The Agrarian Question and the Neoliberal Rural Transformation in Latin America

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Abstract:
Since the neoliberal turn in Latin America the rural economy and society has experienced a great transformation. Corporate capital and transnational agro-industries have taken hold of agriculture radically transforming the economic and social relations of production leading to the precarization and feminisation of rural labour as well as the intensification of work. Peasant farmers were further squeezed having to increasingly find off-farm incomes, largely through precarious wage labour activities, so as to make a living thereby furthering the process of proletarianization. The ‘new rurality’ and ‘territorial’ approaches tried to take account of these transformations but they are found wanting. Instead, a political economy view to the agrarian question is found more promising. A counter-movement to neoliberalism has emerged spearheaded by indigenous peoples and the rural poor, sometimes linked to the transnational peasant movement ‘Via Campesina’. Their main aim is to construct an alternative agrarian system based on ‘food sovereignty’ which is promising but also controversial. Keywords: agrarian change, neoliberalism, land and capital concentration, labour precarization, Latin America.

Resumen: La Cuestión Agraria y la Transformación Rural Neoliberal en Latinoamérica
Desde el giro neoliberal en América Latina la economía y sociedad rural han experimentado una gran transformación. El capital corporativo y las agroindustrias transnacionales se han apoderado de la agricultura transformando radicalmente las relaciones económicas y sociales de producción que llevan a la precarización y feminización de la mano de obra rural, así como a la intensificación del trabajo. Los campesinos enfrentan condiciones cada vez más difíciles teniendo que buscar con mayor frecuencia ingresos fuera de la finca, principalmente a través de actividades salariales precarias, con el fin de ganarse la vida impulsando con ello el proceso de proletarización. Los enfoques de la ‘nueva ruralidad’ y ‘territoriales’ trataron de explicar estas transformaciones pero tienen limitaciones. En cambio, una visión desde la economía política sobre la cuestión agraria se estima más prometedora. Movimientos contestatarios del neoliberalismo han surgido encabezado por los pueblos indígenas y la población rural pobre, a veces vinculado al movimiento campesino transnacional ‘Vía Campesina’. Su principal objetivo es la construcción de un sistema agrario alternativo basado en la ‘soberanía alimentaria’, que es prometedor, pero también polémico. Palabras clave: cam-
bio agrario, neoliberalismo, concentración de la tierra y el capital, precarización del trabajo, América Latina.

The article begins by reminding readers of the agrarian reform period half a century ago. This sets the scene for discussing the major transformations brought about by neoliberalism in the era of globalization. I then analyse the increasing control of national and transnational corporate capital over the rural economy and society through the imperatives of the market which fostered processes of concentration as well as the displacement and disempowerment of peasants and rural labour. This is followed by an incursion into the counter-movements campaigning for indigenous rights, environmental justice, ‘food sovereignty’, agroecology and an alternative agrarian world system. These transformations and counter-movements reveal the emerging themes and are encouraging, if not demanding, the search for innovative approaches to the agrarian question. While half a century ago the agrarian question centred on the high land concentration I will argue that today the key agrarian problem is the high concentration of capital and dominance of agribusiness. In this brief article I can only provide a general overview of the transformations in the countryside and highlight some major trends since the neoliberal turn in Latin America. These transformations have their own country specificities as attested in the seventeen country studies compiled in the enormous three volume study edited by Almeyra et al. (2014).

**From agrarian reform to re-concentration of land**

In the 1960s and 1970 the key agrarian question concerned the highly unequal land tenure system and the exploitative ‘feudal’ like labour conditions on large landed estates. Peasant movements and left-wing political parties, as well as some centre parties, increasingly pressed for the implementation of agrarian reforms. During the 1960s until the early 1980s a spate of agrarian reforms, varying in intensity and outcome, were implemented in several countries (Kay, 1998). The debt crisis and attendant structural adjustment programmes of the 1980s, which ushered in the neoliberal era after half a century of State developmentalism and import-substituting-industrialization, had profound consequences for the rural economy and society.

The array of liberalization policies in land, labour and capital markets, as well as the opening of the economies to the world markets and the multiplication of free trade agreements, led to a commodity export boom. As it became very profitable to invest in agro-export commodities, capitalist farmers shifted production from ‘traditional crops’ like wheat and maize to non-traditional agro-exports like soy, fruits and horticulture. This in turn fuelled a new process of land concentration and in some instances ‘land grabbing’ and concerns about the ‘foreignization’ of agriculture. In several cases land concentration
has reached levels similar to pre-agrarian reform period, like in Chile, Ecuador and Peru (Kay, 2014, p. 27). While some former landlords were able to make the transition to fully fledged competitive capitalist farmers, the shift to non-traditional exports was mainly driven by new capitalist entrepreneurs originating from, or linked to, the mining, industrial, commercial and financial sectors, and at times associated to foreign investors (Borras et al., 2012). It could be argued that ironically the land reform process facilitated in the end the process of land and capital concentration as it weakened the hold of the traditional landed class over land and thereby facilitated later with the neoliberal turn the development of an active land market.

The dominance of corporate capital and farming

Conglomerate capital began to take over the most profitable parts of agriculture. The land cultivated with soya has multiplied by almost 40 times since 1970 and has become the dominant export crop. The area cultivated with sugarcane and oil palm has also grown substantially. These are referred to as ‘flex crops’ as they have multiple uses (food, animal feed, agro- or bio-fuel) constituting the ‘food-feed-fuel complex’, and thereby are particularly attractive to capitalist investors and speculators as the final destination of the crop depends on prevailing prices (Borras et al., 2012). The world demand for wood and pulp for paper has furthered the deforestation of the Amazon as well greatly expanding the area of forest plantations. Some of this expansion in the cultivated and forested area has encroached upon land belonging through customary rights or legal titles to indigenous or peasant communities and family farmers. It has been carried out either by force and involuntary means or by dubious purchases, which can be characterized as ‘land grabbing’. While land grabbing has not achieved the dimensions it has in Africa and Asia it is certainly becoming an increasing problem for communities and smallholders in Latin America.

Another characteristic of this new corporate capital is the substantial participation of capital from other Latin American countries, sometimes referred to as ‘translatino’ capital (Borras et al., 2012). An extreme case is Paraguay where around two-thirds of the land cultivated with soy belongs to mainly Brazilian (the so-called ‘brasiguayos’) and Argentinian capital. Similarly, in the Bolivian Oriente region Brazilian farmers have a substantial presence in soy cultivation and in Uruguay Argentinian capital has a predominant presence. These ‘translatino’ corporate capitalists are not confined to one country, usually a neighbouring one, but extend beyond.

Furthermore, Argentinian capitalists are the pioneers of ‘pools de siembra’ a farm management system which they first tried out in their own country and later used when investing in Uruguay and Paraguay. They use high-input agriculture, transgenic seeds, agrochemicals and no-till techniques. They manage thousands, tens of thousands and even hundreds of thousands of hectares of land, partly owned and partly leased, spread over different areas of the country.
and beyond, thereby reducing risks. The owners of these agribusinesses are able to secure large amounts of capital for their investments due to their close links to finance capital and international investment funds. They hire highly trained and competent professionals who in turn subcontract the different stages of the production process to specialized agrarian service firms. In this way these corporate companies are able to employ the most modern farming technologies and achieve substantial increases in crop yields, in flexibility to adapt to changing market conditions and in overall productivity through economies of scale. This development has resulted in huge profits accruing to these big firms who by gradually extending their control over other parts of the commodity chain, such as processing and marketing, further extent their market power.

In sum, it is not only increasing land concentration but also and above all the increasing concentration of capital in its various forms which strengthens the power of capital and further weakens labour. Thereby the current high levels of inequity will become entrenched and are likely to be intensified.

The future of the peasantry and rural labour

While the agrarian question before the neoliberal turn revolved mainly around the problems of land distribution, today another key aspect of the agrarian question concerns labour. This problematic of labour arises as a consequence of the agrarian question of capital as the expansion and intensification of capitalist relations has drastically transformed labour. In the late 1970s and the 1980s an important debate on the fate of the peasantry took place in Latin America between the ‘campesinistas’ (inspired by Chayanov) and the ‘descampesinistas’ (inspired by Marx and Lenin). While the former argued that the peasant family house-hold farm was viable and would survive, the latter stressed the processes of social differentiation and proletarianization among the peasantry (Kay, 2000).

Owing to rural outmigration less than a fifth of the population today live in rural areas in Latin America. Although the peasantry has not disappeared it has substantially changed. While in the past most of the peasants’ income in Latin America was obtained through farming, today it is estimated that it makes up less than half. Increasingly the peasant farm household is sustained by non-farm activities, especially those derived from off-farm work as wage labourers. The proportion of rural wage labour among the rural and peasant labour force has significantly increased. Hence, processes of proletarianization of the peasantry have continued apace as most peasant farms are only able to subsist today through wage income, remittances, State pensions and government anti-poverty programmes (Kay, 2006).

Rural-urban interactions have multiplied and intensified to the extent that about a quarter of workers employed in the rural sector now live in urban areas as transport networks have improved, travel costs have been reduced and la-
bour contractors have multiplied. Furthermore, labour employment conditions have substantially changed. While soy farming is largely mechanized and requires little labour, the rapid growth of fruit, horticulture and flower exports has provided employment opportunities, especially to women in the green houses, agro-processing plants and elsewhere along the commodity chain. Hence a feminization of agriculture has taken place (Deere 2005).

At the same time labour employment conditions have become more precarious in two senses. First, while in the past wage employment used to be more permanent today it is characterized by its temporary and flexible nature. Increasingly capitalist farmers and agro-industries use labour contractors to meet their requirements for workers, thereby avoiding social security payments and other responsibilities towards their workers. It also makes it more difficult for workers to organize and press for labour rights. Labour contractors do not often issue labour contracts or respect minimum wage legislation. They get away with these abuses particularly in areas where there is an abundant labour supply, leaving workers vulnerable to exploitative labour conditions. Often employers prefer women as they are perceived to have ‘nimble fingers’, be less conflictual and, above all, more willing to accept lower wages. A second reason why employment conditions have become more precarious is linked to the subjective perspective of the worker. The repetitive nature of the work and the greater intensity and control exercised by their employer, lead many to change jobs in the hope of finding better employment conditions. Thus labour flexibility and mobility have become more prevalent.

The peasantry will undoubtedly continue to survive but under more precarious conditions. Nevertheless there are some areas where they may enjoy more secure, if not always better, prospects (Paz, 2006, p. 76). These niches or interstices can be found in labour intensive and ecological farming or those in which the crop requires constant monitoring and care. There are also areas where capitalist farmers have not yet penetrated because the difficulties of the terrain prevent mechanization, the climate is too challenging, or transport links and other services are lacking. This is the case in certain highland and other remote or marginal areas. Hence, capitalist farmers avoid such areas for the time being.

Peasants and indigenous movements and environmental issues

Peasants and indigenous people have often been the first major and most dynamic social force challenging the neoliberal transformation in the region. The Zapatista rebellion of Chiapas in Mexico and the Landless Rural Workers’ Movement (MST) in Brazil have been the most visible and emblematic organizations in the struggle against global neoliberalism (Vergara-Camus, 2014). In several countries they achieved some significant gains mainly in terms of constitutional changes, such as the declaration of a plurinational state and society, which enshrined their civil and cultural rights as well as certain territorial and
self-determination rights (Assies, 2014). Indigenous movements in Ecuador and Bolivia played a major role in the election to the presidency of Rafael Correa and Evo Morales respectively, who promised a new post-neoliberal development agenda encapsulated in the slogan ‘Bien Vivir’ or ‘Vivir Bien’ (Bretón, 2013). In Ecuador peasant and indigenous organizations through the influence of the transnational peasant movement ‘La Vía Campesina’ and several NGOs even managed the approval of a ‘Food of Sovereignty’ law (of which more later).

Many of the promises of a major shift in agrarian policy, or even of an agrarian revolution as in Bolivia, have largely failed to materialize. A variety of reasons for this failure have been mentioned such as lack of political will or State capacity and the lack of pressure from below by the social movements due to, for example, the fragmentation of the indigenous movement or its co-option. More generally, it is a matter of debate to what extent the ‘pink tide’ in Latin America has in fact brought about a new development strategy. In most cases, if not all, it has been a neodevelopmentalist strategy which has continued with the neoextractivist (largely in mining, agriculture, forestry and fisheries) export-oriented economic process of the previous neoliberal governments, sometimes paradoxically with greater intensity and success (Veltmeyer and Petras, 2014). The ‘pink shift’ has so far been mainly in social policy. The social programmes have been vastly expanded and they have led to a major reduction in poverty and significant improvements in health and education. But they were largely financed from the rent the State managed to capture from natural resource exports. Such social policies have proved popular with the electorate and this may be another reason why governments have been reluctant to radically change course from neoextractivism.

Research on indigenous peoples has bourgeoned in recent decades but often these studies have overlooked the processes of socio-economic differentiation developing within this group as well as the fact that many non-indigenous people are also poor and exploited, although probably facing less discrimination (Bretón, 2008). More importantly, several peasant organizations and also ‘Vía Campesina’ focus their organizational efforts on the peasant family farm sector thereby failing to incorporate rural wage workers or to represent their interests (Henderson, 2015). This greatly weakens the peasant and indigenous movements in view of the rise of the landless workers and the precariat.

As for the environmental issues these have also gained a higher profile as a consequence of the harmful ecological impact of neoextractivist policies as well as leading to conflicts with indigenous communities and local populations. The enormous expansion of soy cultivation is creating ‘green deserts’ by displacing traditional crop rotation systems and spreading monoculture. Moreover, genetically-modified soybeans and other transgenic crops, like maize and cotton, are spreading with damaging consequences for the environment and health of local residents by furthering the ‘pesticide treadmill’. The ‘meatification’ of diets drives the expansion of livestock rearing which is polluting the
atmosphere and damaging water tables (the ‘ecological hoofprint’). While the growing demand for ecological products among some consumers and tighter government regulations may lead some agribusinesses to partially shift to ecological farming and to less intensive hydrocarbon dependent farming they are as yet a minor counter-tendency. Although measures have been taken to contain deforestation of the Amazon, this is continuing, albeit at a slower pace. Mining activities, aquaculture or inland fisheries and forest plantations are depleting and polluting fresh water resources. In short, environmental issues will undoubtedly become even more important in agrarian studies as more land is degraded and water becomes an increasingly scarce resource.

**Innovative approaches?**

The ‘new rurality’ studies which emerged in Latin America during the mid-1990s were among the first to capture the changing character of the region’s rural economy and society following the neoliberal turn. The key authors were mainly Latin American rural sociologists some of whom were influenced by European scholars writing on ‘part-time farming’, ‘pluriactivity’ and ‘multi-functionality’. Surprisingly the largely British ‘livelihoods approach’, which has many similarities with ‘new rurality’, is not referred to explicitly by them and vice-versa. The ‘new ruralists’ have not developed a coherent theoretical framework and various strands can be distinguished. Their main aim was to draw attention to the plight of the peasantry under the pressures of global neoliberalism and to encourage governments, NGOs, politicians and international institutions to implement rural development programmes focused on the rural poor, indigenous communities and women (Kay, 2008).

While the analysis of the new ruralists is useful it has its limitations, particularly for understanding the global forces, patterns of capital accumulation and the class and political configurations shaping agrarian change. These limitations have not been overcome by the quite popular territorial approach which tries to find ways to link smallholders to the more dynamic commodity or value chains as a way of boosting peasant farming. While the territorial approach has its use for regional plans, its aim of spreading the benefits of growth more widely largely founder given the existing class, ethnic and political conflicts.

Due to the limitation of the above approaches, as well as others, for agrarian studies I have drawn in my own writings on a Marxist inspired approach though in partial and often eclectic ways. I find that the historical materialist method and concepts such as class formation and conflict, social and economic differentiation, social and political consciousness, processes of capital accumulation, forms of transition between different socio-economic formations, creation and appropriation of surplus value, processes of exploitation and domination, bring into sharper focus the key contradictions and problems facing the rural economy and society.
In my view the world historical approach of historical materialism is particularly relevant for understanding contemporary processes of globalization and their problems. It goes without saying that whatever approach is used it should be empirically informed. It is not the case that historical materialism is able to explain everything. For an understanding of certain problems other approaches may be required such as the innovative feminist, ecological and post-colonial perspectives. Thus it is necessary to keep an open mind and some eclecticism is helpful for gaining a more comprehensive view and deeper insight into the problems we wish to analyse.

Conclusions: continuing and emerging themes

I have highlighted the increasing prominence of the agrarian question of capital due to the immense power capital has acquired in this period of neoliberal globalization. Agribusinesses, supermarkets, financial capital and ‘translatina’ conglomerates will continue to extend their domination over the Latin American rural landscape and beyond. This is the likely future unless there is a powerful counter-movement against global neoliberalism. This can only succeed if alliances are forged between transnational peasant, indigenous and rural worker movements, global environmental movements and anti-neoliberal political organizations. Thus the social and political question of how to bring about such a counter-movement as well as what would be the main aims of this alternative programme require more research.

The agrarian question of labour is also fundamental given its dialectical and conflictual relationship with capital. While problems of peasant farmers should continue to be addressed, rural wage workers are today predominant. The problems of peasant farming and rural wage labour are not unconnected but rural wage workers raise particular issues that have not yet been fully discussed. They are exposed to abusive and precarious employment situations yet often lack the social organizations to defend their interests. Thus more research needs to be done to find ways in developing their organizational capacity and seek their empowerment so as to exert pressure on employers and governments to ensure just employment conditions.

Agrarian issues faded into the background after the heyday of the agrarian reform period but they gained new prominence with the emergence of the indigenous movement, the food crisis (2007-2008), the conflicts generated by the new agro-extractivism and the mobilization of Via Campesina (VC) and other social movements against land grabbing and free trade and for a bottom-up agrarian reform and ‘food sovereignty’ (McMichael, 2008; Gascón & Montagut, 2010; Martínez-Torres & Rosset, 2010). VC is opposed to corporate industrialized agriculture and its increasing control over natural resources and technology. Instead it proposes a new food regime based on ‘food sovereignty’ which is framed within the human rights discourse. It is concerned with rights to food, justice, democratization and rights based rural development which
promotes sustainable and agro-ecological peasant farming, local or ‘nested’ markets, co-operation and solidarity (McMichael, 2009, p. 294). It is emerging as an alternative to neoliberalism which has inspired and mobilized many people from activists, intellectual and social movements. VC’s ‘food sovereignty’ has been challenged, generated much debate and will undoubtedly continue to evolve (McKay et al., 2014; Bernstein, 2014; Jansen, 2015).

The agrarian question today has to be framed beyond the nation state so as to be able to contest the current neoliberal global corporate food regime (Borras et al., 2009), although the nation state remains the most immediately viable space of contestation. How to bring about a more just and sustainable food regime is the main challenge facing researchers and activists in Latin America and beyond. Let us hope that by the time the 100th anniversary of ERLACS takes place a more equitable and sustainable food regime has emerged.

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Notes

1. For an extensive discussion on the various dimensions of the agrarian question, see Akram-Lodhi and Kay (2009).
2. While there are a few studies which attempt to provide an answer to this conundrum these are still partial, limited to a particular country and have as yet not provided an overview and comparative analysis of the various left-wing experiences.
3. Neodevelopmentalism in Latin America has been influenced by the neostucturalist thinking of ECLAC but the neodevelopmentalist strategies have so far failed to bring about the ‘productive transformation with equity’, i.e. where high value added industries and the knowledge economy gain prominence, which is a key factor in neostructuralism (Gwynne & Kay, 2004).

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