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978-0-521-09320-0 - Land and Labour in Latin America: Essays on the Development of Agrarian Capitalism in the Nineteenth and Twentieth Centuries

Edited by Kenneth Duncan and Ian Rutledge

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## CHAPTER I

## Introduction: patterns of agrarian capitalism in Latin America

The development of capitalist agriculture has had a wide variety of effects upon pre-existing agrarian societies in Latin America. The forms it has assumed have in part been determined by variations in such factors as climate, ecology, demographic structure and history, ethnic patterns, and land tenure. The central theme of this volume is that such variations, whilst important in explaining localized phenomena, should essentially be seen as aspects of a basic process of change from one mode of production to another in the rural sector.

This is not of course a new idea, and indeed a number of writers, especially in the fields of economic history and social anthropology, have already dealt with many of the questions of particular relevance to the theme of this volume. Broadly speaking, their various approaches can be divided into three different levels of generalization. First, there are those works principally concerned with identifying the general mode of production in contemporary Latin American agriculture, in which the argument has centred around the question of whether the social organization of agriculture is essentially feudal or capitalist. Secondly, there is a more limited amount of theoretical discussion relating to the different types of agricultural enterprise to be found in Latin America, in which the principal distinction is drawn between the *hacienda* and the plantation. Finally, there is a very considerable body of literature dealing with types of peasantry and rural labour, where discussion concentrates upon the role-structure of rural economic life.

*The mode of production in Latin American agriculture*

It has been argued by many development theorists that the countries of Latin America, and indeed most other developing nations, are in a stage of transition between a 'traditional' and 'modern' society. As this transition takes place, a kind of hybrid society is created which displays the characteristics of 'structural dualism'.<sup>1</sup> A society in transition is therefore a 'dual society' containing two (or more)<sup>2</sup> sectors or sub-societies. For example, the French geographer Jacques

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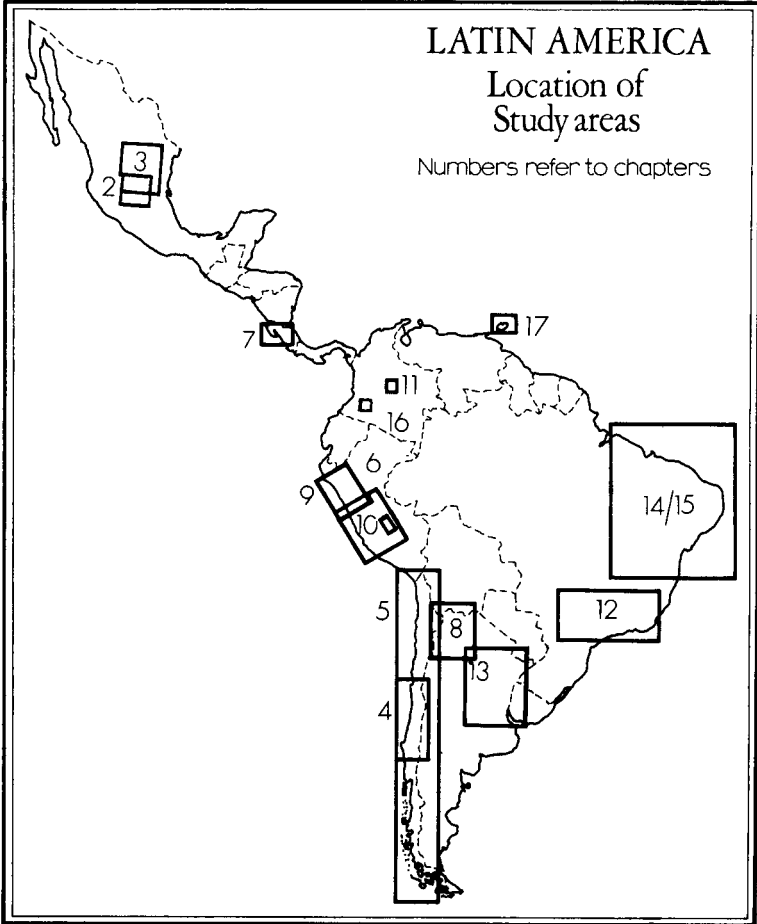
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*Introduction*

Map 1

Lambert refers to an important group of countries in which there exists 'a numerical balance ... between two parts of the population, of which one presents the characteristics of developed societies, and the other those of archaic societies',<sup>3</sup> and the American political scientist C. W. Anderson describes the typical Latin American country as containing 'specific enclaves of modernity and the prenational and premodern remainder'.<sup>4</sup> Referring specifically to Brazil, Lambert states that a part of the population 'belongs fully to a developed national society and state', but the remainder 'still displays the

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characteristics, almost intact in certain rural areas, of an archaic culture which had disappeared in Western Europe several centuries ago'.<sup>5</sup>

The traditional sector of the dual society is often assumed to be geographically isolated from the modern (and usually urban) zone, lacking adequate transport facilities and communications.<sup>6</sup> Production is thought to be organized largely on a household basis, and firms and formal credit mechanisms hardly exist.<sup>7</sup> The economy is predominantly agricultural, lacking integration into the national market and frequently oriented towards subsistence activities.<sup>8</sup> The stratification system is portrayed as being extremely rigid and based mainly on ascribed roles and statuses.<sup>9</sup> Above all, the social and economic structure of the traditional society in Latin America is held to be dominated by the existence of the archaic *latifundio*, the vast, underutilized manorial estate which is barely integrated into the national market but which provides its owner with immense social and political power.<sup>10</sup>

Such is the view of Latin America's agrarian society held by those writers who either explicitly or implicitly adopt the dualist perspective; the only significant exception admitted is in references to the 'modern' plantation agriculture of the coastal zones. It can be seen that particular emphasis is laid upon the alleged lack of integration into the national market, and it is often claimed that bringing about this integration would result in the modernization of the *latifundia* system. This state of affairs has been taken by some writers of the dualist school as evidence that Latin America's rural society is essentially feudal.<sup>11</sup> The view that agriculture in Latin America is feudal or semi-feudal is also to be found in the works of certain marxist writers, although it should be pointed out that their argument has been based mainly on the apparent persistence of serfdom within the *latifundio* system rather than on any belief that this system is an economically isolated or closed one.<sup>12</sup>

The idea that rural society in Latin America is feudal has been strongly criticized by A. G. Frank and others. Frank rejects the view that Latin American agriculture was in any way outside the capitalist system. He stresses that the agrarian economy of the region has been deeply involved in the international market economy since the European Conquest, and he concludes that Latin America had become thoroughly capitalist as early as the sixteenth century.<sup>13</sup> In his essay on Brazilian agriculture he shows that the allegedly isolated and feudal northeastern region was fully incorporated into a market economy, and he underlines the importance of commercial agriculture in all parts of Brazil.

Clearly, for Frank, production for the market is taken to be the

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defining characteristic of capitalism. This is stated most explicitly in a footnote to his essay on Brazilian agriculture:

It once seemed to me to be useful to distinguish 'inside the farm' from 'outside the farm' . . . I thought . . . that this distinction might help avoid the confusion of calling agriculture 'feudal' when the 'outside' relations are evidently capitalist but the 'inside' ones are not. But I now think that all relations are fundamentally affected by the capitalist structure of the economy, and I can no longer recommend this distinction.<sup>14</sup>

In other words, according to Frank, the incorporation of an agricultural estate into the national or international market 'affects' its internal social relations of production and makes them capitalist ones. But what can Frank mean by this?

Normally production relations are described as being capitalist when they are based upon a system of free wage labour as opposed to serfdom, slavery, or some other form of extra-economic coercion. There is a considerable amount of historical evidence that, under certain conditions, agrarian systems have become integrated into the world capitalist market without any accompanying development of free wage labour; and indeed, in many cases, their integration resulted in an actual intensification of pre-capitalist forms of surplus extraction. Marx, Weber, and a number of modern writers have discussed some important examples of this phenomenon.<sup>15</sup> However, Marx, for one, makes it quite clear that only where free wage labour is the rule can we speak of a capitalist mode of production.

Consequently, whilst many students of Latin American agrarian society would accept Frank's criticism of the dualist theory with its implication that the *latifundia* are primarily a type of closed economy, at the same time they would reject his view that a market-oriented society is necessarily a thoroughly capitalist one. In particular, historians such as Rodolfo Puiggrós and Ernesto Laclau have strongly criticized the suggestion that the mode of production in colonial Latin America was capitalist simply because it was involved in a market economy.<sup>16</sup> In doing so they have drawn attention to the widespread existence of unfree labour and extra-economic coercion in colonial Latin America – forms of production relations which have in some cases persisted well into the twentieth century.

In a sense, Frank's argument that Latin American agrarian society has been thoroughly capitalist since the Conquest in the sixteenth century shuts the door on a number of important and interesting questions. It certainly may be misleading to speak of feudalism in relation

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to Latin American agriculture, but nevertheless the major social and economic changes which have occurred in the rural societies of this region from the second half of the nineteenth century onwards can best be interpreted as the transition from a type of pre-capitalist mode of production to a capitalist one. Clearly, Frank's position pre-empts any discussion of this transition process – a process, moreover, which is as yet incomplete in many parts of Latin America.

The part played by market forces in the transition process towards free wage labour has been both complex and varied. Under certain conditions the expansion of the capitalist market has brought about the fairly rapid development of free wage labour as the principal form of labour organization; but in other circumstances the impact of the market has seen an initial and sometimes lengthy period of intensified labour coercion which has only later resulted in the development of free wage labour. Yet again, in a different situation, increased output of some commercial crops has been obtained by remunerating free wage labourers partly in money and partly in the usufruct of land, so that for a time a kind of hybrid peasant/wage labourer has predominated. In other words, a number of distinct patterns of agrarian capitalist development can be identified in the different regions of Latin America.

*Types of agricultural enterprise*

One of the most important attempts to distinguish between the different types of large estate in Latin America and the Caribbean was presented by Eric Wolf and Sidney Mintz in 1957, when they drew a basic distinction between the plantation and the *hacienda*; and it is worth quoting in full their definitions of these two types of large landed estate.<sup>17</sup> The *hacienda* is 'an agricultural estate, operated by a dominant landowner and a dependent labour force, organized to supply a small-scale market by means of scarce capital, in which the factors of production are employed not only for capital accumulation but also to support the status aspirations of the owner'.<sup>18</sup> In comparison, the plantation is 'an agricultural estate, operated by dominant owners (usually organized into a corporation) and a dependent labour force, organized to supply a large-scale market by means of abundant capital, in which the factors of production are employed primarily to further capital accumulation without reference to the status needs of the owners'.<sup>19</sup>

Wolf and Mintz pointed out that it would be erroneous to think of some necessary sequential stage of development leading from

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the *hacienda* to the plantation. They also dismissed the idea of the *hacienda* as being a closed, subsistence economy and they stressed that ‘*Haciendas* and plantations are characteristically the products of the expansion of the world economy, particularly since the fifteenth century. Both are geared to the sale of surpluses produced into an outside market.’<sup>20</sup> Wolf and Mintz went on to discuss differences in labour recruitment and organization, land use, market behaviour, and so on.

Although some of the alleged differences between the two types of agricultural enterprise can be questioned, in general this scheme has provided a useful starting point for the analysis of Latin American agrarian society, and other writers in discussing regions other than those considered by Wolf and Mintz have utilized this basic model and modified it to add to the original classification.<sup>21</sup> Nevertheless, in so far as it is based on essentially static criteria, this particular form of typological elaboration falls short of present requirements. Here we are concerned not so much with static models of agrarian organization as with dynamic historical patterns of agrarian change. We would argue, for example, that the *hacienda* is normally in a state of tension or flux, in which the conflicting interests of landowner and peasant eventually lead to a transformation of the enterprise. Similarly, the modern plantation as defined by Wolf and Mintz is itself the outcome of a historical process of development, very frequently from a slave plantation system. In this respect, the earlier paper by Mintz which studied the historical pattern of change from slave plantation to modern plantation in Puerto Rico is of greater relevance to the theme of this volume.<sup>22</sup> A further example of this type of approach, which deals with some of these processes of socio-economic change, is Solomon Miller’s study of the proletarianization of tenant farmers in a highland *hacienda* in Peru.<sup>23</sup> Miller showed how a traditional type of *hacienda* was taken over by a capitalist enterprise and rationalized with the intention of improving profitability. He also described the accompanying economic and social disruption, which uprooted the Indian tenant farmer and sped him along the road to proletarianization – in many cases literally, by compelling him to seek work as a cane-cutter in the lowland sugar plantations. One of the most interesting points to emerge from Miller’s paper concerns the changing functions of labour tenancy in the *hacienda*. He showed that, under certain conditions, labour tenancy could be retained by the ‘modernizing’ *hacienda*; a rationalized version of this essentially pre-capitalist form of labour organization could be made to function in the economic interests of the *hacienda*’s new corporate management.

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This casts considerable doubt upon those theories (e.g. Wolf and Mintz) which interpret labour tenancy as evidence of prestige- or status-orientation or of a non-profit-maximizing mentality on the part of the *hacienda's* owner or owners. Indeed, the alleged distinction between forms of agricultural enterprise which are prestige-oriented and those which are profit-oriented is a false dichotomy. The owners of *haciendas* may be just as greedy for profits as the owners of plantations, who in turn may be just as status-conscious as the *hacendados*.

*Types of peasantry and rural labour*

It is not our intention here to go over the whole debate about what constitutes a peasant or even to give a definitive classification of the various categories of peasant and rural labour to be found in Latin America. Rather, we wish to focus attention on some of the problems and difficulties encountered in attempts to identify and isolate distinct types of peasantry and rural labour and, in so doing, to suggest the importance of integrating this kind of analysis into a general historical model of agrarian change.

We may begin by looking at the basic difficulty of distinguishing between those country people in Latin America who could be called peasants and those who could be termed rural labourers or rural wage workers. A number of social anthropologists and sociologists have attempted definitions of the peasantry in Latin America. Robert Redfield's studies of the peasants of central Mexico and the Yucatán peninsula provided some of the first theoretical analysis, but in much of his earlier writing Redfield made little distinction between peasants and primitives and tended to regard geographical and economic isolation as being a defining property of peasant communities. Peasants were included in his category of 'folk society' – a society whose economy is based almost entirely on subsistence production and among whose members only a minimal degree of social and economic differentiation has developed.<sup>24</sup> Later, however, Redfield recognized that the peasantry must be defined in relation to a broader social structure, and their defining characteristics must be elicited, in part, from their economic and political subordination to other social groups – landowners, state functionaries, and so on. Moreover, Eric Wolf and others have pointed out that in fact many peasant groups were fully incorporated into the international capitalist market.<sup>25</sup> A further dimension was added to the Latin American peasantry when it was realized that large numbers of small cultivators not only were involved in production for the market



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but also spent a considerable part of their labour time working for others, either for wages or for remuneration in kind. Thus in 1964 Richard Adams came to the conclusion that 'the simple, concrete distinction between the independent operator and the wage labourer has become meaningless. An extreme case is the peasant. Although the term once referred only to an independent operator, now it is much more commonly applied to an individual who must spend part of his time working either for his peers or for large landholdings'.<sup>26</sup> However, if the distinction between peasant (i.e. small, family farmer) and rural labourer has become difficult to draw, it does not follow that one can say that such a distinction is meaningless. Essentially, this analytical confusion has stemmed from the desire of certain anthropologists and sociologists to discover some kind of 'essence' of the peasantry, some immutable and transcendent characteristics which could provide a basis for the idea of an archetypal 'peasant society'. Anthony Leeds has presented a formidable criticism of this kind of approach; he argues for a methodological separation of 'persons' and 'roles' in studying agrarian societies.<sup>27</sup> Leeds points out that empirical evidence refutes the idea of fixed and universal peasant communities: on the contrary, detailed studies have shown that in the rural society of Latin America and many other parts of the world there is considerable fluctuating movement both into and out of peasant roles. On the other hand, this does not mean that peasants can no longer be distinguished from rural labourers, as Adams seemed to suggest. Indeed the analytical distinction, insofar as it refers to social and economic roles, remains of crucial importance – especially since the methodology embodied in this approach requires that attention also be paid to the general societal processes which determine the overall role-structure and the processes of change within it. Implicit in Leeds's argument is the view that the Latin American peasantry should be studied through a historical model of the development of agrarian capitalism and the spread of wage labour in the countryside.

But if the study of Latin American peasants and rural labourers must be grounded in a more general analysis of the mode of production, then certainly a theoretical discussion of the latter cannot proceed without detailed reference to the former, which is precisely the omission in A. G. Frank's writings. It will be recalled that Frank saw Latin American agriculture as being thoroughly capitalist and therefore 'ripe' for the transition to socialist production. This conclusion was based merely on the evidence of capitalist marketing arrangements, without any systematic analysis of the forms of labour organization and production relations within Latin American agriculture. By ignoring these internal



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mechanisms, which constitute the real basis of change from one mode of production to another, Frank failed to recognize the extent to which certain types of agrarian system have remained pre-capitalist and as such presented serious obstacles to the development of socialist agriculture. By the same measure Frank also failed to identify the conditions under which a relatively smooth and rapid transition to socialist agriculture may occur. This brings us back to a discussion of the general characteristics of rural wage labour in Latin America.

Mintz has argued that the rural wage labourer, especially the plantation proletarian, develops a way of life and cultural values which differ markedly from those of the small peasant farmer.<sup>28</sup> According to Mintz, the plantation wage labourer lacks the peasant's sense of attachment to the land; he obtains his food and clothing by store purchases rather than by domestic production; he wants higher wages and more stable employment rather than a plot of land of his own; and he is likely to have experience of trade union activity and some degree of political awareness. This suggests that the presence of a labour force of this type must facilitate a transition to socialist agriculture based on large-scale state farming units, and in fact this is largely confirmed by Juan Martínez Alier's study of the agrarian basis of the Cuban Revolution.<sup>29</sup> Martínez Alier has demonstrated that in Cuba the socialization of agriculture came about largely as a result of pressures and demands from the rural labourers in the sugar plantations. Although the Cuban plantation workers are shown to be in some respects less proletarian in their outlook and behaviour than the Puerto Rican rural labourers described by Mintz, they nevertheless recognized that their basic needs for regular stable employment and higher incomes could be satisfied by the conversion of the plantations into collectives or state farms. Consequently the Cuban sugar plantation workers fully supported and collaborated with the Revolutionary Government's plans to socialize Cuban agriculture.

Plantation labourers are not, however, a homogeneous social group. Mintz's paper on the plantation proletariat probably over-generalizes on the basis of the Puerto Rican example, where a fairly advanced degree of proletarianization had been reached. Moreover Mintz seems primarily to have been discussing the permanent plantation labourers, giving less attention to the seasonal cane-cutters who, in some plantation regions, are temporary migrants from fairly distant areas of peasant agriculture. Indeed, in many plantation economies the labour force is highly differentiated. In the sugar cane industry, for example, four main categories of labour can usually be identified: permanent factory

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workers, seasonal factory workers, permanent field workers, and seasonal field workers. To take but one concrete example, the Argentine sociologists Miguel Murmis and Carlos Waisman have shown that there are very significant differences between the categories of labour in the sugar cane industry of Tucumán, in northwest Argentina, with respect to social origins, political awareness, and class consciousness.<sup>30</sup>

In certain cases occupational differentiation may be combined with, and intensified by, ethnic divisions within the labour force. During the 1930s, for example, the sugar cane industry in the provinces of Salta and Jujuy, in northern Argentina, recruited labour from a great variety of sources. *Criollo* peasants from different provinces of northwest Argentina mingled with highland Indians from both Argentina and Bolivia, and Indians from the lowland Chaco region of these two countries, to form a labour force of extreme occupational and ethnic differentiation. The occupational and ethnic structure of the labour force in one plantation complex at this period – that of the *Ingenio* San Martín del Tabacal in the province of Salta, in about 1935 – can be illustrated as follows:

	<i>Factory workers</i>	<i>Field workers</i>
Permanent workers	<i>Criollos</i> (Salta)	Chiriguanos (Bolivian Chaco)
Seasonal workers	mainly <i>Criollos</i>	<i>Criollos</i> (Catamarca) Highland Indians (Argentina) Highland Indians (Bolivia) Matacos (Argentine Chaco)

(Salta and Catamarca are provinces of northwest Argentina. '*Criollos*' is a term used to describe the bulk of the population in northwest Argentina who are of mixed blood. Chiriguanos and Matacos are two tribes of the vast Chaco region which covers parts of both Argentina and Bolivia. The Chiriguanos had migrated permanently to Salta.)

A very similar situation of ethnic and occupational diversity within the plantation labour force can be observed in the coffee industry of Guatemala, where the complex occupational hierarchy and the division between permanent (*colono*) and seasonal (*jornalero*) workers is reinforced by the widely varying linguistic and cultural backgrounds of the different Indian groups who make up the bulk of the plantation labour force, compared to the ladino overseers and administrative or technical staff.

In our view, the characteristics of the labour force pertaining to any