The Latin American share of world agricultural exports, which had been dropping in preceding decades, remained relatively constant at approximately 12%, since the rate of increase of African exports dropped and sales of products from the Middle East stagnated. There were changes in the composition and level of diversification of Latin American exports, and a greater degree of efficiency was achieved in the production process, which put the region in a better position to compete in international markets.

Table 4 sets forth the changes that took place in the proportion of the Latin American countries' total production accounted for by exports. This proportion dropped from 18.4% to 17.1% between 1970 and 1980. Exports of oilseeds, wheat, tobacco, tea, citrus fruits and apples expanded most rapidly. In the three-year period 1978-1980 the Latin American countries exported more than 50% of their production of tea, coffee and cocoa; less than 50% of their output of cotton fibre and soya beans; less than 40% in the case of sorghum, sugar, other oilseeds, tobacco and apples; and under 30% of total output in the case of wheat and banana exports. There has been a considerable increase in exports of dry legumes, largely as a result of intra-regional sales.

The changes referred to indicate, on the

Table 4

LATIN AMERICA: CHANGES IN THE PROPORTION OF PRODUCTION EXPORTED
AND IN THE IMPORTED PROPORTION OF APPARENT CONSUMPTION^a
(Percentages)

	Exported proportion		Imported proportion	
	1969– 1971	1978– 1980	1969– 1971	1978– 1980
Wheat	18.1	27.6	39.2	47.6
Rice	3.7	5.6	3.9	4.7
Maize	18.1	15.2	3.3	10.7
Sorghum	26.9	37.1	3.9	18.9
Roots and tubers	0.1	0.2	0.4	0.5
Sugar	40.4	35.9	1.7	3.2
Dry legumes	2.4	8.7	4.3	7.0
Oilseeds and vegetable oils	23.5	38.8	17.6	22.1
Soya beans	14.5	45.1	29.9	25.7
Green vegetables	4.1	4.2	0.8	0.7
Fruits	14.6	12.9	4.0	4.2
Bananas and plantains	23.5	22.1	1.7	1.4
Citrus fruits	2.2	2.4	0.1	0.2
Apples	28.2	31.6	20.5	18.7
Beverages and tobacco	70.8	57.0	16.5	9.4
Cocoa	73.6	53.0	24.4	4.3
Coffee	77.1	61.6	8.3	4.9
Tea	67.7	79.8	59.3	62.5
Tobacco	27.8	34.5	3.7	3.3
Cotton (fibre)	60.1	45.0	11.0	7.7
Beef	9.5	6.9	0.9	1.9
Lamb and goat meat	9.6	8.9	3.4	2.0
Pork	0.2	0.4	0.5	0.6
Poultry	0.02	2.3	2.0	3.1
Eggs	0.2	0.1	0.2	0.6
Dairy products	0.4	1.1	8.6	10.7
Total	18.4	17.1	9.7	12.8
Annual increment	1977-1980/1969-1971 = 2.8		1977-1980/1969-1971 = 8.0	

Source: Prepared by the CEPAL/FAO Joint Agriculture Division, on the basis of FAO figures.

^aThe quantities exported were assessed and aggregated at 1969/1971 producer prices. The imported quantities were assessed and aggregated at CIF prices.

one hand, that in the case of traditional crops the share of total production exported has fallen, as in the case of coffee, cocoa, cotton, sugar, maize and beef, for which the domestic market is becoming increasingly important. In contrast, the exported proportion of other crops (wheat, oilseeds, sorghum, apples, tea, tobacco and poultry meat) has risen, which would appear to be an indication of a greater degree of diversification of exports and, therefore, of a

greater link between national agriculture and external agricultural markets. This greater link constitutes an important part of the growing interdependence among nations.

Nine products (coffee, sugar, soya beans, oilseed meal and oil-cake, cotton, cocoa, bananas, beef and live cattle, maize and wheat, in order of importance) accounted for 80% of agricultural exports in the early 1980s. Despite the level of diversification of exports achieved,

58% of national revenue from agricultural exports came from three products — coffee, sugar and oilseeds, including oilseed derivatives.

Exports continue to be destined basically for the developed countries: approximately 75% go to the United States, the EEC and other industrialized countries, 15% to developing countries and countries with centrally planned economies, and the remaining 10% is made up by intra-regional trade.

2. Imports

The volume of agricultural products imported by the Latin American countries increased at an annual rate of 8% in the 1970s (5.3% annually between 1965 and 1976 and 10% between 1975 and 1980). The acceleration in the rate of increase was due to a higher volume of purchases of wheat, maize, sorghum, vegetable oils, dairy products, beans and sugar.

Table 4 shows the changes recorded in the past decade in the proportion of imports with respect to apparent consumption. Wheat is by far the most important imported product, followed by oilseeds, cereals for animal feedstuffs (maize and sorghum), dairy products, meat, coffee, sugar, legumes, fruits and cocoa.

Agricultural imports represent 12% of regional supply. One-third of the agricultural products imported by the Latin American countries come from the region itself, but somewhat over 60% come from developed countries: a state of dependence that is further aggravated by the fact that the products in question are handled by a small number of large export enterprises, with the result that supply is concentrated, particularly in the case of cereals.

The extent to which the individual countries depend on imports in order to meet their domestic requirements varies widely. Argentina, Brazil, Colombia, Guatemala, Nicaragua, Paraguay and Uruguay import under 5% of their domestic supplies, while Ecuador, El

Salvador, Haiti, Bolivia, Costa Rica, Honduras, Mexico and Panama are close to the regional average of 10%. The figure is between 20% and 30% in the case of Cuba, Chile and Jamaica, while it rises to almost 50% in the case of Trinidad and Tobago and Barbados, and reaches almost 75% in the case of Grenada.

3. The agricultural trade balance

The value in current dollars of the Latin American countries' agricultural exports is estimated to have risen from US\$ 6.8 billion to US\$ 23.1 billion between 1969/1971 and 1977/1979. Over the same period the value of imports would appear to have risen from US\$ 1.7 billion to US\$ 6.7 billion, so that the balance in the region's favour rose from US\$ 5.1 billion to US\$ 16.4 billion.

The ALADI countries account for two-thirds of this favourable balance; the Andean countries' agricultural trade balance continues to be favourable, although to a decreasing extent. The CACM countries have an increasingly favourable balance, whereas the CARICOM countries face successive deficits in their external agricultural trade balance.

Table 4 shows trends in, and the scale of, the principal exportable surplus products and the deficit products that give rise to the greatest volume of imports. In addition, it illustrates the parallel flows in the case of a number of products entering and leaving the region in the form of exports and imports by the various countries, constituting a major point of convergence for a greater volume of interregional trade.

It is worth stressing the gradual increase in the trend towards deficits in the case of products which may be described as critical (wheat, oilseeds, secondary cereals, dairy products and meat). Here, the region could increase its degree of self-sufficiency through a drastic reorganization of its production and trade.

IV

Development of productive forces

Major changes took place in the agricultural productive forces in the course of the 1970s. Some changes were obvious, but others were concealed by the agricultural sector's characteristics, while still others went unnoticed because they were blurred by sectoral-level production behaviour. Perception, although sometimes incomplete, of the changes in question makes it possible, on the one hand, to see how differentiation of production and social differentiation among the economic agents directly involved in the production process has gradually become more marked.

As is well known, Latin American agricultural production forces (in other words, the agrarian structure) are disparate, this being a fundamental and decisive characteristic of the way in which the region's agriculture functions. The profound and varied disparities within the sector determine the way in which it operates and give diversity to the economic, social and political processes that occur in agriculture.

In order to simplify the analysis, attention is focused on the two most important segments: the entrepreneurs and the peasantry. The processes relating to agrarian reform and other action aimed at redistributing land and water have had an impact on the clear process of de-concentration of land ownership and the consequent expansion of the intermediate segment, which is reflected in the increased number of small to medium-sized economic units. The importance and functional character of this intermediate group is increasing within the overall context of farmers in general.

The entrepreneurial segment covers those forms of agriculture that are normally identified as modern commercial agriculture, plantations and large farms; in other words, capitalist forms that have reached varying levels of development with regard to the way in which they are organized and the technical level of their operational machinery.

The peasant segment also covers ex-

remely diverse production situations, such as well-to-do small farmers, small producers of a family nature, poor peasant farmers in long-standing agricultural areas, settlers in areas where the agricultural frontier is expanding, share-croppers and others. Features shared by all these types of farmers are the use of family labour and the small size of their economic units.

1. *The entrepreneurial segment*

Latin American agricultural entrepreneurs are a continuing class characterized by clear differences throughout the history of each country. Although they are not a new phenomenon, they are different from the entrepreneurs of earlier years. In addition to the normal changes that take place as a result of the passage of time there are new characteristics, particularly in the case of the most advanced entrepreneurs, relating to their greater degree of homogeneity as a production sector; the medium to large economic scale of their enterprises and of the extent to which they control production resources; the size of their capital and composition of their investment; the complexity and even sophistication of the technological systems they adopt; the level of specialization regarding the lines of production in which they engage; the level of efficiency introduced with regard to the technical and administrative organization of their production activity; their methods of handling labour in order to avoid social conflicts; the profusion of interrelationships with non-agricultural sectors, particularly the financial, industrial and commercial sectors, and with the communications media; and, lastly, the strengthening of the relations linking them to groups close to the centres of power and decision-making, with a view to maintaining a vigilant presence in the official circles responsible for agricultural and rural development.

They are selective as regards the location

of their land, both in terms of natural fertility and favourable topography, and as regards market proximity. The technological patterns adopted have led them to carry out an internal social restructuring of their production units: they require small numbers of skilled workers, who are complemented by unskilled, preferably temporary, labour. They have succeeded in obtaining commitments from the State when it adopts various policy measures concerning, *inter alia*, issues relating to foreign exchange, external trade, credit, market regulation, the cost of money, wages and regulations governing the hiring of labour, which have strengthened their position.

An indirect way of assessing the development of the modern entrepreneurial segment is to consider the level of capital formation in agriculture and the degree of accentuation, or

change, if any, in the pattern of mechanization adopted earlier.

As a way of endeavouring to make an approximate analysis of the scale and composition of investment being made by the entrepreneurial sector, a situation illustrating the average regional expenditure of medium and large-scale mixed farms (crops and livestock) has been established on the basis of national agriculture censuses and additional data available in the case of a number of countries.

Table 5 shows the changes estimated to have taken place in the past two decades in the breakdown of total expenditure, and illustrates the trends resulting from the changes in question. Firstly, the proportion of expenditure destined for investment would appear to have grown more rapidly than the proportion devoted to operational costs, rising from one-fifth

Table 5

LATIN AMERICA: CHANGES IN THE BREAKDOWN OF EXPENDITURE OF MEDIUM AND LARGE-SIZED CROP-RAISING AND LIVESTOCK-RAISING FARMS, 1960-1980
(Percentages)

	Breakdown of expenditure			Rates of increment of expenditure	
	1960	1970	1980	1960-1970	1970-1980
I. <i>Capital expenditure</i>					
Buildings, irrigation works and soil preparation	5.4	6.3	6.7	4.6	5.0
Plantations, market gardens and vineyards	2.6	2.9	3.0	4.2	5.2
Machinery, equipment, implements, means of transport	6.2	8.2	11.4	6.5	7.9
Breeding livestock and draught animals	6.8	5.6	4.9	2.3	2.9
<i>Subtotal</i>	21.0	23.0	26.0	4.5	5.7
II. <i>Operating costs</i>					
Wages	31.6	24.6	18.1	1.0	1.2
Seeds, fertilizers, pesticides	19.4	21.6	23.0	4.7	5.1
Fuels, lubricants and hire of machinery	5.1	7.1	9.5	7.0	7.5
Leasing of land, water and working animals	3.3	3.9	3.8	5.3	4.2
Animal feedstuffs, vaccinations and medicines	12.8	13.1	13.0	3.8	4.4
Interest and other financial costs	3.8	3.8	3.5	3.6	3.8
Other expenditure	3.0	3.2	3.1	3.2	4.2
<i>Subtotal</i>	79.0	77.0	74.0	3.2	4.0
<i>Total</i>	100.0	100.0	100.0	3.5	4.4

Source: Prepared on the basis of national agricultural censuses, plus additional data for a number of countries.

to a quarter of total expenditure. The resulting increase coincides with the qualitative indicators pointing towards accelerated capital formation on medium and large-scale farms. As regards operational costs, for their part, those relating to seeds, fertilizers, pesticides and fuels would appear to have risen more rapidly than the rest, which is in keeping with the higher level of acquisition and utilization of machinery, equipment, implements and means of transport. In other words, expenditure on capital formation and operational expenditure has been heavily influenced by, and associated with, the adoption of mechanical, chemical and biological innovations.

In the 1960s the purchase of machinery and equipment, the construction of buildings and preparation of land would appear to have represented approximately 55% of capital formation, and this proportion is estimated to have risen to 63% in the early 1970s and to 70% in the early 1980s. The most marked and obvious change has therefore been the increase in mechanization, in terms of incorporation of machinery, equipment and installations, and means of transport, which is a form of growth that has called for the construction of appropriate buildings and facilitated the execution of new and more complex territorial improvements and irrigation projects. There was evidence in the 1960s of a renewed emphasis on investment to render the agricultural production process more technical, in response to three groups of policy measures: (i) those relating to the reduction in the cost of capital through credit at highly subsidized rates of interest, preferential tariff cuts applicable to imports of machinery and agro-chemical inputs, or their sale by the State at subsidized prices; (ii) the construction, extension and diversification of the extrapredial infrastructure; and (iii) technical assistance programmes for production, domestic marketing and the export trade, and the promotion of certain crops regarded as being of particular importance for developing agro-industry and expanding the agricultural frontier.

In these circumstances, the process of capital formation in agriculture has been promoted by the expansion of markets and facilities for access to them; by the price levels

of products and factors of production; by the physical infrastructure available or the certainty of its expansion within set periods of time; by the availability of technical innovations and the breadth of dissemination of their results in the agronomic and economic spheres; by the availability of soft loans; by lower prices for capital goods and inputs for the agricultural production process; by progress in the linkage of agriculture with industry and with trade in agricultural products; and by the availability of ideas and studies regarding agricultural projects and their subsequent adaptation to governmental criteria for the selective promotion of lines of production. Conversely, unclear or unfavourable situations with regard to these driving forces have aggravated the restrictions under which agricultural production activities are carried out.

The agricultural entrepreneurs that make up this production sector invest in accordance with the returns they anticipate. They therefore display sensitive and selective economic behaviour with regard to policy measures and machinery adopted precisely in order to prevent the deterioration of agricultural profitability. The dynamism of these entrepreneurs, as reflected in production and in the technical sphere, is obvious, above all in the most developed agricultural areas and in the most profitable branches of production. They possess knowledge and resources of their own which enable them to exploit the favourable conditions created by the State for carrying out investment in agriculture and for making rational and rapid use of bio-chemical and mechanical technology that has been tested and is ready to be utilized.

At the beginning of the 1960s the operational costs associated with the process of rendering agriculture more technical, such as improved seeds, fertilizers, pesticides, concentrated feedstuffs for cattle, vaccinations and medicines, fuels, lubricants and the hire of machinery are estimated to have represented 31% of total costs: a figure estimated to have risen to 37% in 1970 and 44% in 1980. As the pattern of rendering the production process more technical became more pronounced there was a consequent reduction in wage costs, which are estimated to have dropped from 32%

to 18% over the course of the twenty years under consideration. It should be noted that in the 1970s wages rose more rapidly than in the preceding decade, but owing to the marked difference in the rate of growth attained by the remaining types of operational costs, their share dropped considerably.

The aim of investment in agriculture by the State has generally been to promote, orient and facilitate private investment, and it has had a decisive and active impact on the behaviour and composition of production, although it has not in itself generated greater harvests. Estimates by the International Food Policy Research Institute (IFPRI)¹⁸ indicate that approximately 10% of the growth in Latin American agricultural production recorded between 1950 and 1978 resulted from the impact of stimuli of various types generated by public investment in agriculture. Public investment has been concentrated simultaneously and consistently on irrigation projects, soil upgrading, improvement of agricultural storage and marketing facilities, and the acquisition of the machinery and equipment required by research and technical assistance departments. It has been incorporated into State programmes to promote production, as well as into programmes relating to agrarian reform and settlement, training, research and extension and formation of co-operatives.¹⁹

The level and breakdown of investment and, in general, of private expenditure in agriculture has been influenced by the level of inflation with which national economies have had to cope. In cases where interest rates are negative or substantially lower than those prevailing on the market inflation usually prompts the purchase in bulk of machinery and equipment and the construction of buildings that would otherwise not have been purchased or constructed so soon. It has been maintained that the current cost of investment must be advantageous as compared with the future, undoubtedly higher, cost, and this has resulted

in speculative investment. Thus, demand for tractors and agricultural equipment rose, and, as a result, mechanical labour capacity increased, which in turn led to the expansion of the proportion of land under cultivation with respect to the total land held by agricultural entrepreneurs and to the acquisition, by various means, of further tracts of land to absorb this excess mechanical capacity, sometimes at the expense of peasant agricultural land or, in other cases, as a result of the integration of new land into the production process.

Greater use of more costly technical inputs and agricultural equipment has led to greater credit requirements. It has been noted that the amount of agricultural credit has risen substantially in absolute terms.²⁰ In a number of countries agricultural credit is five times greater than it was in the early 1960s; in other countries, although growth has not been so spectacular, such credit has at least doubled. If the coefficient indicating the ratio between the level of agricultural credit and the regional product generated by the agricultural sector is considered, it may be noted that the former has risen steadily, increasing from approximately 35% in 1965 to 40% in 1970, and exceeding 60% in the early 1980s.

Moreover, available information indicates that in certain countries the ratio between agricultural credit and total credit has risen, although it would appear that in other countries this ratio has remained stable and that in still others it has fallen. As far as the regional average is concerned, it is estimated that the ratio in question was around 13% in 1965, and after rising to 16% in 1970 it has been close to 20% in recent years. This means that allocation of resources to agriculture has been expanding moderately through institutional credit.

The accentuation of the more costly pattern of adoption of technical advances and the greater credit requirements have resulted in an increase in the debt/revenue ratio of medium and, in particular, large-scale agricultural enterprises. Servicing this debt is having an impact on the financial situation of enterprises

¹⁸IFPRI, *Government expenditures in agriculture in Latin America, Research Report No. 23*, Victor Elias, May 1981.

¹⁹Public investment in agriculture has represented approximately 5% of total public investment; this figure is in keeping with the analyses carried out by the CEPAL/FAO Joint Agriculture Division and by IFPRI.

²⁰J.C. Abbot, "Agricultural Credit Institutions in Asia and Latin America", in *Monthly Bulletin of Agricultural Economics and Statistics*, FAO, Rome, Vol. 22, No. 12, 1974.

and may have led to the deterioration of the cost/benefit ratio, with the result that farmers' net income may have dropped in real, and in certain cases, nominal, terms. These circumstances have forced farmers to make intensive efforts to reschedule their debt and have led to an increase in their cash requirements in order to cover cash movements, which could depress the level of future investment. All this has generated greater pressures for substantial increases in the volume of agricultural credit, and this has occurred at the same time as a greater demand for loans financed from resources from widely varying sources, particularly non-agricultural and overseas sources, resulting in the extension and further ramification of agricultural financial markets.

This latter factor is resulting in the initiation of a trend towards the increasing establishment of limited companies to own agricultural enterprises, with a corresponding gradual decrease in agricultural property held by individuals. Moreover, in agriculture there has been expansion and diversification of the mosaic of interests of non-agricultural groups; urban, industrial, trade and financial interest groups are advocating, calling and pressing for changes in certain policy measures and instruments, thus opposing and/or reducing the influence of agricultural groups proper on the most important decisions relating to national agricultural policies.

2. *Peasant agriculture*

The significance and importance of peasant agriculture as a force in agricultural production are beyond question. Various case studies, some of them completed and others still under way, explain the dynamics of its operation and show how it is articulated within the accumulation model of the overall economic system.²¹

The hallmark of peasant agriculture is that its economic activity is basically aimed at keeping family income at a level which will allow for the reproduction of its labour force and the replacement of farm tools and equipment. Labour performed by the family consti-

tutes the organizational base for the productive work, through which the simple or extended reproduction of the family unit is sought.²²

The pattern followed by peasant agriculture over the past decade has thrown light on its capacity to change to withstand the individual or combined impact of phenomena and processes of various kinds and intensities. In this connexion, attention should be drawn to population dynamics and migratory movements; the interaction of urban life with rural life, which has increased to such a degree that it has modified the aspirations, economic activity and social relations of peasant farmers; the progress achieved with regard to physical integration and development of the corresponding infrastructure, which have facilitated interchange and shifts and made it possible for peasant agriculture to function in larger spaces and view its own possibilities and difficulties in a new perspective; the expansion and organization of markets, which has affected traditional lines of production, stimulated new ones and altered, sometimes dramatically, the peasant's productive and commercial links; and, finally, the government interventions designed to change agrarian structures through processes of land reform and the action taken by State agricultural support services, which, in one way or another, have brought about changes in peasant agriculture.

Technological change reserves special mention. In spite of the difficulties due to the characteristics of the technological packages offered by the markets or promoted by public policies, which are not the most appropriate in terms of the conditions and needs of peasant agriculture, some of the components of those packages have been used selectively by the peasantry, which employs one or more technological inputs, thus establishing, on the basis of their own experience, simple technological packages adapted to their economic and ecological conditions. There is ample evidence that this is true, thus disproving the assumption that the peasantry is indifferent to the adoption of new technologies; what happens is that those

²¹FAO, *Agriculture toward 2000: Latin America's problems and options*, Rome, February 1981.

²²See the studies on peasant agriculture presented in this issue of the *CEPAL Review*, especially those by E. Ortega, R. Brignol and J. Crispi, and K. Heynig.

developed have been limited by comparison with the supply available to the entrepreneurial sector.

Table 6 represents an attempt to estimate the dimensions of peasant agriculture. Despite the statistical weaknesses of the basic data on which this table is based, the results obtained concur with qualitative appraisals contained in many country studies and reports.

On the basis of the national agricultural censuses, it has been estimated that in Latin America at the beginning of the 1980s, nearly four-fifths of the economic units in the agricultural sector corresponded to small holdings and covered approximately one-fifth of the land associated with all such economic units; in terms of land under cultivation, they are estimated to account for slightly more than one third of the total number of holdings, representing over two-fifths of the total area harvested. The contribution of their production to domestic

consumption is significant; it is estimated to amount to two-fifths of the total produced for that purpose and to one third of the production for export. Their production is of fundamental importance in the supply of mass consumption products such as beans, potatoes and maize. Their contribution to the production of coffee and rice is by no means insignificant and they provide over two-thirds of the pork produced.

The production of small family-operated farms, which are units of small economic scale, is often overshadowed by the marked advances in the production of entrepreneurial agriculture, to the point where their share in the functioning and dynamics of the sector as such is often completely overlooked. The increasing monetarization of small producers is, however, well enough documented in almost all the countries of the region, as are the ramifications of their ties with farm markets. On the other hand, there is also evidence that the differenti-

Table 6

LATIN AMERICA: PROVISIONAL ESTIMATES OF DIMENSIONS OF ENTREPRENEURIAL AND SMALL-PRODUCER AGRICULTURE AT THE BEGINNING OF THE 1980s

(Percentages)

Indicators	Entrepreneurial agriculture	Small producer ^a
Number of economic units	22	78
Total area covered by the units	82	18
Cultivable area covered by the units	63	37
Area utilized by the units ^b	56	44
Production for domestic consumption	59	41
Production for export	68	32
Production of permanent crops	59	41
Production of short-cycle crops	47	53
Production of maize	49	51
Production of beans	23	77
Production of potatoes	39	61
Production of rice	68	32
Production of coffee	59	41
Production of sugar cane	79	21
Number of cattle	76	24
Number of pigs	22	78

Source: Prepared on the basis of national agricultural census data.

^aThe 'small producer' column covers family-type units. To differentiate between them and the entrepreneurial units, criteria of size were used. The percentages provide some indication as to what happens in rural agriculture, but they do not show its real dimensions or the contribution made by it in its strict sense.

^bIncludes area used for crops; does not include pastureland.

ation of production between the entrepreneurial and peasant sectors is partly responsible for the increase, inequality of income distribution within the agricultural sector. This, in turn, is connected with what is happening in the overall economic system.

According to CEPAL, recent calculations concerning seven countries (Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela) which together account for nearly 80% of the population and slightly more than 90% of the product of Latin America indicate that in 1975 the richest 10% of the households received slightly more than 47% of the total income, while the poorest 40% did not even receive 8% of the total. The high degree of inequality becomes even more evident when the average income of the two groups is compared; that same year the income of the wealthy section of the population amounted to over 24 times that of the poor section.²³

These calculations indicate that between 1960 and 1975 the inequality was by no means attenuated but instead worsened, in that the income of the poorest 40% dropped slightly while the share of the richest 10% rose (also slightly), as did that of the 20% of the households in the bracket immediately below the top.

According to FAO, in 1973 some 85 million persons —70% of the Latin American farm population— were living in bare subsistence conditions. Of this number, some 45 million were wage-earning farm workers and some 40 million were smallholders. They received about 35% of total agricultural income, with an estimated per capita income of US\$ 115 at 1970 prices. Medium-sized farmers represented 28% of the agricultural population and obtained 43% of total farm income. Large landowners (2% of the farm population) accounted for 22% of the income, with an average per capita income of US\$ 2 560 at 1970 prices; 47% of the land under cultivation was in their hands, while the peasant farmers possessed only 2.5%.²⁴

In its report for 1971 —ten years after the Punta del Este Meeting— the FAO Special Committee on Agrarian Reform came to the conclusion that in Latin America the expropriation of land had extended to barely 15% of the land which was potentially liable for expropriation and that only 22% of the possible beneficiaries had been brought into agrarian reform programmes and activities. This situation seems to have lasted until the end of the 1970s. Some countries promoted agrarian reform activities which modified —substantially in some cases, such as Peru— the previous system of land tenure. The results of the agrarian reform programmes and activities undertaken in Latin America have not been evaluated since then, and the contradictory arguments and value judgements expressed and contained in various publications revive the old questions on this point.

The increase in agricultural production did not succeed in alleviating poverty. Very little progress has been made towards solving the problems of hundreds of thousands of peasant smallholders and landless labourers. There are indications that the absolute number of persons subsisting in the countryside in precarious and even miserable living conditions has continued to increase as the farm population has grown, despite the intense migration to the cities and the larger dimensions assumed by the regional agricultural economy. The spontaneous division of land, caused by many factors, has notably increased the number of small and sometimes excessively tiny agricultural units, so that the situation can be expected to grow worse in the future.

The style of development in general and of agricultural development in particular has not made it possible for job opportunities and income to be distributed more appropriately. The old problems related to land tenure and the new ones resulting from the concentration not only of land but basically also of capital, production and income which characterize the modernization of agriculture may be aggravating the position of the rural population in terms of

²³CEPAL, *Latin American development in the 1980s*, E/CEPAL/G.1150, February 1981.

²⁴FAO, *Review and analysis of agrarian reform and rural development in developing countries since the mid-1960s*, World

Conference on Agrarian Reform and Rural Development (CMRADR/INF.3), Rome, July 1979.

employment and income; at all events, no positive changes are to be glimpsed.

There are doubts as to the effects of the expansion of entrepreneurial agriculture on employment and the nature of employment. The question of whether the total number of work days increases or decreases as modern technological patterns are adopted has long been under discussion. Although this matter has not been adequately appraised, what does seem clear is that the nature of employment has tended to change with the adoption of capital-intensive technologies; this change is reflected in a reduction in the number of workers with permanent jobs and an increase in the temporary hiring of manpower for some jobs which are not easily mechanized; this temporary labour comes from the minifundios or neighbouring small towns and even includes migrants from the cities.

According to PREALC,²⁵ in 1980 close to 35% of the regional farm labour force worked in entrepreneurial agriculture (which includes both modern entrepreneurs and those associated with traditional forms of farming), while the remaining 65% was engaged in peasant agriculture. It was estimated that in Bolivia entrepreneurial agriculture employed less than 10% of the labour force, while the corresponding figure fluctuated between 20% and 30% in Brazil, Ecuador, Panama, Peru and Venezuela; was 40% in Guatemala and between 40% and 50% in Colombia, El Salvador and Mexico, and exceeded 50% in Argentina, Costa Rica, Chile and Uruguay. According to the same source, the farm labour force was declining in absolute terms in Argentina and Uruguay, was showing virtually no growth in Chile and Venezuela, was rising less than the regional average (0.9% a year) in Bolivia, Mexico and Peru but was still showing substantial growth in Guatemala and El Salvador.

The shrinkage of the share of the regional farm labour force in the total labour force (it dropped from 42.1% to 35.6% between 1970 and 1980) means that there is a constant shift to

the big cities of some of the social problems inherent in rural poverty. According to CEPAL,²⁶ the industrial sector (including manufacturing, construction, electricity and transport) employed 22% of the economically active population in 1950 and 27% in 1980. The industrial labour force grew at the rate of 2.7% between 1950 and 1970 and at the rate of 3.8% between 1970 and 1980. If the large number of indirect effects exerted by industry on the other economic activities are taken into consideration, then industrialization affected over 35% of the labour force in 1950, a figure which climbed to 47% by 1980. In other words, nearly half of regional employment is related to the process of industrialization of the national economies.

3. *The work of the State*

The development of the forces of agricultural production has been influenced by the expansion of the markets (product, factor and technology markets) with which these forces are linked, by the degree of openness to the exterior of the national economies (in the economic, technical and financial realms), by the direction and intensity of the flows of resources transferred intersectorally, and by State action. If we focus our attention on the latter, without however taking part in the discussion relating to the degree of efficiency of the State as a mechanism for organizing agricultural development, we can see that the State has played an important part in the expansion of agricultural productivity. In recent decades, its responsibility for and participation in the economic and social sectors of agriculture has been growing in most of the countries of the region.

In some countries questions have been raised concerning the efficiency of the provision of direct assistance by the State and, as an alternative, these tasks have been transferred to the private sector, which has received the financial support needed to carry them out. In addition, there has been strong criticism of State intervention in agricultural markets. Attention has been drawn, among other things, to

²⁵Regional Employment Programme for Latin America and the Caribbean, PREALC, *El subempleo en América Latina: Evolución histórica y requerimientos futuros*, Santiago, April 1981.

²⁶CEPAL, *Latin American development in the 1980s*, E/CEPAL/G.1150, February 1981.

the arbitrary nature of such intervention, its high cost and the distortions which have resulted. In contrast, it has been advocated that the State should withdraw almost completely from such areas, leaving it to the market forces to redress and overcome the imbalances between supply and demand and to attenuate the price fluctuations. Such adjustments are expected to make production more efficient and raise the degree of competitiveness among producers.

The spheres in which the State has been participating and which have had repercussions on the development of the forces of production are related to the tendency to look at the development of agriculture within a more organic framework, involving the formulation of agricultural development strategies and plans, and there are few countries which have not formulated such documents. Despite the limitations which such plans may have had and the limited success actually achieved, their formulation has at least made it possible to gain a better awareness of the resources and their potential, to identify the possibilities and limitations of the available technologies, and to study the behaviour of domestic and external markets, all of which analyses have provided elements of judgement and made it easier to perceive the conflicts and difficulties of agriculture, as well as its prospects.

Generally speaking, the Latin American countries have strengthened their ability to formulate and implement agricultural projects, both as a result of the initiation of agricultural planning processes and as a reaction to the requirements and rules laid down by the international funding agencies. The State agencies have made progress in formulating projects in respect of the development both of the basic infrastructure which supports and promotes sectoral production and of individual lines of production.

The governments have met with varying degrees of success in their efforts at the institutional level, using different legal formulas which enabled them to establish agencies for the basic purpose of making State action at the rural level more flexible and efficient. Unfortunately, such attempts have frequently been hampered by excessive bureaucracy and too

much concentration at operational level, and in order to avoid such impediments many countries have created independent agencies or regional development corporations with different functions and results.

The bodies responsible for agricultural research and the financing of sectoral development appear to be those which have made the most progress with regard both to the quality of their technical cadres and to the simplification of operational procedures. Nevertheless, they are still under fire concerning the scope of their functions and the results obtained, which are usually biased in favour of the entrepreneurial sector. There is a notable lack of technologies geared to the needs and possibilities of peasant agriculture and incorporating the know-how and experience which peasants have in respect of their farm systems, including the way in which they relate to the ecosystems of which they are part.

A fourth area in which State action has acquired greater significance than before is that of the financing of agricultural activities. The budgetary formulations have led to a certain ordering of public expenditure on the basis of sectoral objectives, even though some rigidities remain between current and capital expenditure. The requirements for keeping the public apparatus in expansion come into conflict with the need to finance the investments envisaged in connexion with the activities for the provision of effective support for producers.

Numerous circumstances have made it appropriate and obligatory for the State to contribute to the national agricultural sector in an increasingly complex way. These circumstances have involved both reactions to specific international economic situations and the search for ways of exerting an accelerated and multiple influence on the economic and social development of this vital though backward sector. The increase in and diversification of State activity with regard to agriculture (except in countries which apply policies deliberately aimed at reducing such activity) has resulted much more from a pragmatic attitude towards the solution of specific problems over a period of time than from a concrete approach derived from agricultural planning. In these conditions

it has not been easy to anticipate and give continuity to agricultural policy or to give it an appropriate place in national development strategies.

Policy measures and instruments and government action in agriculture have had the following aims (although the order of priority and emphasis have differed according to the development style of each country): (i) to influence the volume produced, with attention given to changing situations in domestic and external markets and to variations in the prices of agricultural commodities and the inputs required to produce them; (ii) to increase food supplies and improve systems for marketing and distributing food among the poorest and most vulnerable groups; (iii) to modify the functions of production and promote technological change; (iv) to promote or restrict agricultural exports and imports in a selective manner; (v) to try to incorporate peasant agriculture more rapidly into national life, at the social as well as the economic and political levels; (vi) to facilitate the physical integration of those geographical spaces which are least effectively articulated with the national economy; (vii) to conserve natural resources and preserve the environment; and (viii) to produce liquid fuels which can serve as partial substitutes for petroleum products.

These policy decisions have been reflected in the resources allocated, i.e., in the volume of actual public expenditure and the dimensions of institutional credit. At different times, different priorities have been assigned to each of these areas of government intervention and/or participation. When there have been indications that national agricultural production might be insufficient to make as large a contribution as usual to the food supply, however, resources have been mobilized and the public apparatus has intensified its efforts to ensure that harvests are increased, generally not by depriving other economic sectors of allocations but by using those intended for action of social content in the agricultural sector. It is difficult to isolate and make a quantitative assessment of the repercussions which each political decision or each attempt by government to support and service agriculture has had on production and on social matters. At all events, it is obvious that they have made some contribution to the increases in the volume produced; the changes in priority and emphasis have had a decided effect on the changes observed in capital formation at the farm level, on the adoption of technological changes and on the increased use of agro-chemical inputs and the accelerated purchase of machinery and equipment.

V

The nutritional position and food production

In general, domestic food production continues to be the main component of national food supply. National agricultural sectors have gradually been articulated with and integrated into the domestic markets, and the features of these markets have therefore affected them. One such feature is that the growth of demand is relatively steady—contrary to what may happen in international markets—so that price fluctuations are less intense, and when they occur they tend to be softened by government intervention, which has an influence on production and tends to make it more organized

and orderly. The evolution of the lines of production mainly intended for the domestic market has therefore become adjusted to the behaviour of domestic demand, which itself is influenced by the increase in average income and the progress made in the urbanization process.

Between 1970 and 1980, per capita food production in the region grew at a rate of 0.9% a year, while the growth rate for total per capita agricultural production was 0.8% a year. The apparent per capita consumption of food, valued in monetary terms, has grown at the rate

of 1.1% a year, which is slightly higher than the growth rate of production and was possible due to the contribution of imports to the supply.

The total apparent food consumption of the region, valued in monetary terms, is estimated to have grown by 3.6% a year during the same period. The consumption of crop-farming products is estimated to have increased by 3.5% a year, while that of livestock products grew by nearly 4% a year. If apparent consumption is considered in terms of food energy, it rose by only 3.2% a year. The different growth rate of apparent consumption when measured in monetary and caloric terms is due to the different amounts contributed by livestock products, which are of high monetary value and low caloric content, although they provide proteins of high nutritional value.

1. *The nutritional position, satisfaction of calorie requirements, and diet*

In studying the nutritional problems of Latin America, it is necessary to distinguish between diseases caused by food deficits and those caused by too much food. Among those caused by food deficits, a distinction may be drawn between those due to specific deficiencies—nutritional anemias, endemic goitre, and vitamin A deficiency—and calorie-protein malnutrition resulting from undernourishment and failure to make proper use of food.

Calorie-protein malnutrition mainly affects children under 5 years old; it is estimated that close to 15% of the region's children suffer from medium to high-level malnutrition. The situation by countries and subregions varies: the most serious problems are found in the Central American and Caribbean countries, followed by the Andean countries. During the 1960s, a slight overall improvement in the nutritional state of Latin American children was observed.

The rise in average income and the increasing availability of food have not been sufficient, however, to offset other factors determining malnutrition such as defective dietary habits, deficient health and hygiene conditions, and lack of education in the field of diet and nutrition. Rural and urban poverty is accompanied by the most marked forms of malnu-

trition, and to overcome this it is necessary to attack the causes of poverty, striking at its very roots.

By studying the relationship between the availability of food energy and the recommendations concerning the intake of calories, or the degree to which calorie requirements are satisfied, it is possible to see the changes which have occurred in the course of time in the nutritional position of the population.²⁷ The most recent figure for regional average calorie requirement satisfaction stands at 107%.

The levels of calorie requirement satisfaction naturally differ from country to country. It is well known that within each country various strata of population with different levels of calorie requirement satisfaction may be distinguished. Seven countries—Argentina, Costa Rica, Cuba, Jamaica, Mexico, Paraguay and Uruguay—are in the top layer in this respect, with satisfaction rates higher than 110%, the highest figures being for Argentina and Paraguay (127 and 120%, respectively). The second layer, with satisfaction rates of between 100% and 110%, is made up of six countries (Brazil, Chile, Guyana, Nicaragua, Panama and Venezuela), the highest rates being recorded by Chile, Nicaragua and Brazil. The third layer (under 100%), is made up of the remaining countries, with Bolivia and Haiti at the bottom with levels of 89% and 90%, respectively. In general, nearly all the countries raised their calorie requirement satisfaction rates during the 1970s, and those which were initially in the least favoured position made the most progress in this regard.

Table 7 shows the increase in per capita food energy availability in Latin America, by groups of commodities and for certain commodities taken separately. Attention is drawn to the high increase in the availability of chicken meat, followed well behind by the increased availability of oils, sugar, eggs, milk, green vegetables and fruit. The availability of rice and beef has grown slightly, but wheat consumption has not increased and that of maize,

²⁷The average recommended calorie intake for Latin America is 2 400 calories a day; the recommended intake for Argentina and Uruguay is close to 2 660 calories, while for some Central American and Caribbean countries it is only 2 250 calories.

potatoes, cassava, pulses, mutton and goat meat has fallen.

The different growth rates of the availability of food energy have resulted in changes in the average diet in the region. The increase in the calorie contribution of sugar is related to the growing consumption of processed beverages and foods of high cost per unit of food energy. The growth in the consumption of oils, chicken meat, eggs and milk points, generally speaking, to an improvement in the average diet of the region. The marked decline in the calorie contribution made by cereals and pulses may, however, be a matter of concern inasmuch as it affects the lower-income sectors. An appropriate combination of cereals and pulses (two-thirds of the former to one-third of the latter) provides a balanced intake

Table 7

LATIN AMERICA: GROWTH IN THE
AVAILABILITY OF FOOD ENERGY, BY
INDIVIDUAL PRODUCTS, 1970-1974 TO
1978-1980

(Percentages)

	Total annual growth rate	Per capita annual growth rate
1. Wheat	2.5	0.0
2. Rice	3.4	0.8
3. Maize	-1.3	-3.6
4. Roots and tubers	-0.2	-2.7
5. Centrifugal raw sugar	5.5	2.9
6. Pulses	0.6	-1.9
7. Oils	7.1	4.4
8. Green vegetables and fruit	3.7	1.2
9. Beef	3.2	0.7
10. Pork, mutton and goat meat	3.5	1.0
11. Poultry meat	2.7	-5.1
12. Eggs	12.2	9.5
13. Milk	5.0	2.4
Others ^a	4.0	1.4
Others ^a	2.9	0.4
Calorie total	3.1	0.6

Source: Prepared by the CEPAL/FAO Joint Agriculture Division on the basis of information provided by FAO and CELADE (population).

^aNot including fish.

of essential aminoacids whose nutritional value is similar to that of proteins of animal origin, which cost more.

Table 8 makes it possible to assess the average dietary changes which have occurred. Calories devoid of or low in proteins have increased, those obtained from a balanced vege-

Table 8

VARIATIONS IN THE COMPOSITION OF THE
CALORIE CONTRIBUTION OF THE
APPARENT PER CAPITA CONSUMPTION
OF THE REGION

	1971- 1974	1978- 1980
I. Food of vegetable origin		
1. <i>Empty calories or calories low in protein content</i>		
Sugar	33	37
Oils	17	20
Roots and tubers	8	11
Roots and tubers	8	6
2. <i>Balanced foods of vegetable origin</i>	43	38
Wheat	14	13
Rice	10	10
Maize	14	11
Pulses	5	4
3. <i>Foods containing salts, minerals and vitamins</i>		
Fruits and green vegetables	6	6
<i>Total contribution by food of vegetable origin</i>	82	81
II. Food of animal origin		
1. Beef	4	4
2. Mutton	4	3
3. Pork	1	1
4. Poultry meat	1	2
5. Eggs	1	1
6. Milk	6	6
<i>Total share of food of animal origin</i>	16	17
Others ^a	2	2
Total	100	100

Source: Prepared by the CEPAL/FAO Joint Agriculture Division on the basis of FAO production and consumption data and CELADE population data.

^aNot including fish.

table diet haven fallen, the intake of salts, minerals and vitamins has remained the same, while the intake of calories of animal origin has increased slightly. These changes fail to reflect the deterioration which has taken place in the nutritional conditions of poor groups, which have certainly increased their consumption of empty calories while their consumption of pulses has fallen more rapidly.

2. *Inflation and food prices*

One of the most serious problems of international scope in recent years is that of inflation, and in Latin America the intensity of the inflationary phenomenon has been greater than in the industrialized countries. While consumer prices rose on average by 8.2% annually between 1969 and 1979 in the OECD member countries, the average increase in Latin America was 37.5%. There are differences in the rates of inflation for the two five-year periods. During the first, the OECD countries had an average annual inflation of 7.4% while that of Latin America as a whole was 24.3%; in the period 1975-1979 on the other hand, the OECD countries had only slightly higher inflation (9% annually) whereas Latin America suffered a substantial increase in its rate of inflation to 51.9% per annum. During the past decade, not a single Latin American country has had an annual average rate of less than 5%, whereas between 1965 and 1970 there were 15 countries with an inflation rate under that figure.

It is particularly interesting to examine the relationship between inflation and food price

levels because of the influence which the latter may have on the generation, intensification or moderation of the inflationary pressures and also because the inflationary process influences the diet of the population and, in particular, that of the lowest income sectors, which, as is well known, spend a greater share of their income on food.

Table 9 shows the relationship between the increase in the nominal food price index and the increase in the cost of living. Between 1970 and 1975 food prices rose more rapidly than the cost of living in 15 of the 16 countries examined with the highest rates of inflation; between 1975 and 1979, food prices grew faster in over half of these countries, while in the others, the rise in the cost of living was just barely higher than the rise in food prices. Moreover, the rise in real food prices (over the 1970 level) was more intense during the first five-year period, except in Argentina. Between 1975 and 1979, real food prices fell in 8 countries, while in the other countries such prices were slightly higher than in 1975. In 18 of the 21 countries studied, real food prices were higher in 1979 than in 1970.

It may be said that, in general, food prices rise more rapidly than overall inflation when the inflationary process is gathering momentum, whereas when the process slackens, food prices increase at slower rates than inflation. As for real food prices, it may be stated that they rise in periods of greater inflation. The real food prices of almost all the countries were higher in 1980 than in 1970.

Table 9
LATIN AMERICA: INFLATION AND FOOD PRICES, 1970-1979

Countries	Ratio of food price index to cost of living index		Real food price index 1970 = 100	
	1970-1975	1975-1979	1975	1979
Argentina	1.00	1.01	99.7	103.1
Barbados	1.15	0.93	111.9	97.8
Bolivia	1.14	0.92	112.2	97.1
Brazil	1.11	1.01	109.8	101.1
Chile	1.07	0.95	126.8	91.9
Colombia	1.20	1.00	117.5	100.3
Costa Rica	1.02	1.19	101.3	104.2
Ecuador	1.29	0.99	118.4	99.6
Haiti	1.10	0.95	106.3	98.9
Jamaica	1.13	1.03	108.6	102.3
Mexico	1.13	0.95	107.4	96.4
Paraguay	1.20	1.10	110.7	104.7
Peru	1.17	1.04	110.2	105.8
Dominican Republic	1.21	0.53	110.3	86.4
Trinidad and Tobago	1.23	0.79	114.0	70.7
Uruguay	1.02	1.02	104.2	103.1

Source: CEPAL/FAO Joint Agriculture Division, on the basis of CEPAL, *Statistical Yearbook for Latin America, 1979*.

VI

Agriculture and energy

1. Agriculture as a user of energy

The use of energy by the agricultural sector may be examined in the light of the contribution made by human effort, the energy provided by draught animals, the power generated by agricultural machinery, the energy incorporated in modern inputs (fertilizers and pesticides in particular), and that used in the transportation, processing and distribution of food. If the analysis is concentrated exclusively on the commercial energy used in the farm production process, the provisional finding is that Latin American agriculture consumes nearly 2% of the region's total consumption of com-

mercial energy and close to 3% of its consumption of liquid fossil fuels.²⁸

In the course of the process of their manufacturing, packaging, transport and distribution, fertilizers absorb close to 49% of the commercial energy applied to Latin American agriculture and pesticides about 3%, the remaining 48% being accounted for by agricultural machinery. It has been estimated that in the developed countries the food system absorbs close to one-fifth of the total commercial energy, a large portion of it being consumed in the

²⁸CEPAL, *Latin American development in the 1980s*, E/CEPAL/G.1150, February 1981.

manufacture and distribution of processed foods, especially in canning, artificial drying, refrigeration, freezing and the reconstitution of highly processed concentrates.²⁹

The energy component of the regional consumption of fertilizers rose by 12% per year between 1969/1970 and 1979/1980, leaping from 2.4 million to 7.4 million tons of petroleum equivalent. If the analysis is focused exclusively on fertilizers produced in Latin America, the share is considerably lower since regional production—which is showing a tendency to increase—now accounts for 42% of the fertilizers used in the region. Among fertilizers, the nitrogenous ones absorb by far the most energy (82%) owing both to the requirements of their manufacturing and distribution and to their extensive use as fertilizers. They are followed by phosphate fertilizers (13%), with potassium fertilizers accounting for the remaining 5%. In the 1970s, the region's farm machinery and equipment consumed a growing amount of liquid fossil fuels. Between 1971 and 1976 this consumption grew by 5.2% a year, a rate which is estimated to have risen to 6.7% a year between 1976 and 1980, giving an average of 6% a year for the decade. This rate, which is similar to the growth rate of total regional consumption of petroleum and petroleum products, reflects an estimated increase in consumption from 2.1 to 3.5 million tons of petroleum equivalent.

The information available indicates that mechanical motive power is used as the exclusive source of power on no more than 10% of the economic units of the region's agricultural sector (covering close to 28% of the area under cultivation), while 34% (representing approximately 52% of the area under cultivation) use a combination of mechanical power and animal traction and draught animals are used exclusively on the remaining 56% of holdings, representing around 20% of the land area under cultivation. This explains why agriculture in the region has only about a 3% share in the region's

total consumption of liquid fossil fuels, as already noted. The indicators on the kinds of machinery used in cultivation work and on the characteristics of the process of expansion of the cultivated area support the assertions that draught animals and human labour still predominate in the agricultural production process in the region.

Mechanization and full use of the progress made in biochemistry have more than doubled the physical yield per hectare in various countries and cases, but such high productivity has involved an increase of several hundred per cent in the consumption of commercial energy (fuels, fertilizers and pesticides).

In 1980, the international price of petroleum was 12 times higher than in 1970. With rare exceptions, the domestic price pattern in the Latin American countries is closely related to that at world level. International fertilizer prices have shown considerably less growth than those of petroleum, but here too the price of nitrogenous fertilizers has trebled and that of phosphate fertilizers has doubled. National policies aimed at lowering the price of the technical inputs used in agriculture have enabled farmers to buy their fertilizers at prices lower than the international prices.

The rise in the price of petroleum and petroleum products is the main component of the higher production costs of the entrepreneurial sector, and has therefore borne some responsibility for the subsequent rise in food prices.

Up to the end of 1973, the ratio of agricultural prices to the prices of liquid fossil fuels tended to favour the farmer. Since then, however, in the Latin American countries (with few exceptions and some differences in intensity) the purchasing power of farmers, expressed in terms of petroleum, has deteriorated. Between 1970 and the middle of 1973, agricultural purchasing power, measured by the ratio of agricultural prices to petroleum prices, rose from 1.11 to 1.37, but subsequently, between the end of 1973 and 1977, this ratio fell from 1.02 to 0.68, and this loss was further accentuated by

²⁹World Bank, *Energy and agriculture: An overview*. Alfredo Sefir-Younis, August 1981. Document prepared for the Seminar entitled "Technical change in Latin American agriculture: Situation and prospects in the 1980s", organiz-

ed by IICA/UNDP and held at San José, Costa Rica, 1 to 3 September 1981.

the evolution of petroleum prices between 1977 and 1980.

2. *Agriculture as a source of energy*

The sustained increase in the prices of liquid fossil fuels and its repercussions on the balance of payments has resulted in agriculture being considered as an alternative source of liquid fuels. Much progress has been made in research aimed at identifying raw materials which can generate such fuels, and the corresponding conversion processes have been identified. Sugar cane, cassava or manioc and sweet sorghum (classified as energy crops) have attracted the most attention. In the case of a number of countries and in the short term, ethanol (ethyl alcohol) derived from the distillation of sugar cane must and cassava starch appears as a supplementary source of liquid fuels. Vegetable oils are appropriate fuels for diesel engines, but for technical and economic reasons they are thought of as being medium-term options; methanol (methyl alcohol) from cellulose also seems to provide a medium-term solution, depending on the evolution of petroleum prices.

For now, sugar cane is the most important energy crop. Manioc or cassava has attracted attention because of the significant advantages it might offer as a crop which, unlike sugar cane, is not very demanding in terms of soil and climate. Moreover, the cultivation of cassava generates more employment than that of sugar cane, thereby furthering a more equitable distribution of income. When sugar cane is grown on small farms associated with mini-distilleries (20 000 litres of alcohol) instead of on large plantations associated with large distilleries, however, its disadvantages with respect to cassava are undoubtedly reduced.

In a number of countries research is being carried out and trials performed on cassava starch. The problems encountered (now practically solved) are related to the most appropriate seeds for crops to be used in the production of alcohol, and the steps which must be taken to convert the production of a traditionally family crop into another kind of commercial crop requiring the cultivation of plots of 100 hectares or more. In this respect, questions

have arisen concerning the preparation of the soil, the distance between the plants, the control of plant diseases, appropriate harvesting practices and the mechanization of harvesting. On top of these problems, which can in time be solved, there are problems related to the distilleries, since the distillation of alcohol from cassava starch is a slower and more complicated process than that based on sugar cane. The starch must first be turned into sugar and then fermented and distilled.

The National Alcohol Programme (PRO-ALCOOL) of Brazil, initiated at the end of 1975, represents the greatest Latin American, and indeed world, energy-crop effort. The Brazilian production of alcohol has grown greatly during recent years, rising from 664 million litres to 3.4 billion litres between 1966/1977 and 1979/1980, and it is estimated that as much as 4.2 billion litres was produced in 1981. So far, a total of 384 projects for the installation of distilleries have been approved, which represents distillation capacity equivalent to 8 billion litres a year in addition to the 900 million litres of capacity already existing before the programme, giving a total amounting to 84% of the target of 10.7 billion litres per year set for 1985.

The system of mixing anhydrous alcohol and gasoline introduced throughout the country made it possible to replace 17% of the gasoline consumed in 1980. In that year, PRO-ALCOOL introduced the distribution of hydrated alcohol on a commercial scale as the exclusive fuel for some 350 000 vehicles produced for that purpose or with modified engines.

Some other countries in the region have also embarked upon efforts to produce liquid fuels from energy crops. The use of vegetable wastes to produce biogas (methane gas) is also attracting interest, and research is being conducted on different kinds of digestors for expanding the production of this gas. Wood and charcoal have also acquired renewed importance in the search for commercial energy based on biomass.

Having recourse to agriculture for the production of food and energy crops raises questions in respect of the future composition of agricultural production, variations in relative

prices, and the degree of technical modification to which the national agricultural sectors can be subjected. On the other hand, the expansion of agricultural production is highly dependent on the availability and price of liquid

fossil fuels. It is therefore a question of complex and difficult options whose relative merits may be very different in the different countries of the region.

VII

The industrialization of agriculture

In the majority of Latin American countries the industrialization of agriculture is gathering momentum. To the extent to which the linkages³⁰ of the agro-industrial chain have been established and/or consolidated, the production bases of the agricultural sector have been brought into this process and at times transformed. Agro-industry has been actively considered and furthered as a way of solving some of the economic and social problems relating to agriculture, since it involves technical innovations and modernization of the production process, standardization of agricultural commodities, promotion of the production of non-traditional crops, the introduction of improvements in the marketing and distribution of raw and processed foods, the provision of reliable markets and the stabilization of agricultural prices and incomes.

The large number of branches which make up Latin American agro-industry, the dynamism and diversification of production, the different sizes of the individual agro-industries, the differences in technology and the variety of its sources, and the lack of up-to-date statistics are factors which make it difficult to prepare a detailed analysis of the regional evolution of this heterogeneous and complex production activity. In any case, the study of specific individual aspects would exceed the limits of this article.

The food sector is the largest one in regional agro-industry. The food branches related to sugar refining and cereal milling are, in general, slow growing since both sugar and

wheat are products which suffer from slow-growing demand and have in general been subjected to some form of consumer price fixing. The secondary food industry (noodles, pasta and other prepared foodstuffs made from wheat) has a more dynamic growth rate owing to the constant expansion of urban and rural demand for its products. The manufacture of vegetable oils and fats, cocoa and coffee preparations and confectionery, shows high growth rates, since these commodities are aimed at expanding domestic and external markets. The branches associated with cattle slaughtering, meat preparation and canning, the manufacture of dairy products and the packaging and canning of fruits and vegetables, show moderate but in some countries rapid growth, depending on the competition from imports they usually face. In general, the branches which produce goods for mass consumption tend to grow more slowly than those which produce prepared foods for sale to medium- and high-income groups.

In its expansion, agro-industry is supported by the entrepreneurial sector of agriculture, whose organizational and productive characteristics foster the articulation of its output with the activities of agro-business. The latter for its part, gears its production to medium and high-income urban consumers and to those rural consumers with enough income to enable them to purchase its products. Thus, agro-industry by-passes peasant agriculture (except in a few cases where peasants have united in co-operatives) and the very poor urban and rural consumers, who are not in a position to buy foodstuffs with high value added.

National diagnostic studies agree on the marked growth of agro-industries; they also record increases in the number of transnational

³⁰Backward linkages, involving the production of inputs for agriculture, and forward linkages, involving the processing of inputs from agriculture in the various phases of their transformation.

corporations within local agro-industry. Many of these corporations are of worldwide importance because of the volume of their annual sales and their ramifications. In general, they are vertically integrated and diversified traits which are all the more obvious if the firm is a large one.

Transnational corporations, establish themselves in the most important branches of the national agro-industrial system and constitute dominant nuclei which are concentrated centres of capital and gear the larger share of their production to the domestic market, their participation in foreign trade in processed products being only limited. They tend to generate a certain amount of specialization in production for reasons of climate, soil, land tenure, infrastructure and facilities for access to large national urban markets.³¹

Foreign private investors prefer to finance the production of prepared foods and of basic technological inputs used in the production and related marketing process. They take the place of national capital in the installation of production units which are articulated, on the most favourable terms, with import substitution or export promotion processes based primarily on the exploitation of natural resources.

The transnational agro-industrial production units established in Latin America have grown in a different way. Much of their expansion and diversification has been achieved through the purchase and absorption of existing national enterprises and their fusion with other new enterprises, thereby saving some of the cost of setting up new enterprises and heightening the degree of concentration. This has made it possible for them to become larger in size and to acquire networks of subsidiaries, to adopt and select a wide variety of techno-

logy, to use highly-qualified staff and to strengthen their operational capacity and presence in the markets.

The links of transnational corporations and other foreign private investors with Latin American agriculture date back a long way. They have branched out into the exploitation of land, taken advantage of cheap labour and controlled the manufacture and marketing of many products: fruits and vegetables, sugar, cotton, cocoa, meat, dairy products, fishery products, edible oils, wheat, tobacco, timber, leather, non-alcoholic beverages and confectionery, alcoholic beverages and tropical drinks. They have gradually taken on new branches of activity: to the production of basic food preparations they have added that of foods for high-income urban markets sold in chains of supermarkets or in restaurants ('sophisticated' foods based on meat and milk, prepared dishes, fine confectionery, etc.). In addition they have supported the production under contract of fresh fruits, pulses, green vegetables and flowers for markets in developed countries.

The foreign investment in Latin American agro-industry (in the widest sense of the term) goes back a long way. In the 1970s, however, it was perhaps more intense than in the past, particularly in the branches manufacturing agricultural machinery, agrochemical products (fertilizers, insecticides, fungicides and herbicides) and veterinary products. Almost all the transnational corporations operating within these fields have established themselves in Latin American countries, either as manufacturers or as commercial representatives, so that they penetrate and, in general, dominate the national markets and have a decided effect on their evolution and characteristics.

Conclusions

Specific conclusions could be drawn in connexion with each of the topics analysed. We feel, however, that the most relevant conclusions are those which emerge when we com-

pare the expansion in production and the changes registered during the past decade with the degree of achievement of the basic objectives pursued by the Latin American society and economy —the elimination of hunger and of nutritional deficiencies and the eradication of poverty and want. They may also be viewed

³¹CEPAL, *Las empresas transnacionales en la agroindustria mexicana*, CEPAL/MEX/1049, May 1981.

in the light of the progress made in connexion with two complementary objectives —the expansion of agricultural exports and the attempt to keep the search for short-run economic efficiency from altering the ecosystems and causing the deterioration of extensive areas of land.

The expansion of production for the domestic market has simply been a response to the stimulus and movement of demand, both of which have resulted from the increase in the urban population and the changes which have occurred in the diets of the different income groups. For this reason, the increase in production has had an equivocal effect on nutrition. On the one hand, it has helped to achieve greater average availability of food of high nutritional value, which has been purchased by middle and high-income consumers, while on the other hand, it has resulted in a growing supply of foods with 'empty' calories —sugar, oils, tubers, etc.— for mass consumption and in a decrease in other foods which contain balanced nutrients (cereals and pulses); this is bound to have increased the nutritional deficiencies of the poorest groups. Consequently, the results of the production process have not, strictly speaking, been oriented towards the elimination of hunger and malnutrition.

The rise of real food prices above their levels of the early 1970s has been a factor in the accentuation of food problems. Among other things, it has caused the inflationary processes to intensify, which has worsened the nutritional state of the underprivileged, who have been forced to modify their diet and eat foods which are cheap and filling but of little nutritional value.

With regard to the eradication of rural poverty, although considerable progress has been made in the expansion of production, there is still a long way to go to obtain the material base needed in order to narrow the gap between average farm income and average income in the economy as a whole. Faster expansion of agricultural production, resulting in the doubling or trebling of the present dimensions of agriculture in the medium term is necessary, but it is not enough to ensure the eradication of rural poverty. It is necessary also to apply distributive or redistributive measures (depending on the individual characteristics of each country)

if the benefits of the production process are to filter down more evenly to the different strata of the population.

The development of the forces of agricultural production has not helped to clear up the most glaring inconsistency in Latin American agriculture —the simultaneous existence of abundant land, which is not fully used, and a growing number of underemployed peasant families. On the contrary, because of the changes which have occurred within its two main components (the entrepreneurial group and the peasant group), it would seem that this age-old imbalance is worsening. This polarization has naturally influenced the strategies followed by both sectors: those favoured by the entrepreneurs in order to reap greater benefits for themselves, and those followed by the peasants to face up and adapt themselves to changing situations and to seek to maintain or raise their standard of living. Permanent or temporary migrations to the urban industrial areas or to areas of new land settlement where they can establish new family units are one way in which the peasantry combats underemployment and seeks to ensure at least a minimum level of income.

Although the land tenure situation in many countries of the region differs from that which prevailed twenty years ago, since varying degrees of progress have been made, the need to continue modifying the conditions governing access to the land is still of strategic importance for multiplying the successes achieved through agrarian reform measures undertaken in the past and also as an important way of achieving the aims of the strategies for overcoming structural disequilibria and achieving the harmonious development of society.

The gradual concentration both of agricultural production and income and of the opportunities derived from markets (commodity markets, factor markets and financial markets), as a result both of the nature of the entrepreneurial sector and of public policies, which tend to favour this sector most, together with the effects of this sector's increasingly close links with agro-business, are situations different from the characteristics displayed by Latin American agriculture in the past, when its basic foundation was the latifundium-minifundium

complex. The vigour of entrepreneurial agriculture, which is functionally linked with the continuous decomposition and recomposition of the peasantry, is a reality which is still not satisfactorily grasped or seen in the light of its true scope and consequences.

The ability of the low-income groups to increase their incomes is closely related to the quantity and quality of their work and to the payment of fair wages for their production efforts. The work they do, for its part, depends on the conditions of access to productive resources and to land in particular. The intensified search for ample new job opportunities for the rural population was and will be an important part of the struggle to vanquish rural poverty. Depending on national and local realities, the widest variety of means could have been used to facilitate greater access to the land.

An important aspect of the measures relating to access to the land has been the full settlement of the national territory, together with the expansion of the agricultural frontier. More or less successful forms of settlement, together with the opening-up of land to irrigation, have relieved the demographic pressure typical of certain areas where rural poverty is found and at the same time have contributed to the growth of production and the creation of new jobs.

Policies aimed at making capital less expensive and providing incentives for the use of technical inputs in the agricultural production process have had a negative impact on farm employment. Their purpose was to ensure capital formation on the farms and the introduction of technology into farming, but they have actually reduced the role played by the labour force—an abundant resource in the aggregate production function. On the other hand, in some cases regulations introduced in labour markets have made labour expensive and furthered a tendency to do without a permanent labour force and make growing use of temporary manpower.

Integrated or integral rural development programmes have come into being as ways of concentrating resources for use by peasantry, promoting their incorporation into the markets, making them receptive to technical progress and providing them with government support and assistance services as a way of improving

their living and working conditions. Since programmes of this kind do not get to the roots of rural poverty, however, their results have failed to go beyond the limited confines of their own action, which did not pretend to provide increased access to productive resources.

Due to a lack or shortage of technological innovations designed to fit in with the economic and social conditions of the mass of producers of each country, the technology most readily available is that offered on the international markets; this has frequently been a contributing factor in the adoption of technological patterns out of keeping with national requirements for balanced agricultural development. In spite of the progress made in Latin America in the organization of research and the training of research workers, there is still a persistent lack of familiarity with the needs of the peasantry and an absence of research which gives due attention to the special way in which peasants organize their economic activities and use the soil. There is a need for research into crops which are important for peasant agriculture and into systems of production based on associated or multiple crops.

The predominant approach to development is one which tends to increase the degree of openness of economies and to bring about more interdependence among the nations. The trade in agricultural commodities of the Latin American countries with the rest of the world reflects those tendencies. Exports have been diversified, and hence national agricultural sectors have been brought into closer co-ordination with external demand. Although there has not been much diversification with respect to imports, there has been an increase in dependence and hence in the vulnerability of food stocks in the face of unexpected changes in world market conditions both as regards security of supply and price variations. The issues of effective storage facilities in ports, the availability and efficiency of modes of transport, and the degree of fluctuation in freight rates have assumed much greater importance.

The environment of instability and insecurity characteristic of the international agricultural markets has had a sharp impact on the evolution of the national agricultural sectors which depend on exports and, by extension,

has caused disturbances of various kinds in the pattern of growth of national economies. On the other hand, high levels of protectionism have reduced the opportunities of the countries of the region whose favourable conditions of production would otherwise enable them to be very competitive in some of the world agricultural commodity markets.

For the region as a whole (although not for all the individual countries) the value of imports in dollars at current prices grew more rapidly than that of exports between 1969/1971 and 1977/1979, the respective growth rates being 18.7% and 16.5% per year. There is less of a gap between these rates than between those relating to the growth in terms of volume, which, as indicated above, were 8.0% and 2.8% per year respectively. The larger rise in the prices of agricultural exports explains why exports have performed better than had been expected and have played a more important role in clearing up or reducing trade deficits.

The technological policies adopted have been affected in varying degrees by the technological model created by the so-called "green revolution". Without overlooking the notable scientific progress achieved since that event, reflected in complex technological packages which have facilitated the expansion of the agricultural frontier and resulted in an as yet modest rise in average unit yields, it may be noted that there is a lack of technological initiatives which do not tend to foster the uniformity of ecosystems and hence the alteration and/or loss of their special attributes. The quest for economic efficiency in the short term has meant that extensive stretches of land are unused in Latin America, especially in tropical areas. Nor has there been any notable progress in respect of reclaiming areas where there has been ecological deterioration or in the establishment of which are less dependent on the consumption of fossil energy.

A varied set of causes and factors have interacted and worked together to produce the changes which have occurred in rural Latin American society and have promoted the greater economic and social differentiation now seen in regional agriculture. Outstanding in this complex combination of causes and factors are the new urban and industrial structures

and the resultant modifications in the direction and depth of urban-rural relations; the different degrees to which technical progress has penetrated and the emphasis on efficiency and profitability which accompanies such progress; the political decisions aimed at lowering the cost of capital and of the technical facilities required by the production process, with the consequent acceleration of capital formation in entrepreneurial units and the pattern of mechanization and the accompanying increase in the use of technological inputs; the selective and sometimes distorting role of the external sector; the dynamism of working in association with transnational corporations; the execution of big physical infrastructure and communications works; the review and updating of the aims, means of action and beneficiaries of various governmental programmes and activities designed to further agriculture; the results (still not fully known or evaluated) of the processes and activities related to agrarian reform and changes in the systems of land tenure; the modifications introduced in labour relations, and the temporary or longer-term intersectoral transfers for the benefit of agriculture. In addition to this long list of factors, there are others which appear to be less important.

Thus, there are many complicated causes and factors which must be taken into consideration both individually and collectively in order to achieve the conditions needed for agriculture to be able to perform all its essential functions and forcefully display its true potential. Similarly, there must be many other measures and activities which need to be embarked upon if agriculture is to be able to make an appropriate contribution to overall development while at the same time coping with its own problems. Issues which are complex and difficult because of the number of their components and the way in which those components interact cannot be tackled and overcome with simple solutions. The great challenge for Latin American agriculture is that of reconciling technical and economic efficiency with the urgent need for social betterment, while at the same time forming a sector which will have a dynamic and stabilizing effect on the overall economy.

Latin American agriculture

Its prospects up to the end of the century

*Nurul Islam**

Only a sustained and prolonged increase in the output of food and agricultural products can lead to a solution of the problem of food security, which looms increasingly as one of the main economic challenges at the world level. From this point of view, the recent evolution of Latin American agriculture as a whole has not been satisfactory, since in many countries the increase in supply has not kept pace with the greater demand due to the growth of the population and of income. For this reason, the region's self-sufficiency in agricultural products has gone down in general terms, while the stubborn problems of agricultural unemployment and under-employment and of undernutrition still persist.

The continuation of past trends would mean the further aggravation of these problems. The author therefore maintains that it is necessary to change these trends by significantly increasing the cultivable area, improving yields, securing a relative reduction in agricultural imports (for which purpose it is necessary to substitute imports and produce exportable surpluses), and making certain changes in policies and institutions. The author divides the latter changes into two areas. On the one hand he groups those aimed at increasing production, among which he stresses the proper use of macroeconomic, tax, price, foreign exchange and credit policies and the promotion of education, extension and training, all within a suitable agricultural and rural development strategy. On the other hand, he groups those aimed at ensuring that the benefits of development are equitably distributed among all the social groups and regions: in this respect he emphasizes the need to give special attention to small farmers in order to raise their productivity, output and level of living, which may call in some situations for changes in the system of land tenure. He notes, however, that this equitable distribution of the fruits of development also requires that the rural population should organize itself and express its demands, participating to the full in the decision-making process, for only greater popular participation in fundamental decisions can guarantee the execution of the necessary structural changes and the existence of equitable access to well-being.

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FAO has undertaken an analysis of the future perspectives of world agriculture, up to the end of the century, in a study called "Agriculture: Towards 2000". Also, in co-operation with CEPAL, FAO has worked out its regional implications. This is an analysis, not a forecast, of the possibilities of the agricultural sector of the region.*

The FAO study elaborates alternative scenarios under different assumptions regarding growth of overall income, population increase and degree of self-sufficiency to be achieved, as well as constraints in terms of land, water and scarce resources in the food and agricultural sector. This exercise has been a long process, carried out in consultation with other United Nations organizations, as well as in the FAO Regional Conference in Latin America. We have considerably benefitted from CEPAL's overall Strategy for the Third Development Decade and the Regional Programme of Action for its implementation.

Before highlighting the analysis and conclusions of this study, a review of the current agricultural trends and problems in the world as well as in Latin America may help provide the appropriate context in which the future perspectives of the region can be discussed.

1. Current world food situation and outlook

World food production has increased only marginally in the last two years. It has fallen short of current consumption, with the result that cereal stocks in 1981 have been drawn down to very low levels, i.e., 14% of world consumption, which is below the minimum level considered safe for world food security. In recent years, many developing countries in other regions have been facing not only declines in per capita production but also absolute declines in production. Food prices have risen, as have freight rates. The food import bills of many low-income developing countries have increased significantly. For a few countries in the region which are heavily dependent on food imports, this is also a matter of concern.

To the extent that large areas in Latin

*This article is based on the statement delivered by Mr. Nurul Islam on behalf of FAO at the nineteenth session of CEPAL, held in Montevideo from 4 to 6 May 1981.

America do depend today, and will continue to depend in the future, upon rain-fed agriculture, weather variations are likely to remain an important source of instability. Moreover, a number of factors in recent years have contributed to increased instability in world food supplies and prices. Increasingly, individual countries have tended to insulate the domestic markets from fluctuations in world supplies: they seek to stabilize domestic supplies by reducing exports or increasing imports at times of domestic shortage and doing the opposite in times of surplus. Thus, domestic stability is often achieved at the expense of accentuating world instability. If domestic production variations were met by variations in domestic stocks or consumption, as was the case in the past with many of the large importing countries like the USSR and China, rather than by variations in imports, instability in the world market would be moderated. The proliferation of bilateral trade agreements, which contribute to the stabilization of trade flows between major importers and exporters, tend to shift the burden of adjustment on to the residual market outside the scope of such agreements. Moreover, world cereal stocks are liable to be less than in the past. No new international agreement on world wheat reserves is as yet in sight.

This is the world context in which importing countries in Latin America will have to face the impact of variations either in domestic supply or in world supplies and prices.

It was with a view to meeting the problems of world food security that the FAO adopted in 1979 its Five-Point Plan of Action on World Food Security, which was eventually endorsed by the United Nations General Assembly. Under this Plan of Action, countries were urged to determine national food stock policies and targets and to formulate criteria for the management and release of stocks. A strengthened International Emergency Food Reserve and guaranteed flow of *food aid*, even at times of shortages and high prices, are all essential and interrelated components of this Plan. Additional balance-of-payments support for meeting exceptional rises in food import bills, as the Plan of Action emphasized, is becoming increasingly relevant: food security

stocks and related infrastructure, including storage facilities, need to be built up at the national as well as the regional levels through mutual co-operation, both technical and financial, among the developing countries.

2. Past trends in Latin American agriculture

Basically, problems of food security can only be resolved through a sustained, long-run increase in domestic food and agricultural production. Agricultural production in the region grew at a yearly rate of only 3.0% between 1963 and 1980, however, and the rate of growth during the seventies was lower—about 2.9%. This was much less than the target of 4% set in the Strategy for the Second Development Decade. In many countries of the region, the production increase merely kept up with the rate of population growth. As a consequence, the per capita increase in agricultural production was barely 0.3% per annum for the last twenty years, although in the seventies it accelerated to 1.2% as against 1.0% for the developing world.

There were wide disparities in the rates of agricultural growth among the countries of the Latin American region: eleven countries, accounting for 27% of the population of the region, had a rate of growth at less than 3% during 1963-1980, while the growth rate for a number of countries accounting for 12% of the population was less than 2%. In the other countries, accounting for 73% of the population, it was higher than 3%. This indicates the very great range of variation in performance among the countries of the region.

The rate of growth of food and agricultural production in the region during the 1970s was exceeded by the even higher rate of growth of demand. This was caused by the rapid population increase and a high rate of growth of overall income, which was about 6% per year. The result was a rapid increase in cereal imports and a deterioration in the net cereal trade balance of the region. Cereal imports increased by about 60% (14 million to 22 million tons) between 1975 and 1980, whereas cereal exports from the exporting countries of the region barely increased from 12 million tons to 13 million tons. Although the deficit in cereal

trade thus increased four-and-a-half times (2 to 9 millions tons), the growth in non-cereal agricultural production and exports did offset the decline in the cereal trade balance, so that the overall agricultural trade balance improved by about 20% (from US\$ 9 billion to US\$ 11 billion).

The region's self-sufficiency in agricultural commodities has been falling. The overall self-sufficiency ratio (percentage of total consumption supplied by domestic production) was 95% in 1978/1979, this ratio being lowest for wheat (67%), and highest for coarse grains (107%). In spite of a growth rate of 3% per year in aggregate per capita GDP, daily food consumption grew by only 0.3% in terms of calories.

The spread of modernization and increase in agricultural production has been uneven between the countries of the region, as well as within the countries. Neither has it been uniform among different crops or the various socio-economic groups or geographical regions within individual countries. The overall growth has not been reflected in commensurate development of the small farms or in peasant agriculture. Although these are generally based on low-quality land resources, they nevertheless produce an important share of the food supply of the urban and rural population. Large-scale capital-intensive agriculture, linked to the modern industrial sector as well as to export markets, had the lion's share in capital resources, inputs and services, and gained disproportionately from the benefits of growth.

Despite a decline in the relative size of the agricultural labour force from 46% in 1961-1965, to 34.5% in 1980, unemployment and underemployment in the agricultural sector have remained high and per capita income in agriculture is still very low—about 24% of that in the rest of the economy. Almost two-thirds of rural households, according to a well-known study by CEPAL, were living below the poverty line at the beginning of the last decade, and about a third of these were in a state of complete destitution.

In 1974-1976 more than 40 million people, constituting 13% of the population of the region, were suffering from undernutrition, ac-

ording to the strict definition of undernutrition adopted by FAO, i.e., calorie intake below the minimum calorie requirements at rest. However, there are significant differences in this respect among the countries of the region. In 1974-1976, for example, nine countries, comprising 47% of the population of the region, had 15% or more of their population suffering from undernutrition, while eight countries, constituting about 41% of the population of the region, had between 10 and 15% of their population undernourished. There is not necessarily a decline in the degree of undernutrition as per capita income rises or the rate of growth accelerates.

3. Perspectives for the future

With regard to the perspectives for the future, the continuation of the past trends in production in the region are neither desirable nor necessary. In the first place, this would lead to an accelerated rise in imports—higher than that in exports, and resulting in a deterioration in the agricultural balance of trade.

More specifically, cereal imports would increase 30% by 1990 and would more than double by 2000, whereas cereal exports would only increase 15% by 1990 and 70% by 2000. The deficit in cereal trade would be 13 million tons in 1990 and 24 million tons in 2000, as against 9 million tons in 1980.

Thus, the continuation of past trends implies that undernutrition will be greatly aggravated if the rising cereal imports cannot be financed. Even if they are financed, there will be an increase in undernutrition, because there will be an absolute increase in the number of people in the low-income groups with low effective demand.

Latin America has the potential to mobilize capital resources, technological capacity and necessary institutions to speed up the rate of agricultural production considerably in the coming decade. The region is comparatively well endowed with regard to natural resources: in fact, FAO's recent estimates indicate that arable land potential is nearly 700 million hectares, or 1.91 hectares per inhabitant, which is over twice the 0.82 hectares available in the rest of the developing world. At present only

25% of the land potential is under cultivation. It is admittedly true that, to a great extent, land already under cultivation includes the better quality and the most favourably endowed land, and that future expansion of arable land is more expensive and will yield decreasing returns. Nevertheless, there is considerable room for expansion and intensification. Undoubtedly, there will be great variation among countries in terms of possibilities of growth, but the region as a whole should be able to improve considerably its self-sufficiency in the field of food and agriculture.

FAO's study, "Agriculture: Towards 2000", has worked out the implications of two alternative scenarios which are intended to modify past trends. These scenarios are conceived in the broad framework of the goals and objectives of the strategy adopted by CEPAL, as well as of the IDS, such as 7% growth in overall income and corresponding projections of growth of population and of total labour force.

4. *The optimistic scenario*

Under the more optimistic scenario, agricultural production and, in particular, cereal output, would expand at about 3.9% annually in the next two decades, while livestock production would increase even more —by about 5.3% a year.

Total agricultural GDP, including crops and livestock, would rise at 3.2% annually, which would mean an increase of about 30% in average per capita agricultural GDP over the next 20 years. Since the overall economic growth is much faster, with a higher rate of growth in the non-agricultural sector, about 8% and 5% of GDP would, by 1990 and 2000 respectively, be generated in agriculture, employing 19-20% of the population.

There will, however, be wide divergences among the countries in the region: under the optimistic scenario, nine countries with 73% of the regional population would grow at more than 4% in the 1980s, and ten countries with 74% of the population would attain more than a 4% growth rate during the 1990s. On the other hand, there would be four countries with

about 10% of the population which would achieve rates of growth of less than 3%.

There would be an improvement in the self-sufficiency rate for cereals from 95% to 98% by 1990, and to 102% by 2000, although in the case of wheat the self-sufficiency rate would improve only from 67% to 72% in 1990 and 74% in 2000.

In spite of such a rate of growth and improvement in self-sufficiency, Latin America will not achieve complete eradication of malnutrition by 1990 or by the end of the century, even though it started in 1980 with the lowest rate of malnutrition in the developing world. This is so even if it is assumed that all the cereal requirements are fully met by imports, either by commercial purchases or by food aid. However, the state of undernutrition would decline from 13% of the population in the late 1970s to 6% in 1990 and 3% in 2000. This would take place under the following stringent assumptions (a) that the effects of income growth are proportionately distributed over the entire population, i.e., all income groups enjoy the same rate of per capita growth in income and effective demand, and (b) that effective demand for all income groups is fully met.

This overall picture, however, conceals a wide divergence amongst the countries of the region. Seven countries with 38% of the regional population will still have more than 10% of their population undernourished in 1990, whereas even in 2000 five countries with 32% of the population of the region will have more than 10% undernourished. This emphasizes the need, along with increased production, for supplementary measures including income distribution policies, institutional changes and poverty-oriented programmes to mount a direct assault on the worst aspects of undernutrition and poverty.

The growth in agricultural production would require changes in policies, priorities and investments by Latin American governments. Major sources of growth would be (a) an expansion of area, and (b) an increase in yield. Under FAO's optimistic scenario, 70% of the additional output would be due to increase in harvested area and 30% due to increase in yield up to 1990, while during the

1990s the respective percentages would be 62 and 38 —indicating the increasing importance over time of obtaining an increase in yield per hectare. In contrast, for the developing world as a whole, a much greater proportion of additional output would have to come from yield increase by 2000, i.e., 80% from yield increase and 18% from area expansion.

The irrigated area in Latin America would increase from 13 million hectares in 1980 to 16 and 20 million hectares respectively in 1990 and 2000, i.e., at a rate of 2.2% during 1980-2000, while fertilizer use would almost double by 1990 and increase three-and-a-half times by 2000, i.e., at a rate of 6.6% per year during 1980-2000.

The present ratio of current inputs (seeds, fertilizers, and pesticides, etc.) to agricultural output, which, at 25% in 1980, is already high in comparison with the 20% average for the entire developing world would, under the optimistic scenario, increase to 28% in 1990 and 34% in 2000. The remarkable increase in the use of purchased inputs demonstrates the extent to which the agricultural sector in Latin America is being and will be modernized.

Annual gross investment (including storage, marketing, primary processing and transport) would have to increase by half by 1990 and two-and-a-half-times by 2000 to achieve the rate of growth set forth in the optimistic scenario. In absolute terms, it would need to be around US\$ 30 billion in 1990 and US\$ 49 billion in 2000. The annual gross investment in crops and livestock (excluding storage and marketing, etc.), will increase from 20% of agricultural GDP in 1980 to 23% in 1990 and 28% in 2000. This is a rate higher than the average for the developing world as a whole.

In terms of components of investment, the number of tractors would more than double by 1990 and increase about five times by 2000, i.e., it would account for about 35% of the total investment, whereas irrigation investment would increase by about one-fifth up to 1990 and by more than one-third up to 2000.

5. Trade

The trade implications of FAO's studies provide interesting insights regarding the trade

policy of the region. If existing trends continue, by the year 2000, there would be an increase in the positive trade balance for agricultural raw materials (excess of exports over imports) and a decline in the positive balance for foodstuffs. In the region as a whole there would be strong deficits in wheat and coarse grains, and Latin America would become a net importer of meat and dairy products, while its surpluses of other food items, mainly vegetable oils and bananas, would increase considerably.

Under the optimistic scenario, however, agricultural imports are expected to increase at a lower rate than exports. Imports would increase only to the extent of US\$ 2 billion by 1990 and US\$ 3 billion by 2000, and moreover, would increase at a lower rate than exports —i.e., by 30% and 50% for imports by 1990 and by 2000, respectively, as against 35% and 90% for exports by 1990 and by 2000. The combined result of this would be an increase in the positive trade balance of the agricultural sector from US\$ 11 billion in 1980 to US\$ 15 billion by 1990 and US\$ 23 billion by 2000, i.e. more than double by 2000.

Such a substantial increase in the positive trade balance can be attained only if policies are pursued aimed not only at efficient import substitution, especially of cereals, but also at the production of adequate exportable surpluses at competitive prices. In view of the concentration of exports in a few markets and a few commodities, renewed emphasis needs to be given to the diversification of the composition and destination of Latin American trade. No less important are the measures needed to stabilize earnings from agricultural exports through national and internationally agreed measures. The real prices of the main exports of the region have fluctuated considerably since the early 1950s. A clear downward trend is noticeable in the case of bananas, and the real prices of coffee and cocoa have declined since 1978.

There is an increasing need for intensified efforts, through research and development, to improve productivity, marketing and distribution facilities, as well as processing, so that agricultural exports are not only more competitive in world markets but also secure more

'value added' and generate larger income for the producing countries. Appropriate external investment and technical assistance will be needed in the less developed countries of the region.

No less important is the role of the trade policies of the developed importing countries in providing greater access for Latin American exports. We hope that the implementation of the provisions of the Multilateral Trade Negotiations will be beneficial to the future growth of agricultural trade as a whole. The MTNs, which have so far had very limited effects on the liberalization of agricultural trade, must be seen as a beginning for further progress and liberalization of such trade. The FAO Conference Resolution of 1979 emphasized the need for further movement towards the progressive reduction and elimination of tariff and non-tariff barriers to the trade in agricultural products, both raw and processed, particularly with respect to imports from the developing countries.

The FAO Committee on Commodity Problems, and its various specialized intergovernmental commodity groups, have the function of monitoring protectionism which affects agricultural commodities. For oilseeds and products thereof, FAO's recent work has shown that the most important barriers in the trade in vegetable oils are firstly, the escalation of tariffs on processed products, which give a high level of effective protection against imports of such oils, and secondly, the various schemes to protect and support the consumption of butter, which limit the demand for vegetable oils.

FAO's work on meat (mostly beef) shows that under certain assumptions a 50% reduction in implicit trade barriers could cause the volume of trade to increase by 70% and prices to rise by 15% —the latter causing some decline in consumption levels in exporting countries. On the more modest assumption of a 25% reduction in such barriers, the Latin American exports of beef could increase in volume by about 40%, with a slower price increase causing a marginal reduction in the consumption of exporting countries. Similarly, a recent study suggests that a 50% reduction in the levels of protectionism in the OECD countries could

provide an additional US\$ 1.8 billion in export earnings for Latin America. The main commodities in which Latin America will benefit from trade liberalization in the OECD countries are beef, sugar, temperate-zone fruits and coffee.

It is worth emphasizing that considerable scope exists for the expansion of regional economic co-operation, including trade expansion through preferential arrangements. The scope for such co-operation extends from joint purchase arrangements for crucial inputs such as fertilizers and equipment to agreements for their joint production within the region, taking advantage of the economies of scale of the larger regional market. It could also encompass regional food security reserves, including co-operation in the construction of physical infrastructure, as well as early warning systems for food security schemes. A comparison of the increase in gross imports and exports of the region estimated in FAO's study demonstrates the potential for the expansion of regional trade. Part of the increase in exports and imports would be from within the region.

For example, in cereals, the Latin American region as whole, by the end of the century, could be in net surplus. Under the optimistic assumption regarding the rate of growth of cereal production and demand, cereal exporting countries in Latin America would be able to increase exports from 13 million tons in 1980 to 20 million tons in 1990 and 35 million tons in 2000. The imports of the cereal deficit countries would increase from 14 million tons in 1980 to 23 million tons in 1990 and 31 million tons in 2000. Therefore, the cereal surplus countries would be able to meet the requirements of the deficit countries and still be left with a net surplus. Moreover, there would be scope for the expansion of agricultural trade with the rest of the developing world. In rice, coarse grains and livestock products, especially meat, Latin America would be in net surplus, whereas other developing countries would be in net deficit. In the year 2000, Latin America —amongst all the developing regions— would have a substantial agricultural net positive trade balance of about US\$ 22 billion, in contrast with a net deficit in the Near East and Africa, taken together, of about US\$ 9 billion.

6. *Policies and institutions for agricultural and rural development*

In order to achieve the goals and objectives analysed in the FAO study referred to, it will be necessary to undertake the required changes in policies and institutions. Already there is an increasing awareness amongst the countries of the region of the need to give higher priority to agriculture. However, the changes already underway also need to be further strengthened. Resources for investment in agriculture have to be greatly increased; technology has to be introduced on a wider scale. Macroeconomic policies, tax, credit, exchange rate and pricing policies must be so designed as to remove the disincentives to increased investment and production in agriculture. In specific cases, additional incentives may be needed to stimulate technological innovations and to offset the adverse effects of risks and uncertainties.

The formulation of an agricultural and rural development strategy which seeks to integrate, within the context of an overall development strategy, the related aspects of production, consumption, distribution and nutrition is an essential first step in this. From within this framework must follow the detailed specification of policies, as well as the formulation of programmes and projects for the mobilization and effective utilization of investment resources, both external and internal.

Great importance is attached to the promotion of education and extension and training, as well as agricultural research appropriate to the region and to its wide diversity of varying ecological circumstances. Intensification of research is especially needed on rain-fed agriculture, as well as on crops on which much research effort was not expended in the past, especially the minor crops and food crops. No less important is the need for the integration of research activities with education and training of the farmers so that there is appropriate interaction between the two streams of activities. The relative role of public and private enterprise in the promotion of extension, education and training of farmers needs to be clearly defined according to the circumstances, needs and capabilities of each country, especially where the farmers are

small and numerous. An effective mechanism through which services and inputs can reach them and be put to their best use must occupy a pivotal role in the process of agricultural and rural development.

7. *Growth and equity*

As the past experience of this region and other parts of the developing world indicates, the effects of growth by itself do not necessarily 'trickle down', and poverty is not reduced or eliminated merely as a result of an acceleration in growth. Unless specific policies are adopted and institutional changes are undertaken, the benefits of growth are not spread out widely to all socio-economic groups and to all regions. The Programme of Action of the World Conference on Agrarian Reform and Rural Development held under the auspices of FAO in 1979 made ample recommendations in this regard. The accent of the Programme of Action was on poverty alleviation through specific programmes and policies, as well as through the participation of the people in the design and formulation, implementation and evaluation of development projects and programmes.

In many instances it may be necessary to undertake changes in agrarian structure, including land distribution measures, not only to alleviate poverty, but also to accelerate growth. Experience demonstrates that, provided inputs, services and credit are available to small farmers or peasant agriculturalists, their output per hectare is often higher than in the case of the large farms, and in no case is it less. In areas where considerable inequality of ownership leads to inefficient or inadequate use of land, the achievement of the targets postulated in FAO's optimistic scenario could not be realized without redistributive measures. At all events, however, agricultural policies should avoid the growth of excessive peasant settlement in marginal and fragile land, on the one hand, and underutilization of land in medium-sized and large holdings, on the other. The pressure of an increasing population of small holders on marginal lands leads to erosion of soil and degradation of the environment, with a decline in output per hectare.

In many instances, it may be possible, through (a) improvements in the conditions and security of tenure, (b) the consolidation of holdings, and (c) co-operative action, to redirect the services and inputs to small farmers, organize them into more viable units and train them to increase their output and productivity without any need for a radical distribution of land. In some other cases, however, it may be necessary to go beyond this and to seek a redistribution of land. It will be necessary for each country to assess and evaluate the extent to which, and the way in which, the prevailing structure of land ownership and access to land and water act as constraints hindering poverty alleviation and growth. The appropriate policies will depend upon an examination in each case of its objective circumstances, targets and goals.

If past policies persist, so that access to inputs and resources continues to be biased predominantly in favour of larger capital-intensive farmers and modern large-scale enterprises, an acceleration of growth in income and investment would simply result in increased inequality and, in some cases, in the worsening of absolute poverty. Therefore, if past experience is any guide, policies to stimulate growth in the Latin American region need to be accompanied by the necessary

measures to distribute the benefits of growth.

In conclusion, we may recapitulate a few self-evident lessons of this analysis. The Latin American region is capable of achieving a substantial increase in its degree of national self-reliance, as well as in the expansion of its food and agricultural exports, provided resources are mobilized and appropriate institutions and policies are adopted. Furthermore, regional co-operation in economic and social development as well as increased interlinkages with the rest of the developing world could significantly contribute towards its growth prospects, as well as improving the efficiency of utilization of its resources. Finally, within each nation, the equitable distribution of the benefits of growth would be facilitated by increased popular participation in effecting structural change in the economic framework, including policies and priorities. Rural people need to be helped to organize themselves in order to articulate their needs and to participate fully in the decision-making process through their self-help organizations. This would enable them to mobilize their own resources from within, as well as to use both their own and external resources and services in a manner which would widely distribute their benefits. This requires the decentralization and delegation of the decision-making process.

Capitalism and population in Latin American agriculture

Recent trends and problems

*Carmen A. Miró
and Daniel Rodríguez**

On the basis of a body of empirical research, the authors explore the relationship between agrarian structure and population. After an introduction in which they present their theoretical and methodological orientation, they describe the current changing trends in agrarian structure, among which are the 'intensification' of the process of the penetration of capitalistic forms into agriculture.

After emphasizing and demonstrating that this process adopts a variety of forms in different countries and regions—and that hasty generalizations are thus dangerous—they describe the relationships between the process and some demographical variables, especially fertility and migrations.

In the final part they summarize their ideas and draw up some guidelines which could be useful for future studies on the subject. In this respect they stress that between agrarian structure and population there is a dynamic interrelationship of mutual influence, and that demographic changes should not be seen as a direct consequence of economic ones. In any case, in studying different types of demographic behaviour it should be remembered that these make sense, in part, because they occur in the context provided by styles of development which generate a surplus labour force, to which the excluded sectors respond with 'societal strategies' in which these types of behaviour play a major role.

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I

Introduction

This article is a revised version of an evaluation project carried out in the Executive Secretariat of the Programme of Social Research on Population in Latin America (PISPAL), the main objective of which was to assess the contribution of a series of research projects financed by the Programme in the field of agrarian structure and population.¹

This evaluation study was prepared by examining the contributions of 14 research projects carried out in different countries of the region—Argentina, Brazil, Chile, Mexico, Peru, Uruguay, together with one covering the five Central American countries—which set out from different theoretical perspectives but all centered on the field of studied mentioned; it was basically limited to the contributions made by these projects to the knowledge on the subject being studied, and did not consider the contribution made in terms of theoretical elaborations.

A summary of these contributions, as supplemented by those of other research carried out in the region, is presented here. However, this summary—as noted in some comments on the original text—amounted to something more than the sum of the results of the various research projects evaluated.

This was due, on the one hand, to the fact that the interpretative element became the most important part of this study, in that an effort was made to trace a profile of the evolution and current situation of Latin American agriculture as a whole: a question which none of the individual projects attempted to tackle.

¹The general report of this evaluation is to be found in the document "Capitalismo, relaciones sociales de producción y población en el agro latinoamericano", PISPAL, May 1980. The authors wish to express their gratitude to PISPAL for having made the general study possible, as well as to the social scientists of various countries of the region for their numerous and valid comments, especially those made during the Seminar on Agrarian Structure and Population held by CEBRAP (São Paulo, Brazil). Particularly useful were the criticisms and suggestions of Omar Argüello, Vinicius Caldeira Brant, Fernando Cortés, Eugenio Maffei and Arturo Warman. The content of this article, however, is naturally the exclusive responsibility of its authors.

Moreover, the review brought out the need to develop a certain analytical perspective, which sought to bring the subjects of agriculture and population more closely together at a structural level. It is this 'analytical perspective' which we feel is the principal contribution of this work and which makes it an autonomous product with respect to the material used and the purposes of the original general report.

At first we were concerned with the fact that the profile being drawn for all of Latin America was based on the results of research in only one group of countries on the continent and, within these countries, on a limited amount of research already carried out there. Two facts led us to proceed with the task: firstly, we received a series of comments, criticisms and suggestions from persons who were knowledgeable about these problems and who did not disagree with the conclusions we had reached in preparing the original document for PISPAL; and secondly, the review of some research and publications on agrarian subjects led us to the conclusion that the facts did not warrant any significant alteration of the results obtained.² Furthermore, the intense argument among the various currents of interpretation of the Latin American agrarian situation is not so much centered around what is actually occurring but rather what it is assumed will occur. A demonstration of this fact is the theoretical dispute between 'campesinistas' and 'descam-

pesinistas' or between 'Leninists' and 'Chayanovists'.

We have deliberately tried to avoid these controversies. The objective proposed here is more modest: to try to describe the general changing trends in Latin American agriculture during recent decades. Nevertheless, in so doing we must unavoidably refer to certain theoretical systems which claim to predict the future evolution of agriculture or rural society (the theory of 'modernization' is one example, although certainly not the only one). In adopting this approach no attempt has been made to formulate any kind of prognosis for the future of the agrarian classes or to take sides with respect to which is the 'better' option for agricultural development in the future. Without denying that both types of discussions are very useful, we consider that the objective factors available—particularly for making prognoses—are extremely limited. Moreover, we do not share the optimism of those who believe that it is possible, on the basis of general laws of development (capitalist or not), to deduce the actual course which will be taken by our societies in the coming decades. We consider this exercise to be irrelevant from the intellectual and practical point of view; furthermore, the economic reductionism implied in such an exercise has given ample proof of its inadequacy to predict the actual movement of specific realities.

It is assumed here that in Latin America the coherent proposal of alternatives of changes in our situation still requires an effort to understand and interpret the concrete phenomena which make it impossible to assimilate this situation to any of the 'classic models'. The characterization—invariably qualified by adjectives—of our societies as 'peripheral capitalism', 'dependent capitalism', 'lumpen development', etc., is eloquent proof of this fact.

In this context it is fitting, then, to make some brief references to certain characteristics of the research projects examined, all of which are recent.

The research carried out in the region in recent years appears to have taken a significant step forward in comparison with the previous knowledge on the agrarian reality and its relationship to population.

If a superficial comparison is made with

²For example, see CEPAL, *Las transformaciones rurales en América Latina: ¿Desarrollo social o marginación?* Cuadernos de la CEPAL series, No. 26, Santiago, Chile, 1979, where very similar conclusions were reached to those expressed here in the first part. It should be mentioned that this similarity is significant, since the research universes considered do not overlap, and in the CEPAL study, none of the PISPAL research results were consulted. This is quite logical when one considers that the greater part of the research was completed and published very recently. As examples we may cite, *inter alia*: M. Margulis, *Contradicciones en la estructura agraria y transferencias de valor*, El Colegio de México, Mexico City, 1979; Andrés Opazo *et al.*, *Estructura demográfica y migraciones internas en Centroamérica*, San José, EDUCA, 1978; Geraldo Muller, *Estado, estructura agraria y población*, São Paulo, Vozes, 1980; Ximena Aranda, *Empleo, migración rural y estructura productiva agrícola*, final report, Santiago, Chile, 1980 (in the press); Lucio Geller, *Fecundidad en zonas rurales*, Mexico City, 1979 (unpublished); José Matos Mar and José Manuel Mejía, *Los eventuales del valle del Chancay*, I.E.P., Lima, Peru, December 1979. Of the research concluded earlier, the results were disseminated through publications only in very few cases.

the interpretative frameworks previously available, which the research in one way or another has attempted to transcend, it seems obvious that there has been progress and that it has been substantial. In particular, this is because the research has tended to deal with relatively recent phenomena, but at the same time recognizing the historical matrix of these phenomena. Basically, this progress has been made in relation to the 'dualist' view with which our reality has tended to be interpreted, particularly in the case of agriculture.

It can also be said that in the research emphasis has been placed on capturing the actual movement of reality rather than superimposing general patterns which, in a certain sense, it was sought to exemplify through it. Without ignoring the theoretical approaches which guide the research, this emphasis has been placed on the research process as such; and it seems to have been an important factor in the advance of knowledge of the agrarian reality in the region. This change, to certain extent methodological, seems to have led to the need to go more deeply into the matter, in that global or aggregate analyses turned out to be insufficient to account for the concrete 'movements' within the 'trend'. Moreover, as is well known, aggregate data can obscure very significant differential phenomena. All these factors have led to greater caution in generalizing the interpretations and models, and to the growing need to 'make concrete studies of concrete situations'. This tendency towards a return to specificity seems to have been dictated by the realization that these concrete and specific phenomena cannot be understood by using the existing broad frameworks. However, this time it has not been a question of studying the information as a self-contained whole (a tendency previously noticeable in certain currents of thought): instead, an attempt has been made to give the information more meaning, locating it in broader contexts which make it more understandable, and this positioning has been a theoretical task.

Halfway through the past decade, various authors³ tried to systematize what was then

known of the relations between agrarian structure and population. If we compare the gist of these studies with what is known today, it is difficult to say whether there have been significant advances in certain areas of knowledge. We need only recall, for example, that very little is known about mortality and fertility in relation to agricultural phenomena. Very different, however, is the case of migrations; here there has undoubtedly been important progress. More is now known about the determining or conditioning factors of migratory movements, and it has been shown that these movements cannot be explained by economic factors alone, so that there has been a tendency towards a hierarchization of the causal factors of migratory movements. In this sense, it is undeniable that there has been a more refined evaluation of the possible economic factors, or the economic dynamics, affecting population movements. There is no particular pattern of accumulation, nor are there particular salary or income differentials which automatically produce population movements; there are, however, such elements as demand for labour, level of wages and standard of living, among others, which are conditioned by the way the so-called development process materializes in specific places.

In these new ways of thinking about population phenomena, besides recognizing the importance of economic factors, it has been mentioned that there are factors of attraction and repulsion which operate simultaneously in regional circuits, where there is a sort of interaction between economic factors operating in different directions. On some occasions, economic aspects exert a direct and almost mechanical action which determines a migratory flow; however, it usually becomes necessary to include another order of causal factors. Three such factors have appeared most frequently in the research reviewed: those inherent in psycho-social 'modernization', which facilitate an

³Vinicius Caldeira Brant, "Dinámica poblacional, estructura agraria y desarrollo agrícola en Brasil", in *Demogra-*

fía y Economía, Vol. X, No. 2 (29), Mexico City, El Colegio de México, 1976; Luis F. Lira, "Estructura agraria y población: análisis del caso chileno", PISPAL, Working Document No. 4, Santiago, Chile, April 1975; Raúl Urzúa, "Estructura agraria y dinámica poblacional", PISPAL, Working Document No. 7, Santiago, Chile, April 1975.

understanding of why certain individuals or families migrate to a particular area with the same structural factors, or why more persons migrate from one zone than from another when both are relatively similar in other respects.

A second order of factors is 'cultural' (in the anthropological sense of the term).⁴ This element has been shown to be of importance in regions with a predominantly indigenous population having their own behaviour patterns and value structures which were largely independent of those existing in the overall society and which determined ways of living of their own. In these sectors a tendency was observed towards intra-rural migration, with a relatively minor trend towards migration to cities. This cultural element acted as a restraint on definitive migration, since it meant much more than merely changing a work relationship or leaving a place of residence. These are sectors which, moreover, possess their own *Weltanschauung*, whose rationale has little to do with that of the 'Western world'.⁵

Finally, there is the role of policy, which through its intervention in modifying the agrarian structure may bring about more or less radical changes in the trends 'inherent' in the economy, and thus the population variables; this was fairly evident in examining the agrarian reforms in Chile and Peru. The State can also act directly on population variables, and by modifying them it can alter what would be the 'natural' trend of the economic processes.

From a methodological point of view, this means that the social explanation of the changes which have occurred in population

dynamics should be sought on the level of the constellation or set of factors deriving from the overall movement of the style of development, and not among additive, isolated and lineal effects.⁶

The research seems to have demonstrated that in practice all of these factors do not have the same importance. In given historical situations some have more influence than others, and occasionally some factors are completely lacking. However, as a general rule it may be stated that the economic factor is the one which seems to offer the best capacity of explanation, confirming and refining the existing knowledge in this field. Once again it is pertinent to call attention to the fact that the division between 'factors' is made in rather an instrumental sense, since what are normally involved are social phenomena, whose division into political, economic, cultural and other dimensions is only analytical.

Moreover, one of the significant conclusions which may be drawn from examining the ways in which the phenomena of agrarian change are usually related is that it is always insufficient to try to explain behaviour by resorting to one single demographic variable (in this case migration, which is the one social sciences are most concerned with), without considering the others closely related to it.

Ultimately, it seems pertinent to state that, by definition, the relations between agrarian structure and population cannot be properly understood unless we include the basic constituent elements of population dynamics. It is impossible to understand population dynamics as such if we study only one of its components, which is what has frequently occurred in the region. One does not have to be very clever to conclude that migratory phenomena may vary significantly between different areas if the natural growth rates of the population in their areas of origin differ greatly among themselves, and to understand these rates it is essential to know the level of deaths and births.

⁴Anthropologists have distinguished different dimensions in the concept of culture: culture as opposed to nature; culture as the way of life of a society; culture as civilization. Here, specifically, the term is used in its 'way of life' dimension, as the totality of the works and practices of man, with a particular social and spatial-historical concrete manifestation. The bearers of this dimension of culture are not classes or social strata, but 'entire societies' such as peoples, nations or tribes. An interesting discussion on the subject is to be found in José Luis Najenson, *Cultura nacional y cultura sub-alterna*, Toluca, Mexico, Universidad Autónoma del Estado de México, 1979.

⁵Among other works, see: CEPAL, *op. cit.*; Andrés Opazo *et al.*, *op. cit.*; José Matos Mar, *op. cit.*, and Teófilo Altamirano, "Estructuras regionales, migración y asociaciones regionales en Lima", Peru, 1977 (mimeographed), Department of Social Sciences, Universidad Católica.

⁶See Claudio Stern and Fernando Cortés, *Hacia un modelo explicativo de las diferencias interregionales en los volúmenes de migración a la Ciudad de México 1960-1970*, Cuadernos del CES, No. 24, Mexico City, El Colegio de México, 1979.

II

Current trends in agrarian capitalism

On the basis of the research examined, it may be stated that the most general trend in Latin American agriculture since the 1950s is increasingly characterized in all countries by the penetration of capitalism. Let us clarify at once that this penetration has not necessarily meant an increase in the rural proletariat in absolute or relative terms, nor has it meant a reduction in the peasant economy. In some cases this penetration has indeed involved these processes, but the general trend would appear to be that in most cases capitalism initially produced an increase in wage-earning workers (permanent and/or seasonal), either by dissolution of the social relations of production of the 'tenant farmer' type or similar, or by processes—although always limited—of disintegration of the relatively autonomous peasant economy. However, during a second stage—variable for each country—this penetration, which perhaps could be called intensification of capitalism, tended instead to trigger poorly defined processes whose characteristics fluctuate from deproletarianization to sub- and/or semi-proletarianization, by way of hitherto unknown phenomena of rearticulation with the peasant economy.⁷

Within this trend, there is another that stands out very clearly: that of the rapid and growing replacement of permanent workers by seasonal workers. Of course this does not necessarily mean that the latter are increasing in absolute terms, but their relative weight is increasing within the group of wage-earning categories. These seasonal workers have very different characteristics in different countries. Thus, for example, in Brazil, the transformation of resident and permanent workers into 'volan-

tes' or 'boias-frias'⁸ (deprived of their means of subsistence) is a possibility in regions where they have no access to land ownership, thus obliging them to seek urban residence, but without opportunities for stable employment in the cities. In other places, such as Peru, some areas of Argentina and others in Central America, the seasonal work is done by inter-rural migrants who sell their labour on a casual basis and then return to their regions of origin. In this case, the process assumes a particular form of articulation between capitalism and the peasant economy which is very far from fitting the classical patterns of proletarianization. This leads to the crystallization of a 'intermediate' formula where two contradictory trends are joined: "one, the total destruction of traditional relations, leading the labour force to total dependence on wages, and the other, the maintenance of the peasant economy through the monetary input from wages. This is a phenomenon which, in social terms, results in the semi-proletarianization of the peasantry as the specific form adopted by the exploitation of the labour force for this state of capitalistic agrarian development"⁹

In Guatemala, for its part, seasonal migration has tended to originate in areas lacking in farming opportunities,¹⁰ and to be directed towards areas of capitalist agriculture whose productive organization is based on crops for external trade; this movement was described as being 'widely observed'. This type of migration (as in Peru) predominates in indigenous areas which, in view of their structural conditions, should be highly expulsive.¹¹

⁸These are seasonal rural workers who travel daily from an urban area, taking their food with them and eating it cold (*boias-frias*).

⁹José Matos Mar and José M. Mejía, *Los eventuales del Valle del Chancay. Migración estacional, proletarianización rural y reforma agraria en un circuito regional*, Lima, Peru, I.E.P., 1979.

¹⁰I.e., those where the small farmer and minifundista predominate, and all the land is occupied.

¹¹Andrés Opazo *et al.*, *Estructura agraria. Dinámica de po-*

⁷However we should recall that the overlapping of different productive forms has been noted by several authors as a characteristic feature of Latin American agriculture since the beginning of its integration into the capitalist economy. See A. García, *Reforma agraria y economía empresarial en América Latina*, Santiago, Chile, Editorial Universitaria, 1967.

Finally, it was observed that in some areas and for some crops (for example, coffee) the demand for seasonal labour continued to be covered, as before, by the family labour of the tenant farmer or small producer located inside or on the periphery of the hacienda.

It is surprising to find that this type of relation is present, among others, in one of the coffee-growing agricultures which generally showed high indexes of technification and 'modernization', namely, in El Salvador, where it was observed that between 1950 and 1961 there was an expansion of the tenant farmer system, precisely in the predominantly coffee-growing areas. This type of labour relation is interpreted as "the result of extremely unfavourable conditions for the sale of labour, at the same time as there is a need for the agrarian bourgeoisie to maintain a docile and cheap labour force for the harvest".¹² As is well known, in El Salvador the productivity per hectare is among the highest in the world; however, "the higher yield in the coffee plantations is mainly explained by the high labour-intensity".¹³ Might this situation have something to do with the type of 'precapitalist' relations being re-established?

In other countries (Mexico and Peru, for example) seasonal work is done simultaneously by migrants of varied origin, by unemployed urban workers from areas near those of the crops, by poor farmers who then return to their regions of origin to reinitiate the cycle the following year, by itinerant migrants who follow the different harvests throughout the country, etc.

With regard to seasonal labour, the solution to the problem is not to keep on repeating that this is a law of agrarian capitalism which exists all over, but rather to seek to understand its characteristics, which transform it into a hitherto unknown phenomenon, both by its proportions and by its specific features, whether they unify the labour markets, reproduce the 'autonomous' peasant economies, recreate

phenomena such as the so-called tenant farmer system, or form combinations of all of these. These are some of the characteristics making it a relevant social fact which must be explained, not only in order to understand why it occurs and what new types of social categories are arising, but also in order to understand population phenomena connected with it, or to find out its effects on demographic variables which have caused so much concern both to governments and social scientists inside and outside the region, and to international organizations.

At the beginning of this chapter it was mentioned that the intensification of capitalism does not mean growing proletarianization nor rural disintegration. What does it mean, then? The answer is that this intensification¹⁴ may be understood in at least two senses.

On the one hand, it means what could be called a growing submission of agricultural activities to the logic of capitalism. Expressed more simply, it means that agriculture is increasingly becoming a sector where investments are being made in order to obtain profits. Thus it enters into competition with industry, construction or other economic activities as a focal point to attract investments. In order to understand this phenomenon, we must examine the growing integration of industrial and financial activities with those of agriculture. For the financial sector, agriculture is just one more area to which capital may be directed, as long as its profitability is assured there. On the other hand, there is an increasing need for industry to be able to acquire food and raw materials at low prices. What leads to this growing integration appears to be the needs of the process of capital accumulation: on the one hand, pressured by internal or external competition, industry needs to cut costs and thus seeks to impose its rationale on agriculture also, while on the other hand, the imposition of this rationale requires high initial investments (for example, purchase of large tracts of land,

blación y desarrollo capitalista en Centroamérica, San José, Costa Rica, EDUCA, 1978, p. 111 *et seq.*

¹²*Ibid.*, p. 154.

¹³*Ibid.*, p. 151.

¹⁴We have chosen the word 'intensification', rejecting those of 'development' or 'penetration', because the two latter terms appear to have too many 'connotations'. By using the term 'intensification' we are trying to avoid the idea of a progressive advance of capitalism which is increasingly penetrating the rural areas and homogenizing them as regards relations of production.

acquisition of machinery and equipment, chemical products, certified seeds, fertilizers, etc.), and it is at this point that the financial sector becomes indispensable. Finally, the basic logic of the system's operation dictates that investments are made to obtain profits. The penetration by some large transnational conglomerates (with industrial, financial and agricultural activities) in Latin American rural areas confirms this. For example, in the Amazon region of Brazil large transnational corporations, typically 'industrial', have made investments in the purchase of large haciendas in northeastern Matto Grosso, northern Goiás and southern Pará. Among the most notable are Volkswagen, Georgia Pacific, Anderson Clayton, Goodyear, Nestlé and Mitsubishi, *inter alia*.¹⁵

Creating the conditions to make the above-described process possible is a question which is resolved politically. The process of accumulation does not exist in the abstract, but takes material shape in given classes and concrete, real social groups, which in order to impose their interests must superimpose them on those of other classes and groups. The typical case of how this process has occurred appears to have been Brazil, where after the resolution of the political crisis in 1964 the necessary conditions began to be created for enabling agriculture to be brought under the new 'style of development'. In their excellent study, Cardoso and Muller have shown how this phenomenon occurred in that country. Chile, almost ten years later, seems to have sought to follow the same path, but in no way is it suggested here that the intensification of capitalism in agriculture implies political models such as those of Brazil and Chile. There are many factors influencing the political solution reached in each country, and these can only be seen empirically in each particular case. Mexico appears to be a good example of how the intensification of capitalism in agriculture has occurred by completely different means, and it is very difficult to argue that they will be repeated in other areas.

¹⁵F.H. Cardoso and G. Muller, *Amazonia: Expansão do Capitalismo*, São Paulo, 1977, Ed. Brasiliense, p. 161. Of course this process is in no way exclusively Brazilian.

A second conceptual elaboration of this intensification of capitalism in agricultural activity is that whereby the different sectors composing non-capitalist agriculture (i.e., the traditional latifundio, minifundio, independent peasants, etc.)¹⁶ become increasingly dependent on the capitalist sector in general. This dependence may, in the case of the minifundio, occur through the casual sale of labour; in the case of the independent peasant, through the sale of production surpluses on the market; in that of the latifundio, through the need to restructure its internal relations of production in order for it to continue to participate in the market with some success; or else through a combination of relationships such as those described. At all events, the relations between these sectors and capitalism (and not just agricultural capitalism) are becoming increasingly close and frequently essential.

A very good illustration of these processes is that which occurred in the Baixada do Ribeira in the State of São Paulo, Brazil; this region is the largest producer of tea in the country and the largest producer of bananas in the State. There, the companies' production is completely oriented towards the internal and external markets. The almost absolute dependence of the small and medium-sized landholders on large-scale capitalist enterprise is illustrated by the case of tea, where the agro-industries possess their own haciendas and the organization of labour is completely of the wage-earner type. However, these agro-industries also deal with family or independent units of production, to which they supply fertilizers and other production inputs. These same enterprises send their trucks for transporting merchandise during the harvest periods, and the classification of the tea leaves for quality is also done by the enterprise, without the participation of the small producers, who are paid in accordance with this classification. These small producers may be tenant farmers, sharecroppers or owners of small farms. "On the subject of small producers, whose function transforms their productive

¹⁶These are defined as non-capitalist according to the internal social relations of production or labour typified by these units: e.g., non-remunerated family labour, sharecropping, tenant farmers, etc.

organizations into 'house industries', it may be said that their subsuming of family work is based on the control of the conditions of production by agro-industries. An important aspect of this form of organization of agricultural labour is that it does not imply the sale of labour, but of the product thereof." When the demand in the market is reduced, the haciendas of the enterprises maintain their levels of production, but the demand for production by independent producers declines.¹⁷

This new general trend calls for two very important clarifications. Firstly, it does not mean that there is a progressive process of homogenization in the agriculture of the region; on the contrary, this general trend tends to manifest itself only in certain areas and limited geographic spaces. In the Chilean case, it primarily takes place in the central zone, and in Brazil it is clearly observed that, *inter alia*, the northeastern zones are excluded from the new style of agricultural development. In Central America, the process is also limited, particularly in those economies based mainly on banana enclaves. In the other areas of the country there still exist traditional latifundios, independent farmers, small and medium-sized capitalized family producers, etc. Nothing, for the moment, warrants the assumption that these areas will 'inevitably' be integrated into the former system. Although capitalism makes these sectors more dependent, it does not necessarily transform them, as will be seen below.

To illustrate this trend towards 'non-homogenization' of Latin American agriculture, it is relevant to refer to the cases of Peru and Brazil. In the former, the capitalist modernization of agriculture assumed the nature of a drastic agrarian reform: expropriation of 10 million hectares, which benefited 375 000 rural families, and establishment of almost 2 000 associative enterprises. In the latter, on the other hand, the modernization process was carried out through the creation of incentives to encourage 'private enterprise' (domestic and foreign) to invest in the rural area: tax rebates, loans with negative rates of interest and con-

struction of infrastructure on the part of the State (for example, the trans-Amazonia highway). In both cases the State has been a protagonist: in the former, by promoting agrarian reform, and in the latter, by creating 'incentives'.

As regards the results of modernization in the 'Peruvian way', it may be said that despite the redistribution of land, which was on a scale unprecedented in the country and has affected the most important economic sector of Peruvian agriculture, after ten years "it has not achieved the proposed goals of overcoming agricultural underdevelopment and *unequal regional development*".

The redistribution of income has benefited only minority sectors, and the majority have still not been able to "rise above the level which economic experts qualify as *extreme poverty*".

As for employment, "although until now no precise information has been available, it is possible to affirm that not only has the existing gap not been closed... but it has even widened".¹⁸

We cannot say the 'Brazilian way' either that it has signified a process of homogenization of the rural area, despite the growing penetration of the large transnational and national conglomerates and the very significant action of the State in creating the conditions for the modernization of agriculture. On this subject, Juárez R.B. Lopes holds that "the latifundio system, minority control over the access to land ownership and, consequently, cheap labour and *itinerant primitive agriculture, with very low levels of capitalization*, are the main features of a picture which in general terms is still valid".¹⁹

F.H. Cardoso and G. Muller, for their part, affirm that "the type of growth adopted, which involved the exploitation of labour and the concentration of profits and wealth, showed that in itself it did not lead to improved con-

¹⁸J. Matos Mar and J.M. Mejía, *op. cit.*, 1979, pp. 126 and 127.

¹⁹Juárez R.B. Lopes, "El desarrollo capitalista y la estructura agraria en Brasil", in *Estudios sociales centroamericanos*, CSUCA, Costa Rica (17): pp. 175-186, May-August 1977.

¹⁷G. Muller, *Estado, estructura agraria y población*, 1978, p. 140, *et seq.*

ditions for the population, nor did it correct distortions".²⁰

Obviously, the intensification of capitalism in agricultural activities, whether by one way or the other, did not tend to homogenize the rural areas or resolve the 'imbalances' and 'distortions', nor has it benefited the population. On the contrary, it has sharpened the contrasts, as in Amazonia, where "exploitation and progress, semi-slavery and large-scale capital, violence and economic growth do not separate like water and oil, but blend together to make possible the 'cleaning-up' of the frontier".²¹ Moreover, there is no indication that agrarian capitalism improves the conditions of the rural population in terms of distribution of wealth, income and employment.

The second clarification is that the intensification of capitalism in agriculture does not necessarily imply the extension of wage relations, since this will depend on many factors, among which population factors are particularly important. It has been shown that in conditions of a large oversupply of labour, the haciendas in Brazil, the co-operatives in Peru and the agro-commercial enterprises in Central America tend to replace permanent workers by seasonal ones, which in many cases has put an end to the old semi-servile relationships and proletarianized the worker, depriving him of all the means of production, especially land. A similar phenomenon appears to have occurred, either naturally or in an induced form, in areas which have plenty of immigrant labour in the harvest seasons (in the Peruvian co-operatives both phenomena exist together). What is important is that in one way or another, when there was enough labour for the harvest and the work of production in general, proletarianization became the dominant phenomenon.

When, on the other hand, this labour supply does not exist, or the population has other alternatives such as moving into the forest or emigrating to frontier areas, a tendency is observed to re-establish typical tenant-farmer relations of production, or directly semi-servile ones. Clear examples of this situation are given

by the studies in the Baixada (São Paulo), in the Amazon and in certain areas of Central America. Naturally here we must take into account other types of factors, such as the degree of mechanization, the nature of the crop, etc. However, the re-establishment of semi-servile forms of labour in some cases was the initiative of the agro-industrial enterprises themselves, when the relative shortage of labour was an important conditioning factor. It does not appear to be an outrageous hypothesis to suggest that, at least in some cases, paid labour is not the best alternative for the profitability of the capitalist enterprise, nor is it likely that semi-servile working conditions are due solely to lack of supply of labour either.

In this respect Cardoso and Muller have stated that, with the penetration of the large-scale capitalist enterprise, "in certain areas the bases of previous forms of subsistence economies break down, as does the economy based on the sale of surpluses of family production in the market, but the frontier mentality and the greed of exploitation lead to the integration into the large-scale agro-capitalist enterprise of ways of life and work which may continue to be qualified, imprecisely but suggestively, by the word *semi*: semi-servile, semi-human, semi-proletarian".

However, in the cases where proletarianization became the dominant sign in the relations of production, a considerable part of this new proletariat—often the majority—became 'seasonal' wage-earning labour, which has meant an 'atypical' proletarianization, in so far as most of these workers are at least spending the same amount of time as wage-earners as they are as rural producers. Thus, they earn wages between three and six months of the year, and during the rest are farmers and work as such, on land which they own or rent. This redefinition of the relation between the enterprise and the minifundio seems to have become the most widespread in the whole region. Its existence may be observed in northern Argentina, central Chile, Peru, various regions of Brazil, and Central America; it also occurs in Mexico, although sometimes the farmer is legally an *ejidatario*, or common land user. The main point of this redefinition is that paid labour becomes a *substantial* element in the re-

²⁰F. H. Cardoso and G. Muller, *op. cit.*, p. 16.

²¹*Ibid.*, p. 9

establishment of the peasant economy. It is no longer something the farmer falls back on in periods of crisis because of bad harvests, or to defray extra expenses (for example ceremonial ones), or, as in the case of young peasants, to accumulate some money in order to get married or contribute to the family economy, if only in a rather marginal way, as observed in Santiago del Estero, Argentina.²² Income is now a *basic* element of family subsistence and of the *subsistence of the peasant economy*.

This phenomenon is also different from the so-called latifundio-minifundio system, through which the large landed estate was assured, *inter alia*, of a reserve labour force for periods of greatest demand. The current situation, with an abundant oversupply of labour, would make the old mechanisms of maintenance of labour superfluous and unnecessary. Reinforcing this hypothesis is the situation observed in certain areas where, since the above-mentioned oversupply does not exist, retention mechanisms are maintained and even intensified, sometimes, reaching varying degrees of semicomplulsiveness.

As has been suggested, the combination of subsistence activities, which have grown significantly in the region, with the seasonal sale of labour has become a survival strategy for the working population and no longer a reproduction strategy for the haciendas or plantations.²³

This situation does not seem to be temporary, but has become part of the structural definition of agriculture, in so far as the enterprise does not offer alternatives to this situation and thus is not in a position to finance the subsistence of the seasonal worker for the entire year, since the very possibilities of its profitability depend upon this type of wage-earner and the conditions of exploitation to which he is subjected. For his part, the peasant cannot subsist on his piece of land alone, which barely offers him a supplement for his survival and, at the same time, a stable place of residence and protection during periods of crisis. The peasant

economy seems to be a refuge only to the extent that it maintains and creates ties of co-operation between the units comprising a community. And in the case of the indigenous peasantry, these ties of co-operation seem to be independent of the current agricultural situation, and are determined by cultural traditions from time immemorial, which are coming back now as a vital element in ensuring the survival of the various members of the community.

On this particular point it is interesting to take a look at what has occurred with the Chilean peasantry since the so-called 'agrarian counterreform'. The economic model which favours 'comparative advantages' has led, for the peasants in general and also for the particular type of peasant resulting from the process of individual parceling of land encouraged by the military régime, to severely limited living conditions. To deal with this situation, the farmers have organized themselves into what may be called an informal minifundio system, where each parcel of land is made up of a group of minifundios where the owners of the parcels, their children, ex-owners and landless labourers work. Because of the shortage of money, there is practically no demand for paid labour in these units, but there are systems of land subdivision and exploitation where fractions of the parcels are given out for sharecropping, tenant farming or even sub-tenant farming. Here there is an exchange of labour for labour, and also an exchange of land for labour. Such exchange systems, called 'mingas' or 'mingacos', had disappeared many decades ago in the central region of Chile. From this evidence it has been concluded that "the Chilean farmer, both in the reformed subsector and in the rest of agriculture, appears to be in a cycle where subproletarianization or the transition to mere subsistence is a more dominant process than proletarianization".²⁴

The Chilean case appears to demonstrate that co-operation between peasant units is undoubtedly one way of dealing with prolonged conditions of economic crisis for this

²²Lucio Geller, *Fecundidad en zonas rurales: el caso de Santiago del Estero*, Mexico, CIDE, 1979.

²³Vinicius Caldeira Brant, *População e força del trabalho no desenvolvimento de agricultura brasileira*, São Paulo, CEBRAP (mimeographed), 1979.

²⁴Eugenio Maffei, "Cambios estructurales en el sector reformado de la agricultura en Chile, su efecto en la demanda de fuerza de trabajo campesina y las migraciones rurales: 1964-1978", Santiago, Chile, G.E.A., August 1980.

sector. In this situation, the peasant economy, although redefined, does not appear to be leading towards any other form but rather is becoming a new component element of the current agrarian structure. Whether the peasant economy will evolve towards total disintegration, as some views assume; or whether on the contrary it will evolve towards establishing a type of farmer who is capitalized and becomes an important element of the agrarian structure, as in France or, with all his peculiarities, the Argentine peasant of the pampa zone; or as it appears to be evolving in some areas of northern Mexico,²⁵ will not depend so much on the inherent necessities of the accumulation model

now existing or predominant, but rather on the political capacity of various social groups and alliances of classes, which may be able to impose their solution on the whole of society, and in turn will have the capacity to superimpose themselves on external conditions which, generically speaking, we could call a dependency situation.

In this sense the keys for understanding the possible future alternatives of the agriculture of the region can only be found in a profound understanding of the phenomena which appear to be emerging, seeking to rearticulate the theory in the light of new findings, and not the reverse.

III

Effects on population

It is more difficult to detect a trend in the relationship in Latin America between agrarian structure and population variables. In fact, in the theoretical formulations it has not been specified *how* a productive process conditions a higher or lower population growth rate: "the few explanations of this do not go beyond simple postulations".²⁶ Unfortunately, for example, after carefully examining the advances made in the study of the relationship between changes in agriculture and fertility, it is not possible to go much farther than to recognize that there is a certain empirical basis for making suggestive hypotheses.

In this respect, we may cite the examples

²⁵There are other alternatives, such as those expressed by authors such as E. Feder, who, calling himself a *descampesinista*, does not believe in the future proletarianization of these sectors. In this connexion, see his article "Campesinistas y descampesinistas", in *Revista del México Agrario*, Vol. XI, No. 1, January-February-March 1978, Mexico, D.F. In it, Feder emphatically holds that "capitalist expansion into the farthest corners of the rural sector of the underdeveloped countries, under foreign initiative and domination, must inevitably end in the displacing of peasants and wage-earners" (p. 65).

²⁶C. Ruiz Chapetto, "Caracterización de zonas para el estudio de la dinámica demográfica del sector agrícola de México, 1970", Centro de Estudios Económicos y Demográficos, Mexico City, El Colegio de México, undated.

of research which has made a serious attempt to connect phenomena of the agrarian structure, such as the social relations of production, with fertility levels. In the first case, an aggregate-level study in Argentina concluded that "the provinces with lowest rural fertility appear to be those where there is a marked predominance of rich farmers of capitalistic production. On the other hand, poor peasants predominate, singly or jointly, in all the provinces located in the highest ranges of rural fertility".²⁷

In Uruguay, too, an attempt was made to relate the fertility variable with the existence of predominantly peasant or wage-earning economies and as in the previous case data was used from the provincial (departmental) level. Here, however, the results were exactly the opposite to those obtained in Argentina.

Thus, in Uruguay it was found that "whenever the productive form was more clearly cap-

²⁷Lucio Geller, "Informe de avance de la investigación", Buenos Aires, I.T.D.T., 1975, p. 38 (mimeographed). The author first made a correlation analysis only for the year 1960; he then proceeded to prove this hypothesis with data from two censuses. The results of both analyses tended to confirm the hypothesis that the persistence of peasant forms of production is responsible for the high fertility in Argentine rural areas.

italistic and there was greater rural proletarianization... we found higher levels of fertility"; in addition, "both in the context of the latifundio-minifundio complex and in the autonomous minifundio system, where higher fertility and birth rates might be expected, ... the levels are clearly decreasing". It was concluded from this that "the process of rural proletarianization has a positive impact on levels of fertility and birth rates".²⁸

In Mexico, a study now in progress found that the fertility rate in the State of Sonora is extremely high (46.7 per thousand) and is above the national average—which is already high for Latin America—despite its being a State with a high degree of development of wage relations and with highly technified agriculture.²⁹

In the cases of the research carried out in Argentina and Uruguay, the type of analysis does not ensure that a problem of 'ecological fallacy' is not involved in the exercise, since the conclusions drawn on the behaviour of families are based on aggregate data at the provincial level.

At all events, it is observed that the theoretical propositions are extremely general, and various 'readings' may be made of them according to individual preferences. Thus, whenever hypotheses are proposed on fertility, these are on a very general level; for example, the attempt to establish a connexion between fertility and the means of production is a procedure which, although it might serve as a point of departure, is completely inadequate for making any progress in concrete investigation. Thus, the results obtained in Argentina may be interpreted as corroborating the basic hypothesis of the study; but they may also be 'read' as corroborating other hypotheses, such as that fertility decreases as one moves up the social scale, while they may also be interpreted from the point of view of the theory of modern-

ization. Thus, for example, it could be maintained that paid labourers have lower fertility than poor peasants, because the wage-earning relationship fits into modern patterns of behaviour while the peasant, on the other hand, fits into traditional patterns. This does not imply any attempt to adhere to this type of theory, but only to show by this example the weakness and generality of the existing theoretical propositions. However, it must be recognized that these proposals show some progress in that they open the way to a new means of discovering and interpreting the phenomena relative to population growth.

Perhaps the most significant of the research work done has been the effort to theorize on the above-mentioned connexions, thus attempting to prove some of the hypotheses and suppositions. This represents an effort to seek an 'explanation' which usually had not been made previously. The results have led the authors to make the previous frameworks more complex, since it is accepted that the relationships are not direct or lineal; all this makes it more possible now than ever before to propose less mechanical and more elaborate hypotheses, in that empirical material is now available and not merely the speculative ability of good researchers.

The situation is different with respect to the migration variable, as mentioned in the first part of this article. The progress made by the research reviewed is probably related to the fact that on this subject there is a greater amount of accumulated knowledge in the region,³⁰ and the point of departure of this research is thus much broader. All of this undoubtedly helped to make it possible, on the one hand, to handle this variable more rigorously, and, on the other, to obtain some significant results.

Above all we should mention in this respect that the process of the intensification

²⁸S. Prattes and N. Niedworok, "Estructura organizativa de la producción y dinámica poblacional del sector rural", Montevideo, CIESCU, 1977, p. VI-23.

²⁹Mario Margulis and Martine Gibert, "Aproximación socio-económica y demográfica del valle del Yaqui", Mexico City, CEED, El Colegio de México, 1978, p. 125 (mimeographed).

³⁰This would appear to be due, in turn, to the fact that this demographic variable is, in the short term, the most sensitive to the changes taking place in the economic structure. To observe the impacts of economic changes on mortality and fertility, it would seem necessary to consider relatively longer periods of time than those during which impacts on migratory flows occur.

of capitalism significantly affects migratory movements, although not in a uniform way, doubtless because of the unequal development of the capital, in both space and time. Its most widespread significance in Latin America is that this process of intensification has meant the expulsion of broad population contingents from rural areas to other rural areas and to urban contexts. These latter movements (rural to urban) are the ones that have been relatively more frequently studied within the subject of migrations, and they recognize or confirm the principal known causes of this expulsion process: the growing technification which has accompanied agricultural activity (both capitalist and non-capitalist), the expansion of the capitalist economy in areas of peasant or subsistence agriculture which have a strong tendency to retain labour, and patterns of land use which mean less use of labour. The most extreme case, which has been very widespread in various countries of the region in the past two decades, has been the replacement of various crop-farming activities by others related to the raising of animals for meat. Another definitive influence on this migration has been the imbalance in the peasant economy between productive resources (mainly land) and demographic growth; in any case it must be stressed that this definitive migration has not always been directed towards the cities. In many cases, migration to frontier areas, or to other areas which allowed the peasant to recover his position as an independent producer has been important.³¹ This type of migratory movement has been clearly observed in Colombia, Costa Rica, Nicaragua, Guatemala, Honduras, Brazil and certain areas of Argentina and Paraguay.

These findings cast some doubt on some relatively generalized interpretations with regard to a supposed 'growing modernization' of

society, meaning by this not only the well-known psycho-social factors but also a redefinition of labour relations. It would appear that the peasants, or at least a considerable number of them, are trying to maintain their old life-styles rather than be forced to take on urban or rural-industrial patterns, even though the preservation of these peasant life-styles often means miserable conditions for the entire family group. Of course this 'preference' may in some cases be conditioned by the non-existence of other alternatives, or by the fact that if these exist they are not, in material terms, much better than those associated with the maintenance of the 'traditional' life-styles.

It may be recalled that in various cases (Brazil, Argentina, Costa Rica, Guatemala), emigration to frontier areas was directly or indirectly induced by governments or government agencies. In some cases, this initiative was taken in order to alleviate socio-economic problems of landless peasant contingents, as apparently occurred in Central American countries and Colombia. In others, it represented an attempt to resolve a 'population question', as shown in Brazil by demographic pressures in the most backward areas of the country; or else this initiative simply originated in geopolitical criteria, when it was considered necessary to 'protect' the political frontiers by populating them, as in the Argentine case, or to fill 'demographic vacuums' in order to integrate the country, as occurred in the Amazon area.

This brings in two relevant questions which we have tried to emphasize in the previous pages: firstly, the importance of governmental activities in understanding such aspects as population dynamics, and secondly, the fact that migrations cannot always be interpreted as 'functional' to the accumulation model, although this was probably true during a certain stage of urban industrial growth. Today, however, governmental efforts to redirect migratory flows to other rural areas would appear to indicate that massive, continuous and growing migration to the cities has ceased to be necessary for the process of industrial capitalist accumulation. It should also be remembered that in industry, too, there are phenomena of increasing growth of technification, specialization of workers, and, ultimately, the loss of

³¹The relative importance of the opening up of frontier areas in attracting population in various countries of Latin America should be noted. These findings contradict some affirmations which assumed the contrary (for example, Marshall Wolfe, 1970). *Acta Conferencia Regional Latinoamericana de Población*, Mexico City, 1970, pp. 149 and 159. M. Wolfe, "Rural Settlement Patterns and Social Change in Latin America: Notes for a Strategy of Rural Development", in CEPAL, *Economic Bulletin for Latin America*, Vol. X, No. 1, March 1965, pp. 1-21.

relative importance of the wage-earning sectors within the whole group of occupational categories. At the same time there is an increase in the number of own-account workers, and it is difficult to sustain the functionality hypothesis, with regard to them. We should perhaps remember that this 'reserve army' is continually increasing, due to the generally high natural growth rate in the urban areas. It would appear that the reserve army available to industry is already large enough for it not to need to be increased any further.³²

In addition, and as we have seen in different concrete historical situations, relative overpopulation and higher wages are deeply influenced by factors such as labour union power and the political situation of each country. The case of Mexico is particularly revealing in this respect.

Seasonal migration has become one of the phenomena most closely related to the new type of agricultural development in the region; thus, for example, it has been estimated that in Central America seasonal migrants constitute nearly 70% of the labour force employed in agriculture. In El Salvador, of the 670 000 persons constituting the active agricultural population, it is estimated that more than 50% are employed for less than 6 months in the year.³³

³²We should recall that this hypothesis, from different points of view and using different language, has been suggested previously by various authors: José Nun, *Revista Latinoamericana de Sociología*, Buenos Aires, 1969, No. 2, pp. 138-236; Marshall Wolfe himself (1965); or Aníbal Quijano, *Dependencia, cambio social y urbanización en Latinoamérica*, CEPAL, Santiago, November 1967, as well as M. Margulis, *Contradicciones en la estructura agraria y transferencias de valor*, Ed. El Colegio de México, Jornadas 90, Mexico City, 1979, *inter alia*. It is not our purpose to discuss here the position which defends the hypothesis of 'functionality' to explain the accumulation process, the growth of the tertiary sector, of the so-called low-productivity workers, of the 'informal' sector, etc. For an interesting exposition of this perspective, see Francisco de Oliveira, "A economia brasileira: crítica a razão dualista", *Seleções*, CEBRAP 1, 2nd. edition, São Paulo, 1976, especially pp. 24 and 55. Nor are we attempting to 'revive' already obsolete ideas such as the theory of marginality, but rather to adopt a specific hypothesis, which has been proposed by some authors who have studied the subject of marginality and does not exclude this current of thought, in order to try to get out of the dead-end situation currently offered by the authors who explain everything in terms of the logic of capital.

³³Figures from various sources in CEPAL, *op. cit.*, pp. 76-77.

This migration may assume a rural-rural or urban-rural character. Seasonal urban-rural migration occurs in very dynamic areas of Brazil and also in plantation areas of Nicaragua, Costa Rica and El Salvador. The most significant feature of this type of migration is that it tends towards a sort of unification of the urban-rural labour markets. The combination of labour in the two areas during different periods of the year, or the intra-family division of labour, emerge as situations which tend to destroy old forms of division of labour, both on the overall regional level and on the intra-family level. These phenomena appear to be closely related to the processes of accumulation of capital, in both the urban and rural areas. The seasonal hiring of rural wage-earners by the enterprise means that the latter assumes the costs of reproduction of the labourer strictly for the time when it needs him. Moreover, this form of hiring frees the enterprise from the need to pay for social benefits and other legal obligations which exist for permanent workers, while the unstable employment status of the workers makes it very difficult for them to set up labour union organizations to negotiate better working conditions. It is clearly situations of this type which make it possible to transform agriculture into just as profitable an activity as others, and this has led the large national and transnational conglomerates to commit enormous investments in the sector, not only in order to obtain food and raw materials at low prices to cut down the costs of industrial activities, but also because the agricultural activity has been transformed into a 'business' in itself, which has become important in the general process of accumulation.

However, in quantitative terms the most significant seasonal migration appears to be that originating in subsistence economies. This type of migration is observed in all the countries studied (Argentina, Brazil, Chile, the Central American countries, Mexico, Peru and Uruguay). In Peru, it is seen in relation to the large sugar, cotton or rice enterprises; in Brazil, mainly on the frontiers; in the Central American countries, on the plantations of different export products; in Mexico, in the harvest season in the Morelos region and in the north, for the picking of cotton and the harvesting of

crops such as tomatoes and strawberries. Chile is probably the country where the phenomenon is of most recent appearance.³⁴

In the literature of migration, this phenomenon of intra-rural migration has been studied the least. Some of the works consulted showed how difficult it was to grasp this phenomenon from census sources, and even more so when an attempt was made to compare two or more censuses. In Argentina there was agreement among researchers only that the phenomenon existed both in the north (industrial crops: sugar, tung, etc.), and in the south (fruit growing activities), but there was no agreement about the significance of this type of worker in the wage-earning category as a whole, or if the tendency was towards an increase or decrease in the phenomenon, this being due, among other reasons, to changes in the census definitions and the fact that the censuses were carried out at different times of the year. In the case of Uruguay, it was shown that intra-rural migration was relevant in relation to the raising of sheep for wool, but the lack of data made it impossible to draw stricter conclusions about its significance.

In all the above cases, the origin of the migration was rural and was specifically located in areas of peasant economies.³⁵ In the few cases for which information is available, the data are conclusive; thus, for the western region (Quetzaltenango) of Guatemala, where most of those described as small producers and non-remunerated family labourers live, it is estimated that more than 300 000 workers move to the coffee and cotton plantations of Guatemala and the south of Mexico. It should be taken into account in this respect that the total agricultural population of Guatemala is estimated at 700 000 workers.³⁶ From the point

of view of the agricultural enterprise, the significance of hiring this type of worker is probably similar to that of hiring urban workers: the same type of wage relation is established, with similar degrees of exploitation of the labour force, etc. From the point of view of the peasant economy, however, as already mentioned, its significance has changed and in most cases appears to have represented a drastic break with the old forms of articulation between the agricultural enterprise and small producers. It is interesting to go more deeply into the significance of these changes as regards population.

The rearticulation between the agricultural enterprise and the subsistence economy, in conditions of high population growth involving an increasing shortage of land, means a relative slowdown of migration to the cities. And this slowdown seems to be explained mainly by the tenacity of the peasant economy in re-establishing itself and subsisting. From the small producer's point of view, he 'uses' the sale of this seasonal labour to maintain his peasant status, and the explanation of this seems to be found on two levels: firstly, in economic factors (the security represented by his piece of hand), and secondly, in cultural factors: the maintenance of the peasant unit means conserving a 'way of life', which in the case of the indigenous farmer is linked with the 'community'. However, according to the available evidence, the preservation of this 'way of life' means, for the peasant, growing levels of absolute privation, and it is by no means clear what the repercussion of this reality is on the reproductive patterns of this sector. Furthermore, we must take into account that these are associated with an increasing deterioration in the relationship between man and the land, which is so fundamental for the peasant way of life, and this would appear once again to reinforce the above-described migratory patterns. One of the studies examined³⁷ attempts to show that at higher levels of relative neediness there are higher levels of fertility, which, if this were true, would inevitably lead at some point to the total disintegration of the peasant economy. However, this result does not appear to have come to

³⁴However, it has been observed that between 1955 and 1976 the permanent sector (including producers) has increased by 79%, while the non-permanent sector has increased 176%. Silvia Hernández, *El desarrollo capitalista del campo chileno*, Buenos Aires, Ed. Periferia, 1973.

³⁵The term peasant economies is used here in its broad sense. In no case do we intend to take part in the discussion which has been developing in the region about Chayanov's concept of the peasant economy. Nor does its use imply adherence to the conceptual elaborations made by the 'campesinistas' and 'descampesinistas' in this respect.

³⁶Cuadernos de la CEPAL, *op. cit.*

³⁷S. Prattes and N. Niedworok, *op. cit.*

pass up to now.³⁸ The peasant economy, with a greater or lesser degree of difficulty, has tended to maintain itself and in some countries to increase. What are the factors contributing to this situation, which is as far removed from the systems of interpretation emphasizing growing 'modernization' as it is from those predicting the inevitable disintegration of the peasant economy? Until now the knowledge acquired has been extremely inadequate and incomplete for attempting to answer this question, and still less for risking predictions.

In some of the research it has been suggested that the minifundio, the subsistence economy and the peasant unit in general, rather than expelling the population, actually constitute a factor of retention. This is the type of agricultural unit which retains the most population when compared with the other forms of organization of production in agriculture.³⁹ It has also been suggested that the maintenance and re-establishment of this type of productive organization, which fulfills an economic function, might also satisfy a political and social one, since the urban-industrial economy is not in a position to absorb the surplus population of rural areas generated by the intensification of

capitalism there. This becomes more evident with the implantation of development styles characterized as 'concentrative and exclusive': faced with this situation, the only possibility of retaining population in rural areas would be to maintain the peasant economy. Historically, the peasant's ability to organize and exert political pressure has always been below that shown by the popular urban sectors (wage-earning or not).

From the economic point of view, it has been maintained that the peasant economy permits the productive use of land and labour which would otherwise be excluded from production: in the case of land, because of its low quality; and in the case of labour, because of its surplus nature. The analytical separation between 'economic functions' and 'political functions' only makes sense for purposes of argument. The facts suggest that the place of this type of productive organization in the global social order is being redefined. It will be up to future researchers to clarify what today seem to be only moving shadows—as in Plato's metaphor of the cave—, whose real essence has not yet been grasped.

IV

Towards new systems of interpretation

For several decades it has been known that the primarily urban capitalistically oriented transformations which occurred in a more or less general manner in the region substantially coincided with the introduction of health cam-

paigns which contributed to significant decreases in the previous mortality rates. The expanding urban economy required labour, the stagnant and/or latifundio-minifundio rural areas offered it by way of migratory processes, and the rural areas penetrated by capitalism gradually aided this flow, replacing men by machines. This was the easy phase of industrialization, whose goal was to substitute imports, and in it the high rates of population growth, both urban and rural, and the rural-urban migratory flows had a relative 'functionality' for the system being imposed.⁴⁰

³⁸Shanin held that "Many peasant farming establishments which, by accepted standards of calculation, are working at a loss and should go into bankruptcy continue to operate and even to invest". T. Shanin, "A definição de campones: conceituações e desconceituações - o velho e o novo em uma discussão marxista", in *Estudios*, CEBRAP 26, São Paulo, 1980.

³⁹That is, it retains more population per surface unit even though its productivity may be at very low levels when compared with that of capitalistic units. These differences in productivity should be borne in mind in order not to confuse the term 'retention of labour' with 'demand for labour'.

⁴⁰On this point, the argument of F. de Oliveira, *op. cit.*, is particularly cogent.

From the 1960s on (it should be noted that time-references are always artificial and arbitrary), the relatively 'functional' situation of the previous phase appears to have become more complicated. On the one hand, the increase in capitalistic activity in agriculture, as well as stagnation, appears to have accelerated the expulsive process, while the urban economy has had growing difficulties in incorporating the new migrant contingents productively. It is at this point that the theme of 'marginality' appears on the scene.

There gradually begin to appear in different countries of the region—although not in all of them—styles of development with 'exclusive' characteristics,⁴¹ which in terms of population imply the intensification of capitalism in the urban areas, meaning a lower capacity for absorption of jobs and no capacity for offering alternatives to the rural migrant.⁴² The phenomenon of 'extreme poverty' seems to be becoming widespread; it is no longer only a question of 'marginality'.⁴³

The basic change between the previous period and the one beginning approximately two decades ago seems to have been the following. In the first, both the latifundio in agriculture and the industrial economy in the urban setting required given quantities of labour. In

agriculture it was retained through systems such as tenant farming, sharecropping, etc., for the harvest seasons, while urban activities and enterprises required this labour force for their expansion and in order to maintain relatively low wages. Thus the high rates of fertility and the process of expulsion of the rural population appear indeed to have been 'functional' for the expansion of the urban industrial economy. In both cases the population was required: by the latifundio, in order to reproduce itself as such, and by industry in order to expand.

Today the widespread phenomenon of relative over-population both in agriculture and in urban areas (we are speaking here in terms of a general trend) implies that the capitalist industrial enterprise in the city no longer requires "more" surplus population,⁴⁴ since its expansion is fundamentally based on investment in machinery and high-level technology. The existing population surpluses, enlarged by the high natural growth rate of the urban areas and those which the new capitalist dynamic generates, seem to be sufficient to keep salaries down. In addition, in rural areas the changes in land use patterns, the incorporation of machinery and equipment and the massive introduction of chemical products have drastically reduced the need for permanent workers. In turn, the existing overpopulation makes it unnecessary to retain in or around rural areas the labour force required for the periods of higher demand. What is being suggested is that, to the fundamental question of how capitalist development determines or conditions population dynamics, should now be added the question of how the 'excluded'⁴⁵ sectors manage to survive. Let us clarify this question.

⁴¹For some of the most interesting studies and critiques on this new style of development, see F.H. Cardoso and E. Faletto, "Estado y proceso político en América Latina", in *Revista Mexicana de Sociología*, April-June 1977, No. 2, UNAM, Mexico City (this also appears as a postscript to the 14th and subsequent editions of the book *Dependencia y desarrollo en América Latina*, Ed. Siglo XXI, 1978); Guillermo O'Donnell, "Reflexiones sobre las tendencias generales de cambio en el Estado burocrático-autoritario", CEDES working document No. 1 (also in *Revista Mexicana de Sociología*, January-March 1977, No. 1), and Raúl Prebisch, "Capitalismo periférico, crisis y transformación", Fondo de Cultura Económica, Mexico City, 1981. These studies have been developed from different perspectives, but they have as a common denominator the placing of the new Latin American reality in the context of the world capitalist economy, emphasizing the importance of the political dimension in the understanding of the new configurations.

⁴²On this subject Solon Barraclough stated that "there is no longer any place for the peasants to go. There are no new sources of large-scale urban employment" ("Perspectivas de la crisis agrícola en América Latina", in *Revista de economía campesina*, No. 1, Mexico City, March 1977, p. 24).

⁴³It is interesting to recall in this connexion that, in the thematic and conceptual development of the term 'marginality', 'poverty' was only one of its dimensions, among several others. Later the phenomenon 'poverty' with the

adjective 'extreme' became a subject of discussion and study in itself. A good systemization of the ways in which marginality was understood in the region, and a sharp criticism of the same, may be found in Gino Germani, *El concepto de marginalidad*, Buenos Aires, Ed. Nueva Visión, 1973. A review of the historical development of the concept may be found in Jorge Giusti, *Organización y participación popular en Chile*, Buenos Aires, Ed. FLACSO, 1973, chapter I.

⁴⁴For Latin America as a whole it was estimated in 1975 that unemployment and underemployment amounted to 34%, or 29.3% in the urban areas of the region. See ILO, *Employment, growth and basic needs*, Geneva, 1976.

⁴⁵The precise concepts of sociology do not appear suitable for application to the new phenomena mentioned. It is

It is not a matter of believing that the system has stopped worrying about the 'population problem'. The birth control policies seem to be fairly eloquent in this respect, as are the attempts to redirect migratory flows to frontier zones. However, the available evidence seems to indicate not only that these measures do not resolve the problem of the survival of the excluded masses, but that the problem of 'extreme poverty' continues to grow. It would thus seem that the new styles of development which are being imposed are structurally incapable of offering job alternatives and generating sufficient income to make it possible to rise above the levels of 'extreme poverty'. It is in this respect that the problem has now been assumed—because they have no other alternative—by the excluded persons. It is a question of a labour force which is no longer 'required' (or required only partially). Thus, the criterion of the "reproduction of the labour force for capital" appears to be inadequate by itself to explain the new phenomena linked to the population dynamic.

In this context significance is therefore acquired by the problem of 'survival strategies'—strategies whose fundamental role is to ensure immediate material survival, whether of the family group, the "barrio" (as in the classic study of Cerrada del Cóndor by L. Lomnitz),⁴⁶ or the peasant community, indigenous or not. The possibilities for implementing these strategies are strongly conditioned by the current style of development (and thus by the process of accumulation), but this does not determine the concrete strategies adopted.

In this situation we should ask what roles demographic components play, and how they play them. Caldeira Brant notes that the families of 'boia-fria' labourers organized themselves by dividing the work throughout the year between the rural and urban areas, between domestic work and other work which

allowed them to obtain income. This distribution of the members of the family among various occupations is what "guarantees a continued, albeit minimal, flow of money". And in turn this situation is one "which ensures the functioning of the labour market despite its fluctuations". Thus, the combination of domestic activities and the sale of labour becomes a "subsistence strategy of the working population".⁴⁷

For Chile, Maffei notes the rearticulation which has occurred between the peasant units and the minifundistas, whose principal objective is to organize the productive retention—although at very low levels of productivity—of the surplus population. As in the previous case, labour is sold seasonally, when conditions permit. The dialectic relationship between capitalized enterprise and subsistence enterprise "does not disappear with modernization in rural areas, nor with agrarian reform or counter-reform"; the facts show that there is merely a redefinition.⁴⁸

Matos Mar and Mejía, for their part, point out the desperate efforts of the indigenous Peruvian peasants to hold on to their plots of land, as a means of community subsistence. Here it was observed already that the most frequent protagonists of migratory flows are the members of recently-formed domestic units, or young sons of small farming families. It should be recalled that seasonal labour on the hacienda can be extremely unstable, whether because of bad harvests or because the seasonal labourer—who is almost without legal protection—may be laid off at any moment: in other words, his situation as a wage-earner is structurally unstable. Finally, if he cannot work because he is ill, his only recourse is his piece of land. From the point of view of this type of peasant, the rearticulation between the capitalist enterprise and himself and his piece of land, whether owned, held communally or rented, is explained by the logic of maximizing 'security' rather than profits, whereas the latter logic predominates from the point of view of the enterprise.

In Argentina, Geller pointed out, as a part

therefore preferable to use terms which are deliberately vague but which try to reflect real phenomena, rather than using precise concepts whose relationship with concrete phenomena is unclear.

⁴⁶Larissa Lomnitz, "Supervivencia en una barriada de la Ciudad de México", in *Economía y Demografía*, Vol. VII, No. 1, Mexico City, El Colegio de México, 1973.

⁴⁷V. Caldeira Brant (1979), *op. cit.*, p. 81.

⁴⁸E. Maffei, *op. cit.*, p. 160.

of the survival strategies of the peasants in Santiago del Estero, the role of the daughters in the family as contributors of monetary income and that of the sons in productive work. Concretely, this author states: "The sons are preferred in the area for their ability to contribute to the agricultural tasks of the family productive unit and because of their greater probabilities for selling their labour in an eminently rural area whereas the daughters, whose work is less highly prized in the area, are the ones who contribute the most, monetarily, when they migrate, especially at younger ages. It may be concluded, then, that the functionality of the daughters in family strategies of the area is symmetrical with that of the sons in space and time".⁴⁹

In agriculture, the agricultural enterprise no longer bothers to provide a piece of land so that the rural worker can maintain himself during the seasons of the year when he does not work. In the urban setting, the State increasingly neglects the paid labourer; it is not concerned with enforcing the laws which favour him, or else it simply reduces or eliminates benefits such as health, housing, unemployment insurance, etc.⁵⁰

The 'invisible hand' of the market must regulate the problems of supply and demand in all fields: it is responsible for 'eliminating' sources of inefficiency, whether they are economic activities or merely workers.

Up to now we have deliberately emphasized the aspects which mark the 'trend', and within this we have pointed out the characteristics which most distinguish it from the previous phase of development, precisely in order to call attention to what appears to be an emerging phenomenon. In the field of the relations between agrarian structure and population it would appear fundamental to study the subject of 'survival strategies'. Naturally, this study must necessarily be placed within the context of the characteristics of the new style of development and, within this, its manifestations in agricultural activities.

The influence of cultural and psycho-social factors should be looked at from this perspective. The question we should ask is not how 'functional' a cultural pattern is for the adoption of a given strategy, but rather what role this pattern plays in the adoption of the strategy; this role may or may not be fundamental. The influence of population policies (primarily birth control) on survival strategies, and their articulation with them, should also not be sought from *a priori* positions which assume that there must be relations of adaptation or determination between them; it is the task of the research process to clarify these questions. It will thus not be surprising if 'contradictions' are found.

From the point of view of the agrarian structure, it would appear that three main subjects should be given priority in order to understand the population dynamic. The first is the growing agro-industrialization of the countryside, a trend which is including an increasing number of products and subordination to its dynamics broad areas where different productive forms coexist. Secondly, there is a certain generalization of capitalist enterprise in agricultural activities. This generalization may appear primarily because of the increasing proportion of the total volume of production of certain products covered by it, without implying, as already indicated, growing proletarianization in relative or absolute terms. Finally, and linked with the preceding subject, there is the rearticulation of the relations between the agricultural enterprise and the peasant unit. This rearticulation appears in various forms, identifiable as 'typical', among them the 'semi-proletarianization' of the agricultural worker; the 'submission' of the peasant unit to the capitalist enterprise through the marketing and financial circuit, and, finally, the 'function' which appears to have been assigned to the small or medium-sized family agricultural unit in the new 'style of development' prevailing.

Undoubtedly, the basic perspective for explaining all these 'movements' in agrarian structure is the process of accumulation which underlies the 'concentrative and exclusive' style of development generally being imposed. The abandonment of the watertight compartments into which capital was formerly divided

⁴⁹L. Geller, 1979, *op. cit.*, p. 76.

⁵⁰This lack of protection of the labourer by the State is particularly acute in countries such as Argentina, Brazil, Bolivia, Chile and Uruguay.

(mining, industrial, agricultural, etc.) seems to be one of the most significant features of this process. Another relevant characteristic of this new style of development is the redefinition of the role of the State in society. This political redefinition seems to be as important as that mentioned with respect to the former division of capital by type of activity.

From the viewpoint of population, the global 'problem' which appears to be most significant in the studies examined, and the one which most concerns scientists in the region, is the 'relative over-population' which appears to be growing faster all the time. In this respect Urzúa points out that when we study the determining factors governing the surplus of agricultural labour, "our attention is no longer centered on mortality, fertility or migrations as separate phenomena, but we are obliged to treat them as a whole".⁵¹

The subject of 'overpopulation' is of the highest importance. There seems to be a certain consensus among the researchers in the region that it tends to aggravate the problem of labour surpluses. In this article we have emphasized that the excluded sectors in agriculture have to seek formulas which allow and assure their survival; moreover, we have pointed out that labour surpluses and survival strategies are understandable in the framework of styles of development, and the specific characteristics of this development in different countries and regions is not independent of demographic factors (capitalism cannot implant labour relations of the '*boia-fría*' type when there is an acute shortage of workers).

All this leads to the conclusion that a dynamic interrelationship is created (and it cannot be established that these are simply cause and effect relations) between the movement of the agrarian structure and 'population', and this can only be fully understood if—and only if—we study the behaviour of the three basic variables which constitute the demographic dynamics—something which must be done with the same rigour with which the dynamics of the agrarian structure have already been studied.

In more concrete terms, it should be noted that in order to understand migrant flows (a favourite theme of Latin American socio-demography) we must consider that these are not only conditioned or determined by structural changes such as the replacement of men by machines but also by given rates of natural growth in a certain age structure, which are caused by certain levels of fertility and mortality, both recent and in the past, and which cause these flows to increase or decrease. Similarly, these levels affect the possibilities of reproduction of self-contained peasant units, so that, for example, decreases in mortality may contribute to unbalancing the relationship between man and the land. And this leads us to an interesting point.

It is possible that the replacement of the permanent worker by the seasonal worker has been strongly conditioned by population dynamics rather than by technological changes. The oversupply created by recent increases in the natural growth rate make it concretely possible to replace the permanent worker by the '*boia-fría*', even though the crop produced may be the same and may continue to be grown with the same technologies.

The emphasis on the need to study fertility and mortality does not originate in appraisals of the type that there 'must' be a balance in population research between the different components of the population dynamics; it is considered, however, that such study is necessary in order to understand the changes which have occurred in the agrarian structure. This study is also indispensable in order to understand what are identified—although sometimes without naming them—as population 'problems', such as migratory movements or the so-called relative overpopulation.

Methodologically, the correct procedure would be to start asking ourselves how the agrarian structure conditions population. This conditioning may occur directly through the demand for labour; thus, for example, as a response to a greater demand, the migratory flow may increase, and/or, at the same time, this situation may induce high levels of fertility. But this conditioning may also be indirect, through government policies or actions such as intensifying birth control policies in order to

⁵¹R. Urzúa (1975), *op. cit.*, p. 58.

keep the surplus labour force, in the medium term, from exceeding certain limits which may be considered 'conflictive', in that these workers cannot be absorbed by the productive structure.

We must then ask ourselves how the concrete population dynamics fits into the above process. For this we must accept that the population dynamics has a certain degree of 'relative autonomy' with respect to social factors. In view of the current situation of the region, with the particular style of development which, with some differences, has been imposed in many of our countries, the survival strategies mentioned earlier seem to be an expression of this 'relative autonomy'.

To clarify this reasoning, let us make a comparison with the economic behaviour shown by the family unit in the face of economic crisis situations. In his study of the rural economy in pre-Soviet Russia, Chayanov found that the peasant economic unit, faced with a sharp drop in market prices, increased its levels of production, rather than decreasing them as would be expected in line with the capitalist rationale of production. He explained this situation by attributing to the peasant economy a rationale which had nothing to do with that of 'bourgeois' business. What is interesting to grasp here are the empirical results of his research, which permit it to be affirmed that the rationale of peasant units (and of the subproletariat or semiproletariat) with respect to demographic behaviour (fertility and migration) is not governed by the rationale of maximizing income or wellbeing, nor is it a simple reflection of the needs of the 'current accumulation model'; instead, a totally different rationale may exist. Throughout this article we have shown some sympathy for the analyses which tend to attribute a rationale based on maximization of security to the behaviour of certain social sectors. And here we must keep in mind that this rationale may even be quite opposite to that of the accumulation model. For example, it may be assumed that from the point of view of capital it is necessary to decrease fertility rates (birth control policies and the elimination of health protection for broad

social sectors in some countries may be interpreted in this sense),⁵² but the family unit, in contrast, may favour a rationale holding that "there is more income when there are more workers" —particularly during an economic crisis situation such as the one considered in Chayanov's study— which may be completely opposed to the needs of the accumulation models.

This is just one example.

We must also not lose sight of the fact that some cultural patterns may reinforce this 'relative autonomy' in demographic behaviour.

'Population problems' should be analysed in the light of their dialectic interrelationship between capital's need for labour, on the one hand, and the reproductive rationale of the family, on the other.

For the present, it would appear risky to try to predict the concrete effects that given survival strategies will have on population variables. There is some empirical evidence that might make it possible to risk some hypotheses; however, for now, we want to draw attention primarily to the *existence* of this dynamic which, on the one hand, recognizes the logic of the accumulation process, and thus the logic of the hegemonic classes in this concrete situation; and on the other, the logic of the subordinate sectors. For the former, the logic may be expressed concretely through population policies (for example, 'family planning'), social policies affecting the population (for example, health policy), economic policies (for example, reductions in real wages), and also through 'politics' pure and simple (for example, the undermining of labour unions and parties to avoid struggles on behalf of the interests of certain social groups). For those who have been subordinated, the logic in terms of population would appear to be concentrated specifically at the level of the families composing these social sectors.

⁵²How should the evolution of the data on infant mortality in Greater São Paulo, the modern Brazilian industrial centre, be interpreted? Between 1940 and 1950 the infant mortality rate dropped by 32%, but between 1960 and 1973 it increased by 45%. Cândido Procópio Ferreira de Camargo, *et al.*, *Crescimento e Pobreza*, fifth edition, São Paulo, Edições Loyola.

Note by the Director

The heterogeneity of the agrarian structures of Latin America is well known. In the past the *hacienda*, the *estancia* and the plantation dominated the agricultural activity and much of the social and economic history of the region. Since the end of the nineteenth century in some countries, but only for a few decades past in others, the general processes of economic and social development, together with changes in technological patterns, have made possible the formation of a solid entrepreneurial stratum based to a considerable extent on the old *hacienda*-type forms. *CEPAL Review* has shown its interest in this modern entrepreneurial stratum in various articles, especially that of Gerson Gomes and Antonio Pérez, "The process of modernization in Latin American agriculture" (No. 8, August 1979).

However great the significance that the units of large economic dimensions may have had in the past and may still have today, however, they coexist, now as then, with peasant-type forms of organization of production in the broad agrarian space of Latin America. For this reason, the latter merit special consideration and form the central focus of the articles presented below in this issue.

Peasant agriculture in Latin America

Situations and trends

*Emiliano Ortega**

In recent years, increasing attention has been paid to the changes that have been taking place in the rural environment, particularly those relating to the peasantry of Latin America.

The peasant phenomenon still exists in most of the countries of the region, and peasant families working small agricultural units represent a significant percentage of the population of Latin America. They play an important role in the functioning of agriculture and the economy and make a significant contribution to production and to both the food and labour markets. The peasantry is not disconnected or isolated from society as a whole, and because of the physical, economic and cultural integration processes at work, any exclusion or omission of the factors regarding the peasantry distorts the understanding of social phenomena of a general nature.

The purpose of this paper is to provide some background information based on the experience of the Latin American peasantry that illustrates the aforementioned situations and trends.

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Introduction

The purpose of this paper is to bring out some of the social and economic dimensions of peasant agriculture in Latin America, to recall certain experiences in this field, to analyse the characteristics and trends of this type of agriculture and, finally, to interpret its functioning and the way it fits into society as a whole.

This analysis is part of an ongoing process. Rather than presenting a finished picture, it presents an advance view of situations, types of behaviour or trends in the peasantry of Latin America. It is our belief that in order to carry out the fourth of the purposes mentioned earlier, i.e., to interpret the situation of the Latin American peasantry, it will be necessary to carry out a systematic effort on a much larger scale.

The greatest difficulty encountered in this regard is the weakness of the regional or sub-regional aggregations. Often the homogeneous information that is essential to make such aggregates is not available and it frequently becomes necessary to use differing case studies which, because of their consequent 'localism', reflect partial situations which might well be compared with other cases having the opposite characteristics. Nevertheless, this approach to the illustration of verification of the analysis does not entirely invalidate it, since one could hardly expect to construct a lineal picture of a situation as complex and diversified as that of the peasantry of Latin America. There are profound differences of a geographical or agro-ecological and of a cultural or historical nature, and the structural differences at the socio-economic level may be even more deep-seated, in view of the widely varied network of relationships within which peasant life takes place. Hence the need for caution in using the term 'peasantry' as a generalization.

This study takes a critical view of dichotomizing approaches whereby the regional agricultural situation is split between two extremes, with the first being described as "positive", "dynamic" or "modern" and with the opposite characteristics being attributed to the other. The latter type of description was applied in the past to the *minifundio* and is used currently to describe peasant agriculture. In

order to reinterpret the behaviour of regional agriculture, we have considered it advisable to query the significance of certain descriptions, qualities or characteristics attributed to populations of peasant farmers of shepherds, such as

“traditional”, “immobile”, “marginal”, “in decay”,¹ “detrimental to the environment”, etc. At the same time, we must admit that this attitude may have led us in some parts of this paper to show a certain peasant bias.

I

Interpretations of the regional agricultural experience and the handling of peasant agriculture

1. *The interpretations and their imbalances*

We feel that certain imbalances in the interpretation of the agrarian processes in Latin America originate in the oversimplification of the agricultural realities: the latifundio-minifundio categories are eloquent in this regard. Something similar may be happening with the modern-traditional dichotomy, although sometimes the term ‘modern’ is identified with agrarian capitalism while in some other cases it is identified with technological penetration. Perhaps the most controversial aspect of this formulation is the fact that the rest of the agrarian systems are left in a vacuum and referred to jointly as the ‘traditional area’, which is presented as being in a process of decomposition.

Wolf² said that it is not accurate to describe peasant societies as amorphous aggregates, lacking their own structures, or to refer to them as ‘traditional’, labelling them as being ‘linked to tradition’, and judging them as the opposite of ‘modern’.

It is not correct to equate the term ‘modern’ with ‘technological penetration’, inasmuch as the new genetic, chemical or mechanical technologies have penetrated the various agricultural systems in different ways and to different degrees, although it is true that in Latin America the capitalist agrarian system is the one that has most thoroughly incorporated the tech-

nology available in the industrialized countries. To say that the remaining agrarian systems are traditional suggests that to a certain extent they are incapable of changing, which is not entirely true.

2. *Agricultural modernization and peasant decline*

Some authors suggest that the peasant economy is going through a phase of decline as a result of the industrialization of the economy, involving a transformation of the landholding and technological structures in rural areas.

Gomes and Pérez,³ in analysing the agriculture of the region in recent decades, note that the principal characteristic of the period analysed is not stagnation in agriculture, but the appreciable economic expansion experienced by a part of the sector. Thus there would appear to be a consolidation of the modern sector in agriculture, which concentrates on production and capital in a relatively small number of medium-sized or large farms, located on the best lands. These undertakings, it would appear, are to a large extent the direct beneficiaries of public investments in infrastructure, as well as of official economic incentives and support services.

The economic and physical yields of the modern sector are usually higher than those of traditional agriculture; consequently, the expansion of the modern sector is translated into a

¹The notion of ‘decay’ refers to certain processes of change that are supposed to be leading to the disappearance of the peasantry.

²Eric Wolf, *Peasants*, Prentice-Hall Inc., Englewood Cliffs, N.J., 1966.

³Gerson Gomes and Antonio Pérez, “The process of modernization in Latin American agriculture”, in *CEPAL Review*, No. 8, August 1979, Santiago, Chile, pp. 55-74.

considerable increase in its share of total income and production.

It is also often said that in several countries the increased production registered in recent years is due fundamentally to the contribution of the modern undertakings. Thus, the growth of the monetized component of demand would, essentially, favour modern agriculture, which is better equipped to supply it. The process of expansion of modern agriculture therefore, it is claimed, brings about a simultaneous breakdown of traditional agriculture.

This presentation suggests a sort of dichotomy between a stratum of undertakings which grow as they modernize, while the great majority of productive units, including those coming within the category of peasant agriculture, are left behind in their traditional environment.

Because of the traditionalism that is characteristic of peasant forms of agriculture, it is inferred that they are in a way immobile, showing no capacity for adaptation or change and no motivation other than that expressed on the market, and that they do not make any contribution to the growth or functioning of the economic system except in the form of the labour force, which emigrates to take up temporary work or to leave agriculture permanently.

3. *Emphases and omissions in analyses of agricultural modernization*

Certain aspects have been brought up repeatedly in analyses of agricultural development in postwar Latin America, while others, which are just as valid or more valid than these, have been neglected. This statement is supported, for example, by the case of the mechanization of agriculture.

In 1950 there was a total of 146 000 agricultural tractors, while according to FAO figures⁴ this number had increased to 890 000 by 1979. This means that over that period the number of tractors increased sixfold and that mechanization was an indisputable fact which no-one can deny. But to present this fact in such terms is to show only one side of the story, while

neglecting to mention the use of biological power, whether human or animal, which is still prevalent in Latin America, in cultivating the land. The justice of this remark is evident, in the first place, when one considers that mechanization possibly did not cover more than one-third of the cultivated area, since not only has the number of tractors and items of equipment increased, but there has also been a considerable increase in the cultivated area, which has expanded from 53.1 million hectares in 1950 to around 105 million in 1979. At the same time, there has been an increase in the planting of artificial grazing land, which covered 45 million hectares in 1979; and in addition, each year a very considerable area of land is left fallow. No matter how efficiently the installed capacity of machinery end equipment is used in Latin American agriculture, only a minor part of agricultural work has been mechanized so far, in view of the amount of machinery available.

In 1979, there was one tractor for every 170 hectares of cultivated land in Latin America. To get a relative idea of the magnitudes involved, that figure may be compared with the information provided by FAO⁵ for Europe as a whole, which indicates that in 1979 there was one tractor for every 21 hectares of cultivated land there, while in Western Europe there was one tractor for every 15 hectares.

Brazil now has around 320 000 tractors.⁶ Assuming, optimistically, that one tractor can work 50 hectares per year, the installed capacity of this type of work force would provide for tilling and cultivating no more than 16 million hectares, which is only a small percentage of the 50 million hectares that are farmed annually. If to this we add the land that is left fallow, plus the planting and management of cultivated grazing lands, we find that the percentage is even lower.⁷

The fact that the phenomenon of increasing mechanization of agricultural tasks is carefully noted while the prevailing use of biological force is repeatedly omitted can lead to distortions, as is the case when it is forgotten,

⁵*Ibid.*

⁶*Ibid.*

⁷According to the 1970 agricultural census, 29 732 296 hectares are used for artificially farm grazing land.

⁴FAO, *Production Yearbook*, Rome, Vol. XXXIV, 1981.

for example, that certain patterns of mechanization are not suited to the great majority of productive units in Latin American agriculture, or when it is forgotten that appropriate technologies must be sought according to the availability of the various productive factors, particularly the work force.

4. *The predominance of haciendas and entrepreneurial farms*

Analysts of agrarian issues have usually concentrated their attention on the predominance of estancias, haciendas and plantations, as well as on the new forms of enterprises of a capitalist type, and this has indeed permitted a greater and more thorough knowledge of those farms of agricultural activity.

It could hardly be denied that the accumulation of land is a notable feature of the agrarian history of Latin America. This has implications not only for the agrarian and economic history of the region but also for the social and political life of the national societies, and this explains why the subject of the hacienda, the estancia, the plantation or the agricultural enterprise has attracted or continued to attract so much attention. It seemed that by studying them both as regards their economic organization and activity and their socio-political projection this would to a large extent explain the evolution and behaviour of the sector. This may explain why less emphasis has been placed on the agricultural activities carried out on the small remaining spaces by a large number of peasants

or by the new associative forms that replaced the hacienda and by the so-called commercial agriculture, which is none other than a kind of agricultural middle class. The questions pertaining to these peasant farmers or stock raisers are usually approached from two standpoints:

(i) That of the social problem of large rural groups with limited resources, which dooms them to a miserable life and leads them to migrate. The notion of the minifundio or smallholding is associated with the existence of this socio-economic situation in which a considerable number of peasants continue to live.

(ii) A second approach, which covers the *minifundista* question, involves not only the scarcity of land (which is the source of many of their problems) but also that of the abundance of labour which has only limited opportunities to obtain temporary employment during tilling or harvesting seasons and which moves to neighbouring regions or cities for this reason.

However, there is a tendency to ignore the economic and social role of peasants as producers, and usually they are not called farmers, despite the fact that they take a number of decisions relating to their economic activity and furthermore they work the land directly. In particular, their economic activity is viewed as not going much beyond the satisfaction of their basic subsistence needs, and thus it is linked more with own-account consumption than with any effort to increase production or supply for the markets. According to the prevailing social nomenclature, in contrast, farmers are persons who often live in towns or villages.

II

Scope and dimensions of peasant agriculture

1. *Differentiation and limits of peasant agriculture*

From the conceptual standpoint, peasant agriculture consists of that segment of agriculture which relies on family labour and in which a wage system is only occasionally put into practice; the family is the essential nucleus of

both production and consumption. The family strategy is aimed at maintaining or reproducing this unit of labour and consumption, i.e., at meeting the needs of the family and the requirements of the production unit, and at obtaining the means for responding to the demands arising from the social or institutional

relations of its particular environment. From the standpoint of land tenure, peasant agriculture in Latin America includes small landowners, tenant farmers, sharecroppers, settlers occupying frontier land, squatters, and persons holding family-size units under the agrarian reform process.

It is not at all easy to determine the boundaries of so-called peasant agriculture. The lines between the different forms of agricultural activity are not clear, nor are the lines between peasants suffering from an extreme shortage of land and landless rural families. Moreover, the analysis becomes even more complex in view of the differences that exist within family-based agriculture itself. Bearing all this in mind, the differences may be defined along some of the following lines:

(a) *Size of the agricultural units.* Because of the tremendous diversity in the fertility and productivity of different lands, any distinction based on the physical size of agricultural units must always be a subject of controversy. Nonetheless, in the absence of other information, it is often necessary to resort to this type of criterion when analysing the situation of peasants.

(b) *Capacity of the agricultural unit to provide occupation for the family labour force.* In trying to take account of this type of differentiation, the studies carried out by the Inter-American Committee on Agricultural Development (CIDA),⁸ made a distinction between "family-sized" units where enough land is available for a family to support itself with its own labour, and "sub-family-sized" units where there is not enough land for a family to meet its minimum needs and use its labour productively throughout the year.

(c) *Reproduction of peasant units.* There is a stratum which has more resources and is in a position to receive support from official institutions, so that it can thus accumulate resources and expand the economic capacity of its pro-

ductive units. However, there are also groups that do not easily find opportunities for improving their situation and which because of this very weakness may easily become more impoverished, thus jeopardizing their own reproduction.

(d) *Technological patterns on which the productive activity is based.* In family agriculture, there may be strata that have adopted technological patterns involving mechanization, side by side with primitive farming practices.

(e) *Form and degree of integration with the markets.* There are areas of peasant agriculture where, particularly as a result of urban development or the establishment of agroindustries also due to economic growth in general, the process of monetization and linkage with markets bring about changes in the most characteristic strategies of peasant life, such as the growing of miscellaneous food crops together with stock raising. These changes can lead to the specialization and technification of production and even to the complete monetization of peasant economies.

(f) *Agroecological differences.* In a preliminary analysis on the agricultural potential of Latin America,⁹ 67 physiogeographical subregions considered to be relatively homogeneous agroecological areas were identified. Geographical location is thus a differentiating factor in peasant agriculture which is expressed through a wide variety of combinations of crops and types of livestock and which determines the organization and seasonality of the use of the labour force. It also has a significant effect on the monetization of the peasant economy and the nature of its insertion in the markets, depending on the products offered. Progress has been made in some recent studies¹⁰ in the

⁹Report by Klaas J. Beek, Consultant, to the CEPAL/FAO Joint Agriculture Division, entitled "Algunas notas sobre el potencial agrícola de América Latina", December 1978 (unpublished).

¹⁰See Neftalí Téllez and José I. Uribe, "Hacia una tipología regional de economías campesinas con referencia a Colombia", in *Estudios rurales latinoamericanos*, Bogotá, Volume 13, No. 3, September-December 1980. Téllez and Uribe distinguish between production systems by identifying the predominant crop or type of livestock, the socio-geographical region where the production unit is located and the social implications of the organization of work around each particular production system. Among others,

⁸Solon Barraclough and Juan C. Collarte, *El hombre y la tierra en América Latina* (summary of the CIDA reports on land tenure in Argentina, Brazil, Chile, Colombia, Ecuador, Guatemala, and Peru), Instituto de Capacitación e Investigación en Reforma Agraria, Santiago, Chile, Ed. Universitaria, 1971.

drawing up of typologies to show the different agroecological categories of the peasantry.

(g) *Situation of the peasant family.* There is nothing new in the distinction between the well-to-do peasants or petty rural bourgeoisie and the poor peasants with very limited resources, who according to Lenin¹¹ were part of or were in the process of joining the growing ranks of the rural proletariat that springs up with capitalism. The concept of the *minifundio*, widely used in Latin America, largely covers the situation of the so-called poor peasants. In recent years, the notion of "semiproletarian peasants" has been coined¹² to refer to the poorest stratum of the peasantry, in order to suggest that in view of the Latin American experience, the tension between the development of a bourgeoisie and the proletarianization of the peasantry, may often involve a situation where families are struggling to retain a small plot of land to live on and grow some crops while at the same time selling their labour in other activities. Durston¹³ refers to semiproletarian peasant families as those which incorporate into their economic strategy income from wage work in order to supplement the inadequate production of their own plots.

(h) *Development potential of the family agricultural economy.* This attempt to differentiate

they list cold climate zones with temporary crops; temperate climate zones with temporary and permanent crops; banana and African palm zones; plantain and cassava zones; fruit zones; dairy zones; tobacco zones; coffee zones; coffee, plantain, cassava and pineapple zones; onion zones, etc. See also José Franco Mesa, "El campesino, las estructuras socioeconómicas y la economía campesina", in *La economía campesina chilena*, Santiago, Chile, Ed. Aconcagua, 1980.

¹¹V.I. Lenin, *The Development of Capitalism in Russia*, Moscow, Foreign Languages Publishing House, 1956.

¹²See Luisa Paré, *El proletariado agrícola en México. ¿Campesinos sin tierra o proletarios agrícolas?*, Mexico City, Siglo XXI Editores, 1977. The author defines semiproletarians as follows: "Agricultural workers who have land but who increasingly rely on wage work for the major share of their income. This period of transition may become practically permanent because of the symbiotic relationship between wage work and the family production unit, which on the one hand makes it possible to subsidize and keep up a dying family enterprise and, on the other, prevents complete and final proletarianization and depeasantization" (pp. 56 and 57).

¹³John Durston, "La inserción social del campesinado latinoamericano en el crecimiento económico", CEPAL/R. 232, 1 July 1980 (mimeographed).

between categories of peasants is mainly operational and represents a response to the requirements of development plans, programmes or projects. The categories most frequently used refer to the agricultural viability or non-viability of peasant units.

The CEPAL Mexico Office¹⁴ proposes that units should be defined as non-viable from the standpoint of food production when they are so fragmented that the resources they control (especially arable land) are markedly below the minimum required to achieve at least a level of production equivalent to the basic food needs of the family, even if they were to use the best technical options available or possible. These would be units that could not achieve food security on the basis of agricultural measures even over a reasonably long period of time.

According to criteria of agricultural viability in Chile, a distinction has been made between farmers and "poor rural dwellers who, because they live in such areas, have been confused with those who have minimum resources capable of generating productive agriculture. Two-thirds of the men listed as 'farmers' are not really farmers. They belong to the rural environment but not to the agricultural sector. Their problem calls for a social solution to which the entire country must contribute".¹⁵ It seems unnecessary to say that this differentiation, based on the assumption of viability or non-viability, leads to agricultural development options where the productive agents encouraged or supported by public policies may be very different. What is deemed to be the non-viability of a significant part of the peasantry may in some cases lead to their being excluded from the sphere of responsibility of agrarian policies, while in other cases it may encourage the adoption of policies aimed at achieving structural transformations in agriculture.

How then to draw the boundaries of such a complex and differentiated reality as that of the Latin American peasantry? How to develop

¹⁴CEPAL, "Economía campesina y agricultura empresarial: tipología de productores del agro mexicano", CEPAL/MEX/1037, 28 January 1981.

¹⁵Confederación de Cooperativas del Agro, COP-AGRO, "El rostro poco conocido de la agricultura", Santiago, Chile, *Boletín*, No. 21, 1980.

aggregations that will allow at least a rough estimate to be made of its dimensions and the processes which affect it? In the preparation of this paper, for methodological purposes, peasant agriculture was considered to comprise those units where the work of cultivation is done by the family. We have had to leave out considerations regarding the differentiation of the peasantry, since our aim is to aggregate a socio-economic reality so as to obtain an empirical approximation that will make it possible, as a beginning—which is the level at which this article is written—to establish some parameters that will at least show the dimensions of this segment of agriculture, the specific situations in which it is developing and the trends which characterize it.

When information regarding family work was not available, some educated guesses were made regarding the physical size of the productive units.

2. *Some dimensions of peasant agriculture*

In order to gain an idea of the magnitude of the Latin American peasantry, certain dimensions were estimated that show something about the size of peasant agriculture.

With respect to the demographic dimension, the population directly linked to peasant agriculture, which is made up of the peasants and their families, amounted to approximately 60 to 65 million persons in the mid-1970s, in other words, somewhat over half the rural population and approximately one-fifth of the total population of Latin America. In some sub-regions, such as the countries of the Andean area,¹⁶ the relative size of the populations linked with peasant agriculture is even greater. Thus, in the mid-1970s, out of a total population of 63.7 million, around 27 million lived in rural areas and two-thirds of this number were peasant farmers and their families.

The number of units that make up this system of agrarian economy has been estimated, for the purposes of this article, at 13.5 million productive units. This estimate is based on a criterion relating to total size of

the exploitation,¹⁷ crossed with information on source of labour when this existed.

The total area of the productive units belonging to peasant agriculture, i.e., arable land, land with permanent crops, ranges and pastures, forests and land unsuitable for farming is estimated at 145 million hectares. This figure represents somewhat less than one-fifth of the total land area devoted to agriculture in the region.

In Central America, the proportion is somewhat higher as, according to the censuses carried out in the 1970s, peasant agriculture accounts for 25% of the total area covered by productive units.

Of the 160.2 million hectares suitable for farming¹⁸ that are already devoted to agriculture in Latin America, the peasantry is estimated to control approximately 57.6 million hectares, i.e., 36% of the total. With regard to harvested area, of the 105 million hectares planted in 1979, approximately 45 million (44%) represented family-based agriculture. It may be inferred from the above that the average peasant unit in Latin America covers a total area of 11.0 hectares, that it has 4.2 hectares of arable land or land suitable for permanent crops, and that approximately 3.3 hectares are harvested per year. It seems almost unnecessary to point out that this average is only illustrative of a regional-level aggregation.

With regard to the size of the units, it must be borne in mind that almost 39%, i.e., around 4.9 million units, have an area of less than two hectares; these figures reflect the phenomenon of semiproletarianization that characterizes peasant life. In some countries, such as Jamaica and El Salvador, this size of unit represents over 75% of the total number of peasant units, and since the opportunities for peasants to sell their labour are limited, they might simply be considered as poor peasants, rather than semiproletarians.

The above shows the social significance of the peasantry, as regards both the rural popula-

¹⁷The estimate was based on information provided by national censuses and agricultural cadasters carried out during the 1970s, except in the case of Argentina, the data for which were obtained in 1969.

¹⁸Including arable lands plus areas devoted to permanent crops.

¹⁶Except Chile.

tion and the total population of Latin America. Thus, any attempt to gain a more thorough

knowledge of them and seek answers to their problems should be given high priority.

III

The economic significance of peasant agriculture

1. Contribution to the production and supply of food

Family-based peasant agriculture mainly produces food.

It is well known that peasant farmers use part of their production for their own consumption, but their contribution to the general food supply of the population is not so fully appreciated. The statistics available show that peasant agriculture has played an important role in supplying Latin America with food.

In *Brazil*, a well documented study that was published recently¹⁹ shows that small farms, representing more than 80% of the total number of agricultural units reported in the 1976 cadaster but covering less than one-fifth of the area recorded by the census (17.5%), account for more than half the area harvested for basic food products, products for industrial processing and vegetable and fruit crops.

The same report, in studying the origin of production in the light of the type of labour used in the productive units, which is a very useful way of distinguishing between peasant agriculture and other systems, concludes that most of the area harvested for basic food crops, products for industrial processing and vegetable and fruit crops, was on units having no permanent paid workers. Moreover, it states that the production of basic foods is particularly worthy of note, since nearly 80% of the area harvested is on production units having no permanent paid workers.

When units of production were stratified without regard to their area or the source of labour, but rather according to total value of production, it was found that farms having a gross annual income of less than 12 000

cruzeiros (US\$ 500) account for more than 60% of the area devoted to basic foods, vegetables and fruits and more than 40% of the area harvested in the case of products for industrial processing.

The same authors state that, in summary, it may be said that in *Brazil* most agricultural production originates in units that are small either in terms of area or in terms of the total value of production (gross income).²⁰

In *Mexico* the contribution of peasant agriculture is also very significant as regards the production of basic foods. In 1970, it contributed 69.6% of maize production, 66.7% of beans, 32.7% of wheat, and 48.9% of fruit production.²¹

In *Colombia*, peasant agriculture plays a major role in supplying the country with food. According to the National Planning Department,²² in 1973 the value added by the small farming subsector was 63.2% of the national total for agriculture. In 1973, 'small farmers' accounted for 67% of the overall production of foodstuffs which are staples for a high percentage of the population, such as maize, rice and wheat; beans, *ñame*, potatoes and cassava; plantains; crude loaf sugar; and vegetables and fruits (except bananas). In 1976, the highest percentages were as follows: *ñame*, 100%; cassava, 90%; beans, 89%; crude loaf sugar, 85%; green vegetables, 82%; plantains, 80%; sesame, 75%; wheat, 70%; maize, 68%; fruit, 56%; and potatoes, 46%.²³

²⁰*Ibid.*, p. 165.

²¹R. Zapata, "Situación de la agricultura campesina en México" (internal discussion paper), CEPAL/FAO Joint Agriculture Division, November 1979, p. 54.

²²National Planning Department, Integrated Rural Development Programme (DRI), *El subsector de pequeña producción y el programa DRI* (mimeographed working paper), Bogotá, July 1979, p. 15, *et seq.*

²³*Ibid.*, p. 86.

¹⁹J.F. Graciano da Silva and others, *Estructura agraria e produção de subsistência na agricultura brasileira*, São Paulo, Ed. Hucitec, 1978, pp. 160-167.

The contribution of small farmers is not limited to the high percentage of the domestic food supply they produce, however, for they also grow a significant portion of some export crops. The National Planning Department estimated that in 1976 this sector generated 72% of the value produced in the group made up of coffee, sugar cane and cocoa.²⁴

The case of *Peru* also clearly illustrates the significant role of peasant agriculture in supplying basic food products for the population. According to information provided by the 1972 National Agricultural Census,²⁵ the 15% of the total agricultural area covered by small units of production²⁶ accounted for 71% of temporary crops, 60% of permanent crops and 48% of cultivated pastures. Peasant producers generated:

Cereals for human consumption	55.1%
Food cereals, not including rice	66.0%
Vegetables	78.6%
Fresh legumes	79.6%
Pulses	73.3%
Roots and tubers	73.2%
Fruits, temporary crops	71.9%
Fruits, permanent crops	29.8%

According to a preliminary estimate by the Board of the Cartagena Agreement (JUNAC),²⁷ peasant agriculture in the Andean area generates between 50 and 60% of agricultural goods for final consumption.

In the case of *Central America*, it was estimated according to the values of production shown in the agricultural censuses of the 1970s that in Costa Rica; 36.5% of production for domestic consumption came from peasant units; in El Salvador, the share was 62.1% and in Honduras, it was 63.9%.²⁸ In Guatemala, units

of less than 7 hectares generated approximately 53.2% of products for the domestic market.

In almost all the other countries of the region, the situation is similar to that of Brazil, Mexico, Colombia, Peru and Central America, and a large part of the production that goes to feed their population is produced on small farms using family labour.

2. Contribution to the production of export crops

Although peasant farmers work mainly to produce foodstuffs not only for their own consumption but also to help meet the domestic demand of their countries, in addition they make significant contributions to the production of export crops.

In Costa Rica, 29.7% of production for export comes from peasant units and in Honduras the share is estimated at 25.5%.

In the case of coffee, for example, in Brazil and Colombia (the main exporters of this commodity) peasants generate around 40% and 30%, respectively, of total production. Moreover, in countries where the value exported is lower, the share rises significantly so that, for example, in Mexico it is 53.8%; in Venezuela, somewhat over 63%; and in Bolivia, 75% (see table 1).

The case with regard to cocoa is similar. In Brazil, which is first with regard to volume produced and value exported, peasants contribute 30% of total production. In Ecuador, which follows Brazil in importance, the participation of peasants in production is 65%, and in countries which export less, such as Venezuela and Peru, the share of peasant production is even higher, amounting to a little under 70% in those two countries (see table 2).

In Mexico, peasant agriculture accounts for 47.6% of the production of cotton, a crop which is to a large extent oriented towards the export market.

Of course, the extent to which peasant producers contribute to the total production of each one of these crops is not the same as their share in the volume exported. In some cases, such as that of coffee, when the situation on the international market becomes difficult and there is a drop in demand, the first thing that processors or exporters do is reduce their

²⁴*Ibid.*, p. 19.

²⁵Oficina Nacional de Estadísticas y Censos del Perú, *Segundo Censo Nacional, 4 al 24 de setiembre de 1972, Resultados definitivos, Nivel nacional*, Lima, April 1975.

²⁶Small agricultural units were considered to be those having a total area of less than 20 hectares.

²⁷JUNAC, *Programa Andino de Desarrollo Tecnológico para el Medio Rural*, Lima, J/GT/70/Revisión 3, 11 June 1980, p. 1.

²⁸Peasant units were considered to be those having an area of less than 20 hectares.

Table 1
LATIN AMERICA: PEASANT FARMERS' SHARE IN COFFEE PRODUCTION

	Total exports (thousands of dollars)	Total production (thousands of tons)	Peasant production (percentages)
Brazil	2 298 942	950	39.1 ^a
Colombia	1 512 603	558	29.5 ^b
El Salvador	605 776	180	19.4 ^c
Mexico	455 060	246	53.8 ^d
Peru	174 354	60	54.8 ^e
Ecuador	160 140	77	70.0 ^f
Venezuela	44 000	40	63.2 ^g
Bolivia	24 000	17	75.0 ^f

Source: United Nations Food and Agriculture Organization (FAO), *Trade Yearbook 1977* and *Production Yearbook 1977* and census information from the countries.

^aProduction of agricultural units with an area of less than 50 hectares. Agricultural Census 1970.

^bProduction of "peasant farms" (producing less than 120 *arobas*). Marco Palacios, *El café en Colombia (1850-1970). Una historia económica, social y política*, Bogotá, Ed. Presencia Ltda., 1979, based on the Coffee Census, 1970.

^cProduction of agricultural units with an area of less than 20 hectares. Third National Agricultural Census 1971.

^dProduction of agricultural units with an area of less than 5.1 hectares and of *ejidos* and *comunidades*. Fifth Agricultural and *Ejido* Census, 1970.

^eProduction of agricultural units with an area of less than 20 hectares. Second National Agricultural Census, 1972.

^fEstimates by the CEPAL/FAO Joint Agriculture Division.

^gProduction of agricultural units with an area of less than 20 hectares. Ministry of Agriculture and Stock-raising, *Anuario Estadístico*, 1976.

Table 2
LATIN AMERICA: PEASANT FARMERS' SHARE IN COCOA PRODUCTION

	Total exports (thousands of dollars)	Total production (thousands of tons)	Peasant production (percentages)
Brazil	475 454	228	30.2 ^a
Ecuador	213 667	72	65.0 ^b
Dominican Republic	93 844	37	n.d.
Venezuela	27 300	17	69.1 ^c
Mexico	17 440	33	45.9 ^d
Peru	1 185	5	67.5 ^e

Source: United Nations Food and Agriculture Organization (FAO), *Trade Yearbook 1977* and *Production Yearbook 1977* and census information of the countries.

^aProduction of agricultural units with an area of less than 50 hectares. Agricultural Census 1970.

^bEstimates of the CEPAL/FAO Joint Agriculture Division.

^cProduction of agricultural units having an area of less than 20 hectares. Ministry of Agriculture and Stock-raising, *Anuario Estadístico*, 1976.

^dProduction of agricultural units with an area of less than 5.1 hectares and of *ejidos* and *comunidades*. Fifth Agricultural and *Ejido* Census, 1970.

^eProduction of agricultural units with an area of less than 20 hectares. Second National Agricultural Census, 1972.

purchases from small producers. When conditions are favourable, in contrast, they expand their purchases from that stratum, so that it becomes a sort of cushion which allows the medium-sized and large producers to regulate, in their favour, the volumes marketed.

3. *Peasant agriculture and livestock production*

On the whole, the participation of peasant agriculture in stockraising is considerably lower than in crop farming. Nevertheless, although peasant agriculture is limited where cattle raising is concerned because of the lack of space, it does make a significant contribution to other types of stock raising.

If we take as an indicator the relationship between livestock on peasant units and total livestock, it will be noted that this is not one of the main activities of the smaller units, although there are notable differences between them. Sheep, goats, pigs and poultry represent high percentages on peasant units, whereas cattle are usually raised on larger units. Census data from Brazil for 1970 show that the number of head of cattle on units of less than 50 hectares represents about 20% of the total. For other countries, such as Mexico, the ratio is approximately 35%, while in Chile it is around 17.6% and in Venezuela it is only 11%. One exception—in which land distribution plays a significant role—is that of Peru, where cattle raising on the smaller peasant-type units accounts for over 70% of the total. Goat raising on such units accounts for over 60% in Brazil and over 50% in Venezuela. In Peru, the proportion of pigs raised on peasant units is approximately 80% of the total.

In the case of Mexico, the value of the different livestock products originating in peasant agriculture amounted to 37.4% of overall livestock production in 1970.²⁹

In addition to these statistics, there are case studies, diagnostic studies made for planning purposes and other data which show the role of livestock in providing animal traction on small farms as well as food for family consumption. In addition, it is well known that peasants

consider it important to own animals as a form of savings to protect them in emergency situations, in place of conventional financial savings.

4. *The growth of production in peasant agriculture*

But our analysis must not be limited to considering the importance of peasant agriculture within total agricultural production. We must look at its development over time in order to appreciate its capacity for growth, as seen in the experience of the region. The study of this aspect can help to validate or invalidate the theory that it is stagnant or immobile. Only a few elements are available, but they may serve to encourage the compilation of further, more detailed information.

In the analysis of the Ecuadorian experience, two methods were used to get an idea of the development of peasant production. In the first place, crops or types of livestock that were mainly and, in some cases, exclusively raised by peasants were chosen. It was estimated that the 28 products selected, valued at constant prices, had grown between 1965-1967 and 1975-1977 by 3.4% per year on the average, whereas the production of the sector as a whole, valued in the same way, showed an estimated increase of 3.3%. This would seem to indicate that typically peasant production grew at least as fast as the sector taken as a whole.

A complementary procedure was based on the Ecuadorian agricultural censuses for 1954 and 1974, with an effort being made to isolate production attributed to peasant farmers, considered not according to crop or type of livestock but rather with regard to the most representative units of that subsector at both times.³⁰ It was estimated that on the smaller units production had grown by an average of 2.7% per year during the period, whereas on the larger units it had grown by 1.2% per year during the same period. The differences in growth appear to have led to an increase in the share of peasant units in the sector's overall

²⁹R. Zapata, *op. cit.*, p. 47.

³⁰Units considered representative of peasant agriculture were those with an area of less than 10 hectares in the *sierra* and those having an area of less than 50 hectares on the coast.

production from 56.5% in 1954 to 63.3% in 1974.³¹

The recent development of agricultural production in the case of Chile is illustrative of the dynamics of peasant agriculture. The fragmentation of co-operatives and *asentamientos* organized during the agrarian reform process in an associative form (keeping the large expropriated units undivided) is causing the peasant who received individual plots to intensify the type of planting patterns which they had traditionally followed as tenants. Thus, for example, over the last five years there have been increases in crops such as potatoes and maize, despite the low levels of prices in certain years. In the case of legumes (beans, lentils and chick-peas), the increases were considerable because of the better prices obtained. Thus the production of legumes which are mainly grown by peasants, has almost doubled over a period of five years (1975-1979).

In Bolivia, the Andean region is of interest because of the predominance of peasant agriculture devoted to cold and temperate-climate crops. Between 1950 and 1974-1976, production of these crops expanded considerably, at an average annual rate of 4.4%. During the 1950s, after the agrarian reform, it appears to have been even higher, with an average annual growth rate of 6.3% between 1950 and 1961.³² These rates would be considered high for any type of agriculture, and in view of the conditions under which Andean agriculture is carried out in Bolivia, they may be considered even better.

One interesting fact which is worthy of closer attention is that relating to the expansion of soybean growing in Brazil. This is possibly one of the most spectacular examples of a rapid increase in planting of a crop, comparable with the expansion of cereal-growing in Argentina towards the end of the last century, and the area planted with soybeans has extended very quickly indeed.

According to the 1970 Agricultural Census of Brazil, 63.7% of the area and 60.8% of production are accounted for by productive units with a total area of less than 50 hectares. With respect to this level of units, the CIDA study on land tenure in Brazil indicates that the average area of the so-called family and sub-family units is actually over 50 hectares. Some recent data,³³ however, show that 93.3% of the *minifundios* in Brazil have a total area of less than 50 hectares. On some occasions, when crops are destined for sale to agroindustry, the nature of the relationships established with agroindustry, leads to radical changes in the operation of the peasant units, causing the differences among them to become sharper and sometimes giving rise to a greater concentration of land and the proletarianization of the poorer segments of the peasantry.

At the regional level, fresh vegetables are a group of crops that is very representative of peasant production. These crops³⁴ grew at an average rate of 5.6% per year between the triennium 1949-1951 and the triennium 1973-1975 and were only surpassed by oilseeds, which grew by 6.4% per year during the same period. To give a better idea of what this growth rate means, it may be noted that all crops taken together grew at an average annual rate of 3.5%.

Again at the regional level, the rate of increase of two other groups of crops may also give an indication of production trends in peasant agriculture: roots and tubers, according to the same source, grew at an average annual rate of 2.7% during the period from 1949-1951 to 1973-1975, as also did legumes (beans, etc.).

A more thorough analysis would give a better picture of the development of production by peasant farmers. The information given here is only meant to show that there is an effective capacity for the expansion of production through the peasant economy: a fact which raises several queries with regard to those analyses which, when dealing with the *minifundio* or subsistence agriculture categories,

³¹This information should be considered with reservations, since it is possible that the 1954 census had a larger margin of error than the 1974 census, with the error affecting the smaller units in particular.

³²CEPAL/FAO Joint Agriculture Division, *La agricultura y las relaciones intersectoriales: El caso de Bolivia*, E/CEPAL/R.205, Santiago, Chile, September 1979.

³³J.F. Graciano da Silva *et al.*, *op. cit.*, p. 160.

³⁴CEPAL/FAO Joint Agriculture Division, *25 años en la agricultura de América Latina: Rasgos principales, 1950-1975*, Cuadernos de la CEPAL No. 21, Santiago, Chile, 1978, pp. 21-23 and table 4.

have only noted certain negative aspects and deficiencies or given almost all the credit for the development of agricultural production to the modern entrepreneurial sector.

5. Peasant agriculture and employments

According to the CIDA study on land tenure in Latin America,³⁵ which was prepared on the basis of information from the 1950s and 1960s, approximately 52.1% of the active agricultural population in the region as a whole³⁶ was concentrated in the strata of sub-family and family holdings which may be assimilated to the peasant sector of agriculture, while the remaining 47.9% were in the medium and large multi-family strata, which may be associated with the modern, commercial or entrepreneurial sector of agriculture.

The most recent census data show that the concentration of most of the active agricultural population in the peasant sector is a widespread phenomenon, common to most countries of the region. In Brazil, for example, the 1970 census showed that peasant agriculture includes approximately 75% of the total agricultural work force. In Ecuador and Panama, according to the last census, conducted at the beginning of the 1970s, 72% and 60%, respectively, of these engaged in agriculture were concentrated in the peasant stratum. In Mexico, the 1970 census showed that 80.4% of all persons occupied in agriculture were to be found on units of less than 5.1 hectares, *ejidos* and *comunidades*.

In any event, in view of the high percentage of the active agricultural population that is occupied in peasant agriculture, there can be no question about its economic significance as regards employment.

As to whether family or hired labour is used in the different size strata of agricultural units, it has been noted that very little hired labour is used on the smaller units, where family labour on the other hand, plays a significant role.

³⁵S. Barraclough and J.C. Collarte, *El hombre y la tierra en América Latina*, *op. cit.*

³⁶This refers to the group of countries selected for that study, namely, Argentina, Brazil, Colombia, Chile, Ecuador, Guatemala and Peru.

According to the same CIDA study,³⁷ for the group of countries as a whole, 78.8% of all labour was family labour and only 21.2% was hired labour in the two lowest strata, while in the higher strata the share of hired labour was 69.8% and that of family labour was only 30.2%.

The most recent census data, gathered during the 1970s, throw light on the situation of Brazil, where 92.6% of the persons occupied in peasant agriculture were members of the producers' and sharecroppers' families and only 7.4% were hired workers. In Ecuador, Mexico and Panama, family labour represented more than 70% of the persons engaged in the peasant sector (see table 3).

The same census information also shows the percentage of agricultural units where the work is carried out exclusively by family members, as well as the percentage that is carried out with both family and hired labour, either predominantly family labour or predominantly hired labour (see table 4).

As may be seen from the cases of Ecuador and Peru, at the level of peasant agriculture (represented by production units having an area of less than 20 hectares) more than 60% of the units rely exclusively on family labour, and in another 30% family labour is predominant. In Panama, the role of family labour is even more significant: in the peasant sector, almost 90% of the production units use family labour exclusively and hired labour is predominant only in 4%.

In general, the work force that is permanently linked to the unit (i.e., excepting temporary or occasional workers) represents more than 70% of the total (see table 5). Among the countries considered, the only exception is Costa Rica, where labour hired for short periods represents a high percentage (45%).

The importance of labour that is permanently linked to the unit is greater in the case of peasant agriculture than in the rest of agriculture. This means that the importance of temporary hired labour increases as the size of the units increases.

It should be noted that the census data on persons employed generally refer to the situa-

³⁷S. Barraclough and J.C. Collarte, *op. cit.*, table 4 and table A6 of the Statistical Annex.

Table 3

LATIN AMERICA: FAMILY AND HIRED LABOUR IN PEASANT AGRICULTURE AND THE REST OF AGRICULTURE IN A GROUP OF COUNTRIES
(Percentages)

		Peasant agriculture ^a	Rest of agriculture	Total
Brazil (1970)	Total	100.0	100.0	100.0
	Family	92.6	62.9	85.0
	Hired	7.4	37.1	15.0
Ecuador (1974)	Total	100.0	100.0	100.0
	Family	76.2	39.0	66.1
	Hired	23.8	61.0	33.9
Mexico (1970)	Total	100.0	100.0	100.0
	Family	72.7	47.1	67.7
	Hired	27.3	52.9	32.3
Panama (1970)	Total	100.0	100.0	100.0
	Family	79.8	41.5	65.1
	Hired	20.2	58.5	34.9

Source: Prepared by the CEPAL/FAO Joint Agriculture Division on the basis of census information for the countries.

^aRepresented in Brazil by units of less than 50 hectares, in Ecuador and Panama by units of less than 20 hectares and in Mexico by units of less than 5.1 hectares, as well as by *ejidos* and *comunidades*.

Table 4

AGRICULTURAL UNITS, ACCORDING TO WHETHER AGRICULTURAL WORK IS PERFORMED BY FAMILY OR HIRED LABOUR, BY SIZE OF UNIT
(Percentages)

	Ecuador (1974)			Panama (1970)			Peru (1972)		
	Under 20 hectares	20 hec- tares or more	Total	Under 20 hectares	20 hec- tares or more	Total	Under 20 hectares	20 hec- tares or more	Total
Total number of units	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Using family labour exclusively	61.4	—	52.4	89.0	69.2	84.8	61.3	49.5	60.5
Using family and hired labour (predominantly family)	38.6	100.0	47.6	11.0	30.8	15.2	38.7	50.5	39.5
(predominantly hired)	(29.2)	(22.7)	(28.3)	(7.1)	(16.3)	(9.0)	(n.d.)	(n.d.)	(n.d.)
	(9.4)	(77.3)	(19.3)	(3.9)	(14.5)	(6.2)	(n.d.)	(n.d.)	(n.d.)

Source: Prepared by the CEPAL/FAO Joint Agriculture Division on the basis of census information for the countries.

Table 5

LATIN AMERICA: PERMANENT AND TEMPORARY LABOUR ENGAGED IN
PEASANT AGRICULTURE AND IN THE REST OF AGRICULTURE
IN A GROUP OF COUNTRIES
(Percentages)

		Peasant agricul- ture	Rest of agricul- ture	Total
Brazil (1970)	Family	92.6	62.9	85.0
	Hired (permanent)	2.1	19.5	6.6
	<i>Subtotal permanent</i>	<i>94.7</i>	<i>82.4</i>	<i>91.5</i>
	Hired (temporary)	5.3	17.6	8.5
	<i>Total</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>
Costa Rica (1960)	Family	n.d.	n.d.	n.d.
	Hired (permanent)	n.d.	n.d.	n.d.
	<i>Subtotal permanent</i>	<i>58.0</i>	<i>52.6</i>	<i>55.0</i>
	Hired (temporary)	42.0	47.4	45.0
	<i>Total</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>
Ecuador (1974)	Family	76.2	39.0	66.1
	Hired (permanent)	1.4	16.5	5.5
	<i>Subtotal permanent</i>	<i>77.6</i>	<i>55.5</i>	<i>71.6</i>
	Hired (temporary)	22.4	44.5	28.4
	<i>Total</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>
El Salvador (1970)	Family	90.1	30.4	82.4
	Hired (permanent)	9.9	69.6	17.6
	<i>Subtotal permanent</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>
	Hired (temporary)	n.d.	n.d.	n.d.
	<i>Total</i>	<i>n.d.</i>	<i>n.d.</i>	<i>n.d.</i>
Mexico (1970)	Family	72.7	47.1	67.7
	Hired (permanent)	3.9	12.0	5.5
	<i>Subtotal permanent</i>	<i>76.6</i>	<i>59.1</i>	<i>73.2</i>
	Hired (temporary)	23.4	40.9	26.8
	<i>Total</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>

Source: Prepared by the CEPAL/FAO Joint Agriculture Division on the basis of census information for the countries. Data for Argentina taken from the CIDA report.

tion that existed at the time of the census or during a period immediately preceding it (one or two weeks); consequently, the data may not reflect the actual situation with regard to temporary or permanent employment throughout an agricultural year, in view of the fact that seasonal changes, which in some countries are

very marked in different seasons and regions, are not always reflected in a census. The information provided should therefore be interpreted cautiously, although there can be no question about the role of peasant agriculture in providing employment.

IV

Peasant agriculture and the markets

1. *Changes in the dimensions of the markets*

Profound changes have taken place in connexion with the trading of agricultural products on the market.

Domestic monetary demand, as expressed in the markets for agricultural products, has expanded considerably as a result of the growth of the population, the increases in incomes and, especially, the changes that have taken place in the relative sizes of the agricultural and non-agricultural populations.

Whereas in 1900 there were 65 million Latin Americans, there are now 360 million. The population of the cities, which in 1920 was approximately 12.7 million, is now 215 million; that is to say, 17 times greater, whereas the rural population, which has grown from 76 million in 1920 to 128 million in 1978, has not even doubled. It may be seen from these figures that a radical change has taken place in the levels of integration of agriculture in the domestic markets. In 1920, there were 6 rural inhabitants for every urban inhabitant in Latin America, so that the opportunities for the former to selling foodstuffs or other agricultural products on the domestic market were evidently quite limited. Now, however, the situation is different, inasmuch as there is one rural inhabitant for every two urban inhabitants who need farm products.³⁸

This rapid reversal of the relative distribution of the population is at the source of the increasing incorporation of the agricultural population into the markets. Somewhat over half a century ago, there is no doubt that a significant percentage of the rural population lived from agriculture and had some difficulty in finding urban customers for its products; now the situation is different, although one

must bear in mind that the different strata of producers have not always had the same opportunities to participate in the markets.

Between 1950 and 1977, total Latin American income (measured in 1970 dollars) rose by over 320% from US\$ 54 291 million to US\$ 230 207 million, so that the per capita income doubled during the same period (from US\$ 358.6 to US\$ 718).

In addition to its effect on the volume of domestic demand for agricultural products, the increase in income has a fundamental effect on the composition of demand, stimulating the production of vegetables, fruits and other crops which have high coefficients of income-demand elasticity. Urbanization processes also bring about changes in eating habits.³⁹

Although external markets are perhaps of less importance for the agricultural products of the region than in the past, 17% of agricultural production is still exported and the volumes of grains and tropical or semitropical products exported continue to increase. Thus, for example, average annual exports of cereals, which during the five-year period 1920-1924 amounted to 7.6 million tons, came to 13.5 million tons per year during the triennium 1975-1977, and raw sugar, which was exported at an annual rate of 3.8 million tons during the five-year period 1930-1934, was exported at a rate of 11.6 million tons during the triennium 1975-1977.

The constant growth of the demand for agricultural products has been creating increasingly close and extensive ties between agriculture and the markets, and at the same time that this process has transformed the sector and imbued it with dynamism, it has also brought about its gradual articulation with the national and international economies.

The dimensions of the Latin American agricultural economy are today quite different

³⁸Although the rural population should not be confused with the population linked to agriculture, it is estimated that the relationship between rural and urban populations reflects the actual trend with regard to agricultural and non-agricultural populations.

³⁹Certain foods which are habitually consumed in rural areas are not eaten in the cities because of considerations of social prestige; thus, in the long run, they become 'inferior goods' from the standpoint of demand.

from those of the early decades of the century, and the volumes produced have increased remarkably. Grain production, which, according to available figures, was approximately 24 million tons per year in 1920-1924, was of the order of 77.1 million tons per year in 1975-1977. During the same period, sugar cane production is estimated to have risen from 75 million tons to 303 million tons per year.

Although there are no data showing the long-term growth of livestock production, it is possible to get an idea of the trends it has followed through the changes in the livestock population. Thus, it is estimated that in 1920 there were 99.3 million head of cattle, while in 1978 there were 275.3 million head.

With respect to forestry, in the 25 years between 1950 and 1974 the production of sawn wood doubled, while the output of raw material for paper production multiplied six or seven times and wood pulp production increased tenfold.

2. *Peasant agriculture and the market*

The idea that peasant producers have no articulation with the markets, which is based on the notion of own-account consumption, does not take into account their true contribution to the supply of agricultural products. The fact that own-account consumption does exist and that peasant farmers produce at least for their own subsistence does not rule out the possibility of their making an important contribution to the market. Let us look at some facts.

Survey data for 1972 in Brazil,⁴⁰ show that the share of peasant-type production units in total production sold was not at all negligible: approximately 30% of agricultural production taken to the markets was contributed by peasant units.

If one takes into account the fact that levels of own-account consumption amount to about 60% of production, even though there are considerable variations between regions, depending on the characteristics of the basic infrastructure and proximity to the main urban

centres, the participation of peasant producers in the markets, either as buyers or suppliers, is definitely confirmed, despite the small scale of their operations when considered individually.

Another case study, but which illustrates a situation different from the above, is that of Bolivia.⁴¹ The Altiplano and lowland regions underwent a marked process of agrarian reform and development of a peasant economy as from 1952, and upward trends were noted as regards production, sales and even own-account consumption, in these predominantly peasant regions. In the case of maize, for example, around 75% of the crop is now sold, whereas before the agrarian reform, the amount was no higher than 10%. In other cases, such as that of potatoes, the comparison shows an evolution from a situation where hardly any sales were made on the market to one where sales amount to around 62% of the crop. Wheat is also an eloquent example: from 20% sold before, almost 68% is now marketed. These increases were stimulated by progressive improvements in regard to transport, extension of markets, expansion and formation of new rural towns.

A study prepared on the basis of a sample survey of several thousand peasant families in Ecuador⁴² shows that in the *sierra*, 62% of the production of smaller units is marketed and in the coastal region, 85.7% (see table 6). In the case of the *sierra*, the proportion sold increases in proportion to the size of the holdings, whereas in the coastal region, because of the nature of the products, the share sold is similar for all size strata.

We feel that a thorough review should be made of certain statements such as those which hold that in agriculture "large sectors have remained on the sidelines of the market mechanisms".⁴³

⁴¹CEPAL/FAO Joint Agriculture Division, *La agricultura y las relaciones intersectoriales...*, *op. cit.*, Chapter VIII.

⁴²Ministerio de Agricultura y Ganadería, Programa Nacional de Regionalización, O.R.S.T.O.M., "Diagnóstico socio-económico del medio rural ecuatoriano: Ingresos", Document No. 7, Quito, November 1978.

⁴³CEPAL/FAO Joint Agriculture Division, *25 años en la agricultura de América Latina...*, *op. cit.*, p. 4.

⁴⁰J.F. Graciano da Silva *et al.*, *op. cit.*, pp. 161, 168, 235 and 236.

Table 6
 ECUADOR: DESTINATION OF AGRICULTURAL PRODUCTION ACCORDING
 TO SIZE OF PRODUCTIVE UNIT
 (Percentage distribution)

	Size of agricultural units (in hectares)					
	Up to 1	1-2	2-5	5-10	10-20	20-50
I. Sierra						
Agricultural production						
<i>Total</i>	100.0	100.0	100.0	100.0	100.0	100.0
Sold	62.0	60.0	70.5	76.1	83.1	85.9
Not sold	38.0	40.0	29.5	23.9	16.9	14.1
Own-account consumption	30.4	23.8	19.3	15.0	11.4	8.8
Other uses ^a	7.6	16.2	10.2	8.9	5.5	5.3
II. Coast						
Agricultural production						
<i>Total</i>	100.0	100.0	100.0	100.0	100.0	100.0
Sold	85.7	86.4	85.8	86.5	83.9	90.4
Not sold	14.3	13.6	14.2	13.5	16.1	9.6
Own-account consumption	12.4	10.9	11.4	10.6	13.1	7.8
Other uses ^a	1.9	2.7	2.8	2.9	3.0	1.8

Source: Ministerio de Agricultura y Ganadería, Programa Nacional de Regionalización, O.R.S.T.O.M., "Diagnóstico socio-económico del medio rural ecuatoriano: Ingresos", Document No. 7, Quito, November 1978. Prepared by the CEPAL/FAO Joint Agriculture Division.

^aOther uses: seed, animal feed, payment of factors of production (labour and others).

3. Peasant supply and prices of products

As indicated above, peasant supply consists mainly of foods for popular consumption, and this limits the possibilities of peasants obtaining high prices for their products. In some cases, State policies are deliberately aimed at lowering prices of foods in order to avoid social pressures or pressures on wages or to favour accumulation processes in the urban areas. However, the peasants' weakness *vis-à-vis* the markets for agricultural products is due to the fragmented and scattered nature of the supply they offer and to its composition. Since peasants do not have socio-economic or purchasing organizations to protect their income, intermediaries or buyers take advantage of the availability of a large variety of small lots of perishable commodities and purchase them at extremely low prices. Peasant farmers are required to adopt a form of behaviour which in

itself tends to deteriorate prices because they need to sell quickly, sometimes before harvesting, and they lack storage facilities for their products. Consequently, deliberate price control policies are not the only factors that are detrimental to their income; the very nature and conditions of peasant participation in the markets make them particularly vulnerable and defenceless. When markets are organized in the form of fairs held periodically and visited by a relatively high number of buyers and even consumers, peasants can retain a certain bargaining capacity. To the extent that markets take on a different type of organization and potential buyers consist mainly of wholesalers or investors in agroindustry, however, monopsonic or oligopsonic conditions are generated and conditions for the peasants may become even more difficult if they do not have some bargaining capacity.

Special attention should be paid to the

manner in which peasant production and supply react to low prices, since it is often expected that these will tend to cause a short-term contraction in supply or, if prices remain systematically low, it is suggested that production should be halted. Obviously, if peasant farmers have the possibility of modifying their soil use practices, some change in the productive structure may be expected, even over the short term. In general, however, the alternatives available to them are limited to the usual components of own-account consumption and the prospects offered by certain products such as vegetables, fruits or export crops (cocoa, coffee, cotton) which are regularly grown in some areas. In such circumstances, the essential peasant rationale continues to operate, i.e., the aim of guaranteeing themselves a certain standard of living. Thus, if the satisfaction of their needs requires additional work, they may be prepared to perform it, or, if a certain level of money income is required to purchase on the market products which they consider essential, they will also be willing to increase their production or sell more products in order to achieve this end. Hence, when faced with low prices, peasants are obliged, in certain circumstances to increase the supply on the markets. This does not mean that they will not tend to modify their soil use structure and seek more attractive alternatives over the medium term, but such adjustments tend to be slow for two reasons: (a) because competition with commercial or entrepreneurial agriculture is stronger in that area, since the latter are in a better position to control the markets that count the most; and (b) because knowledge and technology are not channelled towards the peasant environment at the right time or on the best terms.

4. *Peasant agriculture and the source of peasant income*

(a) *Sources of peasant income*

A great deal of information has been obtained from research studies carried out among peasant farmers, but it is difficult to systematize this information. The only available study that is representative of the general situation of a

country is one that was carried out in Ecuador, which showed several interesting facts:

(i) In the *sierra*, on units of less than one hectare, only 19% of family income obtained on the property is generated by agricultural production. On the coast, on the other hand, income from agricultural production in similar units represents a higher percentage, i.e., 31.9% (see table 7).

(ii) In both the *sierra* and the coastal areas, over half the family income originates from the sale of labour, whether in agriculture or in non-agricultural activities.

(iii) It is only on units having an area of from 2 to 5 hectares that income from agricultural production is higher than income from other sources.

In the case of Paraguay, more than 38% of net family income on units of less than 5 hectares comes from outside employment.⁴⁴

These data, plus some others relating to other countries, suggest that if we are to gain a fuller knowledge of the peasantry, we must pay more attention to the land-poor peasants, that is to say, those who have only one or two hectares, as this would help us better to understand the situation of "semiproletarianization" in which they appear to be living and, moreover, we would obtain better elements for understanding the process of depeasantization. Thus, for example, from the information obtained in the Ecuador survey, it seems apparent that the peasants of the *sierra* having less than one hectare and those of the coast use different survival strategies. The former obtain 33.6% of their income from wages received outside of agriculture, whereas on the coast, only 17.4% of their income comes from wages outside the sector. In the *sierra*, the labour force is more integrated with the urban markets, whereas on the coast, because of the high level of urban unemployment, peasants seem to resort less to the cities.

In similar cases in other countries involving areas where units are extremely small, it may be noted that heavy demographic pressure

⁴⁴Santos Pérez, "Información acerca de los beneficiarios y sistema rural de extensión en Paraguay", Santiago, Chile, FAO, RLA/70/037, May-June 1980, p. 4.

can bring about radical changes in soil use and production techniques.

In addition, there is a proliferation of services ('mini-business', transport, etc.) and other activities complementary to agriculture

or sometimes predominant over it. Thus, it would seem advisable in future to make a more thorough analysis of the strata of smaller units in order to become familiar with the processes that affect the peasantry.

Table 7

ECUADOR: COMPOSITION OF NET INCOME ACCORDING TO SIZE OF AGRICULTURAL UNITS
(Percentages)

	Size of agricultural units (in hectares)					
	Up to 1	1-2	2-5	5-10	10-20	20-50
I. Sierra						
Net agricultural income ^a	19.0	43.7	62.5	70.5	71.1	74.9
Sale of crafts	3.5	2.0	0.6	1.1	0.1	1.2
Products received in payment	0.5	1.1	0.6	0.4	1.7	1.0
Commercial activities	5.9	4.1	4.0	5.0	5.9	3.9
Transfers and credits	17.2	3.9	5.9	10.4	11.9	14.1
Wages:						
Agricultural	20.2	22.9	14.3	6.1	3.3	2.0
Non-agricultural	33.6	22.2	12.0	6.4	6.0	2.9
<i>Total income</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>
II. Coast						
Net agricultural income ^a	31.9	54.8	66.9	75.5	80.5	79.7
Sale of crafts	4.4	0.5	0.5	0.2	0.1	0.5
Products received in payment	0.8	0.4	0.7	0.2	0.2	0.7
Commercial activities	8.4	3.2	3.8	4.1	3.0	1.4
Transfers and credits	1.9	4.8	3.3	4.5	7.3	11.7
Wages:						
Agricultural	35.2	27.3	17.8	8.4	5.2	1.5
Non-agricultural	17.4	9.0	6.9	7.0	3.6	4.5
<i>Total income</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>

Source: Ministerio de Agricultura y Ganadería, Programa Nacional de Regionalización, O.R.S.T.O.M., "Diagnóstico socio-económico del medio rural ecuatoriano: Ingresos", Documento No. 7, Quito, November 1978. Prepared by the CEPAL/FAO Joint Agriculture Division.

^aValue of production minus expenditure in money or in kind, without considering the cost of family labour.

V

Structural trends in peasant agriculture

This is an area of analysis that poses serious problems for the following reasons:

(a) The boundaries of peasant agriculture are not clear because of the difficulties involved in determining the internal or external social relations that separate the peasant

rationale from other types of economic behaviour.

(b) There is a wide diversity of situations in Latin America, which cease to be properly reflected when any regional aggregation or analysis is made.

Nevertheless, with these limitations in mind, some considerations are put forward below which might suggest certain hypotheses and encourage further analysis of the subject.

1. *Trends in the peasant population*

The rural population of Latin America has been continuing to grow in absolute terms and, according to CELADE projections,⁴⁵ this process will continue during the next few decades. Thus, from a rural population of 122 million in 1975, the figure is expected to rise to 141 million by the year 2000. What has been or will be the activity of this population, and to what type of production relations has it been linked or will it be linked in the future? It is not easy to answer this. Census data for Brazil concerning persons occupied on agricultural production units illustrate what appears likely to be the trend followed by the population linked to agricultural activity. A comparison of the agricultural censuses for 1960 and 1970 suggests the following:⁴⁶

- (a) an increase of 12.5% in the population employed in agricultural establishments;
- (b) a larger increase (27.6%) in establishments having a total area of less than 50 hectares; and
- (c) a decrease of 16.2% in units having an area of more than 50 hectares.

In order to eliminate the distortions caused by the hiring of temporary labour in the overall employment figures, separate comparisons were made of the data on persons permanently linked to the agricultural unit, i.e., the unpaid heads and active members of the family, and permanent workers. This comparison shows that: (a) in the units that are most representative of peasant agriculture, that is, those having an area of less than 50 hectares, the number of persons permanently employed rose by 40.4% between 1960 and 1970; and (b) in the larger units, the number of such persons dropped by 2.8%.

These data suggest the following: (i) the agricultural population and the labour force have gradually become increasingly linked to the smaller agricultural units; and (ii) there appears to be increasing pressure on the agricultural resources available to such units. These phenomena were observed not only in Brazil, but also in other agricultural sectors, such as those of Mexico and the Andean area.

In Mexico, according to the data provided by the agricultural censuses of 1960 and 1970, around 70% of the active agricultural population is made up of 'agricultural producers and their families', a category which is very closely linked to the existence of an extensive system of peasant agriculture. The census data also show a rapid increase in the active population in agriculture, from 4.3 million in 1960 to 7.8 million in 1970; of this increase of approximately 3.5 million persons, 2.2 million were 'agricultural producers and their families'; in this case, again, one may conclude that peasant agriculture covers a large and growing part of the active population linked to the sector.

It would seem that in discussing this phenomenon, which should be studied in greater depth, at least two hypotheses should be considered. The first is that of the possible intensification of the phenomenon of sale of the family labour in agricultural or other types of work outside the boundaries of the farm in order to supplement the income obtained there. Thus, there would appear to be an expansion of the semiproletarianization of peasant agriculture in traditional terms.

On the Bolivian *altiplano*, 1.2 persons per peasant family (usually the head of household) migrate temporarily in order to seek work.⁴⁷

In the second place, there is the hypothesis that permanent paid work on the capitalist units of production has been kept at the same level or perhaps in some cases has been replaced by the increased use of mechanized equipment and temporary labour. In Chile, between 1965 and 1976, the number of paid workers hired on a permanent basis dropped by 22.8%, while the number of paid workers hired

⁴⁵CELADE, *Boletín Demográfico* No. 23, Santiago, Chile, January 1979.

⁴⁶Instituto Brasileiro de Geografia y Estadística, *Censo Agrícola de 1960* and *Censo Agropecuario de 1970*, published in 1967 and 1975, respectively.

⁴⁷M. Urioste, "La economía del campesino altiplánico en 1976", Documento de trabajo N.º 02/77, La Paz, Universidad Católica Boliviana, 1977.

on a temporary basis increased by 36.6%.⁴⁸ In the case of El Salvador, no information is available on the trends with regard to the employment of temporary labour, but the census figures show that in 1970 the use of permanent labour had dropped by 45% with respect to 1960.

Finally, it would be worthwhile studying the trends observed among peasant farmers in those countries where the agricultural population is decreasing or in other countries where, although it is increasing in general terms, there are nevertheless certain areas where it is decreasing.

2. The number of units of production

If we compare censuses in order to ascertain the trends displayed by land distribution structures, we see a continuation of the upward trend in the number of productive units. In a group of eight countries⁴⁹ which had carried out censuses both in the 1960s and the 1970s, the number of 'units of exploitation' having an area of 20 hectares or less⁵⁰ rose from 4.7 million to 6.5 million, i.e., by 38.5%. This suggests that the type of unit most representative of peasant agriculture is increasing.⁵¹

Colombia is one of the countries where there has been a decline in the number of small farms, and this has led to a controversy, as yet unresolved,⁵² as to whether peasant agriculture

is going through a process of decomposition or whether it is still alive. Moncayo and Rojas⁵³ hold that in the case of Colombia, the number of plots and their areas are undervalued in the 1960 and 1970 censuses, as it is very clear that, taking only the stratum of farms larger than 2 000 hectares, there is quite a large number of small producers, i.e., 36 899 when the tenants and settlers living on the large farms are added. If this number of small units and the corresponding area were taken into account in making a comparison between the situation in 1960 and in 1970, there would certainly be no reason to conclude so definitely that small-scale production is declining.

Taking account of the trend with regard to the number of production units over a longer period of time, it becomes clear that this trend had been registered for several decades in certain countries; thus, for example, in Brazil the total number of units having an area of less than 50 hectares has increased 2.9 times between 1940 and 1970 (see table 8).

How should we interpret such processes as the above? Have changes within the *hacienda* meant that the peasants working on it, or the new contingents of the peasant population, have shown a tendency to settle in the areas not taken by the *hacienda* or the new agricultural enterprise?

The number of peasant units usually expands when the following situations exist:

(a) Most often, the number of units increases as a result of subdivision, one of the most universal causes of which is inheritance.

(b) Sometimes there is a division of units in *hacienda* agriculture and in some cases in entrepreneurial agriculture activities as well, as a result of large or small-scale agrarian reform processes. Thus, in the Andean Pact countries 1 190 000 peasant families have obtained access to land ownership through agrarian reform during the last three decades.

(c) Another highly significant trend in Latin America has been the advancement of the agricultural frontier. It is estimated that around

⁴⁸Departamento de Economía Agraria, Universidad Católica de Chile, *Panorama Económico de la Agricultura* No. 10, May 1980, p. 4. This information refers to the region between Coquimbo and Llanquihue.

⁴⁹Brazil, Chile, Colombia, Costa Rica, El Salvador, Honduras, Peru and Venezuela.

⁵⁰It should be noted that the analysis according to size falls into considerable oversimplification, as it considers together units that are entirely different as regards the magnitude of production and the very nature of the productive process; nevertheless, according to Graciano da Silva *et al.*, *op. cit.*, p. 72, the distribution of production units by value strata in Brazil reflects, *grosso modo*, the distribution by total area.

⁵¹These figures should be viewed with caution, as they raise certain problems that are difficult to clarify with respect to the definition and use of the concept of 'exploitation', which in some cases may not be the same as "unit of production".

⁵²See, for example, S. Klamannovitz, *Desarrollo de la agricultura en Colombia*, Bogotá, Ed. La Carreta, 1978.

⁵³See V. Moncayo and R. Rojas, *Producción y capitalismo*, Bogotá, Centro de Investigación y Educación Popular (CINEP), 1979, pp. 146 and 147.

Table 8

BRAZIL: NUMBER OF AGRICULTURAL UNITS, ACCORDING TO SIZE

Agricultural units	1940	1950	1960	1970
Less than 1 hectare	39 305	50 252	133 477	396 846
From 1 hectare to less than 10	615 252	660 682	1 361 543	2 122 784
From 10 hectares to less than 20	315 676	345 185	546 079	768 448
From 20 hectares to less than 50	455 057	488 044	672 675	824 090
Less than 50 hectares	1 425 290	1 544 163	2 713 774	4 112 168
50 hectares or more	479 299	520 479	623 995	811 851
<i>Total</i>	<i>1 904 589</i>	<i>2 064 642</i>	<i>3 337 769</i>	<i>4 924 019</i>
<i>Indexes (1940 = 100)</i>				
Less than 1 hectare	100.0	127.85	339.59	1 009.66
From 1 hectare to less than 10	100.0	107.38	221.30	345.03
From 10 hectares to less than 20	100.0	109.35	172.99	243.43
From 20 hectares to less than 50	100.0	107.25	147.82	181.10
Less than 50 hectares	100.0	108.34	190.40	288.52
50 hectares or more	100.0	108.59	130.19	169.38
<i>Total</i>	<i>100.0</i>	<i>108.40</i>	<i>175.25</i>	<i>258.54</i>

Source: 1960 Agricultural Census and 1970 Agricultural and Livestock Census. Prepared by the CEPAL/FAO Joint Agriculture Division.

140 million hectares of land were incorporated through the formation of new agricultural units in frontier areas between the 1950s and the early 1970s. Accordingly, approximately one-third of the land area of Latin America is now used for agricultural production. One of the phenomena that has been noted in the new agricultural areas is the reproduction of the structural conditions existing in the older agricultural regions. This means that these areas display the same agrarian heterogeneity already noted, including peasant agriculture.

3. *The size of the units of production*

A third trend as regards structure is the gradual decrease in the average size of the production units. Data from the same 8 countries which carried out agricultural censuses during both the 1960s and the 1970s showed: (a) that the average size of units had decreased from 55.8 to 48.7 hectares; (b) that the average size of the units having more than 20 hectares dropped from 197.2 to 183.3 hectares during the 1970s; (c) that the average size of units in the strata

having less than 20 hectares had decreased from 4.9 to 4.7 hectares (see table 9).

As the averages considered above refer to very broad aggregations, the figures given do not fully show the seriousness of the problem, and the situation is actually much more serious among the smaller size categories, where the number of exploitations and their population increased the most. Thus, for example, in Brazil the total number of units multiplied 2.6 times between 1960 and 1970, but the number of units having less than one hectare multiplied 10.1 times and those between 1 and 10 hectares increased 3.5 times.

These trends are occurring within the unequal land distribution structure that still exists. In the same 8 countries, taken as a whole, units of more than 20 hectares covered 93.5% of the total area used for agriculture in 1960, whereas in 1970 these strata covered only 92.7% (see table 9).

4. *Peasantization and proletarianization*

Although the general indicators for the region

Table 9

LATINA AMERICA: NUMBER OF UNITS, TOTAL AREA UTILIZED AND AVERAGE
SIZE OF AGRICULTURAL UNITS IN EIGHT COUNTRIES^a

Number of units	Thousands of units				Variation	
	1960	Percent- age	1970	Percent- age	Abso- lute	Percent- age
Agricultural units of less than 20 hectares	4 717	73.5	6 516	75.4	1 798	38.1
Agricultural units of 20 hectares or more	1 699	26.5	2 126	24.6	427	25.1
<i>Total</i>	6 416	100.0	8 642	100.0	2 226	34.7
Total surface utilized	Millions of hectares				Variation	
	1960	Percent- age	1970	Percent- age	Abso- lute	Percent- age
Agricultural units of less than 20 hectares	23.1	6.5	30.8	7.3	7.7	33.3
Agricultural units of 20 hectares or more	335.1	93.5	389.6	92.7	54.5	16.3
<i>Total</i>	358.2	100.0	420.4	100.0	62.2	17.4
Average size	Hectares per agricultural unit		Variation			
	1960	1970	Abso- lute	Percent- age		
Agricultural units of less than 20 hectares	4.9	4.7	-0.2	-4.1		
Agricultural units of 20 hectares or more	197.2	183.3	-13.9	-7.1		
<i>Total</i>	55.8	48.7	-7.1	-12.7		

Source: Prepared by the CEPAL/FAO Joint Agriculture Division, on the basis of the relevant agricultural censuses.

^aBrazil, Chile, Colombia, Costa Rica, El Salvador, Honduras, Peru and Venezuela.

show that the peasantry is growing from the standpoints of both population and number of units of production, a phenomenon of depeasantization is taking place simultaneously. There are areas where the peasantry is shrinking, others where it is growing, and still others where it is coming back and increasing by starting agricultural activities in places where there had previously been none. For example, in the Venezuelan states closest to Caracas or to Valencia (Aragua, Carabobo, Lara, Miranda, Sucre, Yaracuy), there is a net reduction of the peasantry, but in other states in the Llanos, small farming and stock raising have increased moderately.

The result is a sort of mosaic where there are both peasantization and depeasantization. At all events, the hypothesis that peasant forms

of production are breaking down or disappearing appears to be debatable, at least as regards the foreseeable future. It seems most likely that peasant agriculture will remain on the agrarian scene of Latin America for a long time to come, and in view of its social significance it does not seem possible to ignore its existence.

5. Partial depeasantization at the family level

Analysis of the migratory processes observed reveals that this phenomenon appears most frequently among the young population; thus, if the family is taken as the basic unit, one might speak of a relative depeasantization, since some family members leave agriculture even though a smaller nucleus remains to keep up and work the farm. It has been adequately

shown that migration is selective by age and sex, as the highest rates are to be found among the young population of between 15 and 30 years of age, the majority being women migrating to the cities.⁵⁴ This gives rise to remittances and mutual exchanges which in some cases help to give peasant agriculture greater permanency and stability.

6. *Semiproletarianization*

In discussing the issues relating to size of units (39% of which are smaller than two hectares) and family income, it was demonstrated that a significant part of the peasantry lives in a situation of semiproletarianization. It appears that in future this might well become the prevailing situation, in view of the inadequate absorption of the labour force both within and outside agriculture. This makes peasant agriculture a shelter for the labour force, which enters and leaves the labour market according to the conditions of that market. That is why the question of the semiproletarian peasant deserves more attention; another issue which has not yet been dealt with and which constitutes a phenomenon quite opposite to proletarianization or semiproletarianization is the advance of the bourgeois mentality among the higher strata of the peasantry, described, perhaps inadequately, as the transition from peasant to farmer.⁵⁵

7. *Minifundization and depeasantization*

Given certain economic conditions, one might wonder what form agricultural activity takes when it only provides a minimum base for a survival strategy in which other activities play a predominant role as the main source of income.

⁵⁴Raúl Urzúa, "Estructura agraria y dinámica poblacional", CELADE, Documento de Trabajo N.º 7, Santiago, Chile, May 1978, p. 49.

⁵⁵This expression is not felt to be really adequate; in our view, a Latin American peasant accumulates by acquiring more land or using more labour rather than by seeking capital as the farmer does.

This phenomenon, which some view as a form of depeasantization, has been studied in depth in the case of the central region of Peru (Valle del Mantaro),⁵⁶ where 'minifundization' is on the increase and the *comunero* leaves his community for several years to work in the mines, although his economic and social interest continue to be centred in his original community, where his family, land and livestock remain.⁵⁷ Savings and investments may in some cases be oriented towards these communities, giving rise to the initiation of tertiary activities or small-scale manufacturing; such communities then take on a structure parallel to that of the urban system, inasmuch as their activities tend to become diversified (commerce, transport, crafts and small manufactures). In other cases, the *comuneros'* work in the mines allows them to organize a move to the city; however, upon becoming urban migrants, they still do not lose their social and economic ties with their community, where at the same time they have resources that are managed by family members or peons. In neither case does the *comunero* permanently break his ties with the land and bring about indefinite 'minifundization'; instead, the areas involved become residential centres whose population's economic activity is mainly outside the community. The family becomes a key element in the articulation of the different tertiary, peasant and mining activities.

Campaña and Rivera conclude that, with regard to certain communities, it is difficult to apply the concept of the peasantry to a significant number of the landowners, because while they often invest the capital from their outside income in land or livestock, they mainly invest it in business and transport outside the community.⁵⁸

⁵⁶P. Campaña and R. Rivera, "El proceso de descampesinización en la Sierra Central del Perú", in *Estudios Rurales Latinoamericanos*, Vol. 1, No. 2, May-August 1978, pp. 78-80.

⁵⁷Bryan Roberts calls this process migration of labour in order to distinguish it from temporary migration or urban migration. See *Ethnica* magazine, Barcelona, 1973, No. 6.

⁵⁸P. Campaña and R. Rivera, *op. cit.*, p. 83.

VI

Peasant agriculture: its dynamics or capacity for change

In the introduction to this paper, we pointed out the need for revising certain interpretations according to which traditionalism, a lack of incentives or profitability for investment, or the prevailing relationship of dependency have led to a state of stagnation in peasant agriculture. Moreover, according to these views, the economic growth and underlying forces of development in Latin American agriculture have been brought about by the modern, entrepreneurial segment.

In referring to the economic significance of peasant agriculture, we have already pointed out the existence of various indicators or items of experience which show that it has undergone a certain process of productive growth. In this section, we discuss some of the elements which might explain the origin of the changes that are taking place within peasant agriculture, concentrating our attention on three of them, namely: markets, needs or aspirations, and demographic pressures.

1. *The markets and changes in peasant agriculture*

With respect to the markets, the data already given above reaffirm the view that peasant agriculture has become increasingly articulated through them. In this regard, the notion that it is margined from them does not seem to have any validity. Moreover, in our view, peasant agriculture is functional within the overall economic system to the extent that it participates in the agricultural product markets by offering staple foods at low prices. We have also mentioned the participation of peasant producers in the labour markets and the semiproletarianization that has long affected this sector.

There are authors⁵⁹ who quite rightly continue to postulate the distinction between 'wealthy peasants' and 'poor peasants', since

the former presumably have the capacity to become more closely linked with the markets. Nevertheless, participation in the product markets is not limited to those who have a surplus in the strict sense of the word; rather, such participation is generated by the need to obtain money: a phenomenon which affects a high percentage of producers. The structure of production sometimes makes it necessary to sell most of the crop, as in the case of vegetables, fruits, coffee, cocoa, etc. To sum up, one might say that despite the diversity of situations, the influence of the markets does indeed extend to peasant agriculture, and at the same time, the mercantile part of the peasant economy is not independent of the non-mercantile part.

2. *Basic needs and economic behaviour*

It is almost trite to speak of the relationship established between the productive activity of the peasant family and the satisfaction of its needs. The distinction between the productive unit and the consumption unit tends to become blurred in reality. In view of this interdependence of the two phenomena, special attention should be paid to any change in values, aspirations and needs. If peasant populations develop and project these changes onto their economic activities, the cultural and social changes that tend to modify traditional customs and habits will also give rise to different forms of behaviour. The 'cocoon of habit' in which peasants lived, according to some anthropologists, has almost always turned out to be very weak.⁶⁰

For all these reasons, the development of peasant agriculture must be examined both in the light of the effect of demographic pressures and from the standpoint of changes in the level of needs. Thus, we maintain that the phenome-

⁵⁹See, for example, P. Vilar, "La economía campesina", in *Historia y Sociedad*, Mexico City, 1975, Segunda época, N.º 15.

⁶⁰W. Thiesenhusen, "Los años ochenta, ¿década del campesino?", in *Estudios Rurales Latinoamericanos*, Bogotá, Vol. 2, N.º 2, p. 224, May-August, 1979.

non of simple reproduction, so often linked to peasant agriculture, is not uniformly or constantly expressed over time. We hold that the thresholds of minimum levels of living keep rising and hence are dynamic: we do not believe, therefore, that they can be understood from a purely biological perspective but rather that they must be viewed from a cultural standpoint.

In this regard, the rural population has experienced impact of:

(a) *The extension of educational programmes.* Enrolment in primary education in the rural areas of Latin America rose from 8.8 million in 1957 to 19.0 million in 1975, according to UNESCO data,⁶¹ and primary teaching personnel increased threefold during the same period. Significant progress has also been made with regard to illiteracy levels, even though they are still quite high.

(b) *The development of the communications media.* It seems almost unnecessary to go into detail in this connexion. Suffice it to say that the variety of messages that reach the rural population through the communications media, especially radio, is enormous, and that cultural distances as regards information levels, have been reduced considerably. A survey carried out among peasant families in the Cochabamba Valley in Bolivia⁶² showed that 90% of them owned radios.

(c) *The expansion of the transport infrastructure.* The movement of peasant families has been made increasingly easy: this has contributed to an intensification of rural-urban relations and has modified the degree of physical integration of relatively remote rural areas. The length of paved highways increased from 59 000 kilometres in 1959 to 270 000 in 1977, and the total length of all kinds of highways is estimated to have increased from 964 000 kilometres to 2.4 million kilometres during the same period.⁶³

(d) *Urban-rural contacts.* In addition to the changes noted above, peasant populations have been gradually increasing their contacts with urban populations. Urban growth, migrations from rural areas, intensified trade relations, transport facilities and communications, as mentioned above, have multiplied the opportunities for contact between the two sectors, thus contributing to a change in the traditional attitudes, values and habits of the rural populations.

These and many other factors have been working together in a lengthy process whereby the perceived level of basic needs has risen among the peasant populations. This phenomenon has gone hand in hand with an increase in these populations and has determined the economic behaviour of peasant agriculture.

3. Demographic pressures

Reference has been made to the growth of the peasant population and the fact that these persons usually live on the smaller units, leading to an assumed increase in pressure on the land available, to a reduction in the average size of units and, in general, to greater population density in certain areas.

These phenomena, which are discussed here under the concept of demographic pressures, are also considered to be interacting with the dynamics of the needs just mentioned and with the gradual articulation of peasant agriculture with the markets.

The Malthusian position is often adopted with regard to this complex of interlinked phenomena, with the issue being discussed in terms of the inelasticity of the food supply, a factor which is said to determine the population that this type of agriculture could support or its growth rate. According to Boserup,⁶⁴ this new version of the Malthusian doctrine is based on the idea that an increase in population leads to the destruction of the soil. Neomalthusians, she says, bring up every example of poor soil use to paint a picture of the world

⁶¹UNESCO, Regional Educational Office for Latin America and the Caribbean, *Informaciones estadísticas*, Santiago, Chile, October 1976.

⁶²F. J. Dorsey, *A Case Study of the Lower Cochabamba Valley*, Land Tenure Center, University of Wisconsin, Madison, June 1970, p. 68.

⁶³International Road Federation, *Highway Expenditures, Road and Motor Vehicle Statistics, 1959-1969*, Washington D.C.;

and CEPAL, *Statistical Yearbook for Latin America, 1978*, United Nations, Santiago, Chile, p. 428.

⁶⁴Ester Boserup, *Las condiciones del desarrollo en la agricultura*, Madrid Ed. Tecnos, 1967, p. 35.

as a place where growing populations are crowded together and compete for a potential food supply which is not only incapable of increasing in quantity, but which is actually being reduced by the very behaviour of those growing populations.

The role of population in bringing about changes in farming systems has been evident, historically, when there have been demographic regressions. Boserup states that when population density declines as a result of wars or other catastrophes, there often seems to be a return to more extensive cultivation systems. Latin America is the grouping of countries that has suffered the most demographic regressions over the past few centuries. Many parts of the region, she claims, have not yet regained the population density of pre-Columbian times, and the indigenous populations has experienced regressions in its agricultural techniques.⁶⁵

4. *The intensification of land use*

According to the author quoted above, demographic pressures bring about a change in the use of the available land, which is reflected in the frequency of planting. When population pressure increases, one crop after another may be planted, so that fallow land will tend to disappear.

Some data seem to confirm this form of intensification and development of production. In both Brazil and Peru (as mentioned before with regard to Ecuador), there has been an upward trend in the proportion of peasant farm area cultivated with respect to the total area of the units. In Brazil, units of less than 50 hectares cultivated 47.0% of their total area in 1960, whereas in 1970 the proportion was 52.1% (see table 10).

In Peru, units of less than 20 hectares cultivated 54.8% of their total area in 1961, whereas in 1972 the proportion was 69.0%.

In both cases, one might think that what has actually happened is not that there has been a net increase in cultivated area but that there has been a change in the size of units, which when divided fall under a different

category. This could be particularly true in the case of Peru, where land has been redistributed through agrarian reform.

That explanation is not sufficient, however, because in both cases there has been an increase in total cultivated area and, in particular, an analysis of land use in each size category clearly shows that as the size of the productive unit decreases, land use is intensified. In the case, of Brazil, while units of from 2 to 5 hectares cultivate 72.8% of their total area, those having 50 to 100 hectares cultivate only 16.9% (see table 11).

In commenting on this phenomenon, which was verified by comparison of the cadasters for 1965 and 1972, Graciano da Silva,⁶⁶ notes that in Brazil there was a decrease in unused areas among the lower strata, probably due to the heavy population pressure that is characteristic of small properties. This pressure leads to a greater use of the land for crops and livestock. Forest areas are also put to use again and are accordingly reduced, particularly on units of up to 10 hectares, where they decrease by around 50%. In other words, when a population grows and the possibilities for expanding the agricultural frontier are exhausted, the land tends to be cultivated more intensively, which means that planting is more frequent (for example, two or more crops per year) and lands formerly considered unproductive are now utilized (Boserup, 1965). In Brazil, this was observed in the Northeast as early as the 1950s by Sá Jr. (1975) and by Graciano da Silva (1974), for Brazil as a whole, during the 1960s. Both authors point to an increase in the number of persons employed and in the percentage of area planted on the smaller establishments in an attempt to reduce to a minimum the unused areas of these properties in view of the fact that the virtual monopoly of land ownership in the country continues.

Analysing this phenomenon from the standpoint of gross income, the same author states that its distribution among the production units shows a lower degree of concentration than that of land ownership. This leads to the conclusion that small properties produce at a more intensive rate, not in most cases as the

⁶⁵*Ibid.*, pp. 104 and 105.

⁶⁶F.J. Graciano da Silva *et al.*, *op. cit.*, pp. 88 and 89.

Table 10
TOTAL AREA AND CULTIVATED AREA OF AGRICULTURAL UNITS BY
SIZE RANGES, 1960 AND 1970

(Thousands of hectares)

Agricultural units	1960 ^a				1970 ^a			
	Total area	Percent- age	Cultivated area	Percent- age	Total area	Percent- age	Cultivated area	Percent- age
<i>Brazil</i>								
<i>Total</i>	249 862	(100.0)	28 712	(100.0)	294 145	(100.0)	33 983	(100.0)
Less than 50 hectares	34 455	(13.8)	13 500	(47.0)	45 251	(15.4)	17 698	(52.1)
50 hectares or more	215 406	(86.2)	15 211	(53.0)	248 894	(84.6)	16 284	(47.9)
<i>Peru^b</i>								
<i>Total</i>	17 722	(100.0)	1 934	(100.0)	23 545	(100.0)	2 271	(100.0)
Less than 20 hectares	1 923	(10.9)	1 059	(54.8)	3 596	(15.3)	1 567	(69.0)
20 hectares or more	15 798	(89.1)	874	(45.2)	19 948	(84.7)	704	(31.0)

Source: For Brazil: Instituto Brasileiro de Geografia y Estadísticas, "Censo Agrícola de 1960" and "Censo Agropecuario de 1970"; for Peru, Oficina Nacional de Estadísticas y Censos, "Primer Censo Nacional Agropecuario, 1961" and "II Censo Nacional Agropecuario, 1972". Prepared by the CEPAL/FAO Joint Agriculture Division.

^aFor Peru, the census years involved were actually 1961 and 1972.

Table 11
BRAZIL: LAND UTILIZATION ACCORDING TO SIZE OF AGRICULTURAL UNITS, 1970

(Thousands of hectares)

	Total area	Permanent crops	Temporary crops	Total area cultivated	Percentage of total area cultivated
<i>Total agricultural units</i>	294 145	7 984	25 999	33 983	11.55
Less than 1 hectare	236	16	202	219	92.87
From 1 hectare to less than 2	657	48	522	517	86.91
From 2 hectares to less than 5	3 003	351	1 834	2 186	72.80
From 5 hectares to less than 10	5 186	673	2 340	3 013	58.11
From 10 hectares to less than 20	10 742	1 049	3 662	4 711	43.86
From 20 hectares to less than 50	25 424	1 520	5 475	6 995	27.52
From 50 hectares to less than 100	23 902	1 059	2 976	4 036	16.89
100 hectares or more	224 992	3 264	8 984	12 248	5.44

Source: Instituto Brasileiro de Geografia y Estadística, *Censo Agropecuario de Brazil, 1970*, July 1975. Prepared by the CEPAL/FAO Joint Agriculture Division.

result of real capitalization of the unit, but rather because of the extension of the working day of the producer and his family.⁶⁷

In the case of Peru, in addition to the relationship between cultivated area and total area, which follows the same pattern as in Brazil (see table 12), the relationship between cultivated area and area suited for planting was established in order to leave out the lands not considered arable. The result of this analysis confirms the same trend, i.e., that as the unit decreases in size the proportion of cultivated land increases.

5. Additional data

In Bolivia, in the areas where agriculture has been practiced for centuries past and where agrarian reform gave rise to a predominantly peasant agriculture, the increase in agricultural population (over 35% between 1950 and 1976) went hand in hand with an intensification of planting through a shortening of crop rotation; the land is cultivated more frequently and thus there are fewer rest periods. The area harvested annually in this cold-temperate climate zone increased by 59% between 1950 and the triennium 1974-1976.⁶⁸

A recent study carried out in Mexico⁶⁹ concludes that the states in the centre of the country had, on average, a better share of selected crops, greater population density and higher agricultural growth rates.

6. Changes associated with intensification

At least two phenomena should be mentioned which are usually associated with the intensification process. The first is *investment*, which is sometimes undervalued because each individual investment is quite small. The most important type of investment in peasant ag-

riculture is that which pertains to the transformation and adaptation of the environment in order to make it suitable for cultivation or to intensify agriculture. Transformations in the landscape are related to the above-mentioned demographic pressures and food and production requirements in general. In the past, gigantic efforts were made to clear forest land for farming in the midst of conflicts for control over the resource in which the peasants or indigenous groups were the losers. The anarchical advance of agriculture created a propitious environment for concentration on the one hand and the creation of extreme situations on the other. The present-day Brazilian experience with regard to the swallowing-up of smaller properties by the larger ones in frontier areas is well known. "Large properties are formed, linked in most cases to agricultural and stockraising companies that benefit from the incentives provided by the State and its willingness to 'look the other way', and thus expropriate the small producers; this process is not free of the violence that is characteristic of the birth of capitalism." Graciano da Silva⁷⁰ goes on to say that "the result of this expulsion is a form of expansion of the frontier that is fraught with conflict and in which the balance always favours the large properties".

Some forms of non-guaranteed tenure, such as the type observed within the *hacienda*, were frequently designed to take advantage of peasant labour to clear forest land or perform other work aimed at making the land suitable for farming.

Under certain conditions, works were undertaken with the united effort of the community in such fields as drainage, flood control in low-lying lands and construction of irrigation infrastructure.

Extreme demographic pressure on hilly land led to one of the most radical changes made in the landscape, i.e., the construction of terraces. The Andean area is full of examples of this development. At the present time, in the central zone of Mexico, which has the greatest population density and where the most ancient native cultures have lived, new tenacing is still being undertaken.

⁶⁷F.J. Graciano da Silva *et al.*, *op. cit.*, p. 242.

⁶⁸CEPAL/FAO Joint Agriculture Division, *La agricultura y las relaciones intersectoriales...*, *op. cit.*

⁶⁹D.T. Nguyen and M.L. Martínez Saldívar, "Pattern of Agricultural Growth in Mexican States, 1960-71: A Shift and Share Analysis", Department of Economics, University of Lancaster, Bailrigg, Lancaster, United Kingdom, in *Regional Studies*, Vol. 13, Pergamon Press Ltd., 1979, pp. 161-179.

⁷⁰J.F. Graciano da Silva *et al.*, *op. cit.*, pp. 91 and 94.

Table 12
PERU: LAND USE ACCORDING TO SIZE OF AGRICULTURAL UNITS, 1972

(Thousands of hectares)

Agricultural units	Total area	Arable land			Perma- nent crops	Culti- vated area	Percent- age of arable land planted with tempo- rary crops	Percent- age of the total area culti- vated
		Total	Tempo- rary crops	Fallow lands				
<i>Total agricultural units</i>	23 545	3 143	1 978	1 164	292	2 271	62.96	9.65
Less than 1 hectare	185	93	71	21	3	75	77.16	40.65
From 1 hectare to less than 2	349	288	211	76	10	222	73.54	63.69
From 2 hectares to less than 5	1 025	749	506	242	40	546	67.59	53.30
From 5 hectares to less than 10	1 010	584	366	218	51	417	62.67	41.33
From 10 hectares to less than 20	1 025	422	249	173	55	305	58.94	29.74
From 20 hectares to less than 50	1 339	324	177	147	61	238	54.60	17.84
From 50 hectares to less than 100	843	145	80	65	25	105	55.20	12.55
100 hectares or more	17 765	534	315	219	44	359	58.96	2.02

Source: Oficina Nacional de Estadísticas y Censos, *II Censo Nacional Agropecuario, 4 al 24 de setiembre de 1972. Resultados definitivos. Nivel Nacional*, Lima, April 1975. Prepared by the CEPAL/FAO Joint Agriculture Division.

Along with the transformation of the environment, sizeable investments are also made in some crops, especially in the case of permanent crops, which peasants plant on quite a large scale. Coffee, cocoa and vineyards are well-known examples.

In brief, the Latin American experience provides many examples of the investment of labour in activities meant to make agriculture possible or to intensify it under certain conditions. The environmental effect of such efforts cannot be considered separately from the context of conflicts within which they were carried out. Nor should one underrate the investment capacity of peasant agriculture and the possibility of orienting and collaborating with it in order to avoid any possible negative effects.

We would therefore suggest that the hypothesis according to which peasant agriculture has no capacity for accumulation should be revised; the fact is that the nature of the intervention is different. Its components are not acquired outside of agriculture nor do they contain significant amounts of modern

technological inputs. Peasant investment is based on familiarity with the environment and it makes use, fundamentally, of an abundant resource such as labour, which is applied in order to modify the physical environment, to provide drainage, to irrigate, to improve the land. In general, the peasant builds his own houses and other simple constructions which he needs, although only on a modest scale and with such materials as the environment provides him. Peasants also take part in the construction of communal or neighbourhood infrastructure works such as wells, bridges and facilities for social life. Unfortunately, there are no quantitative data to illustrate the significance of this particular type of investment by the peasant.

7. Technology and peasant agriculture

The difficulties encountered in trying to incorporate modern technology in peasant environments are well known, particularly among

agronomists;⁷¹ some experiences with agricultural extension programmes are enlightening in this regard. This situation has provided an incentive to reflect on the universal character of such technologies and on their economic, social and even environmental viability.

Clearly, one of the most obviously unsuitable attempts to modernize peasant agriculture has been that which concerns sources of energy and mechanization. In this regard, Figueroa⁷² points out that in Peru, the fact that mechanization and quasi-mechanization are virtually nonexistent in the *sierra* region may be largely explained by three factors. In the first place, the topography of the *sierra*, contrary to that of the coast, is very irregular and has few flat areas; this physical fact resulting from the presence of the Andes makes it very difficult, of course, to use agricultural machinery. In the second place, the great majority of production units are very small: 36% of them have less than one hectare and 81% have less than 5 hectares. To this must be added the considerable fragmentation of the small units. The units of less than 5 hectares comprise, on average, 6 plots; to move a tractor among 6 plots located at different ecological levels, with no road infrastructure, is almost impossible. More mechanized technologies can only be used on units that exceed a certain minimum size. In the third place, the large units, which have the largest flat spaces in the *sierra*, are used mainly for stock raising, which does not have much need for mechanization.

The aforementioned factors should provide an indication of how, as in the case of energy sources, modern technologies are paradoxically inadequate when compared with traditional ones. In other words, the problem of mechanization in the *sierra* is not only a problem of relative prices and capacity for accumulation, but also a problem where physical factors, ownership structure and productive

structure (a mixture of agriculture and stock-raising) play an important role.

Along with the lack of viability of the technological 'package', including the changes in the type of energy to be used, questions are being raised about the appropriateness of the basic assumptions on which technological innovation rests and the conditions under which peasant agriculture operates from the socio-economic standpoint. On some occasions, when it is felt that certain technologies would make it possible to raise physical production, programmes are formulated that are designed to bring about such changes. In other cases, arguments pertaining to the profitability of these innovations are thought to provide sufficient justification. Thus, there ensues a sort of dialogue of the deaf, since the two rationales are different and there is little chance of their understanding each other: on the one hand, there is the logic of basic needs and reproduction, and on the other, the logic of profitability. To adopt technologies that involve the incorporation of inputs available on the market may be, from the peasant's point of view, a destabilizing element, as they will require him to monetize his economy even more and increase his dependency on the market. For the peasant, it really is not sufficient to be presented with technologies that are only justified in terms of their potential for raising yields or providing for a positive cost-benefit ratio.

Unfortunately, we do not yet know enough about the factors that lead peasants to introduce certain innovations, but it seems that they draw up a kind of balance-sheet as regards the relative availability of resources before introducing any new developments which might make them lose control over their own fate. The relative abundance of labour may lead them to accept certain changes which, though requiring greater effort, will also increase their harvests. The extreme shortage of land and the need for increasing production may encourage them to use improved seed or fertilizers.

Urioste,⁷³ in referring to the Bolivian alti-

⁷¹See the interesting work by J. Boltvinik, "Estrategia del desarrollo rural, economía campesina e innovación tecnológica en México", in *Revista de Comercio Exterior*, Mexico City, Vol. 26, No. 7, July 1967, pp. 813-827.

⁷²A. Figueroa, "La economía rural de la Sierra peruana", in *Economía*, Vol. I, No. 1, Departamento de Economía de la Universidad Católica del Perú, Lima, December 1977.

⁷³M. Urioste, *Conducta económica del campesino e incorporación de tecnología moderna en el proceso productivo: El cultivo de la papa en el Altiplano Paeño*, Universidad Católica Boliviana, Documento de Trabajo N.º 06/75, La Paz, 1975, mimeographed, pp. 62 to 65.

plano, holds that the surveys confirm the general theoretical postulates: i.e., that the smaller the area, the more intensive is cultivation, whereas, as area increases, the participation per hectare of capital (chemical-biological technology) and labour decreases. However, this phenomenon of fragmentation takes place simultaneously with the adoption of farming techniques (chemical fertilizers, improved seed) which to a certain extent offset the shortage of land. Urioste summarizes the conclusions of his research in the Bolivian *altiplano* as follows: "*The peasantry adopts technology (improved seed, chemical fertilizers...) not to improve his monetary income, but mainly to compensate for a scarce resource —land—, improve his yields and thus ensure for himself a 'normal' level of subsistence*".⁷⁴

Moncayo and Rojas⁷⁵ propose a similar thesis for the Colombian experience: "It is the very nature of the form of production which makes the producer refuse to use any kind of cost accounting. Thus, in his eagerness to guarantee his subsistence, not only is he not displaced by falling prices for agricultural goods, but rather he intensifies his production in order to make up, by increasing supply, the income deficiencies caused by low prices or he introduces more advanced techniques aimed at producing the same results. The variation in productivity that is imposed by the need to maintain a minimum level of subsistence closely links the producer with the market for products of industrial origin that are used as inputs for more technified production, the prices of which, being based on the logic of the rate of profit, also amputate the peasant's income, although in a different way. The prices of industrial inputs thus play a central role in limiting the peasant producer's income independently of the prices of agricultural goods offered by peasant production. They also operate as mechanisms which prevent the process of decay of the peasantry and the parallel establishment of new capitalist entrepreneurs".

Many case studies confirm that some changes are taking place: for example, the use

of improved seed (particularly potatoes, maize, rice) is gradually spreading; certain cultivation practices are being changed as regards density of planting in potatoes, cassava, maize and sugar cane, and some pesticides are being used for vegetables (onions and tomatoes). Of all these changes, the most remarkable may be the change in potato-growing in the Andean area where, in view of the traditional custom of 'changing seed' it has been easier to introduce genetically improved seed, while at the same time, because of the habit of using organic manures, the use of chemical fertilizers of industrial origin has gradually been extended. The Instituto Colombiano Agropecuario (ICA) even observed in some areas of the state of Santander that excessive doses of fertilizers were being used, which was affecting yields.

Some research centres are making progress in obtaining knowledge about the production systems created through the experience of many years, when, by trial and error, farming methods were gradually adjusted to the enormous variety of environmental situations that is characteristic of Latin America. This has made it possible to reorient agricultural research and experimentation to some extent (although only partly), bringing them out of their socio-economic and cultural isolation so as to look at peasant farming from a systemic perspective. Although it seems trite to say so, the value of knowledge as a vital element for development, beginning with the peasant experience itself, is being appreciated anew. In this way it has been shown how much progress can be made by enriching that experience with new knowledge. Thus, the prejudices maintained against the 'traditional' simply because it lacks features that tend to be associated with the 'modern' have been abandoned, at least to some extent. It is rather ironic that it should take experience itself to show the scientists that research must begin with the objective knowledge of the reality they seek to change.

A second positive consequence of this new approach of agricultural research is a growing appreciation of farming methods which are now seen to have advantages that had previously been ignored or looked down upon.

It has been shown that the practice of leaving land fallow in certain areas of the Central

⁷⁴*Ibid.*, p. 75.

⁷⁵V. Moncayo and F. Rojas, *op. cit.*, pp. 94 and 95.

Valley of Chile, often considered to be poor use of the soil, actually not only makes it possible to recover fertility but also has the positive effect of preserving moisture and preventing, disease or pest attacks.

Traditional fertilizing techniques whereby legumes are turned under in crop rotation, so frequently used in the Andean area, are complemented with the incorporation into the soil of organic matter from the dung of animals or poultry.

Another well-known method is that used by peasants in hillside planting, who guarantee the success of their crops or ensure that they ripen in succession by planting at different levels of altitude.⁷⁶

The advantages of production systems such as mixed or associated planting, if not joint planting ('relay'), as for example between maize or beans and cassava, have been established, both from the viewpoint of reducing vulnerability to certain diseases or pests, and from the viewpoint of total production compared with separate cultivation of each species.

The Instituto Colombiano Agropecuario (ICA), in studying the effect of modifying the density of planting in potato growing, has found that peasant farmers vary the quantity of seed used according to the date of planting in order to provide a ground covering that will allow for optimum use of the moisture in the soil. These subtle ways of adjusting to environmental conditions are a good example of the contribution that the experience of the peasantry can make to agricultural development.

Dubly⁷⁷ says that although peasant practices tend to be considered as contrary to agronomic techniques, in actual fact they are not mutually exclusive. Rational peasant practice is based on observation and experimentation, and these are the fundamental

scientific approaches of the biological sciences (including their physical and chemical components) from which agricultural technology is derived. The difference is not so much one of nature as of degree of systematization. An analysis of peasant practices reveals that most of them have a real technical rationale; only after this effort to understand peasant practice is made can one think of technology as being the expansion, intensification or complementation of the peasant rationale. Thus, technology should not be the application from outside of a substitute practice which will subsequently be rejected, but should rather be something which is grafted into the heart of a reality and a rational practice.

Morandi,⁷⁸ suggests that in the underdeveloped countries there is a lack of articulation between the agricultural productive sector (the demand) and the public or private generating agencies (the supply), and concludes that "in the specific case at hand —i.e., the peasant economies, particularly in the *sierra* zone of Ecuador— there is no supply matching the type of demand originating in the small farms having the characteristics mentioned above. Indeed, it might even be said that the technology offered on the market is the negation of the technological needs of peasant economies. This lack of correspondence between demand and supply reflects a direct relationship between the type of technology offered and the State action promoted by the power structure of classes within society, while at the same time it provides one more argument for the view that technology is an endogenous factor of the economic system".

Another author,⁷⁹ also referring to the Ecuadorian experience, believes that the centres where agricultural research is conducted and technology generated, whether private or public, orient their activities towards the generation of innovations conceived for ap-

⁷⁶See, for example, W.R. Werge, "The Agricultural Strategy of Rural Households in Three Ecological Zones of the Central Andes", International Potato Center, Social Science Unit, Lima, *Working Paper*, Series No. 1979-4 (mimeographed).

⁷⁷A. Dubly, "Condiciones de la tecnificación para la agricultura campesina", in *Ecuador: Tecnologías agropecuarias y economías campesinas*, Quito, Ed. Fundación Brethren-Unida-Ceplac, 1978, p. 42.

⁷⁸J.L. Morandi, "Interrelaciones entre los componentes del progreso tecnológico y algunos elementos estructurales en economías campesinas", in *Ecuador: Tecnología agropecuaria...*, *op. cit.*, pp. 90 and 95.

⁷⁹C. Furche, "Incorporación de tecnología y economías campesinas", in *Ecuador: Tecnología agropecuaria...*, *op. cit.*, p. 122.

plication in the 'modern' sector of agriculture, i.e., in those enterprises that are integrated into the capital accumulation circuits, with some development of productive forces.

In brief, as regards the incorporation of modern technology into the peasant environment, the following should be noted: (a) the

difficulties in securing compatibility between peasants' needs and the existing supply of technology; (b) the selective penetration of some of these technologies which do actually respond to their needs and possibilities; and (c) the lack of interest in creating or adapting technologies for this large group of producers.

VII

Final comments

1. *Agrarian heterogeneity and the need for more coherent and balanced analyses*

In Latin America, western forms of penetration and settlement gave rise to a very special form of appropriation of land which has been documented by several authors. The existing structural characteristics are not too different from that initial appropriation, although they are also the result of a lengthy process of change. In this regard, the core of any coherent analysis of the agrarian experience of the region lies in the concept of heterogeneity of forms or systems of agriculture that coexist in the agricultural and rural environment. Only if this diversity is recognized can the behaviour of the various economic agents participating in agricultural activities, including peasants, be understood.

These structural characteristics continue to play a very decisive role in the ways in which the land is used, in the systems of cultivation or production, in the implements and technologies used, in the organization of the habitat and in the demographic dynamics linked to agriculture.

Agrarian heterogeneity did not come about by chance. It is the counterpart, in the agrarian sphere, of broader phenomena which have already been analysed at the regional level and which are related to the functioning of the world economic system, studied by CEPAL in terms of the centre-periphery relationship and also in its criticism of the classic scheme of international division of labour.

In those Latin American countries whose

agriculture was developed to produce food and raw materials for the central economies, this has left its mark on the sector, as it is one of the elements that have contributed decisively to the shaping of its own differentiation or heterogeneity. As an agrarian economic system, the plantation was a good example of the effect, in agriculture, of the differentiating influence of relations with the centres. Subsequently, agricultural capitalism has often been founded on the production, sometimes through capital-intensive methods, of crops or livestock products for export. The very scale of export-oriented activities provides a good opportunity for the concentration of land ownership.⁸⁰

In the past, peasant agriculture was mainly generated in the more populated zones, where there was greater structure and diversification in the social order and greater development in production, thus enabling the colonial régime to take out surplus products or labour without completely destroying the productive base of pre-Columbian agriculture. Different currents converged in its subsequent development, including the process of expansion of the agricultural frontier and transformation of the *hacienda* or entrepreneurial agriculture through revolution or reform; both influences made possible the expansion of peasant agriculture.

⁸⁰It should not be forgotten, however, that peasant agriculture also makes a significant contribution to the production of some agricultural export commodities. In some countries, cocoa, coffee, cotton and soybeans are predominantly grown by peasants.

The various agrarian systems that coexist in the broad rural context of Latin America may be distinguished by certain specific characteristics. In this regard, it is necessary to distinguish at least the *hacienda* system of agriculture, plantation agriculture, entrepreneurial or capitalist agriculture and peasant agriculture.

Although each of these systems may be isolated in order to analyse and quantify it as regards resources, production and income, it is also necessary to point out certain interrelations and conflicts among them. For the purposes of this paper, we have sought to single out one of the systems—peasant agriculture—because in our view it suffers from seriously unbalanced treatment which, by a process of elimination, ultimately leads to the design or choice of strategies or policies that are harmful to a large social group. The predominance of the *hacienda* or capitalist-type enterprises in past analyses relating to agriculture has been obvious.

Historically, one of the most important aspects in the formation and evolution of Latin American agriculture has been the occupation of territories suitable for agriculture. The *hacienda* and plantation system was established on the basis of the granting or occupation of extensive territories frequently located in the most fertile zones or those closest to cities or ports. In the later *hacienda* formations observed in some countries, the appropriation of lands came about as a result of official intervention or expansion of the areas devoted to agriculture.

This process of formation and extension of the *hacienda* created the conditions that made it possible to relegate the native populations or the incipient groups of independent peasant producers to a subsidiary position. This conflict concerning the availability or ownership of the land, characteristic of heterogeneous social formations, has made itself felt with different degrees of intensity throughout the socio-economic history of the region.

In more recent periods, this conflict has arisen once again with the penetration of capitalist or entrepreneurial agriculture, which gradually took over the place of the *hacienda* or some of the territories obtained as a result of the advance of the agricultural frontier. Similar phenomena have been studied and docu-

mented in different agricultural settings, with the concentration tending to take place in the areas having the greatest comparative advantages, usually as a result of heavy public investment in infrastructure, and particularly irrigation. The cases observed in irrigated areas of Mexico or in the Central Valley of Chile are good examples of this situation. A similar phenomenon has occurred in the case of the extensive pasture lands in eastern Bolivia and in certain regions of Brazil, Colombia, Central America and Mexico.

The behaviour of agricultural activity clearly falls within the framework of this structural situation, which allows for the coexistence of different forms of agriculture. In the postwar years of modernization, peasant agriculture is a social and economic fact that is often viewed as something left over from the past, as an area that is stagnant, deteriorating, impervious to technology, and undergoing a process of decomposition. If we wish to seek a new style of development, however, we must accept the plurality of experiences that each agrarian system presents and try to make a more objective analysis and a more balanced formulation of strategies and policies. We must recognize agrarian heterogeneity in order to understand each of its elements and become familiar with its particular dynamics and contributions, as well as with its inefficient aspects, its pressures and sometimes its environmentally unsound actions without neglecting the conflicts inside and outside the sector.

2. *Alternative styles of development and peasant agriculture*

The omissions and particularly the generalizations aimed at disparaging peasant agriculture may be creating or contributing to a highly unrealistic view of its significance for the production of food, raw materials and export crops; for the use of labour; or for cultural aspects that have not been dealt with in this paper.

At the present time, when new impetus is being given to the notion of development styles that will allow for the satisfaction of basic needs, peasant agriculture may be particularly important because of the relationship it estab-

lishes between economic activity and the satisfaction of fundamental needs.

Likewise, at a time when the unemployment and poverty that accompany urbanization processes are recognized to be phenomena that call for profound social changes, peasant agriculture invites one to reflect on the role it could play if existing agrarian structures were changed to provide an opportunity to the numerous contingents that tend to be proletarianized or semi-proletarianized by the ongoing phenomena of concentration of land in the past and

concentration of both land and capital in the present. Finally, if greater attention were given to peasant life, it might be possible to appreciate from a new perspective the contribution it could make to development forms that respect the environment and its resources over the long term.

The way to rural development can hardly be found by excluding from consideration the main agent of that development, namely, the peasant.

The principal schools of thought on the peasant economy

*Klaus Heynig**

The great problems of the Latin American countries, which are manifested most clearly in the poverty, malnutrition, unemployment and underemployment of a considerable part of the population, have made it necessary to rethink the role of agriculture in the process of development. Despite the accelerated urbanization and the loss of relative importance of the agricultural sector in the generation of the national product, this sector continues to occupy a strategic place in the majority of Latin American countries. After a phase of almost exclusive attention to the medium-sized and large producers, in recent years the intellectual debate has concentrated particularly on small producers, with limited access to land and other productive resources, and who depend for their subsistence largely on family labour. The main subjects of discussion refer to the functioning and logic of family-type agricultural production and their significance and prospects under the current styles of development in the region; however, despite the topical nature of the debate, many of the arguments used are explicitly or implicitly based on approaches or theories developed in Russia at the beginning of this century.

This article tries to offer a brief critical synthesis of the principal approaches to peasants, grouping them into anthropological approaches, 'modernizing' or neoclassical approaches, Marxist approaches, Chayanov's theory of the peasant economy and other aspects of the contemporary debate in Latin America. In the final part it presents some observations aimed at providing some suggestions for orienting future work on peasant agriculture.

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Introduction

This work proposes to offer a critical synthesis of the different theoretical approaches proposed on the subject of peasant agriculture in Latin America.

Naturally, the presentation of the approaches and their main spokesmen is not free of some arbitrariness in selection, a certain sketchiness and the inevitable oversimplifications. Nor do we claim to have absolute neutrality in our evaluations of given approaches; we are not attempting to add a new one to the numerous existing approaches and interpretations on the subject, since more questions are raised in this article than answers. What we do seek to present is a critical summary of the principal elements in the debate, in the hope that this will be a contribution to the research on the current state of the peasant sector in Latin America.

The study consists of a brief presentation and discussion of the anthropological and modernizing approaches, followed by analyses of the classical Marxist concept, Chayanov's theory of the peasant economy, and some more recent studies. For two reasons it seems justifiable to us to pay particular attention to Chayanov: (a) he is the only one who has offered a coherent theory of the phenomenon of small-scale peasant production as regards its internal structure and its capacity for survival in a capitalist system; a fact which may explain, at least in part, his attractiveness for the current debate; and (b) the presentation of his work allows us to discuss the principal categories which, in one way or another, appear in almost all the studies on the subject and are essential for the analysis of the peasant economy.

The use of the term 'peasant economy' may of course involve a wide-ranging debate, since not only are the definition and characteristics of this 'form' of production the subject of vigorous argument, but also its very existence is controversial, to the point that some deny the existence of a peasant sector in Latin America. The bibliography refers to a variety of concepts used in attempts to conceptualize the agrarian structure and small-scale peasant production and to define what is meant by 'peasant', locating the question within the process of transformation of the economic and social structures.

In the 1960s, the latifundio-minifundio dichotomy—used in the works of CIDA on land tenure—was coined. This characterizes peasant production as a form of subsistence agriculture, defined exclusively by the size of the operation and linked to the latifundio by extra-economic ties. R. Redfield, one of the main representatives of the anthropological approach, places the peasant between the small, isolated community and the farmer, the latter being “characterized by an intimate and reverent attitude towards the land, by the idea that agricultural labour has a much higher value than commerce, and by the emphasis on labour as a primary virtue”.¹ In the ‘dualist’ approaches stress is placed on the dichotomy between a modern sector, the bearer of progress, and another sector which is traditional, backward, and excluded from development: a description applied to the small peasant production sector.² Among the Marxists, there are some who affirm that in the countryside the remains of a feudal mode of production persist, whereas in the cities the capitalist mode of production dominates. Others, who have greater weight in the argument, start from the assumption that various modes of production can co-exist simultaneously, and that this can even be a permanent situation. These modes of production, it is claimed, are articulated with each other under the aegis of a dominant mode of production: capitalism.

For some, the peasantry is a conservative social group, but for others it is an agent of change and a revolutionary subject. All agree, however, that peasant production is based on the exploitation of family labour. It is clear that

this approach, as a single criterion, is insufficient to raise small peasant production to the level of a homogeneous category and a specific form of production, however.

The above concepts constitute only a small sample, but they demonstrate the difficulty of defining a term which adequately characterizes peasants. To speak of peasants’ without other specification, as if this were a generic term, abstracting it from the historical and social framework, does not help at all to explain the reason for being, functioning and differentiation of the peasant economy. When, in this phase of the study, we use the expression ‘peasant economy’ it is in the technical sense of the term, and we are not seeking to identify ourselves with the school of thinking which has limited the concept to family exploitation as a theoretical unit of analysis, and this position has led us to develop a general theory of the peasant economy. The expression in itself is not as important as its meaning in the different contexts being considered here, without denying the ideological background of certain terms and their political implications, which, in many cases, have been harmful to the peasants of Latin America, since they continue to form the largest numerical group and also the poorest.

A key question underlying all the concepts presented here and which has not yet received a conclusive response seems to be the following: “Why does capitalist development, whose interest is directed towards lowering the costs of reproduction of industrial labour, continue to maintain, through various sources (mainly governmental) support, large groups of ‘inefficient’ small producers in the rural areas? What specific function do these small producers fulfil in the capitalist economy?”³

¹See A. Solari and R. Franco, *Teoría, acción social y desarrollo en América Latina*, Mexico City, Ed. Siglo XXI, 1976, p. 383.

²See G. Germani, “Stages of modernization”, in *Latin America - The Dynamics of Social Change*, S.A. Halper and J.R. Sterling (ed.), New York, Saint Martin’s Press, 1972.

³R. Alvaray, “Alcances metodológicos sobre el concepto de ‘economía campesina’ en Chile”, in *Boletín de Estudios Agrarios*, No. 1, July-September 1978, GEA, Santiago, Chile, p. 18.

I

Anthropological approaches

Anthropology has traditionally directed its efforts towards the study of primitive populations living in isolated or tribal forms, attributing to them a special culture conceived as an independent and self-sufficient system, an 'autonomous cultural system', which does not require any other system for its permanent functioning. Since the 1940s and 1950s, anthropologists have increasingly been studying peasant communities, introducing the expression 'peasant' as a generic term to designate a group whose economic behaviour is explained by its cognitive attitudes, values and systems. Peasants are considered to be inserted in a traditional peasant culture where the cultural content and values are transmitted verbally. From the observation and description of small tribal communities, anthropologists have arrived at a better comprehension of the fact that "the processes of production and distribution in 'uncivilized lands' are not necessarily governed by economic interests but have to do with 'non-economic' factors such as kinship, mythology, etc."⁴ From this perspective, the anthropological approach appears to be opposed to the economic one, since it explains the economic behaviour of peasants by their attitudes, values and cognitive systems. Before the term 'peasant' became a generic category in anthropology, it had historical, cultural and economic connotations, having to do with medieval European life. Contemporary anthropologists, however, consider peasants as persons whose lifestyles show certain structural, economic, social and personality similarities in contrast to other basic forms of groupings such as primitive society and industrial society, independently of the geographical location and era. The formal recognition of the peasantry as an important type of structure in society came later, mainly in the work of A.L. Kroeber. According to this author, in his 1948 work *Anthropology*,

"peasants constitute part-societies with part-cultures. They are definitely rural, yet live in relation to market towns; they form a class segment of a larger population which usually contains also urban centers... They lack the isolation, the political autonomy and the self-sufficiency of tribal populations; but their local units retain much of their old identity, integration and attachment to soil and cults"⁵.

This frequently cited definition already contains the principal aspects of what were later to be the central elements of anthropological analyses on peasants. The value of Kroeber's definition is that it recognizes the importance of the relations of the peasants with the urban sector and their integration into society as whole. The peasantry was no longer considered an isolated and self-sufficient cultural group, but became a class segment dependent on the nation as a whole and vice-versa. Robert Redfield, one of the main representatives of the anthropological approach, points out that the peasant community must be studied as a part of the State and civilization in which it is inserted. In his study *The Folk Culture of Yucatán*,⁶ Redfield tried to explain how the growing urban influence in the countryside led to destruction of the traditional life styles and a 'cultural disorganization' due to the more individualistic behaviour and a greater secularization of the peasant community and its members following contact between the two. The final result of this process is modern society. The main source of change is the city, since Redfield held that the existence of the peasant requires the presence of a city, and the surviving primitives who are not related to a city are not peasants; that is to say, the city is necessary in order to distinguish between

⁴T. Shanin, *Naturaleza y lógica de la economía campesina*, trans. H.G. Trejo, Barcelona, Ed. Anagrama, 1976, p. 10.

⁵Quoted by George M. Foster, "What is a Peasant?", in *Peasant Society - A Reader*, J.M. Potter, M.N. Díaz, G.M. Foster (eds.), Boston, Little, Brown & Co., 1967, p. 2.

⁶Robert Redfield, *The Folk Culture of Yucatán*, Chicago, University of Chicago Press, 1941.

peasants and primitive societies. The predominant role of the city implies that the peasants have very little control over the conditions of their form of production and over their life in general.

The power of decision lies outside the village. Peasants are not only poor but also have no power, and the lack of effective political control leads them to seek other resources, almost always individually or in relation to the family, in order to improve their scarce opportunities for survival. Patronage and fictitious kinship or *compadrazgo* are the two most important types of relationships which allow the peasant to strengthen his position in the community and society. Redfield saw the relationship between peasant societies and the city as a relationship between the great tradition of those few who think, within a civilization, and the small tradition of the many who, in general, do not think.⁷ Like other anthropologists, he has frequently described the peasant society as an intermediate or transitory form, a passage from the traditional to the modern. The resistance to change attributed to peasants is due to their cultural lag which keeps them in a position opposed to change and attached to their traditions. With the closing of this cultural gap between the country and the city, thanks to the advance of industrialization, the disintegration of peasant society is accelerated until it disappears. It is evident that this 'lag' always seems to be measured in relation to urban dwellers, the "few who think within a civilization". From his studies of primitive society in Mesoamerica, Redfield concluded that "in every part of the world, generally speaking, the peasantry has been a conservative force in social change, a curb on revolution, and a limitation on the process of social disintegration which frequently occurs with rapid technological change".⁸

Redfield proposed a typology of isolated communities —peasants and farmers—, characterizing as peasants those who have a control of the land which allows them to carry on in

common a traditional way of life closely integrated with agriculture, but not as an economic investment to obtain profit.⁹ Those who practice agriculture as commerce and consider land as capital and merchandise are not peasants but farmers. The peasant is thus located between the isolated community and the farmer; he represents "the rural dimension of old civilizations", a half-society with a half-culture, characterized by an intimate and deferential attitude to the land, by the idea that agricultural work is worth much more than commerce, and by the emphasis placed on work as a primary virtue.

A large part of the debate among anthropologists has centered on the definition of a peasant, in most cases emphasizing their cultural specificity, with their values and perceptions. The importance of the culturalist approach is largely due to the methodology applied by anthropologists, stressing community studies. This has stimulated many empirical studies, where the individual, with his systems of values and norms, appears isolated from society, governed solely by the internal dynamics of the community or village, and separated from external political and social forces. According to some authors, this persistence of the culturalist explanation is partly due to the desire of some western scientists to reject Marxist theory, which in turn leads them to relegate to a secondary plane the role played by economic aspects and the concept of social classes and to favour an approach which places greater emphasis on the importance of culture, values and norms.¹⁰

In the late 1950s and early 1960s, the literature on peasants received a considerable stimulus from the works of Julian Steward and his disciples, among them Eric Wolf, who stressed the labour aspects of the peasantry. "Peasant agriculture was shown to be a special type, and the cultural characterization of the peasant community became weaker in relation to the attention given to the agricultural econ-

⁷George M. Foster, *op. cit.*, p. 11.

⁸R. Redfield, quoted in A. Solari, R. Franco, J. Jutkowitz, *Teoría, acción social y desarrollo en América Latina*, *op. cit.*, p. 380.

⁹R. Redfield, *The Little Community: Peasant Society and Culture*, Chicago, University of Chicago Press, 1960, p. 19.

¹⁰J.S. Migdal, *Peasants, Politics and Revolution*, Princeton University Press, 1974, p. 22.

omy of the peasantry.”¹¹ In an article published in 1955, E. Wolf uses economic criteria to define the peasantry: agricultural production, control over the land and production for subsistence.¹² In 1966, however, Wolf opted for a different concept which brings out the production of a fund of rent and the role of the State. “It is this production of a fund of rent which critically distinguishes the peasant from the primitive cultivator...” and “it is crystallization of executive power which serves to distinguish the primitive from the civilized...”¹³ With these definitions, Wolf rejects the idea of Redfield and others that the city is the key to understanding the peasantry, considering power relations instead as the ‘central variable’.

Powell mentions a third tendency in the literature on peasants, one which stresses the activities of the dominant élite (Wittfogel) and sees the distinction between peasant and non-peasant as lying in the differences between the governed and the governing, which “determined and structured both the access of the peasant to land—his status as landholder—and the distribution of the agricultural product of the land which his labour yielded”.¹⁴

While recognizing the valuable contributions of anthropology in explaining the internal operation of the family unit and the peasant community, our criticism is directed against the generalizations by some authors on peasant social organization and culture. Economic behaviour and ideologies depend on so many factors that it is difficult to conceive of them as a simple function of cultural values. Some supporters of the anthropological approaches frequently describe the peasants as irrational beings, lacking in motivation, only interested in social goals, and suspicious of the oppor-

tunities presented to them. They are also described as attached to their traditions and slow to change their patterns of behaviour; as individuals resigned to their fate and fearful of the world, and hostile in their interpersonal relationships. Most of the limitations attributed to peasants are centered on the characteristics and values which are opposed to our stereotyped image of western economic man, for whose service our development strategies are designed. The common factor in these studies is the importance attributed to psychological variables in the determination of the socio-economic structure of peasant life. The high degree of subjectivity of these studies rather reflects the attitude of the authors towards given values that they perceive as ‘typically’ peasant. In the generic descriptions of the personality of the peasant, the phenomena are considered as essentially static, opposed to the introduction of changes. It is assumed that the traditional and modern systems are mutually exclusive and that there is a permanent conflict between them. With growing economic development, it is felt, the new social and economic structures will destroy and replace the old forms. Modernization and development are synonymous for the culturalist approach, and the characteristics of the peasant personality represent the main cause of underdevelopment. Many of these studies on the peasant personality arose as a response to the question of why the diffusion of technology by the assistance programmes was different according to societies and regions. Instead of considering the political and economic limitations, it was decided to track down the causes by analysing cultural, psychosocial and psychological variables.

Despite the available evidence which shows that certain ‘traditional’ values and relations are perfectly compatible with development, many anthropologists preferred a simpler approach to change. “The research problem lies either in demonstrating the rupture of traditional institutions under the influence of the forces of modernization or, if this were not possible, in demonstrating that the persistence of the traditional institutions constitutes the principal obstacle to modernization.”¹⁵ The

¹¹J.D. Powell, “Sobre la definición de campesinos y de sociedad campesina”, in Charles Wagley and others, *Estudios sobre el campesinado latinoamericano. La perspectiva de la antropología social*, trans. Celia Nova, Buenos Aires, Ed. Periferia 1974, p. 50.

¹²E. Wolf, “Types of Latin American Peasantry”, cited in S. Silverman, “The Peasant Concept in Anthropology”, *Journal of Peasant Studies*, Vol. 7, No. 1, October 1979, pp. 62-63.

¹³E. Wolf, *Peasants*, Englewood Cliffs, N.J., Prentice Hall, 1966, pp. 10 and 11.

¹⁴J.D. Powell, *op. cit.*, p. 51.

¹⁵M. Singer, cited in N. Long, *An Introduction to the*

conceptual framework of this approach is limited largely to the familiar distinction between the so-called 'modern' and 'traditional' systems.

This approach is reflected in the design of the development policies of the 1960s. Since the peasant societies were considered as anachronistic, then the process of development or modernization should produce the transformation of the classic peasant societies into new modern ones. For G.M. Foster, the eminent anthropologist, this transformation can be achieved "by creating economic and other opportunities that will encourage the peasant to abandon his traditional and increasingly unrealistic cognitive orientation for a new one that reflects the realities of the modern world".¹⁶ Growing participation in the market will transform the traditional peasants into "farmers, or agricultural business men, whose activities become a business for profit".¹⁷

It is clear that our criticism is not directed against anthropology in itself, a science which

we consider indispensable for explaining certain attitudes and reactions of peasants which do not fit into the interpretive framework of those who wish to submit all phenomena rigidly to a presumed economic rationale. However, we are criticizing certain approaches which have given a distorted picture of peasants and have contributed to the formulation of policies which in many cases, instead of improving their living conditions, have led them into greater poverty. Although anthropology has already left behind certain attitudes and has arrived at a more complete and realistic understanding of the peasantry, thus making some very valuable contributions, some erroneous ideas still persist, both in the academic discussion and on the political plane. Apparently this persistence is due, among other reasons, to the political convenience of these ideas for certain sectors which were the main beneficiaries of the policies designed to modernize agriculture.

II

'Modernizing' approaches

The 'traditional-modern' dichotomy also appears to be a basic concept in the theories of modernization formulated by neoclassical economics. As in some anthropological approaches, in the modernizing ones a perception of economic dualism prevails. For these, the underdeveloped countries contain two separate and fundamentally different sectors: the modern sector—capitalistic and industrial, receptive to change, oriented towards the market and pursuing the maximization of gains in its behaviour—, and the traditional sector—agricultural and stagnant, based on subsistence production, with scant surpluses for marketing,

with a significant preference for a lazy life and little interest in making profits. A high degree of unemployment is assumed in the agricultural sector, disguised as underemployment. Production in the traditional sector is considered to be a simple function of land and labour, due to the lack of any significant accumulation of capital. The only connexion of any importance between the two sectors is the flow of labour from agriculture to industry and the transfer of a small surplus of agricultural products which feeds the population in the urban centres. This concept, elaborated in its classical form by W.A. Lewis in 1954,¹⁸ is based on a fundamentally closed economy, which grows by transferring labour from agriculture to in-

Sociology of Rural Development, London, Tavistock Publications, 1977, p. 30.

¹⁶G. M. Foster, "Peasant Society and the Image of Limited Good", in *Peasant Society - A Reader*, op. cit., p. 304.

¹⁷J. M. Potter, "Peasants in the Modern World", in *Peasant Society - A Reader*, op. cit., p. 380.

¹⁸W. A. Lewis, "Economic Development with Unlimited Supplies of Labour", in *The Manchester School of Economic and Social Studies*, Vol. XXII, No. 2, May 1964.

dustry. Finally, the disguised unemployment is eliminated and a shortage of labour occurs in the rural sector, which leads to a process of rapid economic modernization, through more efficient use of modern technology and changes in economic attitudes. Thus, economic development in rural areas would depend primarily on the transfer of technology from the modern sector, that is, technological diffusion would be the main determining factor for economic development.

One of the most prominent exponents of the neoclassical interpretation, T.W. Schultz, affirms that in traditional agriculture there is an equilibrium which has been consolidated from ancient times, while modern agriculture is characterized by a disequilibrium in chronic movement.¹⁹ Although recognizing that traditional agriculture has an essentially rational form of economic behaviour, similar to the behaviour of any businessman seeking to maximize his profits, Schultz concludes that, due to the low rate of yield of investments, traditional agricultural production grows very slowly. "Traditional agriculture is not capable of offering a cheap contribution to economic growth because it has exhausted the economic opportunities presented by the state of the technologies on which it depends."^{20, 21}

When the problem is analysed in this way, the logical consequence is an appropriate policy for promoting economic development: the introduction of new factors into the productive process, the transfer of capital, and the generation, adoption and diffusion of modern technology.

This approach presents in the final analysis, an ahistorical conception of the coexistence of two sectors: a capitalist sector and a traditional non-capitalistic one, each independent of the other and with its own individual dynamic within the economy. Nor does it consider all the aspects of social relations nor the way in which these determine the processes of production.

¹⁹T. W. Schultz, *Modernización de la agricultura*, trans. by L. Barinaga, Valencia, Ed. Aguilar, 1968.

²⁰*Ibid.*, p. 62.

²¹On the neoclassical interpretation, see D. Astori, *El proceso de desarrollo agrícola en América Latina - Algunas interpretaciones*, Rome, FAO, 1978.

From the static nature of traditional agriculture and its relative unreceptiveness to economic stimuli, it is concluded that investments, technical assistance, etc., should be directed to medium and large-scale enterprises; meanwhile, the conditions of life and production of the small cultivators is presented rather as a social problem, with little relevance for the process of economic development. This is why the transfer of capital and technology have formed the backbone of the modernization policies which were at their height during the 1960s under the sponsorship of the Alliance for Progress and international organizations. What the developed countries could offer the underdeveloped world was capital and technology to combat poverty; consequently, as J. K. Galbraith put it, the causes of poverty were derived from the possibilities available: poverty was considered a result of the shortage of capital and the lack of technical skills, and the remedy included the diagnosis: since smallpox vaccine is available, then let us diagnose smallpox.²² Some theoreticians and development planners believed it possible to transform the traditional peasant properties into family farms or enterprises, as it was assumed had happened in the industrial countries.²³ In addition, within the strategies for productive modernization mention should be made of the so-called Green Revolution: a form of technology apparently developed to increase productivity on units of any size, but which was turned into a discriminatory form of promotion favouring the interests of the owners of large and medium-sized farms; this type of technological innovation could be called 'land expanding', since they achieve an increase in the productivity of the land.

The mechanization of agriculture, widely promoted, was considered from the very beginning as an input for the modern sector and not for the small farmers, and this form of modernization further increased the existing gap between small peasant production and entrepreneurial agriculture.

²²J. K. Galbraith, *The Nature of Mass Poverty*, Cambridge, Mass., Harvard University Press, 1979, p. VI.

²³R. Weitz, *De campesino a agricultor*, trans. by Esther Guilón, Mexico City, Fondo de Cultura Económica, 1973.

The agrarian reform programmes promoted in the majority of Latin American countries during the 1960s did not concentrate so much on the influence of economic stimuli, but rather on the agrarian structures governing land tenure. In the CIDA reports on seven countries, the analysis was centered above all on the problem of land tenure, identifying the great inequality in land distribution—the latifundio-minifundio complex—as the main factor in underdevelopment.²⁴ To get out of this predicament, then, it was considered necessary to redistribute the land so that the institutional framework, which is what determines the scantily productive rationale of the big landholder, will disappear. The differences between the different strata of productive units were established only as a function of quantitative information such as land size and use. This current could be considered as ‘critical continuism’: “Continuism in the sense of not questioning the basic premises of the general model of production... and critical, in the sense that all its sources lay stress, from different points of view, on the insufficiency, inequity and inefficiency of the current agrarian structure...”²⁵

The modernizing or development approach in Latin American agriculture basically pursues two objectives:

1. To expand the domestic market for the sale of the products of national industry through the incorporation of the peasant mass into monetary demand. This presupposes a change in the precapitalist relations in which the remuneration of labour is carried out through the granting of land or payment in kind;

2. To cut down on the pressure on land through agrarian reform and colonization programmes which will alleviate social and political tension.

The Alliance for Progress promoted a development model which was oriented only towards economic growth (i.e., towards the possibility of obtaining a certain rate of accumu-

lation and increase in the per capita product), and an agrarian reform model which only sought to modernize the latifundista structure and bring about a limited redistribution of land. In the final analysis, its objective was limited to improving the conditions of operation of dependent capitalism. Even so, the opposition encountered by the redistributive character of the agrarian reform proposed led to its paralysis in most of the countries.

There then arose renewed interest in the technification of agriculture, the introduction of agricultural technologies, and the improvement of the supply of food and thus agricultural productivity: a concept encouraged by the so-called Green Revolution. Next came the classic concept of rural development—in neoclassical terms—which assumes a series of support policies for agricultural production, without touching the aspects of land ownership and redistribution in agriculture. An attempt was made to alleviate the pressure on the land by developing agricultural colonization plans, thus displacing the conflict—geographically and politically—to regions farther away from the circuit of accumulation of capital in the urban centres.

To speak of ‘agrarian reform’, of ‘agrarian transformation’, or of ‘agricultural modernization’ is a problem which transcends terminology: the development of rigid economic structure was determining increasingly restricted limits on the attempts at reform carried out through State economic policy. The short-term vision of the national oligarchies and their lack of understanding of their own long-term interests reduced the reform attempts to mere attempts at agricultural modernization. The agrarian transformation projects proposed modifications in the agrarian structure without modifying its essence: they proposed an agrarian transformation without simultaneously facing up to an industrial and/or financial transformation, etc. It is not surprising, then, that according to a recent FAO study the majority of poor peasants do not benefit from rural development programmes.²⁶

²⁴Solon Barraclough and Juan Carlos Collarte, *El hombre y la tierra en América Latina*, Santiago, Chile, Ed. Universitaria, 1971.

²⁵CEPAL, *Economía campesina y agricultura empresarial: tipología de productores del agro mexicano*, CEPAL/MEX/1037, January 1981, p. 29.

²⁶FAO, “Participation of the Poor in Rural Organizations”, mentioned in *Ceres*, No. 73, Vol. 13, No. 1, Rome, January-February 1980.

III

The classic Marxist approach

Practically all those who have studied the peasant question refer to Marx, and particularly to Lenin, either to demonstrate and denounce the obsolete character of Marxist theory, to apply more or less mechanically to real situations the positions expressed by classic Marxist theory, or to give Marxist theory a creativity capable of explaining the position and function of small agricultural producers within the process of capitalist development. We will present here a brief summary of the ideas of Marx and Lenin on the peasant, which, according to Bartra, are an indispensable point of departure for understanding the Latin American situation.²⁷

1. *Marx*

Various studies which present or claim to present Marx's thinking on peasants point out his derogatory attitude towards small-scale agricultural production, when he refers to peasants as 'rural idiots', as representatives of 'barbarism within civilization' or 'the height of backwardness'. Mitrany, in his book *Marx against the Peasant* (1951) draws the conclusion that "Marxists were against the peasants because of the original dogmatic beliefs of Marx".²⁸ In fact, Marx's works on the peasantry are characterized by a certain ambiguity which corresponds to some extent to the peasant character as he saw it. As the owner of the means of production he is a capitalist, and as a worker he is his own employee. Considered from this point of view, the peasants combine in a single social group the two basic categories of capitalist society: the bourgeoisie and the proletariat. The relatively small importance attributed by Marx in his work to the peasants is due to the fact that he considers them, in the world historical process—present and future—, as a residual

category. Since the peasants in Europe were identified with small-scale private ownership, Marx supported the progress of the relations of capitalist property in order to liberate the peasants from 'rural idiocy' and so that they might consider themselves as members of the proletariat or, in some cases, of the bourgeoisie.

Often Marx's writings were wrongly interpreted, and this may be explained by the confusion existing with regard to the historical context within which the peasants are inserted. In his *Grundrisse*, Marx analyses the peasants in precapitalist societies (i.e., those preceding capitalist production) and divides them into three main types: Oriental, Ancient Classical and Germanic, all of which are fundamentally agricultural societies. His main purpose was to show how these previous forms of production were all incompatible with capitalism, and how the latter could only be built up by destroying them. By dissolving the property of the workers of the land, he claimed capitalism would create the conditions for its full expansion.

In other writings, Marx refers to the relationship between the peasants and capitalism in three different countries: England, France and Russia. In them, Marx alludes to concrete situations occurring in the development of capitalism in the respective countries, and this prevents a simplistic application of his observations to peasants in other historical, social and geographical contexts.

In the third volume of *Capital* Marx offers some explanations, based on the British example, of the birth, development and peculiarities of capitalist agriculture. His main thesis is the universalization of the relations of capitalist production or the elimination of small holdings by the incorporation of the capitalist mode of production in the agrarian sector, and he considers the form of production on such small holdings as a necessary transitional phase for the development of agriculture. The key category of his analysis is the capitalist rent of the land, which is essentially a permanent excess

²⁷Roger Bartra, *Estructura agraria y clases sociales en México*, Mexico City, Ed. Era, 1974, p. 13.

²⁸Michael Dugget, "Marx y los campesinos", in *El Trimestre Político*, Vol. 1, No. 4, April-June, Mexico City, 1976, p. 3.

profit, specific to agriculture, appropriated by the landholder. The fact that the land is a non-produced and relatively non-produceable means of production determines a certain specificity in the development of agricultural production in contrast with that of industry, while the fact that there is an extraordinary gain in agricultural activity has determined the development of capitalist relations in the countryside and the expropriation from the peasants of their means of production. According to Marx, usury, the tax system and the sale of land require production for the purpose of exchange and, in this way, they force the destruction of rural domestic manufacture. As natural disadvantages of smallholding production compared to capitalist agriculture he mentions the gradual impoverishment of the land, the reduction in agricultural prices as a result of the competition of agricultural capitalism, and the impossibility of raising the productivity of the land. He analyses how, in the case of England, the capitalist methods of cultivation have destroyed the English peasantry, and points out the fact that through the process of 'primitive accumulation' the peasants are separated from their means of subsistence and are thrown out onto the labour market as free proletarians. Marx considers this expulsion of the peasants as a necessary condition for the development of capitalism.

The so-called 'English way', always according to the Marxist system, contemplates three classes in agriculture: those of the landholder, the capitalist and the agricultural worker.

As regards the discussion among Marxists on the peasantry as a class and peasantry as a mode of production, it should be noted that Marx, in *Formen*, considers 'the small free property' as a mode of production located at the same level as the 'primitive community'. However, in the great majority of Marx's writings on peasants, the latter are analysed as a class whose position fits into the concrete process of the class struggle, in a given social formation.²⁹

The economic characteristics of the peas-

antry as a social class, inserted in a capitalist social formation, present it as a class which is exploited, but by different mechanisms from those of the working class. The differences in these forms of exploitation determine a different ideological attitude in the peasantry from that of the working class. "Capable of violent uprisings, it also dreams of a 'saviour' from the bourgeoisie, and chooses this saviour among the reactionary elements of the dominant class."³⁰ The contradictions between small property and capitalism will continue to grow, since the former will be incapable of developing labour productivity because of its reduced scale of production and the development of modern techniques. According to Marx, there is only one alternative for the peasantry: either to join an alliance with the organized proletariat for the overthrow of the bourgeois order or to stagnate, going from crisis to crisis, until it is expropriated and replaced by vast capitalist units of production.

2. Lenin

The basic contribution of Lenin to the Marxist concept of the peasantry has been his analysis of peasant disintegration in his classic study on the development of capitalism in Russia, where he states "that the basis of the formation of the internal market in capitalist production is the process of breaking up the small farmers into agricultural bosses and workers"³¹ The proletarianization of the peasants creates a market, especially for consumer goods, while their transformation into bosses, into the rural bourgeoisie, primarily creates a market for the means of production. As a result of this 'descampesinización' process there occurs the radical destruction of the 'old peasantry' and new types of rural population arise. "These types are the rural bourgeoisie (usually 'petty') and the rural proletariat, the class of the producers of goods in agriculture and the class of agricultural wage-earning workers."³²

³⁰*Ibid.*, p. 64.

³¹V.I. Lenin, *The rise of capitalism in Russia* (Spanish version), Moscow, Foreign Languages Publishing House, 1950, p. 48.

³²*Ibid.*, p. 159.

²⁹Pierre Beaucage, "¿Modos de producción articulados o lucha de clases?", in R. Bartra, *Modos de producción en América Latina*, Mexico City, Ed. Cultura Popular, 1978, pp. 47-72.

“The disintegration of the peasants, which increases their extreme groups at the expense of the average peasant, creates two new types of rural population, the common feature of the two being the mercantile, monetary character of the economy.”³³ One of these types is the rural bourgeoisie, or well-off peasants, and the other is the rural proletariat, the class of wage-earning workers. This second category includes both the poor peasants who still have some land and those who do not have any at all. For Lenin it is a fact “that the majority of the ‘peasants’ have already occupied a perfectly well-defined place in the general system of capitalist production, namely, the place of agricultural and industrial wage-earners”.³⁴ However, he notes “that our studies often include in an excessively rigid manner the theoretical thesis that capitalism requires a free, landless worker. This is perfectly true as a basic tendency, but in agriculture capitalism penetrates especially slowly and through extraordinarily diverse forms”.³⁵

The ‘depeasantization’ and differentiation of small-holding production is determined by:

—the capitalist penetration of the market and competition in agriculture through commercial agriculture;

—the eventual destruction of small-holding production and the impoverishment of the old type of poor peasants due to the natural advantages which large-scale exploitation will have over them, once rural production is made subject to competition and the capitalist law of value.

For Lenin, on the concrete economic basis of the Russian revolution, there are two possible paths in the capitalist development of agriculture:

(a) *The ‘Junker’ path*: the old land-holding economy, linked to the right of servitude, is preserved by being slowly transformed into a purely capitalist, ‘Junker’-type economy;

b) *The ‘Farmer’ path*: the destruction by revolution of the ‘landholders’ property and all the main pillars of the old corresponding ‘superstructure’ makes way for the development of

the small peasant hacienda, which in turn will gradually continue to disintegrate with the development of capitalism.

Each of these ways leads to a process of ‘depeasantization’ and the replacement of the system of payment by work with that of payment of wages, making possible the formation of an agricultural proletariat. At the same time a process of capital accumulation and concentration of production occurs, based on wage labour.

After this very summary presentation of some central ideas of the thinking of Marx and Lenin on peasants, we feel it necessary to stress that Marx and Lenin do not consider the evolution towards capitalism to be a simple matter. They do not postulate the existence of a unilinear path towards capitalism: on the contrary, at each step they contemplate the possibility that there may arise social relations which are different from capitalist ones. Throughout his principal work, *Das kapital*, Marx points out the obstacles to capitalist penetration in agriculture, which does not occur linearly. Lenin, for his part, stresses that “naturally, the most varied combinations of the elements of one type or another of capitalist evolution are possible, and only incorrigible pedants would claim to be able to resolve the peculiar complicated questions which arise in these cases solely by citing one opinion or another of Marx referring to a different historical era”.³⁶ This statement by Lenin seems to us to be a response to and a categorical rejection of many ‘Marxists’ who take literally what Marx calls the ‘classic’ conditions of the development of capitalism and who understand the type of development which occurs in England and Europe as capitalism; they thus confuse the situation of the dependent countries with the ‘classic’ type presented by Marx, rather than analysing the concrete manifestations of the general laws of capital.

This is not the appropriate place to reopen the debate on the possible usefulness of the concepts of Marx and Lenin for understanding small-scale peasant production, its characteristics and prospects. However, we do wish to

³³*Ibid.*, p. 161.

³⁴*Ibid.*, p. 165.

³⁵*Ibid.*, pp. 163-164.

³⁶*Ibid.*, p. 13.

ask several questions here which are at the centre of the debate:

1. Lenin's thesis that the penetration of capitalism in rural areas leads to peasant disintegration at the expense of the average peasantry and to growing differentiation is fully recognized in the Latin American context. In studies carried out on Chile and Mexico the same conclusion was reached.³⁷ The development of capitalism has not given rise to only two classes in the sector, capitalists and proletarians, however. There are relations of different agricultural producers with capital which are not the same as those of the plain wage-earners. Despite the modernization process and the growing capitalization of agriculture, wage-earning work has not become the general rule in Latin America.

2. The majority of authors accept the thesis of the universalization of capitalist production relations in the rural areas of Latin America; but the elimination of the individual small holdings, which for Lenin represented a basic and fundamental trend of capitalism and which went along with the formation of an internal market, has not occurred. There are authors who maintain that "capitalism does not appear to need a rural internal market for its expansion in these very urbanized societies".³⁸

Depriving the peasant of his means of production and throwing him out onto the

labour market as a free proletariat do not appear to be necessary conditions for the development of capitalism in Latin America. In the agricultural sector, the labour freed by mechanization is (as long as the total available land is cultivated), fundamentally superfluous; this is also true for capitalist production as a whole. Capital does not require this labour force for its measured valuation needs. These workers make up the stagnant part of the reserve industrial army, because peasant underemployment is greater than the needs of the reserve industrial army.³⁹

3. Marx and Lenin consider peasant production to be "a residual anomaly in the process of elimination", as an obsolete form which is blocking the full expansion of capitalism.⁴⁰ According to Lenin, small-holding production loses its internal logic once it is linked to the capitalist market, and thus there is no reason to study the conditioning factors of peasant production within capitalism nor the specific form in which it is articulated, nor the possibilities of survival of this form of production. In the agricultural sector a new relationship is not necessarily established between the wage worker and capital: there are other possible paths of capitalist development in agriculture which were considered, according to many interpretations, as being pre-capitalist or transitional forms.

IV

Chayanov's theory of the peasant economy

1. Introduction

The rediscovery of the works of A. V. Chayanov by Daniel Thorner and their translation and publication in English in 1966 had a considerable repercussion on the debate on small-scale

peasant production.⁴¹ It was Thorner who, inspired by Chayanov's work, proposed in 1962 the concept of the peasant economy at a meet-

³⁷Sergio Gómez, "Descomposición campesina: análisis de los asignatarios de la reforma agraria", Santiago, Chile, PREALC/ILO, January 1980, p. 8 (mimeographed).

³⁸David Lehmann, "Proletarización, movimientos sociales y reforma agraria: de las teorías de ayer a la práctica de mañana", Santiago, Chile, PREALC/ILO, January 1980, p. 10 (mimeographed).

³⁹Bennholdt-Thomsen/Boeckh, "Problemas en el análisis de clases del sector agrario en estados con reproducción dependiente del mercado mundial. Un nuevo enfoque: el caso de México", Working Documents, No. 10, August 1977, p. 11, Universitaet Bielefeld, Federal Republic of Germany.

⁴⁰Kostas Vergopoulos, "Capitalismo disforme", in Amin/Vergopoulos, *La cuestión campesina y el capitalismo*, trans. Gerardo Dávila, Mexico City, Ed. Nuestro Tiempo, 1977, p. 197.

⁴¹A. V. Chayanov, *The Theory of Peasant Economy*, ed. D.

ing of historians and economists in Aix-en-Provence.⁴²

To gain a better understanding of why the works of a Russian agronomist and economist dating from the period 1910-1930 could have exercised such an influence on current theories, it is worth noting the historical circumstances of Russia at that time, from the turbulent pre-war period, through the war itself, the revolution and up until the first years of the socialist transformation. In Russia, the crisis of 1880-1890 had called into question the viability of the large agricultural estate, based on an extensive system of exploitation of cheap labour. A debate began between the populists, legal Marxists and revolutionary Marxists on the merits of small-scale peasant production, in which the social democrats and social revolutionaries held that the only solution to the agrarian question was the nationalization or socialization of land by way of a political revolution. Another group, from which came the so-called organization-production school, stressed the transformation of the organization of peasant economy in order to raise agricultural production, without anticipating any political changes. The main problem faced by this school was to explain how the advanced technology of the western capitalist countries could be adopted by a peasant economy based on family labour and only partly oriented towards a monetary economy. They rejected the usefulness of the concepts of rent, added value and gain as ways of understanding the peasant economy, a position which in turn resulted in a heated debate with the Marxists. Chayanov, trained in this school, became its principal and most brilliant representative.

Thorner, B. Kerblay and R.E.F. Smith, *The American Economic Association*, Illinois, 1966. This edition contains two of Chayanov's works: *On the Theory of Non-capitalist Economic Systems* and his principal work: *Peasant Farm Organization*, originally published in 1925 in Moscow.

⁴²P. Vilar, "La economía campesina", in *Historia y Sociedad*, Segunda Epoca No. 15, Mexico City, 1975, p. 6. D. Thorner, "Peasant Economy as a Category in Economic History", in *Peasants and Peasant Societies*, Teodor Shanin (ed.), Penguin, 1973, pp. 202-218. Thorner uses the term 'peasant economy' for complete economies with given characteristics and not in the same way as other authors who apply this term to describe the functioning of the individual family holding.

After the revolution of February and March 1917 there arose a conflict between Lenin on the one hand, who demanded the immediate expropriation of large estates in order to transform them into model farms and the nationalization of all land, including that of the peasants, and, on the other hand, the League for Agrarian Reform, which proposed the transfer of all land to peasant units. This League was a group of economists and agronomists of different political persuasions, and Chayanov was one of the members of its Executive Committee. His position increasingly ran up against the criticisms of the Marxists and, in 1930, accused of counter-revolutionary conspiracy, he died a victim of Stalinist prosecution.

This brief historical sketch of Chayanov shows that the main areas of debate on the agrarian question in Russia, in which he took such a distinguished part, are still very valid today in the discussion of the problems of the peasantry in Latin America.

We will now try to present, although very briefly, the ideas of Chayanov on the peasant economy, and then proceed to a discussion of the principal elements of his theory.

2. Chayanov's theory

Basically, Chayanov's theory, as formulated in his work *On the Theory of Non-Capitalist Economic Systems*, consists of a criticism of the modern theory of the national economy because it only includes all the economic phenomena exclusively in terms of the capitalist economy.⁴³

All the principal categories of the classic theory, such as rent, capital, prices and others, are based on an economy whose constituent elements are wage work and the tendency to maximize gains; all the other non-capitalist categories of economic life are considered to be insignificant or on the verge of extinction. Despite the predominance of capitalist forms of production, however, in most countries a type of peasant farming prevails in which wage work is not applicable and whose operation cannot

⁴³A.V. Chayanov, *op. cit.*, p. 1. (All further references to A.V. Chayanov are from *The Theory of Peasant Economy*, *op. cit.*)

be analysed by using the classic economic theories and the modern theories derived from them. The absence of the category of wage worker implies, according to Chayanov, that the peasant farms based on family labour belong to an economic structure which is fundamentally different from the capitalist enterprises, and thus a different economic theory is needed. Chayanov therefore concludes that the peasant economy is a non-capitalist form of production; that there exists a peasant mode of production which is different from the capitalist mode of production and which does not operate in terms of profit, wage or rent; and that moreover the absence of these categories means that it is impossible to determine the respective return from the factors of production: capital, labour and land. In the capitalist mode of production the value added is what determines the allocation of resources and the dynamics of the production process; but for the peasant mode of production it is necessary to seek another mechanism to explain its functioning and rationale. Chayanov developed his model by concentrating on the family farm as the central unit of the peasant economy, based on the labour of the producer himself and his family, in which little or no use is made of wage labour, and the only income taken into consideration is that coming from the activities within the unit.

The decisions on production and consumption are interrelated with the family farm, i.e., there is an equation between labour and consumption. Whereas the capitalist enterprise produces exchange values, the peasant produces use values, mainly for self-consumption. But this difference between the objectives of capitalist and peasant production in no way means that there is no production for the market on the part of the peasants. Peasants have indeed entered the monetary and merchandise circulation systems, but at the level of a simple mercantile system, that is, an exchange of use values to obtain the essential products they cannot directly produce themselves, as opposed to the capitalists who sell their products to obtain a profit; thus, "we take the motivation of the peasant's economic activity not as that of an entrepreneur", affirms Chayanov.⁴⁴ For him, the peasant's labour is

aimed at satisfying his needs, i.e., subsistence, as defined culturally. And it is the peasant himself who determines the time and intensity of the labour. "The logic of the mode of production is thus translated to the fallacious level of individual decisions. The principle of explanation is centered on the behaviour and attitudes of producers and consumers."⁴⁵ Individual motivation is the 'modest pre-requisite', the central axis of Chayanov's system. "The whole originality of our theory of peasant farm organization is, in essence, included in this modest pre-requisite, since all other conclusions and constructions follow *in strict logic* from this basic premise and bind all the empirical material into a fairly harmonious system."⁴⁶ The key to the problem, for Chayanov, consists of the confrontation of two hypotheses: on the one hand, the ambivalent concept of the peasant, who combines in his person both the character of a worker and that of an entrepreneur (Marx's concept); or, on the other hand, the concept of the family farm as the individual motivation for the peasant.

Chayanov rejects Marx's concept because in his opinion Marx only uses categories which correspond to the capitalist system. The family farm, as Chayanov conceives it, may also occur in other systems of the national economy, i.e., this kind of productive unit with its given characteristics is not limited exclusively to the agricultural sector.

What determines the product of the family labour is the intensity of that labour, or, in other words, the degree of self-exploitation of the family labour force, stimulated by the consumption needs of the family: "... the degree of self-exploitation of labour is established by some relationship between the measure of demand satisfaction and the measure of the burden of labour".⁴⁷

When the demands of family consumption have been satisfied, which is the final goal of

⁴⁴A.V. Chayanov, "Peasant Farm Organization", in *The Theory of Peasant Economy*, *op. cit.*, p. 42.

⁴⁵V.M. Moncayo and F. Rojas, "Producción campesina y capitalismo", Bogotá, Centro de Investigación y Educación Popular (CINEP), 1979.

⁴⁶A.V. Chayanov, *op. cit.*, p. 42.

⁴⁷*Ibid.*, p. 81.

the peasant, a balance is produced between labour and consumption. "The output of the worker on the labour farm will remain at this point of natural equilibrium, since any further increase in labour expenditure will be subjectively disadvantageous. Thus, any labour farm has a natural limit to its output, determined by the proportions between intensity of annual family labour and degree of satisfaction of its demands."⁴⁸

The balance between labour and consumption, which expresses the principal thesis of Chayanov's theory, is none other than the concept of the maximizing of profits in the marginalist theories of the Austrian school. "It is from this kind of reasoning that Chayanov interprets theoretically, for example, an inexplicable empirical finding in Russian agricultural history: the fact that with each decrease in prices there follows a significant increase in production. This type of response by the peasants is, so to speak, typically non-capitalist, since what a capitalist enterprise of this type normally does in these situations is to reduce production."⁴⁹

The level of this equilibrium is determined by the size of the family, the proportion of family members who work or do not work, and the area and quality of the land. From the evolution of the internal structure of the family, Chayanov deduces a particular dynamic of the differentiation of the peasant economy, which he calls 'demographic differentiation' as opposed to the class differentiation on which Kautsky and Lenin had already insisted.⁵⁰ Supported by statistics on the evolution of peasant farms and family size, Chayanov shows that there is a clear dependence between the development of the peasant family and the area cultivated by it.⁵¹

As for the important category of land rent, which, "according to the usual school definition ... is the part of income which the entrepreneur pays to the landowner for using the

land", Chayanov states that this phenomenon corresponds to special social relations which do not occur in farms based on family labour. "The sole general economic realities in the family farm system are: (1) the farm's gross income; (2) sums spent from it on capital renewal; (3) the family personal budget; and (4) savings not invested in own farm."⁵² Chayanov shows, moreover, that the price of the land is not the equivalent of the capitalization of the rent (which does not exist) but rather that of the labour necessary to satisfy the needs of the family to reach the labour-consumption equilibrium.⁵³

The decision on the part of the family farm to introduce innovations depends on the effect these will have on the balance between labour and consumption. According to Chayanov, in conditions of relative shortage of land, a family which needs to increase its product because of its size will improve its technology beyond that which would be economic for a capitalist enterprise.⁵⁴

"Frequently, the family farm's internal basic equilibrium makes acceptable very low payments per labour unit, and these enable it to exist in conditions that would doom a capitalist farm to undoubted ruin", which means that the peasant can accept remuneration so low as to deprive capitalist agriculture of all its competitive power.⁵⁵ This explains the enormous capacity of resistance of the peasant economy with respect to capitalist competition: a phenomenon already observed in Russia at the end of the past century.

To conclude our exposition of Chayanov's theory, let us note some fundamental elements which have resulted in strong and controverted criticism, whose principal arguments are found in the next paragraphs.

1. Chayanov considered the economic behaviour of the peasant economy in an abstract manner, in isolation from the economic and social relations which surround it and of which it is merely a part. He specifically excluded from his objectives the theme of articu-

⁴⁸*Ibid.*, p. 82.

⁴⁹E. Archetti and K.A. Stohlen, *Explotación familiar y acumulación de capital en el campo argentino*, Mexico City, Ed. Siglo XXI, 1975, p. 113.

⁵⁰A.V. Chayanov, *op. cit.*, p. 68.

⁵¹*Ibid.*, Chap. I, pp. 53-69.

⁵²*Ibid.*, p. 228.

⁵³*Ibid.*, p. 234.

⁵⁴*Ibid.*, p. 238.

⁵⁵*Ibid.*, p. 89.

lation and concentrated on the 'Mechanisms of the organizing process' of the peasant farm. Chayanov proposed to make a 'morphological study' or a 'static organizational analysis'.⁵⁶

2. For him, the peasant economy is a mode of production (although he did not explicitly use the term 'peasant mode of production') which is at the same level as the slave, feudal or capitalist modes of production.

3. The fundamental elements of his theory are the peasant family unit and family labour stimulated by individual motivation. The peasant's *raison d'être* is the satisfaction of needs, culturally determined, and he seeks this through a balance between labour and consumption. There is no accumulation in the peasant economy; for Chayanov, the peasant ceases to work when he produces enough to be able to acquire what he needs.⁵⁷ He markets only a part of his product, since most of it is used to satisfy the needs of the family. "Chayanov concentrates on the internal mechanisms which prevent the production of a greater surplus."⁵⁸

4. Chayanov claims that a comparative advantage is to be seen when peasant production is compared with capitalist production, and that this advantage explains the survival of the peasant economy and even its increasing strength in given circumstances, that is to say, the great 'viability and stability' of small-scale production.

3. Critique of Chayanov's theory

The interest in Chayanov's theory is explainable by the lack of any other consistent theory on small-scale peasant production. Both the neoclassic and classic Marxist approaches consider the peasants as an obstacle to the development of capitalism, although they have very

different interests, and both these approaches show little concern for the internal functioning of peasant production or its future development. The lack of a consistent theory on small-scale peasant production thus explains the interest in Chayanov's theory; but is the discovery of Chayanov "a scientific attitude or an ideological illusion, as instinctive, existential classist reaction?"⁵⁹

The importance and political implications of Chayanov's proposals justify the animated discussion and numerous publications which analyse them. Let us look at some of the most significant aspects of the debate.

As we have seen, one of Chayanov's central theses is the characterization of the peasant economy as a family, not a capitalist mode of production, belonging to the simple mercantile mode of production. Although his theses are limited merely to the analysis of family farms, their generalization would mean that his theory could be extended to all the units of production which share similar relations of production. Thorner, in his presentation of Chayanov's work, writes that "he saw his exposition of the peasant economy as a particular form of a larger doctrine —the theory of family economy".⁶⁰ His theory is a theory of enterprises centered on the mechanisms of the process of organization of the peasant farm in its economic aspects, whereas the concept of the mode of production is a global concept stemming from a study of historical reality. Mode of production is not only the way of producing (and still less the way of exchanging), because it is at the same time a technical complex of a certain level, a system of legal and social relations related to the type of requirements of this technique and a set of institutions and ideological convictions which ensure the functioning of the general system. However, according to Chayanov, 'peasant economy' is a clearly descriptive category, a grouping of individual and separate units of production —the family farm— which are all identical. "Such a model may be an aid to description and perhaps explanation

⁵⁶*Ibid.*, p. 44.

⁵⁷"This discovery has been called by Sahlins 'Chayanov's law' and is formulated in the following manner: in the community of domestic groups of production, the more the capacity for work of each group, the less its members work, or in other words, the intensity of labour in a domestic production system varies inversely with the relative capacity of each unit of production." Cited by E. Archetti and K.A. Stoehlen, *Explotación familiar...*, *op. cit.*, p. 121.

⁵⁸A.V. Chayanov, *op. cit.*, pp. 121-122.

⁵⁹Pierre Vilar, "La economía campesina", *op. cit.*

⁶⁰Daniel Thorner, "Chayanov's Concept of Peasant Economy", in A.V. Chayanov, *On the Theory of Peasant Economy*, *op. cit.*, p. xv.

of partial mechanisms, but it is very doubtful that it can clarify the origins, crises and destiny of a society."⁶¹ According to Vilar, there is a peasant way of life but it is an element of social analysis; there is not, however, a peasant mode of production (or a peasant economy) midway between feudalism and capitalism, with a peasantry capable of escaping from both feudal coercion and the 'law of the market' (selection, concentration, expropriation of the weakest). For Maffei "there can be no doubt ... (that) it would be erroneous to consider the peasantry as a different mode of production with its own characteristics, for it is inserted within and is part of a determined social formation".⁶² On the other hand, Bartra, in his "invitation to the reading of Chayanov" supports the argument of the latter when he states that "the durability of the peasant economy comes from the fact that it is a mode of production different from the capitalist mode, and not a transitional economy".⁶³ He does not see a possible synthesis between Chayanov and classic Marxist theory in this aspect, but does say that it is a secondary mode of production which, by its very nature, cannot be dominant.

It is not possible in this article to probe deeply into the question of the mode of production, which is a central category of Marxist theory and has provoked highly controverted debates. It is clear that this is in no way a strictly intellectual discussion. Very different political positions are implied in either considering the peasants as a stratum which is not a class in itself and which falls between two class positions (as in Marx), or considering them as a class in itself, with a 'peasant economy' which, despite its articulation with the capitalist system, maintains its unity and has its own laws and trends (as in Chayanov).

The object of Chayanov's study is the peasant family farm, which he considers indepen-

dent of the system in which it is inserted. Although family labour is an element common to all the historical settings where the participation of peasants is observed, it does not provide enough basis for characterizing an entire social formation and "hides the fundamental feature of small peasant production ..., its mercantile character". For Chayanov, no other group outside the family farms exists within the peasantry; rich or semi-proletarian peasants simply do not exist, or at least remain outside his analysis. The peasantry, for Chayanov, exists economically on family farms without further differentiation and without considering the relations of production, either between family farms or between peasants and latifundios. For him there is no economic differentiation; yet this picture did not reflect the real situation of Russia at that time, and still less that of the Latin American countries of today.⁶⁴ The equilibrium between labour and consumption, this 'modest pre-requisite' which constitutes his basic premise, implies that the peasant determines for himself the time and intensity of his labour; individual motivation decides the dynamics of consumption, which in turn stimulates the dynamics of production. This premise expresses the static and historical nature of Chayanov's theory. It is difficult to imagine a family farm maintaining itself in equilibrium through time because "any continuous or temporary deficit which is too great means a risk of elimination of the unit of production and of labour. In contrast, any substantial or continued surplus will increase the size of the farm at the expense of its neighbours, or will lead to the marketing of the product outside the peasant economy".⁶⁵ It is obvious that consumption has an impact on production, and this relationship appears in all periods. But, as Marx stated, although consumption does influence production, the factor which 'preponderantly' influences consumption is production, and it does so in three ways: "1. by creating the goods to be consumed; 2. by determining the mode of con-

⁶¹Pierre Vilar, "La economía campesina", *op. cit.*, p. 6.

⁶²Eugenio Maffei, "Algunas consideraciones sobre el campesinado minifundista latinoamericano, la agricultura de subsistencia y el concepto de economía campesina", in *Estudios Rurales Latinoamericanos*, Bogotá, Vol. 2, No. 1, p. 125.

⁶³Roger Bartra, "La teoría del valor y la economía campesina: invitación a la lectura de Chayanov", in *Comercio Exterior* (Mexico City), Vol. 25, No. 5, May 1975, p. 522.

⁶⁴Utsa Patnaik, "Neo-populism and Marxism: The Chayanovian View of the Agrarian Question and its Fundamental Fallacy", in *The Journal of Peasant Studies*, London, Vol. 6, No. 4, July 1979, p. 378.

⁶⁵Pierre Vilar, *op. cit.*, p. 11.

sumption; 3. by stimulating in the consumer the need for products which it has created originally as objects. Consequently, it influences the object of consumption, the mode of consumption and the stimulus for consumption".⁶⁶

In order to avoid the static view of his theory, Chayanov incorporates the 'demographic differentiation' opposed to the Marxist concept of the differentiation of classes in agriculture. The family farm does not remain static but grows as the number of members in each family grows. The differences observed in the size of the units are attributable thus to differences in the number of family members. Chayanov argues that the variations in the size of the farms are a cause of the variation in the size of the families, and he cites as proof the correlation between the two factors; but a correlation does not necessarily mean a cause.

As there is no accumulation in Chayanov's peasant economy, because the peasant ceases to work when he produces enough to buy what he needs, this means the virtual absence of "the omnipresent trade activity in peasant economies" and the innumerable ties it creates between peasant production and centres of peasant accumulation.

The comparative advantage attributed by Chayanov to peasant production, which according to him, explains the survival of the peasant economy, appears to us to be another critical aspect of his work. Although the survival and the persistence of small peasant production is an irrefutable fact, this is not due to a supposed technological superiority, but mainly to the fact that the family unit can carry self-exploitation to an extreme which allows it to exist in conditions which would lead to the certain ruin of a capitalistic farming unit. It is true that in conditions of underemployment in the rural area and the lack of sufficient alternatives for employment in non-agricultural activities, small peasant production may subsist, but only in miserable and overexploited conditions of life and work. The 'viability' and 'stability' of the peasant economy in these conditions would

have to be considered as a reaction of peasants to a very unequal distribution of the means of production, combined with a lack of alternative ways to obtain income, and not as a superior and advantageous form of viability. By ignoring the unequal distribution of the means of production, Chayanov's theory leads to justifying the conditions in which small peasant production operates. For this reason Patnaik's observation appears fully justified: "any concept which begins by assuming equality of property and continues thereafter rationalizing existing phenomena by employing subjective terminology necessarily leads to similarly apologetic conclusions".⁶⁷

The last aspect we would like to mention is 'voluntary' unemployment. Price reductions suffered by peasants in the markets, minimal consumption as an additional restriction, and the difficulty of replacing labour with capital and land, prevent total employment of the family labour on the small farm. Basing himself on the premise of the equilibrium between labour and consumption which, he claims, occurs as a result of the individual motivation of the peasant, Chayanov defines surplus labour on the family farm as voluntary unemployment. This implies that the peasants eat and work as they wish; as a result, if the peasants satisfy their subsistence needs, and if this is what they desire, there is nothing that would call for the nationalization, socialization or collectivization of agriculture.⁶⁸

Our observations probably do not satisfactorily reflect the complexity of Chayanov's work, nor do they justify a simplistic condemnation of it. Chayanov has observed and discovered, with great precision, phenomena in small-scale peasant production which contribute to understanding the operation of the family farm from within. The strength of his work lies in the descriptive part, but the usefulness of his theory of the peasant economy to explain the characteristics and perspectives of small-scale peasant production in Latin America (or any other region) is open to question. His at-

⁶⁶Cited in Manuel Coello, "Caracterización de la pequeña producción mercantil campesina", in *Historia y sociedad* (Mexico City), Segunda Época, No. 8, 1975, p. 12.

⁶⁷Utsa Patnaik, *op. cit.*, p. 395.

⁶⁸Mark Harrison, "Chayanov and the Economics of the Russian Peasantry", in *The Journal of Peasant Studies*, Vol. 2, No. 4, 1975, p. 413.

tempt to discover and attribute to it an original social feature—he implies, as already mentioned, that the peasant economy is situated between feudalism and capitalism—by postulating that the rural areas hold a specific place in global society, leads him to ignore existing relationships and artificially create a social formation which does not exist as he presents it. “For these reasons”, Bartra feels, “in Chayanov’s work we do not find the explanation of the peasant economy, but we do find basic elements to help understand it.”⁶⁹

On the political and ideological level, Chayanov’s statements and his proposals for a strengthening of the peasant economy are echoed by the statements of groups who deal with the agrarian question in technocratic and populist terms without considering social relationships and the unequal and unjust distribution of the means of production, and without demonstrating any interest in changing the existing structure, which leaves the majority of peasants in conditions of extreme poverty.

V

‘Peasantization’ versus ‘depeasantization’: aspects of the current debate

In recent years a debate on the peasantry has begun at the international level, and particularly in Latin America, which deals with many of the aspects considered above. Despite the wide range of opposing arguments and interpretations brought up in this debate, we can broadly distinguish two dominant currents: the champions of ‘peasantization’ and those of ‘depeasantization’ or ‘Chayanovists’ and ‘Leninists’, to name them by the principal theorists of these two currents.⁷⁰

The first group sustains as its thesis the possibility of the survival and strengthening of the family form of production under capitalism, while the second, the ‘depeasantization’ school, expect the more or less rapid disappearance of peasant agriculture and the intensification of capitalist relations in rural areas, leading to the inevitable proletarianization of the peasant.

In view of the impossibility, within the context of this work, of even referring to the most outstanding studies and authors, we will limit ourselves to a somewhat schematic pre-

sentation of the principal arguments of the two currents mentioned.

Crouch and Janvry distinguish two groups of supporters of ‘peasantization’: firstly, those who, influenced by Chayanov’s work and by certain empirical evidence, hold that the peasants belong to a special mode of production, either a ‘smallholder’ or ‘peasant’ mode or a simple mercantile mode, and secondly, those who argue the superiority of the family agricultural unit of production, based simply on microeconomic reasoning, without any reference to historical materialism.⁷¹

Although there is a great diversity of approaches in the studies published by the ‘peasantization’ school, they apparently have in common the conviction that the subsistence of the peasants is not only compatible with the growing penetration of capitalism in the rural area, but is even a condition for its expansion. Stavenhagen, one of the main exponents of ‘peasantization’ in Mexico, referring to the situation in his country, affirms that “(in) a dependent capitalist country, (in) a peripheral and underdeveloped capitalist country, the

⁶⁹Roger Bartra, “La teoría del valor...”, *op. cit.*, p. 523.

⁷⁰E. Feder, “Campesinistas y descampesinistas: tres enfoques divergentes (no incompatibles) sobre la destrucción del campesinado”, in *Comercio Exterior*, Vol. 27, No. 12, December 1977, pp. 1439-1446 and Vol. 28, No. 1, January 1978, pp. 42-51.

⁷¹A. de Janvry and L.A. Crouch, “El debate sobre el campesinado: Teoría y significancia política”, in *Estudios Rurales Latinoamericanos*, Vol. 2, No. 3, September-December, 1979, p. 1.

existence of a small peasant economy, not totally destroyed by the capitalist relations of production, is functional to the development of capitalism itself, and not only is it functional in the sense that its breakdown is slowed down by the development of capitalism itself, but also the needs of this underdeveloped and peripheral capitalism constantly re-establish the peasant economy ...".⁷²

The theoretical supposition of this approach is that the agricultural sector poses obstacles to the full incorporation of the capitalist mode of production because the subsistence of the smallholder form of production is a necessity for satisfying capitalism's demands for agricultural goods and materials. Although they admit that there is a tendency towards economic polarization, the 'peasantization' school insist that the "traditional peasantry is not disappearing: on the contrary, it is in fact becoming more numerous in some areas".⁷³

Warman, another prominent supporter of the 'peasantization' approach, in a recent paper on the subject opposes the thesis that proletarianization and subsequent generalization of the wage relation have become the most important relation of production in the rural area, and that the peasants will thus soon be eliminated.⁷⁴ Referring to the Mexican case, he argues that agricultural workers who have been deprived of the means of production and now subsist and/or are reproduced exclusively by the sale of their labour would appear to be much less numerous than is usually claimed. What predominates are "temporary peons who, in their communities of origin, cultivate the land or form part of a unit which produces and consumes in an integrated manner". The author criticizes the simplistic identification of the presence of the wage with a process of proletarianization; although they are a vital supplement, he holds, wages remain subordinated to a

network of basically non-mercantile relations which occupy a central and strategic position for the survival, reproduction and organization of peasant productive relations.

One consequence of the theoretical supposition regarding the spacial features of peasant production is the belief of the 'peasantization' school that the reactions of the peasant are opposed to the logic of capitalism. Warman cites as an example the production of maize in Mexico, whose price "has many aspects for the peasant. It represents not only income, from the sale of its production, but also the principal consumption expenditure ... This complex relationship, in which maize is both income and cost, commercial product and subsistence product, means that this grain does not behave consistently with the laws of the capitalist market".⁷⁵ The same author holds that peasant crops depend on relations whose nature and rationale are not those of capitalism, but he then makes an important distinction: "however, the peasant's external relations of class exploitation and domination are indeed capitalist".⁷⁶

For the supporters of the 'peasantization' school, "the peasantry today is a class of rural producers which performs various productive jobs and may be categorized into four groups: production, collection and extraction of natural products, manufacture or processing of goods, handicraft activities, and the sale of labour ... it is an exploited class which creates an economic surplus which it cannot retain, and which is transferred to the bourgeoisie".⁷⁷ Warman goes on to affirm that the relations of production which characterize the peasantry allow it to be considered as a class within capitalism, and he rejects the hypothesis of its fragmentation into various factions or classes with different relations of production which separate and oppose them.⁷⁸

⁷²R. Stavenhagen, *Capitalismo y campesinado en el desarrollo agrario*, p. 670.

⁷³R. Stavenhagen, "Basic needs, peasants and the strategy for rural development", in Marc Nerfin (ed.), *Another Development: Approaches and Strategies*, Uppsala, Dag Hammarskjöld Foundation, 1977, p. 53.

⁷⁴Arturo Warman, "El problema del proletariado agrícola", in *Ensayos sobre el campesinado en México*, Mexico City, Ed. Nueva Imagen, 1980, pp. 169-184.

⁷⁵A. Warman, "... Y venimos a contradecir: Los campesinos del oriente de Morelos y el Estado nacional", Mexico City, Ed. de la Casa Chata, 1976, p. 238.

⁷⁶A. Warman, "El neolatifundio mexicano: expansión y crisis de una forma de dominio", in *Comercio Exterior*, Vol. 25, No. 12, December 1975, p. 1374.

⁷⁷A. Warman, "Las clases rurales en México", in *Ensayos sobre el campesinado...*, op. cit., p. 205.

⁷⁸*Ibid.*, p. 212.

At the other pole of the debate we find the 'depeasantization' or 'proletarianization' school, who "believe that the minifundistas are on the way out and that the elimination or extinction of the peasants by capitalism involves their transformation into landless wage workers, that is, into a proletariat in the strict sense".⁷⁹ According to Bartra, "the structural relation of the small-scale peasant economy with large-scale capitalist enterprise inevitably leads to the disintegration, pauperization and proletarianization of the former".⁸⁰

The dynamism of capitalist development "inevitably destroys all previous economies". All these strategies designed to achieve a greater incorporation of peasants into both the productive and social fields, such as agrarian reform, World Bank programmes, the Green Revolution, etc., are incapable, according to Feder, of stopping the inevitable process of destruction of the peasant economy, and he concludes: "the regeneration or resurgence of the peasant economy in the capitalist system is a romantic myth; capitalist expansion into the utmost corners of the rural sector of the underdeveloped countries, under foreign initiative and domination, must inevitably end in the displacement of the peasants and wage workers".⁸¹ Feder not only analyses a process of 'depeasantization' but also anticipates a "gradual but rapid elimination of the entire rural proletariat", in view of the forms which the process of capitalist expansion has assumed in recent years.⁸²

In this context, the movements and policies designed to strengthen the peasant economy are deemed antihistorical and conservative. As might be expected, the debate between the 'peasantization' and 'depeasantization' schools on the orientation of the process of agricultural development shows a great ideological diversity. Some defend the capitalist way, while others stress the need for a non-capitalist or peasant way. "The capitalist way has not only been defended by the right, as would be

obvious and natural, but has also sometimes been taken by leftist thinkers; on the other hand, the peasant way, supposedly rooted in the left, has also been adopted by reactionaries and conservatives."⁸³ In part, this debate appears to oscillate "between the hopes of capitalist productivism and sentimental nostalgia for this world we have lost."⁸⁴ The lack of analytical rigour and empirical evidence in various studies seems to reflect "a moral and ethical concern rather than an objective reality", replacing a realistic position by a vision of what 'should be'.⁸⁵ Miró and Rodríguez seem to be on the right track when they say that the intense argument among various interpretive currents of the Latin American agrarian reality is not so much about what is actually occurring but rather about what supposedly will occur.⁸⁶

Despite the differences between the two groups mentioned, the majority of authors may be included under a single ideological category: "the historical-structural or historical materialism school", as they are called in a CEPAL study on peasant economy. The following common features are ascribed to these authors:

- the significant (and in some cases exclusive) presence of conceptual categories deriving from historical materialism;
- the rejection of the various dualist interpretations;
- the adoption, implicitly or explicitly, partially or totally, of the hypotheses of the so-called dependency theory, which holds that the process of generating national agrarian structures is part of a historical process characterized by the subordinate insertion of the peripheral economies in the international division of labour;
- both the size of the units and the forms of tenure constitute only one part of the elements which influence the characterization

⁷⁹E. Feder, *op. cit.*, p. 1443.

⁸⁰R. Bartra, *Estructura agraria y clases sociales en México*, Mexico City, Serie Popular, Ed. Era, 1974, p. 45.

⁸¹E. Feder, *op. cit.*, p. 51.

⁸²*Ibid.*, p. 1444.

⁸³A. Warman, "Desarrollo capitalista o campesino en el campo mexicano", in *Comercio Exterior*, Vol. 29, No. 4, April 1979, p. 399.

⁸⁴P. Vilar, *op. cit.*, p. 18.

⁸⁵"Presentación" by the Editorial Committee in *Estudios Rurales Latinoamericanos*, Vol. 2, No. 2, May-August, 1979.

⁸⁶See Carmen A. Miró and Daniel Rodríguez, "Capitalism and population in Latin American agriculture: Trends and recent problems", in this issue of the *CEPAL Review*.

of the agrarian structure, and they are not the only or preponderant ones, as argued by the structuralist current (represented in the CIDA reports);

— finally, there is agreement that the State-peasant contradiction cannot be resolved in the framework of the present State, but only by radically transforming it.⁸⁷

Studies have appeared, however, which could not be classified as coming under either of the 'peasantization' or 'depeasantization' extremes, since they question the thesis of total proletarianization and suggest the existence of other modalities in the confrontation between peasants and capitalism.⁸⁸ Díaz, in his analysis of the peasant economy in Mexico, speaks of a "half-way or intermediate process of peasant disintegration". The fact that some members of the family have become partly proletarianized as a way of supplementing their income, without definitively abandoning their piece of land, does not mean that they have lost their peasant condition. Thus, Díaz speaks of a "permanent situation of semi-proletarianization", in which the "rural labour oscillates between disintegration and strengthening of the family economy".

Many authors admit the existence of the semiproletarian peasant sector, but "the 'peasantization' school claim that it is a part of the peasantry, whereas the 'depeasantization' school consider it to be a transitional phenom-

enon, or feel that the members of this sector are actually part of the rural proletariat, with simply a superficial peasant appearance".⁸⁹ Amin considers the poor peasant as 'objectively proletarianized' although he continues to be either formally or virtually, the owner of a small plot of land. On the level of his consciousness, the peasant is a small producer, but in practice he is rather a "home-based proletarian".⁹⁰ The concept of 'semiproletarian' offers a certain attraction and apparently presents a way out of the false dilemma arising from the 'peasantization' versus 'depeasantization' debate. But the use of such an ambiguous term as 'semiproletarian' and its elevation to the level of an analytical category, requires in our judgement, a prior theoretical exploration in order to be able to suggest that "this would be the most important section of the peasantry in the capitalist development of Latin American agriculture".⁹¹

The above-mentioned CEPAL/Mexico work mentions the "eclectic or mediating approach" which "not only disagrees with the existence of an antagonistic contradiction between the State and the peasants, but on the contrary upholds the feasibility of overcoming or, more precisely, significantly modifying the degree of exploitation to which the peasantry is subjected, by a sort of alliance between the peasants and the State".⁹²

VI

Some observations on the debate on the peasant economy

This last part of our study will be devoted to mentioning some observations and questions which have occurred to us during the study of

the different approaches to the peasant economy. We do not claim to offer a new approach which avoids the weaknesses of those already presented, but we do hope to offer some sug-

⁸⁷CEPAL, "Economía campesina y agricultura empresarial...", *op. cit.*, pp. 35-47.

⁸⁸John Durston, "El campesino semiproletario en América Latina" (CEPAL, draft for discussion), Santiago, May 1980; Luisa Pasé, *El Proletariado agrícola en México, ¿campesinos sin tierra o propietarios agrícolas?*, Mexico City, Siglo XXI, 1977; Solon Barraclough, "Perspectivas de la crisis agrícola en América Latina", in *Estudios Rurales Latinoamericanos*, Vol. 1, No. 1, January-April 1978, pp. 33-57; Erasto Díaz, "Notas sobre el significado y el alcance de la

economía campesina en México", in *Comercio Exterior*, Vol. 27, No. 12, December 1977.

⁸⁹John Durston, *op. cit.*, pp. 41-42.

⁹⁰Samir Amin, "El capitalismo y la renta de la tierra", in Amin-Vergopoulos, "La cuestión campesina y el capitalismo", *op. cit.*

⁹¹John Durston, *op. cit.*, p. 43.

⁹²CEPAL, *op. cit.*, pp. 47-49.

gestions for orienting our work on peasant agriculture.

The vehemence which characterizes the discussions among scholars in this field leads us to wonder about the reasons underlying the debate. Clearly, we must take into account, on the one hand, a certain romantic attitude towards country life and, on the other, the rejection of such an 'anachronistic' form of production. But the reasons go beyond psychology, and, what seems more important, reflect the political content of the controversy. De Janvry and Crouch seem to us to be correct in stating that "the reform efforts implied in the agrarian reform and rural development programmes might seem useless if one comes to the theoretical conclusion that the peasantry is inevitably destined to disappear; on the other hand, the tendency towards the disappearance or persistence of the peasant economy has just as many programme implications for the leftist parties today as in the days of the debates between Lenin and the populist, and Kautsky and the social democrats".⁹³

The point of departure of all the approaches is the definition of a peasant. Anthropologists refer to peasants as a type of human group with certain common characteristics in all parts of the world,⁹⁴ and under the influence of the anthropologists, we find in the modernizing and neoclassical approaches a vision of a type of peasant tied to a traditional system who is an obstacle to development and is doomed to disappear with the advance of the processes of modernization. The classic Marxist approaches, although derived from a different analysis and perspective, make a similar evaluation in which they maintain that the peasantry, because of the expansion of capitalist forms of production, is disintegrating and becoming either a proletariat or a bourgeoisie. The Russian populists, represented by Chayanov, consider the peasant economy to be a mode of production governed by laws which are those of neither feudalism nor capitalism. In the studies by both the 'peasantization' and 'de-peasantization' schools definitions prevail

which are based on negations, since they take as a point of reference the capitalist producer. The absence of the profit motive as the driving force behind the activities of the small peasants constitutes for the 'peasantization' school the characterizing factor of the peasantry. The main problems which arise in giving a 'good' definition of the peasantry originate, according to Landsberger, in a dual endeavour:

"1. to classify specific groups of human beings as 'within' or 'outside' some category; and

2. to make this categorization on the basis, preferably, of one single criteria, or as few as possible..."⁹⁵

Many authors deny that a peasantry or peasant problem exists as such; what does exist, they say, is a rural society with socially differentiated peasants who, because of the expansion of capitalism, have lost the original unity of their class.

An analysis of the agricultural situation of the past three decades reveals undoubted progress in the modernization of agricultural production and considerable capitalist penetration: facts which have produced a growing differentiation in the productive process and in the rural population. There is evidence that there has also been a process of 'depeasantization' and proletarianization in Latin America, but at the same time we see the persistence and reproduction of peasant units of production, which continue to be the main source of subsistence for a large part of the rural population. To adopt a rigid position in the polarized debate between the 'peasantization and de-peasantization' schools would imply either an oversimplification of reality, or else a false dilemma. The question of whether one approach is analytically adequate also depends on the question of how far it is empirically applicable.

The agrarian reality in Latin America, considering all its historical, social, cultural and geographical differences, is characterized by a peasant class which is going through simultaneous processes—and with different degrees of intensity—of proletarianization,

⁹³De Janvry and Crouch, *op. cit.*, p. 1.

⁹⁴Robert Redfield, "Peasant Society and Culture", *op. cit.*, p. 61.

⁹⁵Henry A. Landsberger, *Rebelión campesina y cambio social*, Barcelona, Ed. Critica, 1978, p. 21.

'peasantization' and 'depeasantization' depending on the characteristics of the development model being used in each country. The hypothesis that capitalism needs a free, landless worker, who must sell his labour, does not preclude the additional alternative of capitalist development without increasing 'depeasantization'. The advance of capitalist enterprises in agriculture and the growing concentration of production in these enterprises does not necessarily imply a reduction in the number of small holdings nor a proletarianization of peasants. Although in the long run the tendency of capitalism is the elimination of non-capitalistic forms, in the short run these are maintained because they have been temporarily integrated by capital. This explains why it would seem just as risky to say that there is a predominant trend of generalized proletarianization in Latin America as to speak of the extinction of the peasant class as such.

The development of capitalism in agriculture has not created strict, pure categories, but rather ambiguous and even contradictory situations. There is a substantial difference between the ways in which capitalist laws are manifested in agriculture and in industry. Due to certain natural conditions which distinguish it from the other sectors—and which lead to peculiarities in capitalist relations—agriculture imposes barriers to capitalist production. The fact that agriculture is subordinated to capital and that its relations of production are primarily capitalist does not necessarily imply the existence of a simple relationship between capital and wage labour. There is no law which determines a generalization of wage labour; instead new relations of production may arise which depend on the conditions and possibilities of the process of accumulation of capital; old relations are regenerated or existing relations, such as wage labour, are shifted. The existence or persistence of 'anachronistic' forms such as small-scale peasant production does not correspond to erratic development, or to an omission of the system: these forms are rather an integral part of the system and even a basis for its reproduction. Instead of being an apparent relic of old forms of production which will soon disappear, peasant production may be, in reality, the result of capitalist develop-

ment. The eradication of the peasants from their land has certain limits, because it is impossible to absorb this labour force in other sectors. That is why we share Warman's opinion "that there is a definitive structural barrier against the transfer, in the foreseeable future, of the labour force working in agriculture to other economic activities".⁹⁶ The fact that in the rural area the freed labour is largely superfluous helps us to understand and explain the problem of the obstinate survival of peasant production, which, by its very impoverishment, should have disappeared long ago; the explanation is that to be a peasant "is not a way of life but a way of survival". The capacity of peasant production to retain productive or non-productive population, adjusting itself to the requirements of the absorption rate of labour in the secondary and tertiary sectors, is probably the most important function of this type of production, especially at the political level.

The pure proletariat, deprived of the means of production and depending for their subsistence and reproduction on wages alone, still do not constitute a generalized category in the Latin American rural areas.

It would seem that the number of wage workers has increased as a result of the development of the productive forces in the rural areas, although it has also been affected by this same development to the extent that agriculture has been mechanized. In the trend towards proletarianization, there are periods during which the process speeds up, alternating with other periods of slow growth; it is a movement which responds to changes in agrarian policy, in the relations of production, and in the demand for agricultural products, and/or to variations in the prices of the latter. In times of crisis, the proletarianization process, as a means of self-defence against unemployment, becomes reversible. In this context, the seasonal character of the requirements of labour (one of the characteristics of agriculture) is of greatest importance. The seasonality of agricultural production means that small producers, or members of the family unit, sell their

⁹⁶A. Warman, "Desarrollo capitalista o campesino en el campo mexicano", *op. cit.*, p. 402.

labour at certain times of year; that is, they become wage workers but later go back to working on their plots of land. Miró and Rodríguez state that the relationship between the enterprise and the minifundio which has become the most widespread in the whole region is that involving 'temporary' wage workers, which has meant 'atypical' proletarianization. Temporary wage labour becomes a substantial factor in reestablishing the peasant economy. It has become a survival strategy for the working population and is no longer a reproduction strategy for the haciendas or plantations.⁹⁷

Some other authors rule out a process of accumulation which destroys the way of life of the peasant economy from within. According to them, it is not the lack of surpluses which prevents accumulation, since small-scale peasant production does produce surpluses, but rather the fact that the relationship between peasant production and the market is characterized by an unequal exchange, so that part of its labour is absorbed by the society of which it is a part and with which it carries out transactions. Thus, the peasant transfers surpluses at the expense of his consumption, and this may transcend strictly physical terms to such a point that, on occasions, it absorbs a portion of the labour necessary for the reproduction of his instruments of production. Since the value of the family labour is not included in its entirety as a cost of production, the self-exploitation which characterizes the peasant economy is transformed into a direct appropriation of its product by the capitalist enterprises once the peasantry enters the labour market as a semi-proletariat. The amount required for subsistence should ensure not only the peasants' own reproduction but also the training of future producers and the retirement of old ones, and the means of subsistence should sustain this group in periods of unemployment as well. What usually happens, however, is that the temporary wage worker is only paid for the time actually worked. As a result, he then has to obtain the means for his reproduction by working on his parcel of land during certain periods of the year. "In this way capitalism extracts

from its workers a rent in labour, in so far as labour produced in the domestic economy is transferred to the capitalist sector."⁹⁸

Taking these factors into account, we may say that the peasant economy is participating to a significant extent in the capitalization of agriculture and the accumulation of capital in the other sector through a process of exploitation. It is these conditions, generally speaking, which explain the limitations on accumulation within small-scale peasant production, and not the existence of a supposed equilibrium between labour and consumption (as suggested by Chayanov) or a backward productive mentality (as some anthropologists and exponents of the modernizing approach would have it). In our opinion, the 'peasantization' attitude is not incompatible with the 'depeasantization' view that the minifundistas are on the road to extinction, and that the disappearance or elimination of the peasants by capitalism assumes their transformation into landless wage workers, that is to say, into a rural proletariat in the strict sense.

In the first place we must take into account the time horizon: the peasant economy will surely not disappear in the medium term, nor will all the peasants turn into *petits bourgeois* or proletarians. Until the development of capitalism has reached sufficient dynamism to allow it to create channels of absorption of the labour in other sectors—which is not likely—it will seek some form of 'symbiosis' with the agricultural economy, using it for its own interests but not eliminating it. This, of course, does not mean that in certain regions with advanced capitalization, there will not be strong depeasantization and proletarianization at the local level, while in others the peasant economy persists and even becomes stronger.

Some groups of peasants with access to land, credits and marketing possibilities, particularly near urban centres, could specialize, for example, in vegetables for the domestic market with a possibility of earning good profits. In the future, these enterprises could also produce food and agricultural products for the urban markets; they could devote themselves

⁹⁷Miró and Rodríguez, *op. cit.*

⁹⁸Luisa Paré, *op. cit.*, p. 143.

to specific products where the type of labour needed is appropriate to small properties, which thus have comparative advantages, and, finally, they could fulfil the function of an anticyclical 'cushion' for some products which fluctuate sharply in price.

The sectors of small producers who do not manage to incorporate themselves into this group could either sell their land or submit to a process of growing peasantization, with increased cultivation of subsistence products and sale of labour outside the property, thus assimilating themselves to small-scale traditional agriculture, with few relations with the capitalist market.

The parcels of land in the marginal agricultural areas could be devoted to the retention of population, thus preventing increases in migratory flows and unemployment, and measures such as the Integrated Rural Development Projects could be taken in order to improve their income, without society as a whole being greatly affected by their problems.

The usefulness of a definition or conceptual framework as an analytical category is demonstrated by the extent to which it aids in understanding and explaining reality. Its elaboration, then, cannot be exclusively the product of the observation of given attitudes and their extrapolation in time and space; but neither can it be only the result of a theoretical process of deduction. The great variety of different phenomena and forms which can be observed when dealing with the peasant question in the region makes necessary a better balance between theoretical concerns and concrete applications in order to grasp the effective evolution of the actual situation and the concrete 'movement' within the trend, before reducing them to general schemes. "The concrete phenomena in Latin America are such that it cannot be assimilated to any of the 'classical models'."⁹⁹ We agree with Landsberger, who advocates as broad a concept of the peasant as possible in order to "carefully analyse the status of the peasant in a series of economic and political (as well as cultural...) dimensions peculiar to him".¹⁰⁰ There is a cer-

tain consensus that "the peasant is a direct worker on the land he possesses (whether by ownership, rental or any other form of tenure); he uses family labour which is not remunerated by money; and of the total that he produces he keeps part for self-consumption and sends the rest to market".¹⁰¹ However, the same author observes that "if this definition is applied strictly, it includes only one sector of the real peasant world, that is, the so-called average peasant".¹⁰² It leaves out, on the one hand, those who can hire non-family labour and produce principally for the market; and, on the other, those who have to sell at least part of their labour, and produce essentially for self-consumption. Peasants are subject to a permanent process of elimination and reproduction of their form of production. As a result, they cannot be defined by following static criteria; rather it must be observed that they are oscillating between two extremes—becoming integrated into commercial agriculture or becoming proletarianized—, but in any case with various intermediate forms which sometimes have a high degree of persistency. The difficulty of separating the different categories empirically leads us to prefer to include in our analysis also the permanent wage worker and the landless peasant (a numerically very important category according to the censuses of various countries). In our opinion, these two categories, which are excluded from the traditional definitions,¹⁰³ form one extreme pole of small-scale peasant production, just as the 'rich' peasants constitute the other. There is a certain mobility between these social groups: consequently, drawing too strict a division between them could mean that, for reasons of theoretical purity, a group is left outside the analysis which, in other times and circumstances, could be reintegrated into the 'peasant economy'.

If we summarize the arguments set forth by the participants in the current debate in favour

¹⁰¹Sergio Gómez, "Descomposición campesina: análisis de los asignatarios de la reforma agraria", PREALC/ILO, Santiago, Chile, January 1980, p. 6.

¹⁰²*Ibid.*

¹⁰³See also Crispi and Brignol, "Algunos alcances teóricos para orientar una investigación sobre el campesinado en América Latina", CEPAL/FAO, July 1979 (draft for discussion).

⁹⁹Miró and Rodríguez, *op. cit.*

¹⁰⁰Henry A. Landsberger, *op. cit.*, p. 33.

of one or the other approach, and if we compare them with the ones used at the beginning of this century in the controversy between Marxists and neopopulists in Russia, we get a somewhat *déjà vu* feeling, in view of the scant originality of the discussion. Besides, the high level of abstraction of some authors' studies contrasts in turn with the deficiencies as regards the search for adequate categories to reflect the new or changing economic relationships of the different agricultural (or rural) producers with capitalism.

Despite all the attempts at interpretation, there is a clear lack of a satisfactory theory on the peasantry, its specific form of production and reproduction, and its character and role in societies such as those of Latin America.

We agree with Miró and Rodríguez that the key to understanding the possible alternatives for agriculture in the region can only be found in a profound understanding of the phenomena which appear to emerge, seeking to rearticulate the theory in the light of new findings, and not the reverse.¹⁰⁴ Only in this way we can overcome what Warman calls the lack of correspondence between what can be observed and investigated in the rural areas and what is analysed and discussed through the current definitions. To continue to formulate hypotheses on the theoretical disappearance of the peasantry on the basis of empirical affirmations which are frequently restricted to limited areas or sectors of little representativeness, appears to be a sterile academic exercise. Regardless of the label which is given to them, the peasantry exists and will continue to exist, at least within the foreseeable future, in spite of certain general tendencies which point to their proletarianization.

In this context the notion of peasant econ-

omy seems useful in studying both the internal operation of this form of production and its relations with capitalism. However, this notion has various dangers, which are pointed out in the presentation of a selection of texts entitled *Economía campesina* and which we feel it may be useful to cite here:¹⁰⁵

“1. By emphasizing the autonomy and isolation of this type of economy or by seeking its specific features, it is easy to fall into the ahistoricity of this notion, depriving it of all its content of social relations;

2. Occasionally, the notion of peasant economy suffers from a strong economicist bias, which hinders the analysis of all the aspects entering into its operation;

3. The notion of peasant economy, deprived of its historical and social content, may lead to new and refined forms of dualism: two distinct social topics, which coexist simultaneously in the same country without any significant interrelationship;

4. By stressing the specificity of the peasant economy and trying to isolate its components in the peasant agricultural productive process, we forget the actual social relationships of this peasant economy and ignore the other processes and forms of social reality in which this peasant economy is inserted”.

Finally, we wish to stress once again the need to achieve greater balance between theoretical concerns and concrete applications, by incorporating new elements and new evidence which allow us to remove the debate from its ivory tower and, what appears even more important, to contribute to the formulation of policies which really benefit the peasants and which do not ultimately lead to greater impoverishment of the rural population.

¹⁰⁴Miró and Rodríguez, *op. cit.*

¹⁰⁵J. Orlando Plaza, *Economía campesina*, presentation and selection of texts, Lima, Desco, 1979, pp. 20-23.

The peasantry in Latin America

A theoretical approach

*Raúl Brignol
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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.¹ 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.² 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

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

²This 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.³

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.⁴

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-

³This 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.

⁴It 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.⁵ 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

⁵These 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,⁶ 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.

⁶This 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 *minifundio* 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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Class and culture in the changing peasantry

*John W. Durston**

The author's main purpose in this study is to demonstrate that the peasantry, while also a category of agricultural producers, may be best understood if analysed as a social class. A large part of typically peasant economic behaviour is basically due to the socio-economic relations maintained with other more powerful classes, since it is the latter who limit the peasantry's access to almost all the productive inputs and facilitate the involuntary transfer of a part of the resources it generates to other sectors of society.

As a social class, the peasantry also has its own subculture, which strengthens and consolidates its own social institutions. The extended family, the network of social reciprocity and the rural community are mechanisms for self-defence or adaptation to the restrictions and demands imposed by other groups, and while they may possess particular belief, value and prestige systems these do not imply the existence of a 'different rationality' in the peasant class. This set of socio-cultural particularities reveals the need for a broad concept of rationality which includes cultural values and social relations in order to gain a better understanding of the economic behaviour of the peasantry. These are also necessary elements for determining the reasons for the current survival of the Latin American peasantry in the framework of 'modernization' of rural structures and of the social mechanisms of surplus appropriation.

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I

Unification of the economic and sociological perspectives in studying the peasantry

For some years past, emphasis has been placed in the United Nations on the need to apply, a 'unified approach' to analysis and planning, since the achievement of the objectives of economic development, equity of distribution and participation calls for profound structural changes in most countries, and these changes require analysis of societies as complete systems in which internal conflicts and trends towards change have intimately interrelated economic, social and cultural elements.¹

In practice, however, progress in overcoming the barriers separating the compartments of the different professional disciplines has been slow, both in the United Nations and in academic and research circles. At root, the analytical problem is extremely broad and complex, and requires specialists who can cope with its various aspects. At least, however, some progress has been made in communication and dialogue between professionals in the different social sciences with regard to some of the central issues of development.

In dealing with the problem of the current situation and possible future changes in the Latin American peasantry, there is a particularly clear need for an approach which unifies the analysis of their economic, social and cultural aspects. However, many of the contributions to the debate on the future of the Latin American peasantry have tended to concentrate their analysis on economic causes and processes, seen in terms of the confrontation of the peasant economy with the penetration of the capitalist style of economic development in agriculture. This emphasis is partly understandable as a reaction to the excesses of cultural

¹See General Assembly resolution 2681 (XXV) "Unified approach to economic and social planning in national development", 11 December 1970; United Nations, "Report on a unified approach to development analysis and planning: Preliminary report of the Secretary-General" (E/CN.5/477), 25 October 1972; and UNRISD, *The quest for a unified approach to development*, United Nations, Geneva, 1980.

determinism which enjoyed some prestige in past decades and which attributed the poverty of the peasant sector to supposedly cultural causes involving a 'resistance to change'.

While it would indeed appear necessary, at this point in the debate, to reconsider neglected social and cultural factors, this should be done within a corrected and balanced perspective. In any social system there is a basically economic foundation, where the problem is to know who controls the production and distribution of economic goods. But tackling the subject of the control of these goods naturally involves an analysis of the conflicts between different social groups for the furtherance of their own interests and the control of other groups (or avoidance of falling under their control). Integrating 'the social factor' in this perspective means attempting to analyse social class structures whose main character-

istic is control over the economic processes, and which are legitimized and consolidated by the subcultures corresponding to the different social groups which make them up.

This study pursues the relatively modest objective of analysing some of the basic social and cultural elements of the peasant social condition and also examining certain aspects of the current peasant situation where 'the economic factor' is better understood by including social and cultural elements, or where 'the socio-cultural factor' may be better understood in the light of the underlying economic processes. Another purpose, which is perhaps over-ambitious but is in any case very tentative and preliminary, is that of contributing in some way to achieving the 'unified' view of the Latin American peasantry which is being formed by specialists from various disciplines.

II

The social identity of the peasant

A peasant, in economic terms, is a small agricultural producer with very limited capital resources, who bases his economic strategy on the self-exploitation of non-remunerated family labour, without achieving a sustained process of capital accumulation. In sociological terms, on the other hand, the peasant is a member of a social category (the peasantry) subjected by more powerful social groups to a process of surplus extraction² or involuntary transfer of resources.³ The primitive farmer, who produces for self-consumption and prac-

tices an even-handed exchange with other producers in similar conditions, becomes a peasant when he is incorporated (gradually or by conquest) into a society of classes. In this new context he is obliged to provide agricultural products to the dominant groups and to help to pay for a level of consumption which is higher than his own. The other groups also make use of a series of social, cultural and economic barriers to deny the peasantry greater access to the resources which would allow him to escape from this unequal social relationship.

This relationship largely determines the behaviour of the peasantry. Their economic and social strategies are mainly directed towards covering (or minimizing) the cost of the transfers, compensating in various ways for the lack of resources and closed options, and taking advantage of any new opportunities which may arise in changing contexts. In addition, the social situation of the peasantry means that the most relevant unit of analysis (both economic and social) is the family and not the individual; that in the economic strategy an important role

²We use the expression 'surplus extraction' because it is the most widely accepted way of referring to this relation of involuntary transfer or unequal exchange, although we do not feel it is fully adequate for the real conditions of the Latin American peasantry. In conditions of over-exploitation, in the first place, there is no surplus of production over subsistence but rather an expropriation of a part of the subsistence itself, which is reflected in the chronic undernutrition and premature death of the producers. In the second place, as we will see later, the entire surplus over and above simple reproduction is not always expropriated.

³Eric Wolf, "Peasantry and its Problems", in *Peasants*, Prentice Hall, Inc., Englewood Cliffs, N.J., 1966.

is played by kinship ties and the local community; and that there is a sort of peasant 'counter-culture' which expresses the current socio-economic situation of peasants and offers an alternative to and defence against the dominant culture which legitimizes the established hierarchy of social classes.

1. *The peasantry as a social class*

Many arguments have been set forth to show that peasants cannot be considered a social class in themselves, claiming that they lack cohesion, a common purpose or consciousness; that they maintain, especially in Latin America today, a very wide range of social relations of production, from sharecroppers on the haciendas to self-sufficient producers; and that they assume a variety of roles with respect to the means of production, since they are at different times sellers, seasonal proletarians, etc. Without completely denying the validity of these points, we believe that peasants show many other characteristics of a social class, which makes this concept useful for purposes of analysis.

In the first place, the economic role assigned by society to the peasant family agricultural enterprise gives the peasants a common and basic class interest. In this respect, Roger Bartra has characterized the peasant as 'an exploited petty bourgeois'.⁴ It is certainly true that peasant behaviour, and the objective factors which determine it, show very close similarities with the management of a family enterprise of the informal urban sector, which transfers resources to the dominant formal sector. Here too we find the unit of production and consumption (regardless of whether there is any exact accounting of the cost of labour), the commitment not to dismiss family workers, and the need to intensify labour in special circumstances of low yield.

Thus, Víctor Tokman's characterization of the informal urban sector entrepreneur may also be applied to the peasant family enterprise. "The entrepreneur of... small firms or-

ganized on quasi-capitalist or family basis... offers an indivisible package composed by his own labour, that of his family and some capital. Return on capital is low, since mobility is restricted because of its double role of productive and household asset... (with) zero profit equilibrium (and) informal networks of insertion... based on personal contacts..."⁵

However, there is a certain contradiction in juxtaposing the concepts of 'bourgeois' and 'exploited' to characterize the peasantry. The extraction of surplus from the peasantry by the bourgeoisie and other more powerful social groups is clearly a relationship of classes in opposition, as shown for example by the deep conflict of interests generated by the agrarianist demand for land. It would be more exact to say that, in the majority of cases, the peasant is an exploited agricultural producer who aspires to become a petty bourgeois, that is to say, he tries to achieve a sustained rate of accumulation which will allow him to acquire more productive capital, to use wage labour, and finally to reach a higher standard of living and economic security. Although it appears paradoxical, it is precisely this desire to 'stop being a peasant' (although continuing to be an agricultural producer and member of a small community) which, in his class situation, obliges him to adopt a type of economic behaviour, social institutions and a cultural super-structure which are typically peasant.

Another basic aspect of this class situation is the persistence of the peasant condition across many generations, as a result of the barriers to social mobility associated with the economic role assigned to the peasantry. An individual has basically two ways of leaving his social class and entering another higher one: through a successful economic strategy which raises his income and allows him to assume economic roles of control and direction; or by incorporation through marriage. The obstacles to social contact and courtship between classes are well known, and for a peasant to marry a

⁴R. Bartra, "Una extinción imposible en marcha permanente" (mimeographed), Mexico City, 1978.

⁵Víctor Tokman, "Growth, Underemployment and Income Distribution", Santiago, Chile, PREALC, *Occasional Paper* 30, Rev. 1, 1980, pp. 14-15.

woman of a higher class than his own and become a head of household within this class would be little short of a miracle. The cultural features distinguishing peasants —language, dress, behaviour, etc.— are very noticeable and are linked with other economic and educational barriers. Education is often a key to economic and social mobility, but rural education in Latin America, with rare local exceptions, totally fails to educate, beyond teaching the meaning of some national integrating and legitimizing symbols, and even this scanty education is only available to those children whose labour can be spared by the peasant family economy.

The socio-cultural barriers imposed on individual and inter-generational mobility are based on economic relations. The very extraction of surplus to which the peasantry is subjected establishes a vicious circle of impossibility of saving which rules out sufficient accumulation to allow his passage into the agrarian bourgeoisie. Reinforcing this situation are the mechanisms used by the powerful classes to monopolize production inputs such as land, water, technology and credit. By their control over the access to these resources and over the marketing channels they force the peasant family to fall back on self-exploitation, with little hope of accumulating sufficient resources to escape from their plight. This basic factor aids in explaining peasant behaviour, without the need to resort to arguments which claim that there are differences of 'rationality'.

It seems valid and useful, then, to analyse the peasantry as a social class apart, in view of the particular characteristics already pointed out which give the peasants their own common identity and define their relations with other social groups.

2. The nuclear family, the extended family and social networks in the organization of production

We frequently read that the extended peasant family is disappearing as a result of the processes of modernization, and that peasant families are clearly becoming urban-type nuclear families. This idea assumes that the traditional and typical peasant family includes various generations, individuals and nuclear groups in

a single social unit of production and consumption. The reality is a good deal more complex, however. Among the Latin American peasantry, the extended family has almost never formed a 'unit' in every sense of the word. When taking a census of a peasant community, the researcher always faces a prior problem of definition: does a group of nuclear families and related individuals, who reside together or near each other, constitute an extended family or not?

The concept of family includes much more than residence and kinship;⁶ it implies the organization of production and consumption (including the purchase and preparation of food), the socialization of the children, principles of ownership and inheritance, and questions of authority and decision-making on all these aspects. The basic peasant family unit is the nuclear family (husband, wife and unmarried children), with each married man (or widow) the head of an enterprise and a unit of consumption which requires its own strategy. The predominance of this type of unit in a rural area is not an indication of the decadence of the peasant society and economy. The existence and importance of the extended family is shown instead through an infinity of gradations in each one of these aspects; they derive from this basic nucleus and acquire different forms according to local conditions and the stage of development of each family group.

In the cycle of development of the peasant family the time when the extensions of the nuclear unit acquire greatest importance is when the grown children have just married. On the one hand, it is the time of greatest potential accumulation for the head of the old unit, who will thus try to maintain his control over the labour of his married sons and daughters-in-law. On the other hand, the new unit is still weak: it lacks means of production, has no children who can produce more than they consume, and thus still needs the father's aid in order to survive. But the new unit, from the beginning, undertakes a campaign of emancipation which will allow it to compete on the

⁶See Carlos Borsotti, *Notas sobre la familia como unidad socioeconómica*, "Cuadernos de la CEPAL" Series, No. 22, Santiago, Chile, 1978.

same footing with other family enterprises for resources and prestige.

Moreover, in almost no peasant subculture does the extended family display absolute unity in the economic sense, even during its peak period. The married sons may cultivate the family land under the direction of the father, but in general there is division of the product, whose consumption is decided within each nuclear family. In other cases, the son is assigned the usufruct of the property which he will later inherit, and the reciprocal sharing of labour with the father and brothers and the division of the product are organized in many different ways.

As a fundamental principle, however, it can be said that as long as the parents are alive the young nuclear family does not split off completely. Here again it can clearly be seen that there is an interrelationship between the productive system and the cultural superstructure which consolidates and reinforces it. In the peasant economic system, where the principal product is the food necessary for survival, and the only production resource left under the control of the producer is family labour, the perpetuation of the systems rests on a principle of approximate balance between the energy contributed by each individual to the family enterprise (and to the community) and that which is consumed in the course of his life.⁷ This equivalency covers the sequence of three generations, so that in his adult stage each peasant must generate 'additional labour' which, besides satisfying his own subsistence needs, replaces what he consumed as a child (the product consumed in fact during this stage by his own minor sons), and also compensates for what he will consume as an old man (which in practice his own elderly parents are consuming). The ideology which gives old persons authority, respect and management functions, besides constituting recognition of the complex store of knowledge which they have built up on the diversified agriculture of the local microclimate, reflects a deeply internalized

cultural norm which guarantees the fulfilment of the commitment of reciprocity of the adults *vis-à-vis* the now non-productive old persons. These norms are in turn reinforced by the right granted to the 'patriarch' to decide how the land will be divided among the various heirs.

Furthermore, it is well known that the nuclear peasant enterprise requires additional labour during periods of intense activity, such as planting and harvesting, and the closest family members are the first circle in the concentric network of potential recruits for this additional assistance. Within the extended family, the compensation for labour aid (whether in money, a share in the harvest, or the subsequent return of the same labour) is highly conditioned by the already mentioned elements of reciprocity, responsibility and authority, and only rarely is equivalent to the prevailing monetary wage.⁸

The concentric network of potential aid surrounding each peasant nuclear family does not end with the extended family but includes more distant relations by blood or marriage, neighbours and friends, making up a broad system of accumulated mutual aid. These networks, centred on each individual family, frequently, overlap, and the totality of their reciprocal aid commitments contributes to the community character of the peasant settlement.

The most basic reciprocal commitment, which gives cohesion to the community, begins with the *sine qua non* need of any potential head of a new peasant unit: to form a union and have children with an unmarried woman of his own generation who is not close consanguineal kin. The limited availability of appropriate candidates means that this interdependence among peasant families of the community is the basic link upon which other aspects of economic and social reciprocity depend. This many-sided interdependence is combined with the existence of common (although not identical) interests and a system of prestige and shared norms to make the local community not just a simple territorial grouping of families but an institu-

⁷See Claude Meillassoux, "Las estructuras alimentarias del parentesco", chapter 3 of *Mujeres, graneros y campesinos*, trans. Oscar del Barco, Mexico City, Siglo XXI, second edition, 1978.

⁸On this point, see Giorgio Alberti and Enrique Mayer, (eds.), *Reciprocidad e intercambio de los Andes peruanos*, Lima, IEP Ediciones, 1974.

tion of central importance in the peasant economic, social and agricultural complex. This community network of mutual aid is necessary in order to compensate for the insecurity of the agricultural process and to help each nuclear family to manage the stages of highest dependency within its developmental cycle. In order

for each domestic group to survive, it is necessary for a young head of family or a family whose crops fail in a given year, to have a right to a part of other peasants' harvest, greater than the amount strictly equivalent in value to his labour contribution.

III

The peasant culture in perspective

An analysis of interrelationships between culture and the class system is absolutely necessary in order to gain a complete view of the current changes in the Latin American peasant situation. Curiously, culture —understood as a system of beliefs and values shared by a social group— is receiving less attention from scholars of peasant development today than it did a decade ago. The cultural anthropology of the 1950s and 1960s contributed to the effort being made, in the planning of agricultural development, to understand the peasant groups on their own terms and not according to the stereotypes and prejudices of the dominant sectors.

However, many 'culturalist' authors failed to make due analysis of the class situation of the peasantry, studying the small community as a closed system and attributing to peasant culture the role of an independent variable, a determining factor in a supposed 'resistance to change'. As a result, the 'culturalist' interpretations mainly served to refine the methods for accelerating dependent and extractive integration of the peasantry in line with the new requirements of capitalist development in agriculture.

The excesses and consequences of this approach have already been sufficiently denounced.⁹ The subject of culture is still very important, however, and we should try to salvage some of the more valuable elements of cultural analysis, within an appropriate perspective. For our purposes here, the perspective

called for by our approach consists of interpreting the cultural elements in their function as an ideological superstructure which reinforces the weak points of the social relations within and between human groups.

We have mentioned the role of an obstacle to social mobility that is played by certain cultural factors, keeping the peasantry in a subordinate position within the class structure and as legitimizing symbols of this same structure. We could add other similar functions of cultural factors present in the world view of the peasant, such as religion, which is so important in the peasant reality and so often omitted from analyses of this reality. We may also mention here the psychological stabilizing functions played by cultural values internalized by the individual which 'explain' the unknown to him, 'adapting' him to elements in his environment that he cannot control. But our purposes are more limited: to analyse those elements of peasant culture which constitute a defence against their situation as a class subjected to surplus extraction and which strengthen their strategies of survival and accumulation.

When we speak of a peasant culture proper, we must make it clear that we are not speaking only of indigenous cultures. The peasant groups which belong to dominated ethnic groups find themselves in very specific social situations and have their own cultural structures, with their own problems for achieving fairer participation in development.¹⁰ How-

⁹See for example Gerrit Huizer, *Peasant Rebellion in Latin America*, Penguin Books, 1973; and K. Heynig, "The principal schools of thought on the peasant economy", elsewhere in this same issue of the *Review*.

¹⁰See John Durston, "Los grupos indígenas en el desarrollo social rural" in *América Indígena*, Mexico City, XL, No. 3, July-August 1980, pp. 429-460.

ever, they also share basic elements of culture with other non-indigenous peasant groups in Latin America and other parts of the world. Since each social group has its own 'subculture' as a function of its class situation, the innumerable different peasant groups also have common cultural elements, at a basic level which corresponds to their shared membership in a single broad social class.

1. *Internal logic, motivation and accumulation in the peasant class*

The peasantry, like any socio-economic subsystem, has a certain internal logic of its own in that its productive organization, its social institutions and its cultural structures tend to reinforce each other. This coherence helps to maintain the economic viability of the peasantry, although there may well be internal disfunctions and contradictions. However, its internal logic does not endow the peasant economy with a 'rationality of its own' which could not be analysed in terms of a universal economic rationale,¹¹ as postulated by Chayanov¹² and his modern followers. Peasant economic strategies directly originate in their social class situation and, more concretely, in surplus extraction and the restricted access to almost all production resources. Thus, for example, a basic aspect of the peasant economy—production based on self-exploitation of family labour—is not explained satisfactorily by any 'rationality of its own'. The explanation seems rather to be that, faced with the class barriers which prevent their obtaining sufficient land and other forms of capital, peasants resort to the intensive use of the only resource whose availability they themselves can increase: family labour, particularly that of their children.

Many forms of behaviour, considered by some authors as characteristic of any peasant producer, actually correspond to situations of extreme deprivation, and they are changing as these conditions improve.

The peasant family, in the most extreme situation of subordinate integration into the class structure and the market economy, is constantly forced to overexploit itself. Its members must work beyond the physiological balance (with relation to food consumption) in order to acquire basic consumer goods, pay their debts and replace the inputs and instruments of production. This imbalance between consumption and expenditure of energy is reflected in the serious state of under-nutrition and low levels of life expectancy of the majority of peasant groups in the world. In extreme cases the lack of means of production, added to insufficient nutrition, leads to reduced activity as producers during a large part of the year.

In these conditions, it is logical that the peasant family which harvests enough to ensure a balance between labour and nutrition will reduce its work rate from a level of over-exploitation to a more normal one which does not take such a physical toll. This is a rational form of behaviour in a context characterized by lack of means of production, debt and low prices for products: it is the typical syndrome of today's peasants. This does not mean that peasants will stop working when they reach a supposed 'culturally determined' level of consumption. On the contrary, if basic circumstances change, if prices or harvests improve, if low cost credit or more productive land are obtained, the peasant family will continue working (although at a less frantic rate) to improve its level of consumption, strengthen its economic position with respect to unforeseen factors, or initiate a process of accumulation. For this purpose it is not necessary conceptually to separate the value of a peasant family's labour; when they reach the standard of living they consider minimally adequate, peasants may do without part of their potential consumption in order to use a fraction of whatever additional income they may have for making the investments required to increase the productive capacity of their 'enterprise'.

This adaptability in the context of new economic opportunities is closely related to certain changes in attitude with respect to risk. Most peasants are in a position of such extreme vulnerability that they are forced to avoid even minimal risks (although other alternatives

¹¹A. Schejtman, "The peasant economy: internal logic, articulation and persistence", in *CEPAL Review*, No. 11, August 1980, p. 117.

¹²A.V. Chayanov, *The Theory of Peasant Economy*, Homewood, Illinois, Richard D. Irwing, Inc., 1966.

might seem to offer them potentially greater gains) in order to ensure their physical survival as far as possible. But it is wrong to take this statistical trend as a law of rationality of *the* peasant, as an 'ideal type' in the Weberian sense. As A. Schejtman points out, there seems rather to be "a certain correlation between the value (and degree of liquidity) of the assets the peasant owns and his ability to take risks, either by adding crops and/or techniques which, although more profitable, are also more risky than the traditional ones, or by specializing in some of the traditional crops instead of maintaining the pattern of a large number of crops occupying small areas, which is characteristic of the poor peasant".¹³

Present-day authors who, under the concept of 'peasant rationality', understand a lack of motivation to accumulate and invest fall into the same error which caused those writing some 20 years ago to attribute low peasant productivity to a psychological inability or assumed 'cultural resistance to innovation'. It has now become obvious that peasant backwardness is due, basically, to the class relations mentioned, of which their attitudes are only the surface symptoms.

Basically, then, the poor peasant does not have a different economic 'rationality' from that of the agricultural petty bourgeois, the capitalist or the farmer. Although it is true that the peasantry has its own subculture, its specific character is due to the socially determined restrictions it faces and the precariousness of its physical and economic reproduction. As in any social group, the efforts made by the peasants to improve their economic situation are conditioned to a certain extent by different elements in this subculture.

2. *Cultural elements in an economic problem: attachment to the land*

Many observers have pointed out the impressive tenacity with which the great majority of Latin American peasants persist in cultivating small plots of land under the worst conditions imaginable. They struggle to obtain or expand

their own piece of property, spurning other alternative forms of work which might perhaps provide them with a larger income. It has also been noted in many areas that peasants are prepared to pay a higher price for land than agricultural entrepreneurs from better-off strata would pay. Even peasant migrants to urban centres —if they manage to accumulate some savings and conditions are right in their community of origin— frequently return to the rural area and accept a reduction in net income in order to acquire and cultivate land. Research in the Sierra region of Ecuador indicates that peasant families with less than one hectare, who are thus forced to sell part of their family labour off the land, tend to receive greater incomes than those who possess three or four hectares and can devote their activities entirely to agriculture.¹⁴ A static interpretation of these data could lead to the conclusion that they reflect a widespread process of 'depeasantization' among those who have insufficient land; but other more careful research¹⁵ suggests that young families with little land tend to seek wage labour precisely in order to survive until their children reach productive age. These peasant-workers (generally migrants) sell their labour in the modern sector not only to improve their level of consumption but also basically to save and eventually return to the community. They thus move into the category of pure peasants because of their investment in land, within the ideal development cycle of the family enterprise.

Clearly, a simple income maximization model cannot explain behaviour satisfactorily. Frequently, attempts have been made to explain this 'attachment' to the land by a mixture of popular psychology and mysticism, with references to feelings transmitted since infancy and the symbolic significance of the land in their religious beliefs, their ties with their forefathers buried in the area, etc. Even in those

¹⁴MAG-ORSTOM, *Diagnóstico socioeconómico del medio rural ecuatoriano: Ingresos*, Quito, 1978; and Government of Ecuador, Grupo de Evaluación de la Reforma Agraria, *La Reforma Agraria en la provincia de Chimborazo*, Quito, 1977, p. 33.

¹⁵See, for example, CONADE, Social Research Section, "Estrategia de reproducción de la familia campesina (Guamote)", Quito, 1981, pp. 112-113.

¹³A. Schejtman, *op. cit.*, p. 124, footnote 33.

cases where such beliefs are present, however, the explanation appears incomplete. In order for the cultural structure to persist so vigorously and in apparent contradiction to their own economic interests, other socio-economic relations and strategies ignored in the interpretations mentioned must also be taken into account.

To integrate the social and cultural analysis into the economic one, it is necessary firstly to abandon the concept of maximization of income for that of 'optimization' of a variety of values, and secondly, to broaden the frame of observation to include other values that are not directly economic. In the case of the attachment of the peasant to the land, we can thus identify, above all, some elements of optimizing strategy even within a strictly economic framework. The semiproletarian peasant, for example, who accepts a reduction in his income to return to agriculture, is following a long-term optimization strategy in which the security of the enterprise in both good and bad years prevails as a priority goal. Peasant agriculture is the occupation he knows how to perform best, with his specialized skills and knowledge of local conditions. For this reason, the accumulation of land, when he adds land bought with his city-earned savings to the land he has inherited, constitutes the much better possibility of accumulating resources and prospering in comparison with the alternatives open to him as a member of the marginal urban class.

Moreover, there is a series of human satisfactions that cannot be calculated in monetary terms which enter into the design of an optimum strategy for the peasant, as for any other economic sector. One is the possibility of living with his spouse, children, other family members and friends; another, despite the attractions of the modern city, is the physical rural environment, the space and security of the rural community, and the possibility of having his own house. All this contrasts sharply with the overcrowding, risk of infection and delinquency in the marginal urban environment. Finally, in comparison with wage labour which, besides being dangerous and disagreeable, restricts the freedom to choose one's own schedule and implies control by a boss and the total alienation of the worker with respect to the

final product of his work, the alternative of being a farmer means being able to take one's own decisions, assume personally the challenge of production, and feel justified pride when there is a good harvest.

All these economic and non-economic values assume particular forms and are perceived in optimal combinations which vary according to the specific situation of each social group. The acceptance of the individual as a legitimate member of a social group and the prestige, approval and admiration of other members of the group are cultural values which are universally internalized by everyone, but which manifest themselves in different ways in different socio-economic contexts. If we remember that cultural structures serve to reinforce the social institutions with which they interact, it is understandable that the best criteria for prestige in peasant culture are being a good head of family who carries out the responsibilities assigned to this role, being a knowledgeable farmer with a successful strategy, and being a good member of the community who shows a sense of reciprocity and solidarity by occupying some position of responsibility or sponsoring a community religious festival. The value of achieving prestige, in the terms acceptable since childhood, aspiring to enjoy the respect and admiration of all one's social environment, is a strong and *rational* motivation for being 'attached to the land' in the community of origin —especially if it is contrasted with the lack of prestige which the urban environment accords to the kind of jobs that the migrant peasant can do, and with the disdain and rejection he suffers in his daily contact with the dominant social strata because of his peasant behaviour and ethnic origin.

Peasant culture in general, and prestige systems in particular, are not incompatible with the accumulation of capital; on the contrary, the cultural and institutional elements strengthen the attempts to achieve economic success, organizing these efforts according to particular forms dictated, ultimately, by the social class situation which defines the peasantry.

3. *Economic significance of a cultural phenomenon: religious 'cargos'*

Since the elements of the economic-social-cul-

tural complex of the peasant are interdependent variables, even the most evidently cultural facets of peasant life (such as religious customs) also have social and economic significance; however, it is not always easy to identify this clearly in the cultural phenomena observed. This is so, for example, in the case of religious 'cargos'. Keeping up with these responsibilities, which are extremely, widespread in the peasant communities of various Latin American countries, involves sizeable expenditures on the part of heads of families in sponsoring religious festivals since these entail spending large sums on entertainment, food and drink for the community. This system of costly responsibilities has been called a 'levelling mechanism', since it seems to limit the tendency towards economic distinctions between peasants; it has even been considered a form of 'income redistribution'. But to attribute only these effects to religious responsibilities is, in the majority of peasant communities, an over-simplification and distortion of their com-

plex and important real function. 'Levelling' the peasantry economically would mean eliminating the possibility of accumulation for a peasant family, but in reality a head of family which has already begun the process of accumulation does not spend all its capital on sponsoring a fiesta. From a certain point of view, this expense can be considered 'consumption' for the sake of prestige; but such prestige is also a reflection of a proven capacity to achieve economic success. It has a certain similarity to the conspicuous publicity effected by many commercial enterprises when they sponsor cultural activities. Moreover, in peasant society this type of generous act constitutes an investment which creates a sort of diffuse 'credit' of reciprocity with the other members of the community. For this reason, a young man may spend all his savings giving a party, since this increases his chances of seeking help from his neighbours (in labour and loans) in his own future productive activities.

IV

The new social insertion of the peasantry in economic growth*

In the specific case of Latin America during the last quarter of the twentieth century, the co-existence of peasants with modern capitalist production relations reflects, in the opinion of some, a situation characterized by new forms of extraction, specific to the conditions of dependent development. Seeking the explanation of this "survival of the peasantry", they have hypothesized that a new option has thus been opened, different from total proletarianization.¹⁶ Since they note that "there has been no

fulfilment, in a broad sector, of the classic requirement of transition: the expropriation of direct producers and their radical separation from the means of production".¹⁷ Furthermore, an analysis of the complex facets of the insertion of the peasantry into the capitalist system leads to the conclusion that "... it does not seem possible to take for granted the current existence of precapitalist modes of production 'articulated' with the capitalist one".¹⁸ On the contrary, "the subsuming of peasant labour to capital does not seem to be a transitional situation but rather the specific form of development that capitalism is taking in agriculture".¹⁹

*This section is partly based on J. Durston, "La inserción social del campesinado latinoamericano en el crecimiento económico", E/CEPAL/R.232 (mimeographed), CEPAL, Santiago, Chile, 1980.

¹⁶G. Esteva, "¿Y si los campesinos existen?", in *Comercio Exterior*, 28: 6, June 1978, p. 699.

¹⁷*Ibid.*, p. 703.

¹⁸*Ibid.*, p. 701.

¹⁹L. Paré, *El proletariado agrícola en México: ¿campesinos*

1. Population, the economy and the peasant family

The classic view of the expansion of capitalism has generally underestimated the complex interaction existing between demographic factors and the economic and socio-political processes.²⁰ The total number of peasants and their present rate of growth make it impossible to forecast their total absorption as wage workers, in the foreseeable future even under the most 'optimistic' growth calculations for the capitalist economies of Latin America. Indeed, the census data are quite interesting in this sense. Around 1970, peasants²¹ constituted the majority of the economically active population in agriculture in 10 out of 15 Latin American countries, and between about 1960 and 1970 their absolute number had increased in 8 out of 13 countries for which there were comparable data. They even increased as a proportion of the economically active population in agriculture in 7 of these 13 countries.²² As Barraclough points out, "the peasantry will be able to go on decreasing relatively in importance, but not in absolute terms. There is no longer any place for the peasants to go. There are no new sources of urban employment".²³ And Esteva states that "the number of persons to be 'proletarianized' is greater than the appetite of commercial agriculture. Moreover, the gap between the rate of expulsion and that of absorption, which is already very wide, will tend to become even wider when the 'expelled' persons have no place to go".²⁴

This contradiction between the rate of

growth of 'surplus' labour in the peasant sector, with relation to the capital resources available, and the low demand for wage workers on the part of commercial agriculture, which is increasingly mechanized, has led some analysts to conclude that the Latin American and international bourgeoisies will resolve this 'totally insoluble' problem by eliminating the entire rural labour force, even to the extent of physically eradicating it.²⁵ This argument, like that of total proletarianization, erroneously supposes that capitalism is too rigid to adapt, adjust and take advantage of supposedly 'precapitalist' forms of extraction and that the peasantry totally lack alternatives *vis-à-vis* an omnipotent capitalist sector.²⁶

As we have seen, the economic, social and cultural barriers to production inputs and social mobility which peasant families have to face force them to adopt the strategy of having large nuclear families, since they find in family labour the only possibility of keeping up their production unit through time.

Every peasant family history follows a basic cycle of development, with some variations: a first phase, during which the newly married couple has children and partly depends on the parents of one or both partners to satisfy their vital requirements, and a second, in which the land from the previous generation is inherited and there is a large number of children of productive age, making it possible to generate a surplus (over and above the portion 'expropriated' by other sectors), which in turn is invested in the acquisition of capital goods (mainly more land).

This successful career, which is the ideal of almost all peasant heads of family, has been

sin tierra o proletarios agrícolas?, Mexico City, Siglo XXI, 1977, p. 37.

²⁰In rejecting, with reason, demographic determinism ... historical materialism also rejected, but mistakenly, the problems of the reproduction of the labour force", Claude Meillassoux, *op. cit.*, p. 8.

²¹In census terms, 'peasants' are own-account cultivators (who do not employ wage labour on a permanent basis) and their non-remunerated family workers.

²²CEPAL calculations based on OMUECE sample; see CEPAL, *op. cit.*, table 23, p. 75; and E. Klein, "Empleo en economías campesinas de América Latina", in *Estudios Rurales Latinoamericanos*, Vol. 2: 3 (September 1979), table 1, p. 309.

²³S. Barraclough, "Perspectivas de la crisis agrícola en América Latina", in *Estudios Rurales Latinoamericanos*, Vol. 1, No. 1, p. 52.

²⁴G. Esteva, *op. cit.*, p. 711.

²⁵E. Feder, "Campesinistas y descampesinistas: primera parte", in *Comercio Exterior*, Vol. 27, No. 12, p. 1444; see also Crouch and de Janvry, "El debate sobre el campesinado: teoría y significado", in *Estudios Rurales Latinoamericanos*, 2: 3 (September 1979), p. 291.

²⁶Esteva makes the following comments on this catastrophic view of Feder: "... The prophets of the apocalypse, who abound at the end of each century and multiply still further at the end of every millenium, play a definite political role: to stimulate passivity, preach impotence, stimulate desperate and irrational reactions which bring nearer the fulfilment of the prophecy, and lead the social struggle onto the terrain of metaphysics". Esteva, *op. cit.*, p. 711.

described as an attempt to achieve security for their less productive old age, when their adult sons can utilize the previously accumulated capital to support him. But the strategy of accumulation is also necessary so that the cycle can be repeated with another generation: so that each son can be married, counting on the initial support of the father and later on inheritance of sufficient means of production to allow each new family group to become self-supporting. As we have already seen, this process is based on principles of intergenerational reciprocity. Naturally, in any real context it will not be possible for all to achieve this objective, except when the agricultural frontier is in full expansion. The peasant whose wife or adult children die, or who suffers a series of poor harvests, will have fewer possibilities of accumulation and will face a process of impoverishment or will be forced to sell his land to others. It should also be recalled that this intra-generational accumulation (or demographic differentiation) only exceptionally takes the form of a sustained process which leads to the creation of a petty bourgeois-type enterprise: the accumulation ends and the cycle is reinitiated with the breaking up of the inheritance. But there is always the hope that lucky individual cases can achieve the objective of getting out of the poverty which the peasant condition signifies for them.

In terms of relations between social groups, it can be said that in the recent past the large landowners, grain buyers, *caciques* and agricultural entrepreneurs used to 'cultivate' or 'raise' peasants by obliging them to follow the strategy of large families. This productive system was traditionally based on a varied range of extra-economic mechanisms of control and extraction, but with only minimal investment of capital on the part of the groups benefited. In this aspect there is a parallel between the peasant economy and the hacienda, with which it was frequently, and in some countries still is, closely linked.

And as in the case of the hacienda, there is a tendency towards modernization of the mechanisms which allow for control of and extraction of a surplus from the peasantry, the central principle of minimal investment being replaced by that of increasing the productivity of

the system. But the peasants are social and economic actors, like the members of the dominant groups, and they too revise their family strategies in order to adapt them to the new opportunities and restrictions of the modernization process. In many present-day contexts they continue to face obstacles to access to production resources, and the strategy of having many children is therefore still a viable option for the majority of peasant families, albeit as part of a variety of new relations in which activity outside the farm becomes increasingly important.

2. *The modernization of the social mechanisms of extraction*

There can be no doubt that the existence of an enormous mass of rural population, characterized by underdevelopment and extreme poverty, with its threat of rebellion and migratory pressure on the cities, represents a *potential problem* for the social groups favoured by the predominant style of development in the region. In particular, the peasants' hunger for land may, if there are no safety valves such as alternative jobs and if the peasants manage to organize and mobilize, jeopardize the entire system.

But because of the pre-existing organization of production and social relations, this human mass also offers *opportunities* to the dominant groups, in the form of under-utilized *human resources*. The 'task' of the individual entrepreneur and of the State would be to organize a more efficient and productive form of subordinate integration of this resource, and to readapt the extraction mechanisms to the new specific economic conditions, appropriate to the time and place.

Currently, in the majority of Latin American countries, the social groups with most power and influence are promoting increasingly definite strategies with respect to the peasant masses. The "most intelligent and progressive landowners", businessmen and industrialists and transnational corporations "show signs of understanding" that it is in their interests to ensure the survival and stability (although not the prosperity) of the numerically important

peasant sector.²⁷ The policies applied by the State are the sum total of the conflicts and alliances between these and other groups participating in the national decision-making process, among which appear various types of agricultural producers (including, at times, peasants and organized rural wage workers).

Through these policies the State attempts to balance repressive measures—the destruction or co-opting of peasant movements when they seem to be growing too strong—with others aimed at realizing the under-utilized productive potential of the peasant sector. The measures ‘favourable’ to the peasants pursue the dual objective of consolidating a social stratum of small economically viable farmers who, it is hoped, will be able to stabilize the rural socio-political system²⁸ and also to stopping rural-urban migration in order to adapt the peasant economy to the new modalities of transfer of resources.

The surplus extracted from the peasant productive unit by the dominant socio-economic groups always takes the form of labour, products or money, but this extraction may be effected through a large variety of mechanisms. In the past, these mechanisms included the unfavourable terms of trade between the manufacturing sector and the autonomous peasant; indebtedness, to the hacienda owner or to the wholesale merchant, and the granting of sub-family plots, linked to the employment of farmhands at over-exploitative wages. But the current changes in the processes of extraction, whose purpose is to raise the productivity of the peasantry, require new forms of behaviour and institutional arrangements, which in turn imply changes in the social groups most directly benefited. These readjusted socio-economic mechanisms facilitate the subordinate integration of the peasant family as a productive unit, as consumers and as a source of casual wage workers.²⁹

²⁷William Thiesenhusen, “Los años ochenta, ¿década de los campesinos?”, in *Estudios Rurales Latinoamericanos*, Vol. 2, No. 2 (May-August 1979), pp. 230-231.

²⁸See Roger Bartra, “¿Y si los campesinos se extinguen?”, in *Historia y Sociedad*, Mexico City, No. 8, 1976.

²⁹On this point we disagree with Crouch and de Janvry, who hold that the only mechanism for extraction from the peasantry on the part of capitalism is unequal

(a) *The peasant producer and the new terms of trade*

Limited access to inputs, technical information, etc., and the lack of production alternatives give the peasant a special place and functionality in the socio-economic system. Almost all Latin American countries, in one way or another, maintain low prices for some basic consumer goods (for example, wheat, maize and potatoes) in order to make labour cheaper and alleviate popular discontent in the cities. The reduced prices make these traditional mass-consumption crops unattractive to the large-scale farmers, who can obtain credit and technology (in addition to subsidies) in order to devote their activities to other more profitable crops such as those for export, to say nothing of the possibilities offered by stockbreeding and products consumed by the middle class. This leaves the peasants with primary responsibility for the production of low-profit crops, which are generally also those which they traditionally consume.

The difference between the low profits made by peasants and those made by manufacturing industry is the essential principle of extraction through the unequal terms of trade. Although it could be argued that this inequality also exists between the modern urban-industrial sector and agriculture in general, it is evident that the inequality is greater for the peasant than for the large-scale commercial farmer, because of the differences just mentioned. Nor should we forget that behind these differences are the barriers of social class which prevent the peasant from following the same strategies as the large-scale cultivators.

With rapid urban growth, the demand for a greater quantity of basic consumer food products often exceeds the capacity for response of poor farmers in a traditional socio-economic context. For their part, governments argue about whether the solution is in importation,

terms of trade, and that this will lead to its proletarianization (*op. cit.*, p. 285), and also with Goodman, who insists that sharecropping is a clearly precapitalist form destined to disappear. See D.E. Goodman, “Rural Structure, Surplus Mobilization and Modes of Production in a Peripheral Region: The Brazilian North-East”, in *Journal of Peasant Studies*, Vol. 5, October 1977, p. 21.

raising prices to commercially attractive levels, subsidizing the large-scale agricultural entrepreneurs, or improving peasant productivity by modernizing the small producers through the provision of adequate credit and technology. The latter alternative has the advantage of keeping prices at a relatively low level and taking advantages of peasant 'human resources'.

The extraction mechanism based on the terms of trade did not basically change with modernization, but actually intensified when a new element was introduced: the growing use of credit and technology-intensive inputs by peasant producers. Both because of competition with capitalist producers and because of the deterioration of their land and the splitting-up of their farms by inheritance, many peasants had to increase their productivity in order to continue to make a profit in the modern agricultural economy and to ensure the survival of their family enterprise. And they generally did this by drawing on public or private sources of financing, and by buying manufactured inputs, ranging from fertilizers, better seeds and pesticides to the rental or co-operative purchase of tractors, harvesters and other types of mechanized implements. However, this 'modernization' only very marginally increases the net gain of the Latin American peasant. His own capital (land and tools) is too limited to maximize the gains from these inputs; he rarely has the irrigation and good soil so essential to the available technological 'package' designed for the large-scale commercial farmer, and he frequently farms on mountainous land, where the cold and the rugged terrain reduce his yields much below those obtained by the more favoured commercial farmer. Thus, the strategy of the peasant continues to be one of physical survival, with very little value attached to his own contribution as entrepreneur or to the labour of his family. Even in the few cases of peasant farmers who have better land or who receive adequate technical assistance and credit, although their productivity and gross income increase with this modernization, the proportion of their income which must be assigned to payment for capital (credit and technology-intensive manufactured inputs) increa-

ses more than the net income left to the peasant families.³⁰

The modernized peasant producer continues to belong to a social group which is the victim of extraction and exclusion. He is more limited than ever in his opportunity for access to land, and he pays a high price for credit and manufactured inputs. The increase in his productivity, far from putting an end to extraction, increases it because of the unequal terms of trade between the products sold by peasants and the capital and technology they are beginning to buy. The urban industrial sector in general continues to benefit from this new relationship, but among the socio-economic groups which gain the most, and most directly, are the owners of manufacturing enterprises and distributors of agricultural technology, and those who provide capital to the peasant.

b) *The peasant and agroindustry*

Traditionally, indebtedness has been one of most frequently used mechanisms for controlling the production and commercial decisions of the peasants; indeed, many found themselves forced to actively seek this relationship in order to minimize risk, since the patron-creditor could be expected to support the peasant when adverse circumstances might mean that the repayment of his loan was in danger. This patron-client relationship was sometimes reinforced by the socio-cultural ties of superficial paternalism (for example, when the patron becomes the godfather of the peasant's children).

As in the past, the small producer of basic goods still becomes indebted to the wholesale grain merchant and undertakes to sell him the harvest at a reduced price, although now with fewer intermediaries than in the past (landowner, village moneylender, small middleman). But the small producer of more profitable crops now often signs a legal contract against the receipt of inputs: a document which requires him to follow specific patterns of cul-

³⁰Sergio Sepúlveda, "The Effects of Modern Technologies on Income Distribution: a Case of Integrated Rural Development in Colombia", in *Desarrollo Rural en las Américas*, XII: 2 (May 1980, p. 117).

tivation, subjects him to standards of quality control and stipulates the quantity and price of the final product.

This modern form of functional insertion of the peasantry into the current economic system of Latin America exists among producers of certain crops such as fruit, vegetables, tobacco and coffee, who remain subject to the strict control of other groups who manage the inputs, financing and marketing. Here the subordinate integration generally occurs through a semi-monopolistic enterprise which dominates the production and marketing process in all aspects, but which does not take possession of the means of production of the peasant.

This form of subordinate integration is feasible because the two 'spheres' of production and circulation are only separable for analytical reasons and purposes, being in reality aspects of a single socio-economic process; on-farm activity is simply one link in the chain. This means that it is not enough to be owner of the land, especially in today's world, where the chemical and machinery industries, big financial institutions, the agricultural processing industries and international agribusiness now play key roles in the agricultural economy; whoever controls inputs and marketing also controls farm production.

In some ways agroindustry plays the role of patron formerly played by the landowner or warehouse owner for peasant producers, in that it offers them technological and financial support. But in the present state of agroindustry, the commitment has become impersonal, formal and legal. The interest in ensuring the success of the peasant farmers' harvest becomes strictly limited to modern standards of business administration. As Feder points out, "in the process of capitalist expansion under foreign domination, almost all the economic risks are easily transferred to the underdeveloped producers, especially the small ones".³¹ Above all, the indebtedness and contractual commitment (with the legal sanctions the latter implies) ensure that the greater profits generated by

modernizing the cultivation of agroindustrial crops does not remain in the hands of the peasant but largely ends up in the hands of the enterprise which processes and resells these products.

Integration into the agroindustrial chain will affect many peasants, but this too has its limits, since many others are not likely to be incorporated into it. On the one hand, agroindustries prefer to deal with medium and large-scale producers, because of their economies of scale and their possibilities of contributing part of the investment, the complications raised by the need to supervise many small producers, and the fact that it is uneconomic to initiate legal proceedings against the latter. In some cases, peasant producers are little more than the reserve production army of the owners of agroindustry. In years when the farmers under contract cannot satisfy agroindustry's demand, the peasants who have cultivated the same products can sell their harvest to that industry; but they always run the risk of not selling it, or having to do so at low prices on the open market.

The peasants who become customers of agroindustry and modern marketing increase their potential gains but lose an element of ecosystemic flexibility which is a part of peasant survival strategies. They have to devote themselves more to the exclusive cultivation of the contracted product, and thus have fewer possibilities of taking advantage of the traditional options for minimizing risks: the systematic diversified cropping which spreads the risk and slows down soil depletion and the cultivation of subsistence foods, which protects them from price drops in commercial products. For the peasants who opt for modern integration exclusively through contractual commitments with the industrial and commercial sectors or deep indebtedness with financial institutions, the loss of these traditional options means the risk of elimination of those small family producers who have insufficient resources or lack entrepreneurial knowledge.

c) *The semi-proletarian peasant family*

The possibility of becoming integrated exclusively as producers, under whatever institu-

³¹E. Feder, "Campesinistas y descampesinistas: segunda parte", in *Comercio Exterior*, Vol. 28, No. 1 (January 1978).

tional framework, will be limited, of course, to the peasants who have enough resources of their own to ensure the economic and social reproduction of the family farm unit. Although the concept of viability is very relative, not only with respect to the quality of land but also to the number of persons in the family, structure of prices, technology utilized, etc., it has been estimated that a farm of 4 or 5 hectares of non-irrigated land of average quality is needed to achieve the economic reproduction of an average peasant unit.³²

It is precisely the less viable minifundio peasant enterprises, which are inadequate to keep all the members of a family fully employed, which predominate in Latin America, however, and these are precisely the holdings which are increasing more rapidly in many countries³³ because of the fragmentation of properties by hereditary succession and partial sales, and as a result of the deterioration of the soil because of intensive use and subsequent erosion.

What will be the future of these sub-family peasant units (as they are called by CIDA)? Are they "leftovers from the peasant form of production", whose social and even material reproduction "is no longer possible"?³⁴ Will the small farm be the 'tomb' of the peasants, as Feder predicts?³⁵ The harsh reality in the majority of the countries of the region, as seen by empirical observation, is not the disappearance of the peasant minifundio sector, but rather the impoverishment of on-farm agricultural activity, with undernourishment and low life expectancy, frequently accompanied by an attempt to find supplementary sources of income. What occurs in the Bolivian altiplano, for example, is repeated to a greater or lesser degree in almost all the peasant areas of the hemisphere:

"The inability of the agricultural activity of the peasants to satisfy the minimal vital require-

ments and consumption aspirations of broad rural sectors has gradually become more critical. This is leading to a search for sources of work and supplementary income in activities outside the family agrarian economy proper, and there are some indications that these forms of participation in the labour markets could be accentuated in the future".³⁶

The need to find sources of income to supplement the on-farm agricultural activity leads to the incorporation of the most varied occupational activities into the economic strategy of the peasant family. A sizeable minority carry on own-account activities such as handicrafts, fishing, services such as blacksmithing, milling, etc., and also small-scale commerce. Since these are entrepreneurial activities, their implications for the family economy are functionally similar to the on-farm agricultural production already described. At all events, they have only limited prospects for future growth. In the face of the penetration of industrial products into rural areas, handicrafts will probably be limited to the tourist market and specialized exportation, while small-scale commerce will be limited to the interstices of the modern system of commerce, serving to integrate the peasant more closely into the national market. In particular, commercial activity serves as a channel of vertical social mobility for a very few individual families, who to a certain extent will leave the peasant stratum and become members of the commercial petty bourgeoisie.

The most common solution to the income crisis of the peasant family, however, is the direct sale of part of its underemployed labour. This situation corresponds to a modernizing adaptation of the old practice—typical of the traditional hacienda-minifundio complex—of assigning to each family of farm workers a plot of land for its subsistence, but always of insufficient size to satisfy all its consumption needs, thus forcing the farm worker (or 'huasipungue-ro', 'yanacóna', or 'inquilino') to work for the landowner for a wage which is below the mar-

³²On this point the calculations of CEPAL for Mexico, CONADE for Ecuador and CIDA for various countries all coincide.

³³E. Klein, "Diferenciación social: tendencias del empleo y los ingresos agrícolas", in *Economía Campesina y Empleo*, Santiago, Chile, ILO/PREALC, 1981, pp. 5-25; and A. Schejtman, *op. cit.*, p. 133.

³⁴Crouch and de Janvry, *op. cit.*, p. 291.

³⁵E. Feder, "Campesinistas y descampesinistas: primera parte", *op. cit.*, p. 1444.

³⁶Emiliano Ortega, CEPAL/FAO Joint Agriculture Division, "La agricultura y las relaciones intersectoriales: el caso de Bolivia", CIDA/CEPAL Project, document E/CEPAL/R. 205, September 1979, p. 212.

ket value of wage labour, that is to say, in conditions of overexploitation.

(i) *The peasant day labourer in commercial agriculture*

As is evident, commercial agriculture needs to have labour available for variable periods of peak demand—a characteristic situation of many commercial crops—yet also to be able to lay off this labour without problem when it is no longer needed.

Semi-proletarian peasant labour can be cheaper because the small capital of the minifundista, in addition to his family's labour, although insufficient to satisfy his basic needs totally, does reduce his absolute need for monetary income. He may therefore offer his labour at a lower price than that demanded by the 'pure' proletarian because, unlike the latter, he does not have to use his wage to pay for all of his own or his family's food or housing. Moreover, he can stop working as a wage labourer when he is no longer needed, and productively occupy himself in cultivating his own plot.

The 'modern' extraction of peasant resources under the form of casual wage labour flourishes in capitalist agriculture when the latter requires labour during intense 'peak periods', which are one of the most outstanding characteristics of many agroindustrial crops. Thus, for example, in Mexico, the strawberry agroindustry generated only 19 400 permanent jobs, whereas it required 160 000 day workers for brief periods.³⁷ In Chile, in a region of modern commercial agriculture (tomatoes, grapes, green beans and tobacco), a survey of 44 agricultural enterprises in 1977 showed 441 permanent employees, but 1 586 'afuerinos' and 'lingueros', or seasonal labourers working in the region for periods varying from 10 to 120 days.³⁸

This situation, which requires an abundant supply of labour prepared to work for periods of several weeks and to return each year, is re-

peated thousands of times over in the majority of commercial agricultural regions of Latin America. In Mexico, Guatemala and the Andean countries, poor peasant families of the mountain regions, in order to survive, have for many years temporarily 'expelled' part of their labour force every year to commercial agriculture in the neighbouring lowland areas. In Bolivia an average of 1.2 persons per peasant family in the altiplano migrate temporarily.³⁹

The short-term availability of peasant labour seems to be even more important to modern commercial agriculture than its potentially low cost. In some contexts, especially when there are extra-economic controls which limit the mobility and labour union mobilization of the rural worker, the seasonal availability of peasant labour continues to be taken advantage of because of extremely low wage costs. But in other regions, the large quantity of labour required during peak periods, the competition between different crops and enterprises for day workers, and the alternative of work in the cities lead many large enterprises to offer wages two or three times higher than those paid in the region of origin of the peasant migrants. In each of the eight States of North-East Brazil, the wage of the casual day labourer has increased more than that of the permanent labourer; in El Salvador, real minimum wages for the coffee and sugar cane harvests increased by 53% between 1965 and 1975.⁴⁰ In Ecuador, an Indian peasant working in the sugar harvest on the coast can earn a daily wage several times higher than that paid in the sierra regions.

The possibility of having many day workers available at the right moment, combined with the savings implied in not having to maintain them with wages and social benefits for the whole year, are the principal advantages that modern commercial agriculture derives from the existence of a minifundista peasantry.

(ii) *The peasant-city nexus*

In some regions there are more semi-proletarian peasants who migrate temporarily to the

³⁷E. Feder, *El imperialismo fresa*, Mexico City, Ed. Campesina, 1977, p. 105.

³⁸José Avalos and Verónica Riquelme, "Agroindustria: un fenómeno de transformación espacial", Geography thesis, Universidad de Chile, 1979.

³⁹E. Ortega, *op. cit.*, p. 213.

⁴⁰E. Klein, "Diferenciación...", *op. cit.*, tables 5 and 9.

city than there are who go to the commercial harvests. The basic elements of surplus extraction and class relationships, however, are very similar.

On the Bolivian altiplano, cyclical migration of peasants is "mainly to the city of La Paz, where they offer their services for a wide variety of jobs".⁴¹ In Ecuador, in the central sierra, the region of origin of extensive cyclical migrations, the cities of Quito, Guayaquil, Ibarra and Cuenca are the main destinations of the seasonal migrations, rather than the commercial agriculture of the coast.⁴² In these and other countries the jobs performed are those of porter, construction worker, street vendor and, in the case of young peasant women, housework.⁴³

In Mexico, the temporary urban 'relay' migration of successive sons as they reach adulthood has been incorporated as a common strategy in the families of various peasant communities,⁴⁴ while in Peru, for example, flows of persons and resources between related groups in the peasant economy and in the urban informal sector are close to amounting to complete interpenetration.⁴⁵

(iii) 'Gastarbeiters' in Latin America

The rate of development attained by the industrial societies of northern Europe is asso-

ciated to a certain extent with the abundance of cheap labour offered by peasants from countries such as Spain, Italy, Greece, Turkey, Morocco, Algeria, etc., who migrated to these destinations without their dependents and generally for a limited time: the so-called *gastarbeiters* or 'guest-workers'.⁴⁶ The Latin American minifundista peasants appear to be making a somewhat similar contribution to the development of the social groups belonging to the 'modern sector' of commercial agriculture and the urban industrial system. Unlike the European case, this is more a relationship of 'domestic neocolonialism', although there are also sizeable international flows of 'guest-workers' in the region.

Unlike the traditional hacienda, where the minifundista worker provided labour several times a week and the relation with the patron who was effecting this extraction was personal, many-sided and long-lasting, the new form of extraction of resources from the worker-peasant occurs during a limited time, impersonally, and without the direct integration of the family, which remains on the farm. Most semi-proletarian peasants work as wage earners a few months per year, or during only one phase of their economically active lives. The rest of the time the rural wage labourer belongs to a family unit, and basically continues to function as a peasant, in this family enterprise which continues to be the significant unit of analysis. Some individuals may emigrate and abandon the family peasant unit permanently; but the majority work for a wage in commercial agriculture for a period of weeks or months, or in the city for a few months or years, and continue to contribute their monetary income and farm labour to the family enterprise. For them, the family unit and the peasant community constitute the fundamental context of their insertion into the socio-economic system; these are the frameworks of their decisions to establish their own nuclear family and the reference group in their competition for prestige, as well as the guarantee of their physical support in old age.

As for the class situation, it is clear that the

⁴¹E. Ortega, *op. cit.*, p. 211.

⁴²JUNAPLA, Social Research Section, "Proyecto de investigación sobre el campesinado de la Sierra: antecedentes para la selección de zonas de estudio", Quito, 1979.

⁴³The role of female migration in the relationship between the peasant and the city has not yet been sufficiently studied. See, on this subject, Lourdes Arizpe, *Indígenas en la Ciudad de México: el caso de las 'Marías'*, Mexico City, SEP/SETENTAS, 1975; Elizabeth Jelin, "Migraciones a las ciudades y participación en la fuerza de trabajo de las mujeres latinoamericanas: el caso del servicio doméstico", in *Estudios Sociales*, 4, Buenos Aires, CEDES, December 1976; Alberto Rutté, *Simplemente explotadas. El mundo de las empleadas domésticas de Lima*, Lima, DESCO, 1973; and Irma Arriagada, "Las mujeres pobres latinoamericanas: un esbozo de tipología", in *Estudios de Población*, II: 8, August 1977, Bogotá, ACEP.

⁴⁴Lourdes Arizpe, "La migración por relevos y la reproducción social del campesinado", in *Cuadernos del Centro de Estudios Sociológicos*, No. 28, El Colegio de México, 1980.

⁴⁵Pilar Campaña and Rigoberto Rivera, "Campesinado y migración en una sociedad de enclave", in *Revista Debates en Antropología*, Lima, No. 4, February 1979, p. 73.

⁴⁶See C. Meillassoux, *op. cit.*, second part, chapter 8, "Los beneficios de la inmigración".

semi-proletarian peasant finds himself "in a slightly ambiguous position" in which he "doesn't know if he should work for more money or more land".⁴⁷ But he does know how to distinguish his *immediate* demands for higher wages from his *basic* demands, which coincide with those of the other peasant groups who are asking for their own land. Even rural wage wor-

kers or 'landless peasants' (the statistics do not reveal how many of them belong to minifundista nuclear families) frequently demand land in order to recover their status as small producers, as has occurred, for example, with the agricultural day labourers of Mexico, Chile, El Salvador and Venezuela.⁴⁸

V

Conflict, contradictions and changes in the peasantry

In analysing the changes in the relations of social control and extraction of the surplus between the peasantry and the sectors most favoured by the process of economic modernization, the concepts of the class system and cultural mechanisms of institutional reinforcement were very useful. Of course, it is not a matter of 'clockwork mechanisms' nor of the 'system' of a biological organism. Nor should we forget that the peasantry is inserted in a system based on asymmetrical exchange⁴⁹ between the member groups of society, and is subject to relations of *involuntary* net transfer of resources in favour of the more powerful groups; that is to say, it operates in conditions based not on harmonious functionality but on conflict. The very definition of the peasantry expresses a central contradiction: the economic-social-cultural complex of the peasant is a form of accommodation to conditions which are adverse to peasant families and from which the latter ultimately wish to escape.

If we add to this context of conflict and intrinsic contradiction the maladjustments resulting, throughout the entire system, from the

changes introduced by economic modernization, as well as the diverse demographic, ecological, cultural and political trends accompanying it, it is evident that the very nature of today's peasantry may be affected.

1. *The new peasant strategies and demographic pressures*

There is a relationship of feed-back and readaptation between the peasant strategies and those followed by the modern-day social actors who are trying to extract resources directly from them. In the present context, as we have seen, one of the results of this interrelationship, for the majority of peasant families, is that the family development strategy based on many children is still valid, although it also incorporates wage work and migratory labour. Although this is the only way for an individual family to use the recourses available to it in the service of a process of accumulation, it creates serious problems for the peasantry in general, due to the demographic pressure on the limited amount of land in peasant hands. The result is well known: splitting up of the ownership of the land by successive inheritances, with an increasing percentage of the peasantry reduced to ecologically deteriorated farm units and the temporary or permanent expulsion of a proportion of the children.⁵⁰

⁴⁷E. Maffei, "Algunas consideraciones sobre el campesinado minifundista latinoamericano, la agricultura de subsistencia y el concepto de economía campesina", in *Estudios Rurales Latinoamericanos*, Vol. 2, No. 1, p. 125.

⁴⁸In Venezuela, the agricultural day labourers clearly reflect their orientation as peasant producers: "Independently of the position they hold as 'pure labourers' or 'semi-proletarians', 74.3% of those surveyed identified with the interests of the peasant sector". Luis Liambi, "El mercado de trabajo en la agricultura empresarial venezolana", in *Estudios Rurales Latinoamericanos*, Vol. 2, No. 3 (September-December 1979), pp. 333-334.

⁴⁹A. Schejtman, *op. cit.*, p. 128.

⁵⁰C.f. C. Deere and A. de Janvry, "Demographic and Social Differentiation Among Northern Peruvian Peasants", in *The Journal of Peasant Studies*, London, Vol. 8, No. 3, April 1981, p. 341.

Despite the tendency of the overall population growth rate to level out in many Latin American countries, this does not seem likely to occur on the short term among the peasantry of the less developed countries of the region. On the contrary, in the most depressed regions, the infant and child mortality rates remain high; many peasant families are unable to ensure the survival to productive age of enough children to initiate a process of accumulation. The extension of modern medicine in these regions and its growing acceptance may lead in the future to an increase in the growth rate of the peasant groups in such countries as Bolivia, Ecuador and Peru, and probably also in Nicaragua, the Dominican Republic, Honduras, etc.⁵¹

As O. Argüello points out, an attitude which would alleviate this trend by establishing families of a size more in line with the parents' capacity to train the children and thus provide a better future for them "naturally appears more likely within the middle and upper strata, which perceive real possibilities for upward social mobility..."⁵²

The poorest peasants not only lack real possibilities to enable their children to make socio-economic advances, but also need their labour as children and as adults. As in other aspects of the peasant reality, however, it is not a question here of a uniform type of behaviour of the 'typical' peasant, but rather of degrees and shades of behaviour according to specific situations. Thus, today, the majority of Latin American peasants value education for different reasons,⁵³ among which are training to defend themselves better economically as peasants *vis-à-vis* the more powerful social groups, and the (remote) possibility of occupational and economic mobility. Peasant fathers whose economic situation allows them to do without the labour of their small children will often

send them to school for a longer number of years. Even the strategy of the large semi-proletarian family, if it has some success, includes using the migratory labour of its older sons to pay for the education of the younger ones,⁵⁴ so that the latter can aspire to a more promising economic situation.

These adjustments in peasant strategies are the first step towards the alternative of making a greater investment in the education of a smaller number of children. For the majority of peasant families, however, this alternative strategy will not be feasible as long as they are subject to the intense surplus extraction, exclusion and social immobility which characterize their relations with the social groups favoured by the predominant style of modernization.

2. Differentiation without 'depeasantization'

The variety of the new mechanisms for the socio-economic incorporation of the peasantry into the process of modernization of production leads to a widespread tendency toward differentiation in the organization of production and in economic stratification between one peasant community and another, and also within each rural community. In addition, a high proportion of the children of peasants, because of their excessive natural growth rate, are leaving the peasantry by becoming agricultural proletarians or moving into the informal urban sector. A very small proportion of peasants who have more resources and follow successful entrepreneurial strategies are also ceasing to be peasants, in their case by becoming part of the commercial or agricultural petty bourgeoisie. An even smaller proportion leaves the peasantry because of the education they have received, achieving access to another social class through the acquisition of a professional status.

(a) Those who do not become proletarians

This differentiation is not, however, leading to a 'disintegration' of the peasantry into a petty-bourgeois minority and a rural proletarian majority. On the one hand, the expulsion of part of the increased peasant population tends to

⁵¹Alberto Palloni, "Fuente potencial de crecimiento demográfico en América Latina", in *INTERCOM*, Vol. 3, No. 2, April 1981, Population Reference Bureau, Washington, D.C., pp. 6-7.

⁵²Omar Argüello, "Pobreza, población y desarrollo", ILPES (mimeographed), September 1979, p. 23.

⁵³Carlos Borsotti, *Sociedad rural, educación y escuela*, UNESCO/CEPAL/UNDP, Project on Development and Education in Latin America and the Caribbean, Final Report No. 1, Buenos Aires, 1981, p. 49.

⁵⁴Lourdes Arizpe, *op. cit.*, p. 34.

slow down the fragmentation of the farms, since the emigrants sell, give up, loan or rent their small inheritance to their family members or neighbours who continue to be peasants. On the other hand, the incorporation of modern technology on the peasant parcel of land tends—leaving aside other consequences—to compensate for the deterioration of the soil and make possible survival on smaller farms. In the majority of cases, moreover, the process of semi-proletarianization is acquiring the form of a greater incorporation of income from outside the farm, especially of migratory and urban origin, thus ensuring the survival of the minifundista family, with the result that there is not an absolute decrease in the peasant population.

(b) *Vertical mobility and 'nexus elements'*

The movement of a few successful peasants to dominant social sectors not only does not destroy the peasant social fabric but to a certain extent actually facilitates its integration as such with the dominant modern sector. Paradoxically, the same cultural norms and social forms which serve to defend the interests of the peasant families through the community network of reciprocity also serve to integrate them with these dominant sectors. Individuals who control 'ego-centered' networks based on kinship, friendship and proximity as neighbours frequently use these relationships in order to play their roles as social intermediaries, 'brokers' and economic and political *caciques*.⁵⁵ In return for using this position of authority and prestige within the community together with his patron-client connexions with the national commercial and political systems to facilitate the extraction of resources from the peasant sector, the person (and his family) who assumes the functions of a social intermediary receives a reward, part of which filters down to the other peasant families belonging to his network. In addition, the social intermediary fulfils functions of economic security and support in settling conflicts between the peasantry and the dominant social groups. The asymmetry of

these relationships within the peasant community does not lead to its destruction but consolidates its subordination to the benefited sectors.

3. *Cultural confrontations*

With ever-increasing intensity, peasants are bombarded with information and values very different from the elements underlying traditional peasant cultures. In school, on the radio, in migratory labour, and in contact with public officials and other "representatives of the official urban culture", the peasants frequently see that "power and prestige are expressed jointly with forms of organization, means of production and products whose demonstration effect consists precisely of highlighting the means which legitimize the possession of this power and prestige".⁵⁶ The perception of valued but unattainable symbols of prestige may lead to the internalization of elements of the dominant culture by the peasants and to the creation of feelings of self-belittlement which result in one single central motivation: to deny their peasant identity and relate in some way to the 'superior' modern urban sector.⁵⁷

However, the maintenance of two contradictory normative systems has been a characteristic of almost every peasant culture, sustained through several generations, although with obvious individual psychic costs. This is possible in those cases where the values, norms and indicators of peasant prestige take priority over the ideas of superiority transmitted by the dominant culture. The most extreme situations of this priority given to peasants' own culture is seen in many indigenous groups which, although they have learned to *act* as inferiors in their dealings with the dominant groups, maintain a deep rejection and scorn for the values and standards of conduct of these groups. Moreover, although manufactured products may be valued, and this valuation leads to changes in the structure of prestige, it rarely happens that the peasant culture collapses

⁵⁵See, for example, A. Schejtman, *op. cit.*, p. 132; and Gustavo Esteva, *La batalla en el México rural*, Mexico City, Ed. Siglo XXI, 1980, pp. 117-122.

⁵⁶Carlos Borsotti, *Sociedad rural...*, *op. cit.*, p. 19.

⁵⁷See for example J. Lopreato, "How would you like to be a peasant?", in J. Potter *et al.* (eds.), *Peasant Society*, Boston, Little, Brown and Co., pp. 419-437.

completely and is replaced by urban-type atomistic consumerism as the only criterion of prestige; instead, a syncretism is generally reached which enables the peasant economic and social structures to survive.

Thus, in the current context, the 'impact' of the cultural confrontation is ambivalent and its final effect difficult to predict. The cyclic migration of some members of a peasant family, for example, leads to a redefinition of the role of the wife, who takes on many of the functions of the absent man; in other cases there are deep conflicts (not yet adequately analysed), such as when the migrant re-enters the community and sees the local norms and social relations from a new perspective. But on the other hand, migration increases the interdependence of the extended family, which has to aid the incomplete nuclear family to carry out the agricultural and domestic jobs. And as we have seen, the contact with the urban reality frequently leads the peasant to reaffirm his identity as a member of a community of peasant peers.

Despite the predominance of economic relations in social systems, it is evident that total structural change frequently begins with cultural change. This is true especially in the contexts of conflicts and crisis, when the consciousness of alternative values makes a general change feasible. These conditions are present in some of today's peasant contexts. However the new integration mechanisms analysed above are based on the persistence of 'peasant' forms of behaviour on the part of small producers. Unlike what was previously supposed, namely, that they would be an obstacle to change, peasant cultures show great adaptability to the most varied requirements. Peasant cultures change, certainly, but they maintain profound differences with urban ones, since they are structurally associated with the factors defining the peasantry: its agricultural nature, its operation on the basis of the family economy, and the fact that it is a class subject to extraction. The subject urgently requires more study. The only certainty, at this point, is that the socio-cultural transformations of the peasantry will be extremely varied and will incorporate new elements along with others which tend to conserve the rural structures.

4. *Social change and rural development*

The aim of this work has been to analyse the interrelationship of some elements of the peasant economic-social-cultural complex and examine current changes in these elements. We have not tried to prescribe policies to favour the development of the extremely poor sector of rural population, but it is clear that the relations and processes mentioned are of fundamental importance for designing successful policies that will really modify the new relations of extraction and exclusion which characterize the social situation of the Latin American peasantry. Policies based on the creation of wage-earning employment in commercial agriculture (and on peasant/agroindustry integration) may result in an increase in productivity and net income for some peasant families, but in the long run they also reinforce the social class structures and mechanisms of this extraction/exclusion. Even integral rural development programmes based on the injection of credit and technology into the peasant sector with farms of a 'profitable' size tend to increase the proportion of the gains transferred to the non-peasant sector. And if they do manage to help a certain number of peasants to rise above their social class, it is simply by transferring a minority to the other side of the fence; they move from the position of victims of the extraction mechanisms to being members of the groups which benefit by extraction at the expense of the rural majorities.

Finally, rural social development necessarily implies structural changes so that the small rural producers and semi-proletarian families can increase their productivity, without being either harmed by or benefiting from the present relations of involuntary transfer of resources between social groups. For this to become possible, they must satisfy two basic conditions: "adaptation of the institutional frameworks so as to allow wider and more equitable access to land and water resources"⁵⁸ and the autonomous organization of the peasantry to enable it to participate in the design and implementation of rural development pol-

⁵⁸United Nations, *International Development Strategy*, A/S-11/AC.1/L.2/Add.2, p. 8.

icies. Policies which make the achievement of these conditions possible, whatever their type, and alliances between the State and the peasant organizations which would guarantee this, will inevitably have to confront the social elements which determine the relations of extrac-

tion and exclusion currently preventing the full development of the peasantry; and at the same time, they will have to reinforce those elements of the peasant subcultures which, if consolidated, could be used to convert the peasantry into a mobilized social force.

On being grandmotherly: the evolution of IMF conditionality

*Sidney Dell** **

The principle of conditionality has always been at the centre of the controversy over the influence the International Monetary Fund should wield over national policies in connexion with its loans, to such a point that there were animated arguments on the matter during the negotiations to establish the IMF, not only between the European countries and the United States, but also between various institutions within the latter country.

After briefly describing the controversies of those times—in which Keynes played a leading part—the author shows how this principle gradually took shape through various agreements, until in 1968 a global decision was taken on drawing rights, establishing a procedure which has guided IMF policy since then. His main concern, however, is not to give a history of the principle of conditionality, but rather to analyse this principle in order to bring out its limitations and defects and thus contribute to the review to which it is currently being subjected both inside and outside the Fund.

Among the limitations and defects of the principle of conditionality, the author emphasizes those connected with the evaluation of country performance—such as the questionable concept of 'mismanagement', and the stress laid on monetary criteria—the tendency to shift the whole responsibility for solving disequilibria onto the deficit countries, the scant concern shown to establish whether deficits are of external or internal origin, and the imposition of stereotyped stabilization programmes in widely varying actual situations.

The present crisis calls for structural adjustments which, in turn, call for a change in the policy of international financial agencies, and such a change demands not only larger resources and better conditions of access to loans, but also new criteria for appraising performance. In other words, it calls for the reformulation of the prevailing principle of conditionality.

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1. The history

Writing in January 1944, before the Bretton Woods Conference, Lord Keynes described the views of the U.S. government on the future character of the International Monetary Fund as follows: "In their eyes it should have wide discretionary and policing powers and should exercise something of the same measure of grandmotherly influence and control over the central banks of the member countries, that these central banks in turn are accustomed to exercise over the other banks within their own countries" (Moggridge, 1980, Vol. 25, p. 404).

This view was not accepted by most of the other countries participating in the negotiations to establish the IMF. At a meeting of seventeen countries held in Atlantic City at the end of June 1944 the U.S. delegation proposed that the draft Article of Agreement dealing with the use of Fund resources should entitle the Fund to determine, as a pre-condition for authorizing a drawing on its resources, that such resources were to be used by the country concerned for purposes and policies consistent with the Agreement.

Keynes contested this view and said that countries must have an unqualified right to purchase foreign exchange within the prescribed quantitative limits, subject to the provisions of the Fund Agreement. He therefore favoured a wording of the Article which would make it clear that the decision on a drawing would be that of the member country, not of the Fund.

The U.K. position on this matter was supported by other delegations. Leslie G. Melville, speaking for Australia, took the view that a central bank must be certain that the resources it had counted upon would be available as required. J.W. Beyen of the Netherlands considered that there should be no question of having to convince the Fund on such matters and that the wording proposed by the United States was "impossible".

In the event, the wording proposed by the United States was not included in the final text of the Bretton Woods Agreement, and most countries therefore probably ratified the Agreement in the belief that British views on conditionality had prevailed and that the Fund would have no right to challenge a drawing by a member country that gave an undertaking that

the resources drawn would be used to effect payments consistent with the Agreement.

Another point of some interest is that, strong as the position of the United States on the principle of conditionality undoubtedly was, its objectives were clearly limited at this time. Members of the U.S. delegation at Bretton Woods might have been surprised if they could have peered into the future and read the text of a typical IMF standby arrangement. In inter-governmental discussions, the U.S. negotiators repeatedly emphasized that "no restrictions should be imposed [by the Fund] unless misbehaviour is flagrant", as White, the leader of the U.S. delegation, had put it at a meeting in October 1943. For example:

The Fund's facilities should not be used to finance either a flight of capital or the issue of foreign loans by a country which could not afford to undertake foreign lending. Again, the Fund would be justified in intervening where a country was using its quota for rearmament. On the other hand, *it would not be justified in the case of an unbalanced budget. In general the Fund would intervene only in extreme cases of violation of qualitative rules, and would bear the burden of proof* [emphasis supplied]. (Horsefield, 1969, p. 69.)

Similarly, at a private meeting held to brief the U.S. delegation on July 1 1944, there was no suggestion by any of the participants that the Fund's conditions for drawings would be onerous. A striking remark by White was, "I don't think the Fund should butt into every country's business and say 'We don't like this or that'".

On the latter point, the wording of Article IV, Section 5(f) of the original IMF Agreement is of particular interest. This subparagraph stated that, so long as the Fund was satisfied that a change in the par value of a particular member's currency was necessary to correct a fundamental disequilibrium, "it shall not object to a proposed change because of the domestic social or political policies of the member proposing the change". This wording (as pointed out to the author by E.M. Bernstein) makes it clear that the intention of the Agreement as a whole was to preclude Fund interference with domestic policies having social objectives such as the subsidization of food or other essential consumption goods for the protection of low-income groups.

The early years of the Fund

The United States was fully aware that the battle for a "grandmotherly" Fund had not been won at Bretton Woods. Once the Fund was a going concern, however, its Executive Board might be persuaded to introduce the implementing regulations or interpretations necessary to give the institution supervisory functions. Without such safeguards, the United States would not agree to the release of Fund resources. At a meeting of the Board in May 1946, the U.K. Executive Director, George Bolton, put forward his view of the "semi-automatic character of Fund facilities". The U.S. Executive Director, Harry White, on the other hand, while conceding that the text of the Articles of Agreement did not specifically authorize the Fund to exercise supervision, considered that there would have to be some check on the right of a Fund member to draw. He suggested that all applications in excess of a ceiling figure, to be determined later, should come before the Board for comment and decision.¹

Speaking for Canada, Louis Rasminsky, later Governor of the Central Bank of Canada from 1961 to 1973, argued that the Fund could not operate if every transaction were to be regarded as an application to the Board. If a member gave the necessary guarantees and carried out its undertakings in good faith; it must be able to use its quota with assurance. Quantitative limitations on drawings had already been set out clearly in the Articles of Agreement, and if a member was fulfilling its undertakings by not purchasing foreign exchange for purposes inconsistent with the Articles, it should not be questioned. The Fund should be aware of the behaviour of members and should be prepared to be courageous in its criticisms. But large-scale drawings should be regarded as no more than danger signals (PRO Treasury File 236/1162).

In a statement to the Executive Board on 29 August 1946, that Managing Director Camille Gutt, said that the Fund could be con-

¹Telegram from Balfour to Foreign Office, 28 May 1946, U.K. Public Record Office (subsequently referred to as PRO), Treasury File 236/1162.

sidered as “a sort of automatic machine selling foreign exchange to members within certain limits and on certain terms, and repurchasing this foreign exchange within certain limits and on certain terms”. The Fund could, however, issue warnings to members and, in certain circumstances, declare a member ineligible to draw. In Gutt’s view, an Executive Board composed of high-level officials was required not so much for the discharge of such functions as to constitute “a most important monetary policy-making body, consulted by and advising its members during the critical periods they may pass through” (PRO Treasury File 236/1162).

In November 1946, a report to the Bank of England by the U.K. Executive Director stated: “For the time being there is no reason to fear a policy of persistent and irresponsible interference in the domestic affairs of members” (PRO Foreign Office File 371/62340). As late as September 1947, the Treasury brief for the U.K. delegation attending the second Annual Meeting of the Board of Governors of the IMF suggested that the “battle for ‘automaticity’ may be largely regarded as won” and pointed out the failure of the United States to have the French economic situation discussed by the Executive Board before allowing additional French drawings (PRO Treasury File 236/1174).

But the situation was in reality quite different. The Europeans had the best of the argument, perhaps, but it was the United States that had the resources, and it was resources that counted, especially in the immediate aftermath of World War II. By 1950, the Fund had come to a complete standstill, there being no drawings at all in that year. As the Fund history points out, “Many people, both inside the Fund and in member countries, were disturbed at the small extent to which drawings were being made available to assist member countries in the kind of difficulties which the Articles had envisaged” (Horsefield, 1969, p. 276).²

²It is ironic that in 1974-1979 the Fund again reached a position in which it was often unable to “assist member countries in the kind of difficulties which the Articles had envisaged” —this time because of *too much* conditionality rather than too little. In a letter to the author, Sir George Bolton, U.K. Executive Director from 1946 to 1952, writes

Deploring “the current tendency to write off the Fund as moribund”, Gutt made a proposal in November 1950 to break the deadlock by linking drawings to an undertaking by members to adopt specific steps to overcome balance-of-payments difficulties. The legality of this proposal was immediately challenged by European and other members of the Executive Board. In the end, however, only France and the United Kingdom withheld their approval, the remaining countries considering, as the Fund history puts it, that the Managing Director’s plan “offered a useful technique for enabling members to resume drawing from the Fund” (Horsefield, 1969, p. 281).

Similarly, an earlier proposal by the United States to establish a maximum period of five years for the repayment of drawings was adopted despite initial opposition, on legal as well as policy grounds, by most members of the Executive Board (Horsefield, ed., 1969, Vol. 2, pp. 399-400). The view of the Fund staff on this matter was that the Board had no legal authority to set a term for repayment of drawings unless it distinguished between members. If at the time of drawing it seemed to the Board inherently likely that repayment could be made reasonably soon, the Board had no power to impose conditions. If such repayment could not be foreseen, the proper course was to refuse to allow the member to draw at all (Horsefield, 1969, p. 278).

Thus, it was a desire to enlist the cooperation of the United States as the principal source of credit that prompted other Fund members to give way to American views on the question of conditionality, rather than any conviction on their part that adoption of the U.S. concept of conditionality was indispensable for a successfully functioning IMF. As the former General Counsel of the Fund, Sir Joseph Gold, wryly put it: “The [Executive Board’s] decision of 13 February 1952 [adopting the principle of conditionality] was intended to reinvigorate the Fund by encouraging members to believe

that after the collapse of sterling convertibility in 1947, the activities of the Fund appeared to be a “stonewalling operation designed to protect the American reserves from being too heavily drawn upon as a result of Fund operations”.

that they would be able to use its resources" (Horsefield, ed., 1969, Vol. 2, p. 524).

The substance of conditionality

The main concern of the Fund has been to protect the revolving character of its resources, and it was this consideration that prompted the adoption of the three- to five-year limit for repayment of drawings. Linked to the capacity to repay, of course, is the need for the country concerned to adopt policies and measures that will help to restore and maintain balance-of-payments equilibrium.

Such policies and measures have in the past focused on the restoration of a balance between the aggregate demand for and aggregate supply of resources, making use of monetary and fiscal policies to this end. Where the balance-of-payments problem was thought to be due in part to distortions in the price structure, the measures required for re-establishing equilibrium might be held to include changes in exchange rates, interest rates, and other prices and incomes. Limitations on the accumulation of new foreign debt might also have to be considered.

From 1952 onward, the standby arrangement was developed as the main instrument for conditionality applicable to drawings beyond the first credit tranche. Two stages in the evolution of standby arrangements may be noted. In 1956, phasing was introduced; in other words, drawings were authorized in installments over a period of time, each installment being approved in the light of satisfactory performance by the drawing country. Binding performance conditions evolved gradually, beginning in 1958. In that year, a drawing by Paraguay was made conditional on observance of a credit ceiling and of maximum commitment levels for budget expenditure and public works programmes. When this matter was reviewed in the Executive Board, the Executive Director for the United Kingdom asked that it be recorded that the performance conditions required of Paraguay on this occasion should not be regarded as a precedent for general application (Horsefield, ed., 1969, Vol. 2, p. 485). In 1959, Haiti committed itself to a broader range

of policy conditions, and this time several Executive Directors expressed reservations.

These developments were followed by further elaboration of performance conditions. As the Fund history puts it, "There has been a tendency toward the proliferation of specific limitations and targets" (Horsefield, ed., 1969, Vol. 2, p. 486).

In September 1968 the Executive Board decided that the number of performance criteria to be applied in cases of drawings beyond the first credit tranche should be limited to those considered truly necessary for determining whether the objectives of a member's stabilization programme were being achieved.

2. *The issues*

Conditionality and the access to resources

An obvious question is whether any useful purpose is served by reviving the old debates about automaticity and conditionality. There is now no disagreement among governments, whether from developed or developing countries, on the broad principle of conditionality in the Fund. Moreover, an amendment to the Fund's Articles of Agreement adopted in 1969 explicitly recognizes the principle of conditionality.

It is nevertheless useful, at a time when the application of the principle of conditionality is being re-examined inside as well as outside the IMF, to bear in mind that there is a role for both conditional and unconditional resources within the Fund, and that there are compelling reasons for a major increase in the proportion of resources made available unconditionally or at low conditionality. These reasons will be set out in the course of the following discussion.

Another reason for going back over the historical record is the startling similarity between the views held today by developing-country members of the Fund and the views that were being vigorously advocated by the Europeans at a time when they, too, had to face major balance-of-payments pressures of a structural character. If the monetary authorities of countries such as France, the Netherlands, and the United Kingdom would like to gain a better understanding of the current insistence by de-

veloping countries on the need for access to a larger volume of unconditional resources, they have only to look back at their own files and position papers of the early postwar period. What was sauce for the goose in the late 1940s and early 1950s should, perhaps, be sauce for the gander in the 1980s.

Particularly noteworthy was the view of deficit countries then, as now, that the proportion of resources to be provided by the Fund unconditionally or at low conditionality ought to bear a direct relationship to the size of total Fund resources available to members. The British (Keynes) plan for a Clearing Union had envisaged total quotas of the order of US\$ 30 billion or more, equivalent to one half or more of world imports. The United States proposal adopted at Bretton Woods, on the other hand, was for aggregate quotas of US\$ 10 billion. In particular cases, of course, quota limitations could be set aside by a waiver procedure. But in global terms, at the lower level of quotas proposed by the United States, it became much more important, in Keynes's view, to provide for a larger unconditional element in drawing rights on the Fund. Otherwise countries would not have the assurance they needed that, in case of necessity they would have access to a sufficient volume of balance-of-payments support to give them a minimal degree of freedom of action in their economic policies.

Similar considerations apply *a fortiori* to the present situation in the IMF. While IMF quotas averaged about 16 per cent of total imports in 1948, the proportion had fallen to less than 3 per cent in 1980. For non-oil-developing countries the percentage was a little higher—between 4 and 5 per cent. The proportion of quota now available unconditionally, or at low conditionality, includes not only the reserve tranche and the first credit tranche, but also drawings under the combined compensatory financing and cereal import facility of up to 125 per cent of quota. (Drawings for the financing of buffer stocks are also available at low conditionality.) The combined facility, however, deals only with balance-of-payments difficulties due to export shortfalls or to excess import costs for cereals, and many other factors outside the control of these countries—such as increases in import prices for commodities other than cere-

als—can exert balance-of-payments pressure.

On the whole, therefore, the capacity of the Fund to provide balance-of-payments support to developing countries unconditionally, or at low conditionality, has declined substantially. At the same time, drawings in the upper credit tranches are subject to stringent conditions. Such expansion of Fund resources as has taken place recently, as noted below, has added to the lending capacity of the Fund only at high conditionality, while the low-conditionality resources previously available through the oil facility and from sales of gold have come to an end.

It is true that balance-of-payments financing is also provided by commercial banks. But this is available only to a limited number of developing countries, and generally not to the poorest or (by commercial-bank standards) least creditworthy among them. The commercial banks did play a useful role in meeting the need for balance-of-payments support in the 1970s at a time when no alternative sources were available on the scale required, and now that such financing has been widely accepted, it is likely to continue, though not necessarily in the volume or on the terms that borrowing countries would consider desirable. But commercial-bank financing should not be regarded as a substitute for adequate resources in the Fund, especially in view of the inability of many Fund members to obtain access to private capital markets for balance-of-payments support.

Conditionality and the burden of adjustment

As is well known, the distribution of the burden of adjustment tends to be highly inequitable as between countries. During the Great Depression, the term "beggar-my-neighbour" was used to describe the policies whereby countries sought to shift the burden of adjustment to one another, and it was generally the stronger countries that achieved the greatest success. In recent times, strong international pressure has frequently been brought to bear upon deficit countries, while surplus countries have been under little or no pressure to adjust.

Clearly, the situation of a country whose deficit is merely the mirror image of a structural

surplus elsewhere in the system is vastly different from that of a country in which domestic expenditure is excessive. There are no rational grounds for compelling the former country to undergo all the rigours of standard upper-credit-tranche conditionality. On the contrary, precisely because of its inability to carry out the mandate of the Articles of Agreement in relation to surplus countries, the Fund might be expected to lean over backward to ease the difficulties of countries that are suffering the effects of that shortcoming. The Fund cannot, of course, supply more resources than are available to it. But, subject to that constraint, there is much that the Fund can do to lighten the burden of adjustment and avoid the application of severe measures, especially of a deflationary character.

The Fund, however, has rejected the idea that the origin of a deficit should be taken into account in determining the degree of conditionality imposed. In justifying this position, it is pointed out that both internal and external factors may be present in many situations. Moreover it is suggested that in terms of adjustment a more important consideration is whether the imbalance is transitory, and therefore self-reversing, or is likely to persist. If it is likely to persist, the country will need to undertake adjustment regardless of the internal or exogenous character of the deficit.

This reasoning is valid but incomplete. It is quite true that in real life a balance-of-payments deficit may have elements of both internal and external origin and that, where the deficit is persistent, adjustment is inescapable. But it is also true that, within the resources available to it, the Fund has sufficient degrees of freedom in the application of conditionality to be able to distinguish between a country whose deficit is mainly self-generated and a country whose deficit is mainly due to external factors. In particular, there is no reason why a country that has already sustained a decline in real income because of a deterioration in terms of trade for reasons beyond its control should be called upon to lower its income still further by means of devaluation or fiscal and monetary contraction unless there are specific indications of a genuine need for such measures. The Fund should seek rather to support the kind of

solution that is consistent with an expansion of output and employment.

Conditionality and self-generated imbalance

There are reasons for questioning the Fund's methods of applying the principle of conditionality even in conventional cases where countries themselves are primarily responsible for their balance-of-payments difficulties—for example, where there is excess pressure of domestic demand.³ So far as the diagnosis of problems of imbalance is concerned, the Fund history has itself pointed to the questions that arise regarding the validity and applicability of the monetarist approach to the balance of payments employed by the Fund (de Vries, 1976, p. 368). There are also dangers inherent in the characteristic effort of stabilization programmes to sum up the economic performance of a country in terms of a few monetary aggregates. Moreover, the use of quantitative monetary targets as performance criteria tends to determine the character of the adjustment to be undertaken even though other forms of adjustment may be more appropriate.

Fund programmes often include measures to liberalize trade and payments and the devaluation of exchange rates. Yet there are many cases in which the wisdom of such measures is open to serious doubt. As two members of the Fund staff have put the matter:

Where trade flows are responsive to price factors (as, for example, for developing countries which have a substantial manufacturing sector) there is more likely to be a balance of advantage in rate flexibility. ...In other cases, however, where trade flows are not very responsive to exchange rate changes (because export prices are determined in world markets and there are no close domestic substitutes for imports), the exchange rate changes needed to secure equilibrium in the balance of payments will be large. For these countries, the repercussions of exchange rate variability on

³For a fuller treatment of this subject, see Dell and Lawrence, 1980, Chap. 3.

domestic objectives, such as investment promotion and income distribution, may be a more potent factor on the negative side. (Crocket and Nsouli, 1977.)

For countries whose exports consist mainly of primary products, moreover, it cannot be assumed that an increased share of the market can invariably be obtained by cutting export prices in terms of foreign currency, with or without devaluation. Any such move is bound to put pressure on other producers to retaliate in defence of their own market shares. The result is a loss for all producers, and this loss is aggravated where a series of devaluations leads to a rise in the output of primary products and hence a further deterioration in the terms of trade. Devaluation is justified only where domestic costs have risen so high that it has become unprofitable to export traditional primary commodities, or where dropping the exchange rate can reasonably be expected to generate a major expansion in non-traditional exports, particularly manufactures.

The liberalization of trade restrictions is another policy approach that should not be insisted on indiscriminately. The case for maintaining and even reinforcing trade controls is particularly strong where a country would otherwise be forced into substantial deflation and unemployment as a means of reducing imports, when the same goal could be achieved with a lesser decline in real income and employment through the use of trade controls.

Even in the many situations where member countries themselves prefer to rely on decision-making by market forces, the use of pinpoint monetary targets raises serious difficulties. The setting of such targets is far from being as scientific a process as is usually implied in the literature on this subject, particularly in view of the historical evidence cited by the IMF staff itself. The evidence does not support the presumption that the velocity of circulation of money remains steady when domestic credit is manipulated for policy purposes (see Fleming and Boissonneault, 1977, and Park, 1970). There is also the practical difficulty that the evidence shows that huge errors in short-term forecasting are commonplace even in regard to monetary aggregates presumed to be

under government control, let alone when dealing with the private sector.

It is true that programme ceilings can be, and often are, modified by the Fund to take account of unforeseen events or incorrect assumptions. But frequently this cannot be done until after the mistaken targets have been in operation for some time and significant damage has already occurred. Analysis of recent experience of monetary targets in industrially developed countries with advanced statistical underpinning has shown the extraordinary difficulties that arise even in selecting and quantifying the appropriate monetary target, let alone in exercising the control required to achieve that target. The Governor of the Bank of England is among those who have been sharply critical of procedures that require a particular numerical target to be reached by a particular date (Bank of England, 1978). An important statement dealing with this matter and entitled "Measures to Combat Inflation" was issued on 14 April 1981 by the Group of 30. This non-official group of leading bankers, central bankers, economists, and businessmen, meeting under the chairmanship of Johannes Witteveen, former Managing Director of the IMF, expressed the view that "It is perhaps time to review critically recent experience with the use of strict quantitative targets for growth in the money supply, whether it is broadly or narrowly defined".

In some cases, it is felt that the situation calls for shock treatment in the form of a drastic change in the exchange rate or a major cutback in real income. Where economic chaos appears imminent, such treatment may be almost unavoidable. Moreover, if internal political and social relationships are cohesive, such measures may be accepted without political upheaval. But there are at least as many cases in which such cohesion is lacking, so that shock treatment may be compatible only with authoritarian government. In such cases, international pressure for drastic measures may have consequences that are incompatible with other international objectives.

Conditionality and externally generated imbalance

If there is a need for reconsideration of certain

features of traditional stabilization programmes even in cases of self-generated imbalance, the validity of such programmes is still more questionable where balance-of-payments problems are of external origin or of a structural nature.

The Fund's *Annual Report* for 1979 (p. 23) noted that the entire increase in the balance-of-payments deficit of non-oil-developing countries from 1977 to 1979, estimated at some US\$ 22 billion, was due to two factors: the deterioration in terms of trade and the rise in the cost of servicing external debt. Both of these developments were the result of forces outside the control of the developing countries concerned, including the mounting export prices of the industrial and oil-exporting countries and the increases in interest rates associated with efforts by the industrial countries to curb inflation by means of monetary restrictions.

The situation in 1979-1981 is reminiscent of that in 1974-1975. At that time, too, developing countries, as well as many developed countries, encountered very large deficits in their balances of payments, owing mainly to a deterioration in terms of trade.

In its communiqué of 13 June 1974, the Committee of 20 noted:

As a result of inflation, the energy situation, and other unsettled conditions, many countries are experiencing large current account deficits that need to be financed... Sustained co-operation would be needed to ensure appropriate financing without endangering the smooth functioning of private financial markets and *to avert the danger of adjustment action that merely shifts the problem to other countries* [emphasis supplied]. (Committee of 20, 1974, p. 221.)

These were the considerations underlying the decision to establish an oil facility to provide balance-of-payments support at low conditionality in 1974-1975. Any Fund member drawing on the oil facility was required "to co-operate with the Fund to find appropriate solutions for its balance of payments problem". This was the same level of conditionality that was applicable to the compensatory financing facility.

Very similar considerations apply to the situation in 1981-1982. Here again, the recent

upsurge in oil prices, coupled with general inflation, has had a major effect on the balances of payments of a large number of countries. And once more, as in 1974-1975, it is important that deficit countries not adopt policies that merely aggravate the problems of other countries. But while in 1974-1975 it was recognized that countries incurring balance-of-payments deficits due to oil price increases should not be forced into immediate adjustment, in 1981-1982 the resources provided by the Fund bring with them all the rigours of upper-credit-tranche conditionality. Yet it is as true in 1981-1982 as it was in 1974-1975 that the inevitable outcome of forcing excessive retrenchment on deficit countries while the surpluses of oil-exporting countries are maintained is that deficits are simply shifted from country to country. The cumulative deflation brought about by the adjustment process is thereby superimposed on, and reinforces, the primary deflation resulting from business recession in the industrial countries.

Adjustment to the new increases in oil prices, in any real and lasting sense, cannot be achieved within a short period of time. The kind of shock treatment often considered advisable in cutting back excess demand is virtually useless in current circumstances, which call for the adaptation of the economy to a new level of the energy terms of trade.

Objectives of the developing countries

Since 1978, the Fund has come under strong pressure from the developing countries to liberalize its conditions for lending. There was a widespread feeling among developing countries that the quota resources available in the Fund were too small to justify the considerable changes in economic plans and policies that might have to be made in order to be allowed to draw on them, except as a last resort in circumstances leaving no other option. A relationship therefore existed between the willingness of countries to accept Fund conditions and the amount of resources that the Fund was able to make available to them. By the same token, the larger the resources that could be provided and the longer the period over which they could be made available, the less abrupt did the

adjustment process have to be and the less exacting the conditions imposed.

The Fund has responded to the representations made by the developing countries, notably through the Group of 24, by modification of its lending programmes. As the Managing Director pointed out:

Traditionally, a member using the Fund's ordinary resources used to be able to borrow from us a maximum cumulative amount equal to 100 per cent of its quota in the Fund. As circumstances have changed, we have progressively adopted policies whereby a member may now draw on ordinary resources and on resources borrowed by the Fund up to a cumulative amount of 600 per cent of its quota. In 1980 alone the Fund's new lending commitments under adjustment programmes agreed with members reached SDR 7.2 billion, more than double the average level of the three preceding years. (*IMF Survey*, 9 Feb. 1981, p. 35.)⁴

The Fund also recognized that pressures on the balance of payments of developing countries under current conditions called for structural changes in the economy, involving, for example, the need to economize on oil and develop additional sources of energy. The Managing Director acknowledged that structural changes of this type may take longer than the one to three years normally set as the length of Fund programmes. "Thus, while we continue to stress the importance of appropriate demand management, we now systematically emphasize the development of the productive base of the economy and we contemplate that countries may, therefore, need our financing for longer periods." (*IMF Survey*, 9 Feb. 1981, p. 35.)

Despite the foregoing, there is no doubt that the conditions now required by the Fund

in connexion with the balance-of-payments support it is providing are, on average, much more stringent than they were at a similar period during the mid-1970s. In the words of the Managing Director:

In the period following the first oil shock, approximately three-quarters of the resources provided by the Fund to its members were made available on terms involving a low degree of conditionality. At present, by contrast, some three-quarters of our new lending commitments involve "upper credit tranche" programmes, that is to say, they require rigorous adjustment policies. (*IMF Survey*, 9 Feb. 1981, p. 35.)

Some tentative conclusions

The new concepts of the IMF management represent an important step forward, indicating a readiness to re-examine some of the basic assumptions underlying the Fund's treatment of stabilization programmes in the past. At the same time, additional clarification will be needed before the new ideas can be translated into operational guidelines. One suspects that particular difficulty will be encountered in establishing performance criteria in line with the new concepts. For example, the most important single performance criterion in most, if not all, standby arrangements of the past was a ceiling on the net domestic assets of the central bank or the banking system, accompanied usually by a subceiling for credit supplied to the government by the central bank or the banking system.

The monitoring of country performance in terms of compliance with a set of quantitative targets is a traditional element in IMF supervision of stabilization programmes. It cannot readily be adapted to a different kind of approach in which structural adjustment rather than the curtailment of effective demand is the basic objective. There may well be a tendency for the Fund to continue relying on indicators of demand management even in situations where the primary objective of a stabilization programme is quite different. Even where the need for structural adjustment is recognized, there appears to be a tendency to emphasize the importance of pricing policies, exchange

⁴The 600 per cent limit does not take into account drawings under the compensatory and buffer-stock financing facilities, or outstanding drawings under the oil facilities. New guidelines on the scale of Fund assistance to member countries following the completion of quota increases under the Seventh General Review provided, generally, for members to have an annual access to Fund resources of up to 150 per cent of their new quotas, or up to 450 per cent over a three-year period. For a complete review of the financial facilities of the Fund, see *IMF Survey*, Supplement on the Fund (May 1981), pp. 6-10.

rates, and tax regimes as against more direct measures such as the sectoral allocation of investment.

Certainly, structural adjustment does not lend itself to the kind of quantitative measurement and pinpoint targetry that the money supply does. To the extent that the Fund engages in a new type of balance-of-payments support, new methods of monitoring will be needed accordingly.

The idea advanced above that a reasonable balance should be struck between the low-conditional and high-conditional resources provided by the IMF is fully consistent with the credit-tranche policies of the Fund itself—policies that have been distorted by the failure of the Fund membership to raise quotas in line with world trade. Such a balance is also essential as a means of giving developing countries at least some of the freedom of manoeuvre in the management of their economies that developed countries have under similar conditions. It is not in the interests of the international community that developing countries should be continually hemmed in by the policy prescriptions of an international organization, however well meant those prescriptions may be. Developing countries should have access to balance-of-payments support, especially in cases of externally generated imbalance, on conditions that are appropriate to their circumstances. This is not an argument for unconditional Fund programmes but for forms of conditionality that are clearly adapted to the specific character of the imbalances encountered.

Finally, the distribution of the burden of adjustment among countries cannot be separated from the question of responsibility for the factors making adjustment necessary. This basic idea was written into the Fund's Articles of Agreement in the form of the scarce-currency clause. It was this fundamental concept, likewise, that animated the Committee of 20's attempt to find an objective means of determining the distribution of adjustment obligations as between surplus and deficit countries, as well as between the reserve centre and the rest of the world.

A passive attitude to the distribution of the burden of adjustment is by no means the same

as an impartial or objective attitude. To suggest that, regardless of whether a disturbance is of domestic or foreign origin, it is the deficit country that must accept the full burden of adjustment is to settle the question of responsibility as decisively as if the matter had been addressed directly instead of indirectly. Such an attitude is tantamount to saying that those countries that have the power to shift the burden are entitled to do so. And it is precisely this approach that in the 1970s resulted in the imposition of a burden of adjustment on the poorest and weakest countries out of all proportion to their responsibility for the disequilibrium that had arisen.

The step forward that the Fund management has taken in its latest thinking contains the potential for one of the most important and constructive changes in IMF policy since Bretton Woods. But the word "potential" should be stressed, because for the time being it is mainly concepts that have been developed, and those concepts have not yet been translated fully into practical action. The shift in approach is significant and the importance of structural adjustment in solving balance-of-payments problems has been acknowledged, but the new thinking does not yet fully accept the proposition that the difference between internally and externally generated disturbances is a crucial factor in assessing the form and content of conditionality required. While the Fund management has received the support of governments in its effort to provide larger volumes of balance-of-payments financing over longer periods, there is a reluctance to make any significant changes in conditionality. In fact, in global terms there has been a step backward: on average, resources are being provided at a much more exacting level of conditionality today than they were in the mid-1970s, even though the problems confronted in the two periods are very much alike.

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Notes and Comments

Statement by Mr. Kenneth Dadzie* at the opening ceremony of the nineteenth session of CEPAL

I have always held CEPAL in high esteem. Time does not permit me to enumerate the many reasons for this, so I shall focus on a dimension which is especially relevant in the confused and confusing state of the world today. I refer to CEPAL's role as a pacesetter in development and international economic co-operation: its contribution to identifying and analysing the obstacles to development, heightening and spreading recognition of these obstacles among policy-makers and public opinion, and generating the will to take practical steps to solve problems. The contribution of CEPAL to development thinking lies not so much in the specific theses that it has propounded and in its numerous intellectual offspring but rather in the fact that it has questioned the traditional thinking about the dynamics of international development and put forward an alternative doctrine. The orthodox view, you will recall, held that spontaneous forces are always tending towards equilibrium, that under these conditions full employment, economic growth and development, and the optimum utilization of resources are assured, and, moreover, that those same spontaneous forces can be relied upon to produce not only steady international development but also the progressive equalization of income worldwide.

CEPAL's challenge to this conventional wisdom has been long sustained; this challenge was developed by its then Executive Secretary, the incomparable Raúl Prebisch, and continues to the present day under the extraordinarily able leadership of my good friend Enrique V. Iglesias. CEPAL has shown that the forces tending towards the continuous polarization of economies, both externally and internally, are far stronger than those tending towards equilibrium. CEPAL has also demon-

strated that these cumulative forces must be countered by deliberate action at the national and international levels if the economic distance between the industrialized and developing countries and within the developing countries themselves is not to grow even wider. These are ideas with great force.

CEPAL's perspective on world development arose, of course, from the experience of Latin American countries, whose external relationships made them politically vulnerable to downswings in economic activity in the metropolitan centres, and whose structures had led them to a distorted form of development. While the experience and constraints of other developing regions have not been identical, the CEPAL thesis was sufficiently germane to be accepted by the developing world as a whole as its conceptual framework in what has become known as the North-South Dialogue.

CEPAL has also been a pioneer in the field of ECDC —economic co-operation among developing countries. Traditional theory saw no place for such co-operation among these countries, since they were thought to lack the complementarities on which the theory was based. Here CEPAL generated new and very powerful ideas, emphasizing the dynamic aspects of such co-operation as against the static aspects. It showed that regional integration would make it possible for developing countries to overcome the limits of their narrow national markets, opening up larger regional areas within which developing countries would obtain the benefits of specialization and exchange at rising levels of technology.

A third area in which CEPAL has played a leading role is the internal dimension of development. It has pointed clearly to the important linkages that bind social and economic development, and clarified the dynamic interrelationships between poverty, capital accumulation and income distribution.

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I have focused on CEPAL's contribution in these areas for two reasons. First, because such a contribution calls for a combination of economic sophistication and political courage. This has never been an easy task, and CEPAL has succeeded not only in mobilizing some of the best brain power in the region—and indeed outside it too—but also in putting forward its ideas insistently despite the fact that the ideas were politically controversial, both within and outside the region. Today, much of the CEPAL philosophy seems almost self-evident. But would that be so had CEPAL been content to work within the confines of the then prevailing approaches? There is a lesson here for both governments and secretariats: CEPAL's studies and reports, while often critical of the existing order, whether internationally or domestically, have normally endeavoured to put forward constructive views on how to approach development problems within the region and concerning its relations with the rest of the world. Its message has been clear, not implicit; its purpose has always been constructive, and it has provided options, not merely queries.

The other reason is that CEPAL's basic propositions are clearly relevant to the present day. Cumulative tendencies are particularly evident in the world economy: inflationary speculations are strong, the major developed market economies are closely interrelated, capital flows are increasingly related to balance-of-payments performance, energy inputs and stocks have a tendency to respond negatively to price movements, and so on. Consequently, there is a risk—and one which cannot be brushed aside simply with faith—that the instability we have witnessed will continue to broaden and deepen. Bold measures are therefore required. They should take the form of a coherent policy package addressing all the key sectors of the world economy, designed to reduce instability and generate growth and structural changes. In designing such a package, account must be taken, on the one hand, of the areas of interdependence between and among developing countries and, on the other hand, of the much vaster areas of asymmetry in relationships between the two groups of countries: in other words, dependence.

That, in essence, is the task before the global negotiations which the United Nations General Assembly plans to launch concerning key issues in the area of raw materials, trade, energy, development, money and finance, and that is also why it has proved so difficult to arrive at agreement on the agenda and procedures for these global negotiations. Be that as it may, delay in beginning global negotiations will prove costly for the international economy as a whole, particularly for the Latin American region, for Latin America has a particularly high stake in having international development steadied and asymmetry reduced. The region has already suffered a substantial setback, in terms of slower growth and widened payment deficits, as a result of the world economic crisis, and this will continue to hit hard if the demand for Latin America's exports contracts or stagnates while the prices of its imports escalate and if it continues to be buffeted by the disorder in international financial and monetary systems. On the other hand it will gain, along with the rest of the world, from a more rational and democratic management of the world economy, designed to develop more fully the vast productive potential of the Third World in the context of a more even distribution of labour.

Successful negotiations between developed and developing countries, and progress towards a global system of managing the world economy, will not come about inevitably, or solely because it is in the North's interest that the South should develop. A global system of managing the world economy requires that the developing countries should bring their weight to bear more heavily in the negotiating process. I am not referring simply to the co-ordination of negotiating positions at conferences. I am referring more particularly to the need for closer economic and technical co-operation, including the strengthening of the ability to effect structural changes in their relations with developed countries. In this area, as well as in regard to the conjunctural areas of the world economic crisis, the oil-exporting developing countries have an especially important role to play. The commitments they have undertaken, and their performance to date, including the praiseworthy initiatives

taken by some of them in the Caribbean and Central American context are encouraging. It is to be hoped that such co-operation will be extended and deepened, and that the oil-exporting countries will increasingly use their influence to secure a more rational system of management in the world economy.

But it would be wrong to think that it is for the oil-exporting countries to assume the whole onus of moving ECDC forward. They can certainly serve as a catalyst. But ECDC is a shared responsibility and it must lead also to a sharing of benefits. Moreover, it must be seen not only in the context of the current world economic situation and the sorry state of North-South (and East-West) relations, but against the broad historical background to which the call for a New International Economic Order was a response—a background due to the weak horizontal links among developing countries. ECDC must therefore be taken forward, side by side and hand in hand with the process of reordering North-South relations, for these two issues, separately and jointly, are both objectives of the New International Economic Order and also instruments for its establishment.

The third aspect of CEPAL's thinking of which I have spoken—the internal dimension—is also of great importance and relevance. In Latin America and other developing regions, the narrowness of national mar-

kets and vulnerability to external developments often seem to be due as much to disparities in the distribution of income and wealth and imbalances in the productive structure as to the smallness of the countries, since the social and political tensions generated as a consequence are increasingly viewed as an acute source of economic instability, as are fluctuations in the terms of trade. Moreover, insufficient attention to the need for self-reliance and the development of indigenous capabilities is coming to be regarded as being as significant a cause of dependence on transnational corporations as are the technological and other attractions of such co-operation. There is, finally, growing international awareness that growth does not automatically reduce poverty, and that national measures must be taken to correct the tendencies towards marginalization and pauperization.

I have spoken of CEPAL's role as a pacesetter for other regions. Its prime responsibility is, of course, to its own region, and one of its principal current tasks is the review and appraisal of the implementation of the International Development Strategy at the regional level. The IDS is wide-ranging, encompassing among other things North-South questions, regional and other forms of co-operation, and the social dimensions of development. I hope, therefore, that the proper balance will be struck between these dimensions.

Some CEPAL Publications

Estratificación y movilidad ocupacional en América Latina, by Carlos Filgueira and Carlo Geneletti, Cuadernos de la CEPAL Series, No. 39, Santiago, Chile, 1981, 162 pages.

The purpose of this study is to describe and interpret the changes that occurred in the occupational stratification structures of Latin America in the 1950s and 1960s. To achieve this purpose it has been necessary to make a protracted effort and overcome many obstacles resulting from the complexity of both the theoretical and methodological components of the problem. First, the available data (samples from the population censuses of the majority of Latin American countries taken around 1960 and 1970) have been organized into special tabulations in order to examine more objectively the changes which have taken place in occupational structures, especially that of the middle class. An attempt has then been made to interpret these changes in the light of the most reliable hypotheses on the relationship between the size of the middle classes and the modernization and economic development process of the countries of the region. Finally, on a more general level of thought on the concrete reality of the Latin American societies, questions have arisen on the possible affinity between the changing trends in the occupational structure and the most widespread ideas in the academic world and in international organizations on the dominant economic model in Latin America.

These three aspects—description, interpretation and reflection—are developed in that order: the second and third chapters are descriptive; the fourth, fifth and sixth chapters are interpretative, and the seventh contains final reflections on the accumulated material. Finally, in the appendix, the methodology used is examined, not because it is of less importance but because the nature of the information makes it necessary for the reader to know the decisions which were taken in the operational construction of the stratification structure, in order to gain a better understanding of the insurmountable limits imposed by the census data.

In their conclusions, the authors emphasize that the changes in structural mobility in Latin America show the presence of channels of social mobility and hence a growing degree of incorporation of persons into the benefits of modernization and economic development. The mobility generated by the factors studied—technology, the expansion of the State, modernization of the occupational structure, demographic effects and expansion of the educational system—could possibly point to the existence of integrated effects which facilitate increasing incorporation into the social system. At the end of the 1960s, this state of affairs led to a wide range of situations within the region, according to the relative progress of each country in the process of economic and social transformation. Some countries gave indications during this period that the existing process of

structural mobility was completing its cycle and in some wise was coming to an end; others, however, found themselves at a stage of surprisingly dynamic rapid changes; finally, a third group of countries showed signs of a certain relative immobility which increasingly separated them from the more advanced countries. All these characteristics may be fully applied to mobility of demographic origin as well.

Despite these reflections, when the process of mobility is analysed from a multidimensional perspective (meaning the simultaneous consideration of the different dimensions of social stratification) this prompts some slight skepticism about the integrating character of mobility in the region.

The fact that social modernization is moving ahead of the productive structure, causing a marked asynchrony among the different orders of the social structure, has caused severe structural tensions because of the growing gap between aspirations and the chance of satisfying them. It is easier to gain access to the fruits of modernization than to those of economic growth, and this fact is not derived from the temporary asynchronisms characteristic of any process of change, but rather is a definite structural characteristic, a consequence of the predominant style of development.

The changes in the sectoral composition of the labour force, the expansion of the educational system and the rigidity and distribution of income observed during the decade leave us with some queries regarding the continuity of the process in the next few decades. To what extent can some institutional orders continue to expand, and what are the limits of their growth? To what point can the social structure tolerate a high degree of inconsistency between aspirations and their satisfaction? Since some of the mechanisms which generate upward mobility no longer exist, what are the other possible channels and to what extent do they appear in the region? Are certain ideas on the development of bourgeois traits among the working class applicable to the dynamics of the process observed, or is there actually, on the contrary, a proletarianization of the middle classes?

Estilos de desarrollo, modernización y medio ambiente en la agricultura latinoamericana, by Nicolo Gligo, Estudios e Informes de la CEPAL Series, No. 4, Santiago, Chile, 1981, 130 pages.

A new style of development has invaded Latin America, largely displacing the former one. This phenomenon has occurred in all fields, and agriculture has not been excluded from these changes. In the new style of development, the complex role played by agriculture is increasingly important, although the wide diversities of the region make it more and more difficult to describe: a circumstance which limits a more complete analysis.

Bearing these changes in mind, this study shows the fundamental importance which agriculture continues to have within the region; the persistence of inequalities in income and, in certain areas, the increase in levels of extreme poverty in broad rural sectors; the significant transformation of the structures and social relations, where, besides capitalistic penetration, there are changes in the structure of land tenure; the increasing activity of transnational corporations, and the modifications in the compo-

sition of production and important technological innovations.

Although it has grown, however, Latin American agriculture has also destroyed resources and brought with it a sequel of environmental problems. The destruction of the ecosystem heritage by expansion of the agricultural frontier has eliminated possibilities for future resources, and the abuse of often inappropriate technologies and technological inputs has been at odds with ecological viability. The projections for the growth of Latin American agriculture may be misleading, since in addition to the extension of the area and the increase in short-term productivity, the prospects for medium and long-term decline should be calculated too.

The invasion of the current style of development has created new problems and has accelerated already long-standing processes; it is in this perspective that this study is presented. The growth tends to cover up, on the one hand, the medium and long-term consequences of the deterioration and loss of resources and, on the other, the loss of the region's heritage produced by the deterioration of the ecosystems now being exploited. The resources being incorporated are the only ones measured, whereas the natural wealth being lost is not usually counted. The study concludes by affirming that the stage of agricultural expansion and intensification is becoming increasingly difficult in the current 'modernizing' process; that the new style of development has increasingly negative environmental repercussions which make some processes untenable in the medium and long term, and finally, that Latin America is losing the valuable heritage represented by its ecosystems.

Latin American development in the 1980s, Estudios e Informes de la CEPAL Series, No. 5, Santiago, Chile, 1981, 134 pages.

This study on the development of Latin America in the 1980s deals with three main aspects. Firstly, it attempts to make an economic and social evaluation of the development process, centering its attention especially on the identification of current problems; this assessment leads to the basic conclusion that it is imperative to reorient the strategies and policies of development; secondly, it studies the elements of this new orientation in the context of an integral and organic approach, indicating certain goals and objectives which Latin America should set itself for the next decade, especially in the economic field. And thirdly, it examines more concretely and in greater detail the general lines of economic and social policy, both global and sectoral, and the main aspects of external economic policy and regional co-operation.

It is not easy to achieve these purposes satisfactorily, because of the variety of situations and the diversity of perspectives which may be identified in the region. However, the effort is not in vain, because it is evident that important aspects of the problems of Latin American development are common to almost all the countries and are of great importance for practical action: especially those related to the nature and structure of the current socio-economic process and the external relations of the countries of the region.

This attempt is complicated even further by the substantial changes which are taking place in objective socio-economic conditions, in national policies and in the regional and international panorama, particularly in basic aspects of the evolution of the developed countries which affect the Latin American countries in one way or another; by the instability and uncertainty associated with these changes; and by the problems of availability and rising cost of essential goods, such as oil, which have a favourable or unfavourable impact, in varying degrees, on the countries of the region. The whole matter becomes even more complex because of the simultaneous action of outside factors which, although they are not new, now have a greater impact on the current scene; this has been happening in recent years with respect to the irregularities in world agricultural production caused by adverse weather conditions, for example.

With regard to the conclusions of the evaluation, the first one is that certain productive structures and policies still persist and have led to the formation of extremely inequitable societies, where the fruits of growth are concentrated in small sectors of the population and are insufficient to meet the growing needs raised by the current high population growth rate in the region; the second conclusion is that a declining or at least very low rate of economic growth has been recorded in recent years in the majority of Latin American countries, whose recovery appears to be subject to factors of instability and uncertainty largely related to the evolution of the world economy; while it is noted thirdly, that there is a continued asymmetry in the structure of external relations as regards the nature of export and import flows of goods, the decline in the terms of trade and the growth in the external debt.

Latin American development projections for the 1980s, Estudios e Informes de la CEPAL Series, No. 6, Santiago, Chile, 1981.

The CEPAL Secretariat has prepared a set of projections designed to provide quantitative support for the prospective studies related to the formulation of the International Development Strategy for the 1980s and the Latin American Programme of Action to implement it.¹

The nature of these projections is defined by the main problems identified in the examination of Latin American development. The Strategy at the world level and the Programme of Action at the Latin American level have both been designed to deal with these problems; as a result, the quantitative work was oriented towards examining the objectives, goals and policies capable of overcoming the current situation.

For analytical reasons projections were prepared of four essential, interrelated aspects. Firstly, the demographic aspects were studied in order to identify some of the main problems of the population transition stage through which Latin America is passing, and at the same time to

¹ See in particular *Latin American development in the 1980s* and *The external economic relations of Latin America in the 1980s*, Estudios e Informes de la CEPAL Series, Nos. 5 and 7, respectively.

quantify the increase and location of the labour force: a basic element for the analysis of the situation and prospects as regards employment.

Secondly, the main macroeconomic variables and requirements for accumulation and external financing consistent with the economic growth proposed in each scenario were determined. In this context current income from exports plays an extraordinarily important role, as in the global model proposed these resources constitute the adjustment requirement for the savings-investment balance and that of the external accounts, in view of the restrictions imposed on external financing.

The structure of production and the productivity of the labour force by sectors of economic activity were then examined, in order to establish the necessary co-ordination with the global projections and arrive at an occupational balance in keeping with the projections of the labour force.

Finally, the possibilities of growth of exports were explored through an analysis of the structure of external trade, both by type of goods and by destination; in this respect special importance was given to the relationship between basic commodities and manufactured products and to the regional or extra-regional character of external trade.

In the population projections only one hypothesis was used, representing an intermediate position between the high and low extremes, since it was considered that in the periods contemplated here the changes which the economic options being examined could bring about in the demographic variables would not change the nature or the relative importance of basic problems such as employment.

On the other hand, the macroeconomic projections, by sectors of activity, for sectoral employment and productivity, foreign trade, external financing and indebtedness have been organized around two growth scenarios. In general terms, the first of these scenarios corresponds to the maintenance of the present growth trends, in the context of current policies oriented towards the achievement of given goals; i.e., it is a projection of the dynamic prognosis of growth, starting from the initial situation and adopting the perspectives associated with the application of economic policies already defined. The second scenario assumes a substantial change away from traditional policies and, at the same time, the application of a new international economic order.

The external economic relations of Latin America in the 1980s, Estudios e Informes de la CEPAL Series, No. 7, Santiago, Chile, 1981.

The changes which occurred in the 1970s have deeply modified the international economic situation. In the developed market-economy countries, the sustained post-war boom came to an end and a crisis situation began to arise, while in the developing countries not only was this situation of the developed countries strongly reflected, but also changes took place in the nature of several of their most important problems—for example, the character of their external vulnerability—and policies were applied which sought to minimize the effects of these difficulties, in some cases through the establishment of defense mechanisms

and in others by means of a better linkage with the developed economies.

In the framework of these conditions, the study analyses the external economic relations of Latin America with special attention to the three sets of main questions in this field, as identified in the International Development Strategy for the Third United Nations Development Decade.

The first set of problems refers to the international trade of Latin America: the maintenance or raising of the growth rate of exports is an unavoidable prerequisite for achieving a satisfactory growth rate. Obviously, the dynamism of the external sector depends, on the one hand, on the generation of a growing and increasingly diversified flow of exportable products and, on the other, on their free access to international markets.

The second group of problems refers to external financing. In most of the countries of the region the absorption of the effects of the international recession, and especially the rise in the price of energy products, has resulted in reductions in the growth rate, higher rates of inflation, and increases in both the current account deficit of the balance of payments and external indebtedness.

The third set of questions is related to integration and co-operation among the countries of the region, which continues to be a fundamental factor both for the strategy for achieving a more appropriate insertion in the world economy and for stimulating the domestic development of the countries of Latin America and the Caribbean.

Dinámica del subempleo en América Latina, PREALC, Estudios e Informes de la CEPAL Series, No. 10, Santiago, Chile, 1981, 101 pages.

This work seeks to analyse the evolution of employment problems in Latin America during the past 30 years, to appraise the prospects for the next two decades and to point out the implications of these for the formulation of economic policies in the framework of development strategies.

There are three chapters in the study, preceded by an introduction which presents a summary of the main conclusions. The first chapter is devoted to an analysis of the employment situation and its trends, paying special attention to the measurement of the changes which have occurred in underemployment. Two main conclusions are drawn: firstly, that the employment situation in Latin America has been improving, but at a very slow rate; and secondly, that there is a diversity of employment situations among the countries, both because of their characteristics and because of their evolution, with at least three groups of countries standing out within the regional whole.

The second chapter presents various projection exercises aimed at analysing the foreseeable scenarios until the end of the century; thus, it experiments with projections based on the repetition of past experience and on the acceleration of economic growth, while a third projection seeks to determine the growth required in order for Latin America to have a similar employment situation to that of the developed countries. The analysis concludes that employment problems will continue to be of significant magnitude in most of the countries of the region until the

year 2000, and it will be necessary to accelerate growth and apply employment policies in order to reach socially acceptable levels of underutilization.

The requirements for both growth and policies vary with the different countries. For this reason, the last chapter attempts to present, although in a very preliminary fashion, the combinations of various policies needed and the intensity with which they should be applied in each group of countries. Despite the marked national differences there is nevertheless a series of common tasks which the great majority of the countries of the region must face in order to alleviate the problems of employment affecting them.

Sociedad rural, educación y escuela, UNESCO/CEPAL/UNDP, Project on Development and Education in Latin America and the Caribbean, Informes Finales Series, No. 1, Buenos Aires, 1981 (2 mimeographed volumes of 202 and 67 pages, respectively).

This study is the summary report of the activities carried out under the project "Development and Education in Latin America and the Caribbean" in the area of rural society and education, and deals mainly with the relations between society, education and schools in the rural areas of Latin America.

Its general approach is aimed at analysing how to satisfy the basic educational needs of rural areas, and it takes as its starting point the existence of needs or deficiencies of the population living in such areas, the possibilities of satisfying them within the reach of this population, and the meeting place between the two.

Chapter I analyses the changes which have taken place in rural society and their repercussions on education and schools; also considered are the socio-economic processes which have taken place in the past 25 years, their cultural and educational implications and the results of the formal educational system, as points of departure in approaching the problem of education in rural areas in relation to styles of development and their meaning for the national culture.

Chapters II to V concentrate on the topic of how to satisfy the educational needs of the school-age population through the formal educational system. The formal educational system in rural areas is considered from the point of view of its formal organization as a part of the governmental bureaucracy and its impact on education; the role of the teacher either as a functionary of the formal educational system or as a direct participant in practical teaching activities; the role of formal education in family strategies in the lower rural strata and the way in which these strategies, at the same time, condition the readiness of children for the school system and their insertion in this system; and the teaching process as it takes place in the rural school.

Chapter VI is devoted to non-formal education, analysing the way in which it is related to basic educational needs as reflected in the programmes being carried out in the region and specifically in schools using radio transmissions. Finally, chapter VII considers the treatment given to rural education and schools by educational policies, planning and administration.

The study is presented in two volumes, the first of

which contains the report as such, while the second contains a bibliography and a statistical appendix.

El cambio educativo. Situación y condiciones, UNESCO/UNDP/CEPAL, Project on Development and Education in Latin America and the Caribbean, Informes Finales Series, No. 2, Buenos Aires, 1981 (mimeographed version, 250 pages).

Studies on the relation between society and education usually take one of two typical approaches: in some cases, they analyse the social structures and the educational systems, and recommend modifications in the former as a condition for making a change in education, or they propose ideal educational actions as an instrument for social change. In other cases, the analysis is centered on internal elements of the educational institutions (policies, planning and administration, curriculum, teacher training, teaching practice), and the recommendations tend to sidestep the social structures and separate the educational process from social interactions, making proposals which, in the best of cases, allow the action of the educational systems to reduce the repercussion of external phenomena on themselves.

This study attempts to consider the educational phenomenon, cultural models and even pedagogical relations as an expression of the structure and trends of social change and, from this integrated approach, to point out the elements which might have an impact on change in education, proposing as its function and basic objective social and cultural democratization.

The following reports are included in the volume: Social structure and social movements in the development of popular education, by G.W. Rama; Elements for a diagnostic study of the traditional educational system in Latin America, by J.C. Tedesco; Teaching trends in Latin America (1960-1980), by R. Nassif; The Brazilian school system and pedagogical innovations, by W.E. García; Three attempts at social change through education, by J.Z. Vásquez; Educational reforms in Latin America: Analysis of some national processes, by N. Fernández Camarra and Inés Aguerrondo; Styles of development and education: An inventory of myths, recommendations and potentials, by M. Wolfe; and Report of the International Seminar "Inertia and change in the educational systems of Latin America and of the Spanish-speaking African countries", by R. Nassif.

La educación y los problemas del empleo, UNESCO/CEPAL/UNDP, Project on Development and Education in Latin America and the Caribbean, Informes Finales Series, No. 3, Buenos Aires, 1981 (mimeographed, 188 pages).

The controversial nature of the existing interpretations of the problem of employment, the insufficiency of information, and the lack of uniformity in the criteria applied to gather the little that does exist, made it necessary to concentrate this study on the analysis of the existing theoretical interpretations and the verification of some hypoth-

eses relative to the employment situation in the industrial sector.

Its conclusions draw attention to the fact that, in contrast with what happened in previous periods in the more advanced countries of the region, the educational system is now acting as a barrier to the integration of the great masses into society and modern jobs, and it is producing a social stratification inconsistent with the models of advanced capitalism which were presumably its inspiration. As specifically related to employment, this unequal distribution of the educational intake produces persons who are unemployable in the modern sectors and prevents those affected not only from competing in the job market but also from participating in the decision-making process.

Thus, the solution should be oriented not towards seeking an adjustment between education and employment but towards the elimination of cultural exclusion, in order to make it possible for the population to participate in the social and political organization which determines the conditions of the job market, regardless of whether or not there now exist jobs for that mass for whom the completion of elementary school is proposed as a goal.

In addition, the study repeats that education is a value in itself and that this value essentially has a political dimension which cannot be reduced to merely economic terms.

For a long time the insufficient development of the region meant that suggestions and proposals legitimately centered on economic growth, but while such growth continues to be a necessary condition, it is more and more inadequate for providing a solution to the problems. In view of the economic levels already reached by a considerable number of countries of the region, it has become a priority need to decide on the model of social organization, that is, their style of development, since to continue the predominant style does not appear to solve either the employment problem or that of education.

This assumes a reassessment of education as a massive distribution of minimum levels of knowledge, in order to unblock social stratification and re-establish education's specific function in the development of rationality and human capacities, because what needs to be done is to form human beings with the ability to analyse and solve problems, both those of production and those arising in political society.

Manual de documentación naviera para los puertos de América Latina (third part), OAS/CEPAL Transport Programme, E/CEPAL/1060/Add. 2, mimeographed version, Santiago, Chile, 1981, 96 pages.

The first part of this manual contained information on ports in South America (Colombia, Chile, Ecuador, Peru and Venezuela) and Central America (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua), while the second added information on the ports of Argentina, Brazil, Paraguay and Uruguay.

This third and last part completes the picture with information on the remaining Latin American countries: Netherlands Antilles, Bahamas, Barbados, Cuba, Dominica, Grenada, Guyana, Haiti, Jamaica, Mexico, Panama, Dominican Republic, St. Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago.

This publication completes the task undertaken by the OAS/CEPAL Transport Programme of presenting the current provisions on the documentation required when receiving and dispatching ships, and the consular formalities which these ships must go through in the ports of the region.

El sector salud en el decenio de los ochenta, prepared by the Pan-American Health Organization, CEPAL, Santiago, Chile, 1981, 29 pages.

This document presents the health sector strategies for all the countries of Latin America and the Caribbean in the present decade. These strategies and their goals, which are related to the objective of "Health for all in the year 2000" and its principal strategy "Primary Care" were adopted by the governments of the Americas at the twenty-seventh meeting of the Board of Directors of the Pan-American Health Organization in October 1980. Consequently, it contains a summary of the evolution of the health sector during the past decade and its prospects; a description of the objectives and goals, and a summary of the strategies adopted at the above-mentioned meeting. It also includes considerations on some social characteristics within which these strategies will very probably operate, and it analyses the principal implications of "Health for all in the year 2000" in the economic and social development of these countries.

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Aníbal Pinto, *The opening up of Latin America to the exterior*.

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Jean Casimir, *Main challenges of social development in the Caribbean*.

Raúl Prebisch, *The Latin American periphery in the global system of capitalism*.

Comments by Octavio Rodríguez, Alberto Couriel, *On Peripheral Capitalism and its Transformation*.

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Note: *The Spanish edition of CEPAL Review No. 13 contained, in addition to the above articles, an article by Mr. Sidney Dell. This was of a preliminary character, however, and it is planned to publish an abridged new version of it in English in the near future.*

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