Part I

Peasants, economics, political economy

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Peasants

Introduction

This book concerns the economic analysis of a kind of agricultural production which we refer to as peasant production. It is probable that at least a quarter of the world's population, over one billion people, belong to peasant farm households in the sense in which these are defined later in this chapter. Most of this large proportion of humankind live in the developing countries where they sometimes comprise as much as seventy per cent of the population. In some regions peasant farm households are disappearing under pressures of landlessness and concentration of farm holdings; in others they are a relatively stable feature of the rural social structure; and in still others they are created anew by the economic and social forces which bear on agricultural production.

Peasant populations occupy the margins of the modern world economy. With one foot in the market and the other in subsistence they are neither fully integrated into that economy nor wholly insulated from its pressures. Peasant populations are rarely prosperous, often precarious, and contain among them some of the poorest people in the world. In order to set about improving their prospects it is necessary to possess analytical methods which yield an accurate perception of the nature of their problems. That is what this book is all about.

The purpose of this chapter is to construct an economic definition of peasants consistent with the approach and concerns of the rest of the book. This is an important preliminary exercise. The choice of 'peasant', rather than some other term, to describe the farm households which are the subject of the book is not just a matter of vague inclination. Indeed the term possesses a disadvantage – its derogatory connotations in ordinary usage – which would lead to its avoidance if there existed an

alternative with the same theoretical and descriptive meaning. In the absence of such an alternative we adopt the term peasant, and we seek a definition designed to fulfil the following criteria:

(a) It should serve to distinguish peasants not just from non-farm social groups, but also from other kinds of farm production be this plantation, estate, capitalist farm or commercial family farm;
(b) It should contain a sense of time as well as of change, in order to avoid mistakenly identifying peasants with stagnation and tradition;
(c) It should encompass the household as a unit of analysis, the larger economy, and the interaction between them;
(d) It should possess relevance for economic analysis, in the sense of delineating economic conditions of peasant life which differ analytically from those of other social groups or farm emterprises.

To anticipate the results of subsequent discussion, we find that such a definition centres on the idea that peasants are only *partially integrated into incomplete markets*. This idea has two aspects. The first is their partial integration into markets. The second is the degree of imperfection of the markets which peasants confront. This idea serves to distinguish peasants from their nearest relation, the commercial family farm which is wholly integrated into fully working markets.

Another attribute of peasant households of growing significance in contemporary developing countries is their multi-activity character (Hunt, 1991: 49). Peasant households are not just engaged in farming. Household members participate in many non-farm activities, some of which are non-market tasks (fuelwood gathering, water collection), and some of which rely on working markets (craft production for sale, off-farm wage work). These non-farm activities are not the centre of enquiry in this book, but they are recognised as important dimensions of peasant livelihoods which are encompassed by the household economic principles with which the book is concerned.

The rest of this chapter is concerned with filling in the detail of these ideas. It begins by identifying components of the peasant definition which reside in distinctive features of peasant society compared to other societies. Second, it identifies components of the peasant definition which reside in the peasant farm household as an economic unit of production and consumption. Third, it ties these various components together and proposes a working definition of peasants for this book. Fourth, the chapter ends with some general points on the family and the household as units of economic analysis.

Peasant societies

The quest for a definition of peasants based on social characteristics which differ from other social groups is associated mainly with the field of social anthropology. The word 'social' here does not signify lack of economic content, it merely focuses on peasants as communities rather than as single individuals or households. A characteristic which is often stressed is that peasant societies in some sense represent a transition; they 'stand midway between the primitive tribe and industrial society' (Wolf, 1966: vii). One strand in social anthropology emphasises cultural aspects of this transition. Hence one of the best known earlier definitions of peasants describes them as 'part societies with part cultures' (Kroeber, 1948: 284), meaning that peasants are part of larger societies but retain cultural identities which set them apart. Another strand places more emphasis on the inferior status of peasants within the larger social systems of which they are a part. Thus 'it is only when . . . the cultivator becomes subject to the demands and sanctions of power-holders outside his social stratum – that we can appropriately speak of peasantry' (Wolf, 1966: 11).

These earlier writings in anthropology on peasants contain several ideas which are pertinent for the concept of peasants to be derived here. These are set out in the following paragraphs, and between them they go some way to delineating the wider aspects of our peasant definition.

Transition

The idea of transition is a useful one because it injects a sense of history and change into the definition of peasants. Peasants are seen as representing a transition from relatively dispersed, isolated, and self-sufficient communities towards fully integrated market economies.

Transition implies change and adaptation but it must be stressed that the speed of change and its outcome are neither known nor determined in advance. Transition does not mean that peasants are here today and gone tomorrow, that they are inevitably and soon to be replaced by other, more 'modern', farm enterprises. What it does mean is that peasants are never just 'subsistence' or 'traditional' cultivators (terms often used in the past by agricultural economists to describe them) caught in a timeless vacuum. Peasants come from somewhere, indeed they were often thrust out of where they were by powerful world forces outside their previous experience (e.g. colonialism) and they are undergoing a continuous process of adaptation to the changing world around them.

Markets and exchange

The idea of transition gives rise to several other relevant features of peasant societies. One of these is that peasants as a social group are always part of a larger economic system (Wolf, 1966: 8). A peasant society is never the isolated community that it may have been in the distant past. This means that peasant societies participate in exchange with the larger system, and that peasant production is exposed to market forces. The inputs and outputs of peasant farms are subject to valuation by the wider market, at prevailing prices, even if households participate in markets for only a small proportion of their requirements.

Markets provide both opportunities and pressures for peasants. Engagements in them may lead to higher living standards or more diverse consumption, but at the same time it exposes them to the possibility of ruin either from adverse price trends or from the exercise of unequal market power. Thus the relationship of peasants to the market contains a continuous tension between the risky advantages of market participation and the conservation of a non-market basis for survival.

Subordination

Many writers have stressed the inferior social and economic status of peasants as a central component of their definition. This aspect is referred to as their subordination. Hence 'It is correct to define the peasantry primarily in terms of its subordinate relationships to a group of controlling outsiders' (Wolf, 1966: 13); 'the structural subordination of the peasantry to external forces is an essential aspect of its definition' (Mintz, 1974: 94); or 'The underdog position – the domination of peasantry by outsiders' (Shanin, 1971a: 15).

The idea of subordination implies unequal social or cultural status, coercion of one social group by another, and unequal access to political power. However, most relevant for us is that it also implies the economic exploitation of peasants by other social groups. Peasants are 'rural cultivators whose surpluses are transferred to a dominant group of rulers' (Wolf, 1966: 3–4). These concepts of economic exploitation and surplus transfers are explained more fully in Chapter 3 of this book. The meaning attached to them requires some care in the context of economic analysis. In particular it is necessary to distinguish non-market coercion (e.g. the relations between overlords and serfs under feudalism) from the exercise of unequal economic power in imperfect markets, and also from the adverse results for peasants of price trends originating in competitive wider markets.

Internal differences

By identifying peasants as a distinctive social or economic group, and by stressing their subordination to other social groups, there is a risk of overlooking differences of social and economic status within peasant society itself. Peasants are not a uniform, homogeneous, set of farm families all with the same status and prospects within their communities. On the contrary, peasant societies are 'always and everywhere typified . . . by internal differentiation along many lines' (Mintz, 1974: 93). The word 'differentiation' here signifies that differences of social status, like many other aspects of peasants, are not a static, timeless, feature. Social structure changes over time according to the nature of forces acting on peasant society and to the adaptation of individual families to those forces.

It follows from this that subordination may not be a feature confined only to the relations between peasants and others; exploitation may occur between households of different status within a village or community. Thus 'it may appear that [peasants] consist entirely of the prey; in fact, some are commonly among the predators' (Mintz, 1974: 94). The importance of this aspect varies considerably across different peasant societies worldwide, and for practical purposes of economic policy it is not always relevant. On the other hand the existence of non-market and unequal forms of economic interaction between households within peasant society is, conceptually, an important element of the picture of peasants we are in the process of constructing.

The peasant farm household

The second point of entry to the definition of peasant is via its distinctive features as a farm enterprise. Here it is the dual economic nature of peasant production which is its central peculiarity. The peasant unit of production is both a family and an enterprise; it simultaneously engages in both consumption and production. This dual economic character of the peasant household has implications for its economic analysis which preoccupy a large proportion of the rest of this book. Here we direct attention to those features of this economic unit which distinguish peasant farm households from other economic actors in the market economy.

Dominant economic activity

In this book peasants are considered mainly as farmers, even though household members may engage in many types of non-farm activity. Peasants obtain their livelihood predominantly from the land, by cultivation of crops and raising livestock. When referring to the peasant

household, other categories of rural dweller such as entirely landless labourers, plantation workers, pastoralists, or nomads are excluded from the definition. Landless labourers and plantation workers may have previously been peasants; pastoralists and nomads may be on the verge of becoming peasants. In a wider concept of 'peasant society' all these and numerous other crafts and trades may be present, and for certain purposes of analysis they may be important for describing the economic activities and livelihood of peasant farm families. But for our main economic definition, the predominant activity of the peasant household is farming.

Land

By defining peasants as farmers it is implied that they have access to the resource of land as the basis of their livelihood. This feature distinguishes peasants from landless labourers and from urban workers. An important attribute of peasants worldwide is the significance of non-market criteria in the allocation of land. In many peasant societies families have complex traditional rights of access to land which prevail over and constrain the operation of freehold land markets. In some countries these traditional land rights are inalienable, and in others transfers of land outside ties of family are rare even though freehold markets do exist. In peasant society land is more than just another factor of production which has its price: it is the long term security of the family against the hazards of life, and it is part of the social status of the family within village or community.

Labour

It is widely agreed that strong reliance on family labour is a defining economic characteristic of peasants. Given that capitalist production is defined in part by the employment of wage labour and the separation of the ownership of the means of production from labour, the 'family labour' basis of peasant farms is one of the features which distinguish them from capitalist enterprises. This feature does not rule out the use of hired labour in say, peak periods of harvesting; nor the sale by members of the farm household of their own labour outside the farm on an *ad hoc* basis; indeed for some peasant families this may be essential for survival. The predominance of family labour in production also has an effect on the working of labour markets in peasant communities, since various subjective criteria peculiar to individual households are likely to influence both the supply and demand for wage labour in the wider market.

Capital

Command over capital and its accumulation is a central attribute of capitalist production, as also is the notion of a rate of return on capital in the form of profit. Several writers have stressed the difficulty of defining a category of profit for household production. 'The peasant . . . runs a household, not a business concern' (Wolf, 1966: 2). One problem resides in distinguishing profit from returns to family labour given the dual production and consumption nature of the peasant household. Another is that the purchase of capital inputs by the household may have both production and consumption aspects. An example would be the purchase of a tractor used both for production purposes (ploughing, driving a water pump or grain mill, etc.) and for consumption purposes (family transport, firewood carrying, etc.). The absence of a systematic category of rate of return to capital in such cases further distinguishes peasant households from capitalist enterprises.

Consumption

Perhaps the most popular defining feature of peasants amongst economists is the mainly subsistence basis of their livelihood. Subsistence refers to the proportion of farm output which is directly consumed by the household rather than sold in the market, and peasants have in the past often been referred to as 'subsistence farmers' in this context. The degree of this subsistence is one reason why the integration of peasants into the market economy is only partial, but its significance should not be overstressed in the context of the many other factors which enter the definition of peasants. Many farm households worldwide are highly specialised commodity producers of cotton, sugarcane, bananas, coffee, tea, and so on. Others may derive a significant share of family consumption from non-farm income-earning activities. In neither case does this exclude them from the peasant category, if their livelihoods correspond to the other criteria we have discussed.

The economic definition of peasants

So far we have defined peasants with respect to notions of transition, exposure to market forces, subordination, internal differences, farming, access to land, family labour, ambiguity of profit, and, typically, a significant element of subsistence production. These give peasants a definite identity with dimensions of history, change, society, economic activity, and use of resources. They also distinguish peasants from other kinds of rural producer, from rural and urban workers, and from capitalist enterprises. They do not so far distinguish peasants from any other kind

of family farmer, whether a 3000 hectare US grain farmer relying only on family labour, or an intensive small dairy farmer in the EEC.

What is lacking so far is an integrating concept, something which is common to all or many of the individual components, a concept which has theoretical import for economic analysis as well as descriptive content for evoking the image of a typical peasant. This integrating concept is the 'partial integration into markets' of peasants, and 'limitations in the operation of market principles' in the peasant economy (Friedmann, 1980: 164). In other words peasants are defined in part by their varying rather than total commitment to the market (implying also a variable capacity to withdraw from the market and still survive), and in part by the incomplete character of the markets in which they participate. It is this which ties together such distinct components as transition, subordination, subsistence, and the peculiarities of the access of peasants to factors of production. It is also this which distinguishes peasants from family farmers operating within fully developed product and factor markets. Since this view of peasants is central to their economic analysis throughout this book it requires more elaboration.

In economics market imperfection is a relative concept which is defined by comparison to a hypothetical ideal, perfect competition. Perfect competition emphasises the neutrality of the price mechanism and its role as the arbiter of all economic decisions. There are many buyers and sellers in the markets for both inputs and outputs. No producer or consumer is able to influence price levels by individual action. There is freely available and accurate information on market prices. There is freedom of entry and exit in any branch of activity, and, indeed, competition ensures that inefficient producers are forced out of production while only the most efficient survive. In the perfect competition model no coercion, domination, or exercise of economic power, by some economic agents over others, can exist.

Peasant communities often confront markets which differ markedly from the perfect competition ideal. There may be no markets or incomplete markets for such important resources as land, labour and credit. By incomplete markets we mean markets which function sporadically and in a disconnected way across location and time. For example, an occasional seasonal labour market for harvesting a crop may arise at wage rates which vary widely from place to place, reflecting unique circumstances in each location, rather than a widely accepted market wage level.

Markets for farm inputs and farm outputs sometimes do not work well due to generalised economic collapse, resulting in erratic availability of

imported inputs (fued, spare parts, fertilizers), and lack of consumer goods in rural areas. Sometimes they do not work well due to poor transport and communications. A critical factor is the quality of spatial and temporal flows of information (Stiglitz, 1986). Poor information results in fragmentation of markets, so that exchanges are not replicated between different places and times. Poor information also favours those people in the social structure who do have information (merchants and officials) over those that do not (peasants).

To varying degrees peasant society may feature non-market, or *reciprocal*, transactions between farm households. Reciprocity refers to exchanges which are culturally defined, non-replicable between one event and the next, and involve unlike goods and services. For example you help me build my house, I agree to contribute a sack of cassava to the village school; you and your relatives help me with my harvest, my household throws a beer party for your extended family. There is an economic content in such exchanges – there are resource costs in the provision of goods and services – but the meaning of reciprocity is that such transactions are not valued by market prices. Reciprocity may also involve social norms of sharing and redistribution which are designed to ensure that all members of the community survive, irrespective of the year to year productive performance of individual households.

For some writers the reciprocal and sharing aspects of peasant societies are amongst their most distinctive features. The view that these often predominate over individual gain in the market has led to the peasant economy being described as a 'moral economy' (Scott, 1976). They have also been described as 'the economy of affection' in the context of African peasant societies (Hyden, 1980). It is, however, unnecessary to invoke an entirely distinct peasant economic logic in order to perceive the role of reciprocity in modifying market principles or evading their impact. What is implied is that 'competition does not exclusively or even principally define the relation of peasants to each other or to outsiders' (Friedmann, 1980: 165), and this is strengthened when there is no effective market in land since this inhibits the free entry and exit of producers from production.

It might be objected that since perfect competition is a Utopian construct, and family farm enterprises also operate in economies riddled with monopolies and other economic imperfections, then the distinction being made is not precise enough to be useful for analytical purposes. The answer to this is that although these considerations are matters of relativity and degree, in this case the degree of difference is quite large.

Consider, for example, the economic situation of a typical farm family