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## **Peasants in an Era of Neoliberal Globalization: Latin America on the move**

*Henry Veltmeyer / James Petras*

The social and political movement of peasants against the state and the forces of capitalism is not new. Indeed, the peasantry for much of the twentieth century was in the forefront of the political struggle against these forces of capitalist development—industrialization, modernization and proletarianization. Peasants in this context might be viewed as constituting what after Georg Lukacs we might term the ‘identical subject-object of history’, i.e. the object of powerful forces of change but also a self-constituted ‘actor’ in the struggle against these forces.

The dynamics of the struggle waged by peasants over the years against the capitalist development of the countryside can be tracked in observed shifts in the study of agrarian change (Kay, 2007). It has flourished whenever the peasantry mobilized against the forces of capitalist development in diverse contexts. In response to these forces peasants invariably took action and academics debated the revolutionary (or conservative) character of this response, as well as issues such as the penetration and capitalist development of the countryside, modes of transition to agrarian change, the disappearance of the peasantry as a social fact and political force, the correlation of class forces in the countryside, and the conditions under which the peasants are able to constitute themselves as a ‘political actor’.

Notwithstanding the unsettled debate on some of these issues in the current era of neoliberal globalization, we can take note of at least one ‘fact’: under the combined conditions of a fiscal crisis and a profound ‘theoretical impasse’ in the 1980s, and the subsequent advance of capitalism, peasants have once more defied theory and history to constitute itself as the most dynamic force of resistance against capitalist development in its latest phase.



With the 'epoch-defining' productive and social transformation associated with this form of capitalist development, organized labour—erstwhile the leading force of resistance—succumbed to the forces levelled against it by the dominant capitalist class in the agency of the state. However, under the same conditions in the 1980s, the countryside gave rise to a new wave of sociopolitical movements that would subsequently dominate the politics of resistance in Latin America. Peasants and landless rural workers in Brazil, Paraguay and Bolivia, many of them dispossessed proletarianized and impoverished; and in some places (Ecuador, Bolivia, Chiapas) based in indigenous communities, organized and mobilized against the latest incursion of capitalism in the countryside. In this context, the struggle of the *Movimento dos Trabalhadores Rurais Sem Terra* (MST), the largest and most dynamic grassroots movement in the region, not only inspired similar movements elsewhere but provoked another scholarly debate, once again revitalizing the study of agrarian transformation and rural development.

The centrality of the peasantry in these social movements is clear. Not so clear is what might be distinctly 'new' or 'different' about the contemporary manifestation of the peasantry as a sociopolitical movement, a matter of sorting out the contextual, strategic and structural factors in the process. What is definitively and necessarily 'new' about the latest wave of peasant movements is the context in which it emerged—the conditions that gave rise to it. Thus the importance of a careful analysis of the capital accumulation process in its most recent manifestation—to situate the contemporary struggle of the peasants against capitalist development in this context.

The aim of this paper is analyse the forces of agrarian change and rural development in the process of capitalist development in its most recent form and latest phase of imperialism. These forces are generated by actions taken to bring about a new imperial order in which the 'forces of freedom and democracy'—to quote George W. Bush (i.e. the 2002 *National Security Report*)—are free to work, liberated from the regulatory constraints of the development-welfare state.

On the other side of the 'global class war' (Faux, 2006) launched in the process of releasing the 'forces of capitalism' are the 'forces of resistance' mobilized in what has come to be known as the 'antiglobalization movement'. These forces take diverse forms in different places and are anything but unified organizationally and politically. But the sociopolitical movements constructed by the landless rural workers and proletarianized peasants—and in some contexts, indigenous communities—in Latin America and elsewhere (most importantly and recently in India)<sup>1</sup> are at the epicentre of the struggle against neoliberal globalization.

We begin by delineating the context in which the process of capitalist development and social change is unfolding. We then examine the economics and politics of this process in the Latin American countryside. Our concern here is to identify the responses made by peasants to the forces of capitalist development in the current conjuncture. We argue that in by adjusting to these forces and resisting them Latin American peasants have responded in three ways, each with a distinct dynamic.

In the context of these diverse peasant responses, we identify four strategies pursued by the neoliberal

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<sup>1</sup> A notable manifestation in India of this land struggle, at the centre of the capitalist development process, is the recent month-long protest march on New Delhi of some 25,000 landless workers, indigenous peoples and 'untouchables' from the bottom of India's rural society (*The Guardian*, 2 November 2007 3). The condition of landlessness in addition to provoking this protest march has also fuelled rising and possibly explosive anger as well as the return of guerrilla warfare in some rural areas.



state against the uprising of peasants, landless rural workers and indigenous communities. We elaborate on the dynamics associated with two of these strategies—local rural development and market-assisted land reforms, the most important strategic responses of the neoliberal state to peasant mobilization in the most recent phase of globalizing capital—in its heyday and impending demise. As for local rural development, we focus on the role of nongovernmental organizations (NGOs), arguably ‘the most significant development in grassroots political activity across Latin America’ (Foweraker, 2001: 10). Here it is argued that the role of the NGOs in the development process can best be understood in terms of their connection to the neoliberal state and the international organizations engaged in a spurious ‘war on poverty’, which is nothing less than a ‘war on the poor’. In the context of this war, the ‘development NGOs’, for the most part can be viewed as unwitting agents of imperialism—Trojan horses for the globalization project and neoliberal agenda to which they are ostensibly opposed (Wallace, 2003).

We then turn to the ‘market-assisted land reform’ (MALR) program that has replaced the state-led land reforms of the developmental state, and that have been organized to counteract the direct action tactics of grassroots popular movements such as the MST. MALRs are part of a multi-pronged strategy formulated by officials of the neoliberal state and their international ‘cooperants’ and strategic allies. Other elements of this strategy include a new social policy targeting the rural poor, the war on poverty (micro-projects of poverty alleviation), localized community-driven development and the institution of ‘good governance’ in cooperation with ‘civil society’ (Rao, 2002).

Finally, we turn to the politics of resistance in the countryside, focusing on the peasant-based and -led sociopolitical movements that contain the most dynamic forces of resistance to neoliberalism. In discussing the issue we point towards the role of the neoliberal state in the process (via diverse programs of market-assisted reform) and the role of the peasantry in opposing and resisting this development.

### **Capitalist development in context: The rise and demise of neoliberalism**

The idea of a new imperial order in which the so-called ‘forces of economic and political freedom’ are freed from the constraints of a welfare and developmental state helped give rise to a process of neoliberal imperialism and capitalist development—and a process of structural adjustment to this order. Not that this idea in itself had this effect; it simply gave form to structural and political forces at work.

The policy reforms at issue in this development—the vaunted and rightly vilified ‘structural adjustment program’—include (i) *privatization* of the means of social production, thereby reverting the nationalization policy of the developmental state; (ii) *deregulation*, the dismantling of the regulatory apparatus of the state; (iii) *financial and trade liberalization*, reverting the interventionist and protectionist policies of the developmental state, and opening up the economy to the forces of the world market; and (iv) *decentralization*, one of several policies designed to downsize the administrative apparatus of the state, devolving the responsibility for economic social and political development away from the predatory and rentierist state, as conceived by proponents of the ‘new political economy’, towards ‘civil society’, cast in the role of strategic partner in the World Bank’s war against poverty and the constitution of a ‘good governance’ regime.



It is easy enough to identify the features of capitalist development that gave rise to resistance movements. Above all, they were constituted by a neoliberal program of 'structural reforms' to national policy, implemented by a state that has been restructured so as to better serve the interests of the 'international capitalist class' that John Pilger (2003) has termed 'the new rulers of the world'. The agenda of this class is clear enough: to accumulate capital on a global scale and to do so within the institutional framework and rules of the new world order of neoliberal globalization.

To bring about this order its architects (mostly found in Washington—in its complex of the policy forums, foundations and thinktanks, the national security council, and 'international financial institutions') constructed a 'new economic model' that assigned the responsibility for allocating productive resources across the system to the free market and that privileged the 'private sector' (i.e. capitalist enterprise) as the driving force of the global economy.

The policy reforms prescribed by the 'new economic model' facilitated the concentration of land (see Table 1 below) and other means of production, pitting the peasant small landholder against the big property-owner and agribusiness, and tilting the system in favour of the latter, forcing the former to abandon or sell their farmland under conditions of rising land values, lagging productivity and extortionate rates of commercial credit.

In this context, neoliberal policies favoured those enterprises that were able to compete in the export markets, a relatively small enterprise cluster, from 10 to 20% of the total. The small and medium-sized enterprises that make up the backbone of most economies and societies, that are oriented towards the domestic market and support the middle and working classes, for the most part are left to adjust to the new conditions in the free market environment of neoliberal policies the best or the only way they could. But it is the micro-enterprises in the besieged peasant economy and the burgeoning informal sector that suffer the most, left as they are to twist in the winds of change (or the forces of globalization). In fact, and in theory, neoliberal policies are specifically designed to exclude the smallholding peasant in the view that they constitute a drag on the capitalist development process.

The consequences of this policy were and remain in evidence all over the countryside in Latin America and elsewhere (see table 1 for the case of Brazil). Conditions of widespread and deepening poverty, betimes entrenched in pre-capitalist systems of production relations but generally exacerbated by policies that opened up the rural economy to the forces of neoliberal globalization and capitalist development, including modernization, the productive transformation of agriculture into industry, urbanization and proletarianization—the conversion of direct producers into workers—and pauperization. Under these conditions a larger and growing part of the population in developing societies has moved and is moving from the countryside to the cities—much of it into what Mike Davis (2006) describes as a 'planet of slums', escaping one form of poverty for another.

Under these conditions it is estimated that well over 60% of the rural population is mired in poverty, about twice the that in urban centres, and that approximately two-thirds of the rural poor are smallholders of land, a half are landless or near-landless, and a sizeable number are indigenous in nationality or ethnicity, mostly located in micro-regions of marginalized communities (Deere & Medeiros, 2007: 8). Regarding Latin America it is further estimated that well over one half of the rural population, perhaps two-thirds, has been proletarianized, converted into a huge impoverished semiproletariat, dependent on seasonal wage labour or non-farm work, or migrant remittances, for household income and livelihood (Abuayo, 2005).



The 'structural reforms' implemented in the 1980s in the second of three cycles of neoliberal policy implementations were designed to open up the economies in the region to the forces of the world market—to free them from the regulatory constraints of the development-welfare state. They were also designed to favour capitalist enterprises and farmers over small non-capitalist enterprises and peasant smallholders judged to be marginally productive and incapable of adjusting well to the new world order.

With these policies neoliberal regimes in the region were able to restore macroeconomic balance (reduced deficits, low inflation), boost exports, attract foreign investment, and, after a decade of 'adjustment' (which, by all accounts, was 'lost to development' due to haemorrhaging of resources dedicated to debt repayment) the restoration of 'growth' in some sectors, particularly in 'non-traditional' exports. Most of the growth had little to do with liberal reform and was more a result of favourable conditions in the world markets and the commodity boom –resulting from Chinese demand. However, the improvements and advances made were at an exceedingly high cost, borne for the most part by the working class and by the non-capitalist 'peasant' farmers who were not equipped with the resources, state protection and supportive policies to make the 'adjustment' to the neoliberal world order.

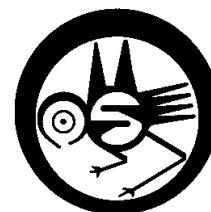
Capitalist farmers and enterprises under these conditions have been able to benefit and profit from the resulting boost to non-traditional exports, such as soya, which require an outlay of investment capital and expensive inputs, as well as government-issued export licenses. The gap between capitalist farmers and peasants has widened, the former capacitated to adjust to the new conditions and requirements, the latter sinking into debt, poverty and crisis regarding food and social security, not to mention livelihoods.

In these circumstances smallholding peasants and the proletarianized rural poor had essentially three options. One was to migrate—to the slums and shantytowns on the periphery of the rapidly growing cities and urban centres, or beyond (to the US and to some extent Europe), exporting their labour in the process. Indeed, many peasant farmers and their families have been forced down this road. Another (albeit more theoretical) option was to 'take advantage' of the employment 'opportunities' provided by the new world order in the urban centres and cities. This is, in fact, the policy advice if any given to the landless rural poor by the policy analysts of the World Bank and its sister financial institutions.

However, it is evident that very few rural producers had or has the wherewithal and resources (credit or capital to invest), and thus the 'opportunity', to pursue this road to change paved with investment capital, modern technology, imported inputs, export licenses, etc. As a result, most peasants, those who did not abandon their farms or have been forced to sell out, have been converted into off-farm wage labourers. Today, well over half of all so-called 'peasants' are landless or near-landless, dispossessed of property in land and converted into a rural or urban proletariat—or a semiproletariat of seasonal migrants, working the land under conditions of exceedingly low wages, sporadic payment and precarious forms of employment (short contracts, pay by piecework or results, no benefits, no unions, etc.).

In this connection, studies reviewed by Medeiros (2007) show that the land bank and credit programs instituted in recent years by the World Bank and Brazil's neoliberal state to counteract the land occupation tactics of the MST 'target' poor rural families: smallholders possessing land in precarious conditions, many with non-agricultural occupations, high levels of illiteracy or low levels of





education, and living in small rural villages or on big properties where they work as *jornaleros*. Studies and recent developments elsewhere suggest (India, for example) that this pattern is by no means unique to Brazil.

We need not dwell on these circumstances and the consequences of neoliberal policies. They have been well documented, even if often misconceived. For example, in academic and official policy-making circles conditions of widespread rural poverty have been attributed to social exclusion, discrimination against and the marginalization of peasant communities and the rural poor from essential services and existing 'opportunities', without betraying the least understanding of the way that the forces of neoliberal globalization and capitalist development play into available conditions (Behrman, Gaviria & Székely, 2003).

Notwithstanding the unresolved question as to the relative weight in this development of factors such as the dynamics of foreign investment, relations of economic exploitation and the extraction and 'international transfer' of surplus value generated by the direct producer and workers, and the marginalization of the rural poor from the labour market and government services, it is evident that the critical factor in the process of capitalist development are the policies of the neoliberal state.

We need to understand the dynamic forces and conditions generated by these policies—a matter of macroeconomic policy, their outcomes and social impacts, and, most critically, the strategic and political responses to them. It is in this context that the land struggle should be placed. At issue are the forces mobilized by the state as well as the forces of capitalist development—proletarianization, industrialization, and modernization—forces conceptualized by economists as a complex of 'push' and 'pull factors', conditions that push the peasants off the land and pull them into the cities under whatever conditions might be available (generally unfavourable). These push and pull factors have to do with a process of 'primitive accumulation' in which the direct producers are separated from the land, forcing many of them to migrate in the search for wage-labour opportunities, and provoking many scholars to write of the disappearance of the peasantry as a social and political category consigned to the dustbin of history, defeated by the forces of change and development (Bartra, 1976; Otero, 1999).

This process is not confined to the intellectual world of academics—to the imaginary of analysts attuned to cyberspace. Forces of capitalist development (commodification, proletarianization, modernization, etc.) have fuelled a process of urban migration and social transformation all over the world. Peasants have undoubtedly been reduced as a 'factor of production' and subjugated as a social class. However, analysis along these lines tends to underestimate the political dimension of the process involved—the inability of the dominant class via the state to subjugate the peasantry by means of state power. And it fails to recognise the dynamism of the movements formed in the struggle.

What matters more in this context, and of greater interest, is the form taken by the strategic and political responses to these conditions within rural society. To this we turn.

### **The economics and politics of structural adjustment**

Responses of the peasantry in its diverse and changing forms to policies of structural adjustment can be placed into three categories: (i) to absorb the shock of external forces on their communities, and eke



out an existence under conditions of marginal production on smallholdings of land; (2) conversion from direct production to wage-labour—to join the rural or urban proletariat in its diverse forms; (3) to migrate, relocating to spaces and places that provide greater ‘windows of opportunity’; and (4) to join a sociopolitical movement so as to confront the holders of economic and state—to contest via direct action access to the land, the inequitable distribution of the productive resources, and the direction of government policy.<sup>2</sup>

In this context of neoliberal policies and mobilizations against them government officials in many cases formed an alliance with international organizations and financial institutions to the purpose of demobilizing the social movements and deflecting their confrontational politics of direct action. In some places the state resorted to strategies ranging from the institution of land reform to rural credit schemes and the cooptation of leaders, and, when required, direct repression. These diverse strategies were largely successful in either decapitating or demobilizing the revolutionary movements of the 1960s and 1970s. However, the reorganization of the newly constructed agrarian movements in the 1980s and early 1990s demanded of the neoliberal state a new response.

As it turned out, this response took the form of a fourfold strategy: (1) to combine a macroeconomic program of pro-growth policies with a ‘new social policy targeted on the poor—‘sustainable human development’ in the UNDP (1996) formulation; (2) the institution of ‘good governance’—sharing with civil society the responsibility for ensuring political order (Blair, 1997; UNDP, 1997ab; World Bank, 1994); (3) local or community-based development—localizing development efforts in the form of micro-projects with the active participation of ‘civil society’ (Sánchez, 2003; Veltmeyer, 2007); and (4) a market-assisted approach to land reform (Borras, 2003; Medeiros, 2007; Pereira, 2004).

### *1. Macroeconomic reform – the policy framework of structural adjustment*

In the concern with ‘ungovernability’ and concerted efforts to ‘move beyond the Washington Consensus’ economists at the World Bank and the guardians of the new world order in the early 1990s redoubled their commitment to stay the course of ‘pro-growth’ policy reforms. However, widespread concerns and serious criticisms led to another consensus on the need for a better balance between the state and the market and a redesign of the neoliberal structural reform program (O’Campo, 2007).

This new post-washington consensus is reflected in the following principles incorporated into the ‘human sustainable development’ model constructed to give structural adjustment a human face: (i) the need for popular participation, i.e. incorporation of the identified beneficiaries of public policy and associated projects, particularly the poor and women; (ii) decentralization of decision-making and the administration of public policy, sharing it with institutions of local (municipal and regional

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<sup>2</sup> Data collected by Nera, a group of Agrarian Geographers at the State University of Sap Paulo in Presidente Prudente, show that the rhythm of direct actions in the form of land occupations has not diminished under the Workers’ party regime of ‘Lula’ notwithstanding serious efforts of the regime to counteract these direct actions and demobilize the MST by providing the landless rural poor less confrontational options in the form of market-assisted land reform and rural development projects. Over the course of Lula’s presidency and the PT regime 5,385 additional families have been ‘asentados’ on the land by means of 171 land ‘invasions’. The confrontational nature of this ‘popular’ grassroots’ form of land reform is reflected in the class confrontations involved, resulting in the death of 18 MST members.





governments) and other partners (civil society, local governments); (iii) prioritization of the problem of extreme poverty, a concern to alleviate its worst effects; (iv) specific policies regarding health, education and social security –and, in many versions, the promotion of micro-enterprise) –and, in order to incorporate women into the development process, empowering them to act/assuring their active participation; and (v) structural reforms designed to create a favourable environment for the ‘new social policy’, which seems to have its origins in Bolivia, in an experiment with neoliberal policy reform initiated in 1985. Its paradigmatic case, however, might well be Chile’s FOSIS, and, to a certain point, Mexico’s now defunct *Solidarity* implemented under the presidency of Carlos Salinas.

## *2 Good governance – the politics of structural adjustment*

Good governance<sup>3</sup> is conceived by economists at the World Bank and the UNDP as a form of privatization: a means of incorporating civil society<sup>4</sup> into the development process under conditions (of structural adjustment) that tend to undermine this order, generating forces of resistance that can all too easily be mobilized by the social movements to destabilise emergent democratic or civilian regimes committed to democracy and capitalism.

This ungovernability problem was at issue in a recent study released by the UK Ministry of Defence (2007). The report (*Global Strategic Trends 2007-2036*) poses the problem as a matter of excessive inequalities in the social distribution of society’s productive resources, wealth and income generated by the workings of the market freed from the regulatory constraints of the developmental (and welfare) state. In the context of resulting and anticipated developments the report warns that the whole system could be brought down by forces of opposition and resistance; that the widening ‘global divide’ will lead to a ‘resurgence of not only anti-capitalist ideologies ... (and) also to populism and the revival of Marxism’. The apparent concern of the authors is that excessive social inequalities in access to and the distribution of land and other ‘productive resources’ (investment capital) will spawn a mass global justice movement, a broad antiglobalization movement that brings together if not unites diverse forces of resistance against neoliberal globalization, threatening thereby the entire capital accumulation project, and scuttling the best-laid plans of the new world order architects for imperial rule.

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<sup>3</sup> *Governance Matters VI / Worldwide Governance Indicators, 2007* (Daniel Kaufman, Director of Global Governance at the World Bank, World Bank Institute): ‘Policy makers and academics agree that good governance matters for economic development’. This World Bank commissioned study is based on six aggregate indicators that ‘captur[e] the views on governance of tens of thousands of ... survey respondents as well as hundreds of NGOs and public sector experts, and commercial business information providers worldwide’. The indicators measure voice and accountability, political stability and absence of major violence and terror, government effectiveness, regulatory quality, the rule of law, and control of corruption.

<sup>4</sup> The discourse on ‘civil society’ takes three different forms: (i) liberal democratic – civil society as an agency of democratic development (ii) conservative – NGOs as ‘false saviours’ (...); and (iii) radical-Gramscian (civil society as repository of the forces of resistance).



### 3. Local Development – the economics of social solidarity and the politics of adjustment

Michel Camdessus, the IMF's Managing Director from 1987 to 2000, on a visit to Mexico, a client state, announced publicly that the US no longer espouses neoliberalism as national policy; that as a result IMF policy now rested on three pillars, namely (i) 'the invisible hand of the market'; (ii) 'the visible hand of the state'; and (iii) 'social solidarity of the poor and the rich'.

What he failed to announce is the difficulty of securing the third strategic objective, a difficulty that would be overcome by means of an active engagement of 'civil society' in the responsibility for both economic and political development—a policy of 'popular participation'. Bolivia, under the administration of Paz Estensoro and Sánchez de Lozada, Minister of finance and subsequently, the President, provided the 'international development community' the most effective and politically convenient laboratory for the design and experimentation with this policy.

It was the UNDP that assumed responsibility for the model used to guide the government's policy in this area (1996, 1997ab, 2006). According to a Report made available at the time by Denmark's representative, a cooperator in this project, the UNDP model of 'sustainable human development', was constructed with reference to three basic principles: (i) *productivity-competitiveness* (to improve the productivity of Bolivia's major economic (i.e. business) enterprises and ensure their ability to compete in the world market); (ii) *social integration-equity* (to broaden the social base of national production, improving access to means of production of diverse groups of producers beyond the small stratum of big well-capitalised enterprises privileged by, and benefiting from, neoliberal policies); and (iii) *state action-governability* (to ensure political order with as little government as possible, i.e. via the strengthening of civil society and participation in public policy).

In the UNDP model administrative decentralization is the linchpin of development policy. It provides the basic institutional framework for a strategy designed to promote development, not in the politically confrontational form of land/natural resources, investment capital and technology but as social capital, the one asset that the poor are deemed to have in abundance and that can be built on without political confrontation or state-power.<sup>5</sup>

In the optics of economists at the World Bank, the decentralization policy, pioneered by Augusto Pinochet in the 1970s, was designed to 'increase government responsiveness to local needs'. But in practice, as noted and emphasized by Rafael Galindo Jaime, leader of the CCI (Central Campesina Independiente) in Mexico, the policy 'results in a dispersal of resources and a duplication of functions as well as another layer of bureaucracy' (Faguet, 2000).

In the 1990s this decentralized 'no-power' approach towards social change (Holloway, 2002) was widely implemented with variable success in dividing the popular social movement, as happened in Ecuador, or in demobilising it, as what happened in diverse contexts (Harriss, 2001).

The fundamental aim and strategic objective of this 'no-power' approach to social change and micro-

<sup>5</sup> Social capital in this context is defined as 'a set of norms, institutions and organizations that promote trust and cooperation among persons in communities and in the wider society', 'a person's or group's concern, caring, regard, respect, or sense of obligation for the well-being of another person or group that may produce a potential benefit, advantage, and preferential treatment for another person or group beyond that which might be expected in an [economic] exchange relationship', the 'glue that holds society together', maintaining social cohesion, a means of facilitating the constitution of civil society' and empowering people as 'social actors', a condition of 'good governance' – 'making democracy work' (Putnam, 1993)



project development is to turn the rural poor away from the social movements; i.e. from a confrontational approach and a 'revolutionary' path to state power; encouraging them to use the market in their economics and elections in their politics (consummating thereby the virtuous marriage of capitalism and democracy); and micro-projects in their development efforts, seeking improvements in the local spaces of the power structure rather than challenging it by means of direct action; to change themselves (empowering or capacitating them to 'act') rather than the system.

Focused as it is on the promotion of local development via the accumulation of social capital, the 'no power' approach to social change generally has been advanced by means of the agency of nongovernmental organizations (NGOs) that are enlisted as strategic partners and cooperants of the 'overseas development associations' in the development process. Officials of these NGOs have been drawn into the service of these ODAs, and thus the imperial state, as frontline soldiers in the war against global poverty waged in the localities and communities of the rural poor.

The mandate of these frontline soldiers in the war against poverty (or, it could be argued, on the poor) is to mediate between the demands and poverty alleviation micro-project funds of the donor organizations and the needs and desires of the rural poor in their marginalized communities—to help them adjust to the neoliberal world order. In effect, Wallace (2003) argues, the development NGOs function, albeit in many cases unwittingly, as a stalking horse for global capital and, not to put too fine a point on it, as agents of imperialism—to assist in the delivery of the good word about the virtues of capitalism, democracy and reform; and, in the process, helping to dampen the fires of revolutionary ferment.

As for the objects of this strategy, the peasants and the rural poor, they are encouraged, and led, to substitute social action for political action—to build on their cooperative culture by 'scaling up' their social capital from the local 'small community' level to leadership at the regional (and even national) levels (Durstun, 1999).

The problem is—and this is where the development NGOs come in—the 'constructability' of social capital is based on a commonality of interest and a culture of solidarity. But it appears that more often than not the requisite 'culture of solidarity' or sense of 'community' does not exist, creating the problem for the rural landless workers and the poor not only of 'scaling up' their development efforts but of building social capital where conditions for it do not exist. That is, as documented by the CEPAL economist John Durston, in many localities there is no culture of solidarity or relations of community strictly speaking; rather a culture of individualism, and more often than not a society rift with class division. That is, the rural society to some extent has been 'modernized', inculcating a concern by individuals for themselves, to take advantage of their opportunities for self-advancement.

Under these conditions of cultural transformation the accumulation of social capital is impeded. And there is certainly no basis for bringing about the solidarity between the rich and the poor sought by Camdessus. Nevertheless, Durston argues (albeit without any supporting evidence) that even under these conditions it is possible for the rural poor to build on their social capital in their localities and communities and subsequently to scale-up the resulting 'development'. The key to this process, he argues, is for the rural landless workers and other categories of the rural poor to 'form alliances with reformist sectors in government' and to take advantage of the 'opportunities' provided by 'changes in national elites'. These unspecified 'changes', he clarifies, produce 'windows of opportunity for the emergence of local social capital' while 'reformist alliances' opens the way to 'capital building'.



#### 4. *Market-assisted land reforms [MALR]*

In the 1960s and 1970s, the state in diverse contexts but particularly in Latin America initiated a program of land reform designed to correct a serious imbalance in many places between property ownership and production.

These land reforms were a response in part to the Cuban Revolution and in large part to growing pressures for revolutionary change exerted by the social movements of the peasantry.<sup>6</sup> In the 1980s, however, sweeping changes and a neoliberal program of structural reform in national policy generated conditions for an alternative path towards 'agrarian transformation' (Kay, 2000).

Another factor here was the institution of a community-based form of alternative development designed by its theorists to secure the sustainability of rural livelihoods (Brockett, 1988; Chambers and Conway, 1998; Helmore, Kristen, and Singh, 2001). This and several other forms of local or community-based development, predicated on the accumulation of social capital rather than the politically messy process of improving access to the land and other forms of capital, had the effect of reducing, or removing entirely, the pressure on governments to expropriate large landholdings and redistribute them to the landless or near-landless, a large and rapidly growing segment of the rural population.

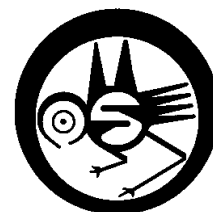
Under these and other such conditions state-sponsored programs of redistributive growth and land reform came to an end, signalled by the recognition in academic and policy-making circles that 'land reform is dead' (Lehman, 1978). But under the same conditions two alternative forms of land reform emerged, one initiated from within the popular sector of an emerging 'civil society' (see the discussion below on the politics of revolutionary change), the other constructed by economists at the World Bank: a market-assisted approach towards land and agrarian reform (Deininger 1998).

This market-led and-assisted approach dominated government policy throughout the region in the 1990s but it evolved in stages. The first was the formulation and implementation, in the early 1990s for the most (Mexico, Ecuador, etc.), of an agrarian modernization law designed to commodify land—to create or strengthen the functioning of a land market. In countries such as Mexico with a system of collective or community ownership (the *ejido*) modernization entailed the institution of individual over collective rights.

The second stage involved the market mechanism of land titling—giving the direct producers secure legal title to the land so as to allow for its sale. With an opening of local economies to the world market, and under conditions of a production crisis that pushed many peasant farmers and independent small and medium-sized producers into debt, the agrarian modernization law had the predictable result of increasing the concentration of land ownership, adding to the other 'push' factors working on the peasantry, accentuating ongoing processes of dispossession, proletarianization and urbanization.

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<sup>6</sup> After Cuba, state-led land reforms took place in Peru from 1958 to 1974, Brazil from 1962 to 1964, Chile from 1966 to 1973, Ecuador from 1964 to 1967, El Salvador from 1980 to 1985, Guatemala between 1952 and 1954 (and again after the civil war following the peace accords), Honduras in 1873, and Nicaragua from 1979 to 1986. These reforms were implemented by the state, regardless of its form (authoritarian, military, liberal reformist, proto-revolutionary). But in all cases they were undertaken in response to mass peasant mobilizations and the perceived threat of 'social revolution' (Blanco 1972; De Janvry, Sadoulet and Wolford 1998; Kay 1981, 1982; Midlarsky and Roberts 1995).



A third and the highly contested stage in the process of market-assisted land reforms entails a policy of instituting land banks (Bromley 1989; Ghimire, 2001; World Bank 1996, 1997). In regard to this policy, the World Bank instituted pilot projects in Brazil, Colombia, and the Philippines. The aim of the policy, and the institution of this market mechanism, was not only to promote and improve the functioning of the land market but, at least in the case of Brazil, to counteract the tactic of land occupations used by the movement of rural landless workers. That is, the aim was to stimulate use of 'the market mechanism' in lieu of what the leaders of this movement take to be 'the broader class struggle' (Stedile 2000).

Very few Latin American countries with a significant agricultural sector have managed to escape this drive to create a land market and other forms of a market-assisted approach to land reform. In the 1990s, country after country instituted an agrarian 'modernization' or 'reform' law in one form or another. In Mexico and Ecuador this meant abolition of constitutional protection of indigenous communal lands, a policy successfully instituted in the case of Mexico (1992), where the dominant peasant federation was under control of the government. In Ecuador, however, this policy hit a political snag in the form of an 'indigenous uprising'. More generally, governments closed down their land redistribution programs and turned towards the market mechanisms of land titling and land banks in improving the access of the rural poor, and peasant farmers, to the land and the resources needed to convert them into productive producers (UNRISD, 2000).

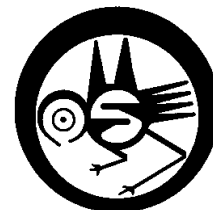
Between 1991 and 1994, at the behest of the World Bank and within the framework of its neoliberal agenda, the governments of Mexico, Ecuador, Bolivia, Peru, and a number of other countries in South and Central America, turned towards a market-assisted approach to agrarian reform. This approach was based on legislation that included abolition of the constitutional or legal protection of communal property and legal entitlement to land worked by smallholders, increasing their capacity to sell their land and, in the process, to build a land market, as well as, supposedly, increasing the 'efficiency' of production.<sup>7</sup> However, combined with the elimination of subsidies to local producers, the commercialization of credit, the reduction of protective tariffs, and in many cases an overvalued currency, these measures (land titling, *etc.*), rather than resolving the agricultural crisis, have created what analysts have termed a 'difficult environment' for various categories of producers of tradable products, especially 'small-scale peasant producers' (Crabtree 2003: 144). The latter, as Crabtree points out concerning Peru (but which can be generalized), have been 'extremely vulnerable to the inflow of cheap agricultural products'. Not only has this 'development' destroyed local economies, forcing large numbers of local producers into bankruptcy or poverty, or to migrate, it has either brought about or accelerated a fundamental change in production and consumption patterns away from traditional subsistence and commercial crops, especially grains like quinoa, kiwicha, coca, alluco, beans, and potatoes. The full impact of this change, and its implications, needs to be evaluated.

In the not atypical case of Peru, the abolition of ECASA, one of a several government market boards and an agricultural price support system, liberalized the national market for rice, removing an institution that, like its counterparts in other countries in the region, maintained price stability for the

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<sup>7</sup> In a number of systematic studies into the productivity of small versus large highly capitalized farms the general finding has been that in all cases relatively smaller, less capitalized farms are much more productive per unit area – 200 to 1,000% greater – than the larger ones (Rosset, 1999: 2).





benefit of local producers. Some of the functions of ECASA were taken over by PRONAAA,<sup>8</sup> a government-subsidized food program for the poor that bought directly from small-scale producers. But such an institutional change had relatively little impact on the poorest farmers, many of who had never benefited from government programmes of any sort (Crabtree 2003: 147).

As for the producers who managed to integrate themselves into the competitive local urban markets, the disappearance of *Banco Agrario* meant that they were forced to rely on various agro-industrial firms for commercial credit. This credit was extended to the same producers but only under the most onerous terms, with rates that in the case of Brazil under Cardoso reached 20% a month, given the 'risks' taken by the creditors. These creditors are extremely reluctant to lend, even to larger-scale, more prosperous landowners with privileged market access. When they do lend, the interest rates charged reflect the perception of risk involved in lending to small-scale peasant producers. Their appetite for lending is also reduced by the incidence of bankruptcies in sectors such as asparagus that had briefly seemed to offer endless possibilities (Crabtree 2003: 145–47).

In Mexico and Peru these and other such 'institutional changes' and a generalized recourse to 'the market mechanism' resulted in a drastic deterioration in the life-situation of the small producers and their relation to the market, compelling them to sell the product of their labour at prices well below the costs of production, and pushing many of them into debt, poverty and bankruptcy. In Mexico, this situation generated one of the largest mass movements in the country's long history of land struggle – an organization of highly indebted 'independent' (non peasant) family farmers (*El Barzón*).

As for the peasant economy in Peru, Ecuador, Mexico, Central America and elsewhere in the region, it has been devastated, forcing large numbers to flee the countryside in the search of wage employment in the cities and urban centres. The only non-political alternative to this route was – and remains – rural poverty.

### Rural and urban dynamics of land reform

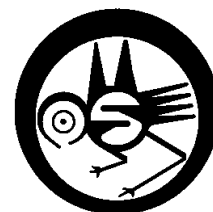
Despite four decades of state-led and market-assisted land reform, and close to two decades into the latest waves of direct action under the latest wave of peasant-based social movements, many rural households remain landless or near landless. As recent as 1998, 90% of all arable land in Latin America was concentrated in landholdings that accounted for 26% of total landowners. In Brazil, which, since 1988 has undergone land reform programs 'from below' (by the direct actions of the MST) and 'from above' (state-supported market-assisted reforms), as well as a rural exodus of staggering proportions, just 3% of the population still own two-thirds of the country's arable land and upwards of 4.8 million families in rural areas have no access to the land.<sup>9</sup> In addition – and this is the

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<sup>8</sup> Fujimori's poverty relief program was similar to Salinas' PRONASOL (1992) in that it served primarily as an electoral mechanism for securing the rural vote.

<sup>9</sup> The rural census of 1986 estimated the rural population as 23.4 million people. By 1995, the rural population had declined to 18 million, pointing towards a massive exodus of over five million people. Because of declining revenues, the compression of prices to below production costs, and massively increasing indebtedness among producers an additional 800,000 families, that is, over two million persons, are estimated by IBGE (the Brazilian Institute of Geography and Statistics) to have abandoned the countryside in just five years (from 1995 to 1999) because of the lack of land, credit and/or low prices.





case for many countries—many of those who do have access to some land are barely able to eke out a subsistence-level existence let alone make a commercial living. Up to 50% of production units or ‘farms’ in Latin America, accounting for barely two percent of the land, are deemed to be economically marginal, allowing only for the subsistence of the families that remain on the land. In response to this situation, euphemistically described by the latest generation of social scientists as ‘social exclusion’ (Behrman, Gaviria & Székely, 2003), vast numbers of a dispossessed rural proletariat are forced to migrate to the cities or abroad, resulting in one of the major upheavals and social transformations in ‘modern times’: informal sector and capitalist development of urban-based economic activity and an associated makeover of a rural peasantry into an urban proletariat, much of which inhabit expanding lumpen-dominated slums.

A consequence of these developments is that the struggle over land has been extended from the rural society to the periphery of the new urban metropolises. This process was particularly pronounced in the 1960s and 1970s, when up to a quarter of the rural population migrated to the urban centres in search of wage employment and housing. Most of this housing was constructed on a self-help basis by communities of rural migrants who invaded and ‘settled’—illegally occupied and squatted on—unused urban land areas, creating in the process the *pueblos jóvenes* of Lima, the *favelas* of Rio de Janeiro, *rancherías* of Caracas, and *poblaciones* of Santiago, Chile. Because of this urbanization process, up to 60% of the urban population live in precarious housing conditions (Guimarães 1997: 191).<sup>10</sup>

In terms of these and related developments, land occupations and the struggle for social change has materialized in a new urban context, replicating some of the dynamics of the rural land struggle but in a different form: land invasion, squatting, negotiations with the municipal government for services and legal title to their ‘property’, and, through grassroots organisational efforts (‘local development’), upgrading these neighbourhoods into working class *barrios*. The social dynamics of this process are complex, with diverse dimensions that include the break up of many families, with the women staying behind to tend subsistence plots of land and the men involved in seasonal outmigration from these plots (Portes *et al.*, 1989). Under these and other such conditions, many rural landless workers are unable or unwilling to break their connection to rural society even without access to land or other means of social production. Even so the structure of landholding continues to reproduce the conditions of widespread rural poverty and to fuel a process of outmigration by large numbers of marginal producers, dispossessed ‘peasants’ and ‘landless rural workers’. As for the state, in its neoliberal form it is reaping the storm that it has sown.

As recent as 1997, over 60% of all rural households in Latin America was mired in poverty and for most of these households this poverty was ‘extreme’ (ECLAC 1998). Since then, according to CEPAL and the World Bank, the rate of rural poverty has fallen somewhat but like as not this has been the result of statistical fiat [how poverty is measured] or the forced outmigration of the rural poor. Some conditions of this poverty are clearly ‘new’ in the sense that they derive from a neoliberal program of

<sup>10</sup> IBASE, a research centre in Brazil, has studied the fiscal impact of legalizing MST land occupations *cum* settlements *versus* the cost of services used by equal numbers of people migrating to urban areas. When landless workers occupy land and force the government to legalise their holdings, it implies costs: compensation to the former owner, credit for the new farmers, *etc.* But the total cost to the state to maintain the same number of people in an urban shantytown, including the services and infrastructure used, exceeds in one month the yearly cost of legalizing land occupations.



policy reforms—privatization of the means of production and public enterprises, liberalization of trade and the flow of investment capital, deregulation of capital, product, and labour markets, and a retrenchment of the state *vis-à-vis* social programs. Nevertheless, some conditions precede this 'development', entrenched as they are in a landownership structure that has changed little over the years.

In this connection, not even the relatively 'radical' or extensive land reform programs in some countries substantially changed the structure of land ownership. For example, land concentration and landlessness in the Brazilian countryside has continued to accelerate despite years of land reform and the best efforts of the MST. In 1970, estates of over 1,000 hectares, representing 0.7% of the total farms, accounted for 40% of the land. In 1996, 1% of the landowners with farms of over 1,000 hectares owned 45% of the land. Today, ten years later, this concentrated structure of landownership has resisted all efforts to change it and over four million farm workers remain landless or near landless.

Another reason for the persistence of rural poverty is that even where gains were made in the course of state-led land reforms these gains were subsequently eroded or lost. In the case of Chile, for example, the gains made by peasant producers in the 1960s and early 1970s were reversed by the Pinochet regime under conditions of a neoliberal counter-revolution. And the same happened in Nicaragua. A few years later, one analyst of agrarian development, Lehman (1978), with particular reference to Brazil, could write of the death of land reform, a view echoed by others. Under conditions of neoliberal 'structural reform' the period of state-led land reform was over. The state was in retreat, at least in this regard, and where not in retreat it had an entirely different agenda. With the capture and death of Ché Guevara and the destruction and containment of most of the guerrilla armies for national liberation in the region (and with the exception of FARC-EP), the threat of social revolution had evaporated and with it a wave of peasant rebellion.

The central protagonist in Latin America's class struggle over land has been the peasantry. However, the meaning of the peasantry as a socioeconomic and political category, and its role in contemporary land struggles, have been subject to considerable debate. First, the precise meaning of the terms 'peasant' and 'peasantry' remains at issue (Barkin, 2004). A second as yet unsettled debate on the peasantry is regarding its role in the political struggle. On this issue, recent analysis oscillates between two competing conceptualizations. On the one hand, the peasantry is regarded more or less as a passive entity, the disempowered object of state agency (legislation, taxation, agricultural production regimes, systems of regulation, macroeconomic planning, etc.). Most sociological studies in the tradition of modernization theory take this view, seeing the peasantry as of declining numerical and thus political significance, defeated by the process of modernization and change (Bryceson, Kay and Mooi, 2000; Otero, 1999). On the other hand, we share an alternative perception of the peasantry as an active and empowered force that continues to contest the terrain of class struggle (Petras 1997a, 1997b).<sup>11</sup>

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<sup>11</sup> For a less metaphorical and more analytic review of this debate *vis-à-vis* the peasantry see Petras and Veltmeyer (2002). This rural-to-urban movement was the effect of a proletarianization process that proceeded apace with the advance of capitalism into the countryside (Bartra, 1976; Canción, 1987). The transition towards full proletarianization went ahead slowly and unevenly, with extra-economic coercion persisting well into (and in some cases beyond) the 1960s in most Latin American nations. By 1970, a large part of the rural population in many countries was partially or wholly proletarianized, a situation which generated a new wave of political protest and peasant insurgency. As pointed out by Paige (1975) and discussed below, different categories of



The dynamics of this process have been generally analyzed in terms of expropriation, land concentration, rural outmigration and land invasions on the periphery of the large urban centres, settlement on these lands, and the gradual incorporation of the rural migrants into what Mike Davis conceptualises as a 'planet of slums'. The supposed end result of these processes is a numerically reduced peasantry as an economic agent and as a political force for change, a traditional social category decimated by the processes of modernization and capitalist development (Bartra, 1976; Cancian, 1987; Esteva, 1979; Kay, 2000).

This is one perspective on the peasantry. But it is by no means the only one. Some analysts detect a trend in the reverse direction--'peasantization' (Bakx, 1988). There is also the perspective on agrarian transformation in which peasantry remains a powerful force for change. Indeed, in the Latin American context it arguably constitutes the most dynamic force for antisystemic change found on the crest of a new wave of class struggle. The *Ejército Zapatista de Liberación Nacional* (EZLN) in its political irruption in 1994 can be understood in this way rather than as Burbach (1994) does, as the 'first postmodern movement in history'.

### **On the receiving end of social change: peasants, social differentiation and transformation**

The social structure of agricultural production can be defined in terms of size of landholding and income distribution. In these terms the basic structure includes three categories of landholders: large, middle and small—the relative proportions of which vary by context. In Brazil, for example, smallholders constitute somewhat over 90% of the total number of peasant producers, a proportion that has not substantially changed over the course of the neoliberal policy regime since its institution in the early 1990s. Large and medium -sized landholders in the same context have also been reproduced within this pyramidal structure, the former more so than the latter for whatever (largely unstudied) reason [see Table 1].

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peasants (tenants, sharecroppers, rich/middle/poor cultivators) responded differently to this process; thus the key issue in rural struggles might be land, land reform, access to credit or technology, higher wages and better working conditions, or indeed any combination thereof.



**Table 1**  
**Peasant by Size [hectares] of Landholding and Percentage of Total, Brazil 1992-2003**

	1992	1998	2003
<b>Large [2000 -100,00+]</b>	19,077 / 0.6	27,556 / 0.8	33,104/ 0.8
<b>Medium [200 - 2000]</b>	204,753 / 7.0	259,654 / 7.2	286,172 / 6.6
<b>Small [&lt;1- 200]</b>	2,700,374 / 92.3	3,299,315 / 92.0	3,971,255 / 92.6
	<b>2,924,204 / 100.0</b>	<b>3,586,525 / 100.0</b>	<b>4,290,531 / 100.0</b>

Nera, *Dataluta, Relatorio Preliminar 2004*, Tabala 13, p.20.

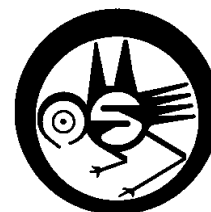
Table 2 provides for Brazil data on changes in the distribution of land acreage owned by the three categories of peasants. It shows a surprisingly strong trend towards divergence in the share of total land owned by the big holders on one extreme and smallholder on the other. The trend towards land ownership clearly reflects on the relative dynamism of the capitalist development process vis-à-vis the land struggle of the rural landless workers. Considering the large number of families of rural landless rural workers and their families settled (asentados) on the land over this period (some 350,000) as the result of actions taken by the MST, the figures also point towards the correlation of class forces in the land struggle. Table 3 provides a graphic representation of this correlation in the ratio of total acreage share to the share of total number of producers for each category of peasant.<sup>12</sup> Again, the striking feature of this dynamic pattern is divergence at the extremes of land distribution. The big landowners increased their share of landholding over or despite fifteen years of land struggle by the MST, eight years of state-led reform and four years of market-assisted land reform.

**Table 2**  
**Percentage Share of Land Acreage by Category of Peasant, Brazil 1992-2003**

	1992	1998	2003
<b>Large</b>	34	40	49
<b>Medium</b>	34	33	37
<b>Small</b>	32	27	14
<b>Total Acreage</b>	<b>310,030,972</b>	<b>415,548,885</b>	<b>418,483,332</b>

Source: Nera, *Dataluta, Relatorio Preliminar 2004*, Tabala 13, p.20.

<sup>12</sup> Of course, more direct and thus better tabular representations of the correlation forces can be found in data on the rhythm of land occupations / asentados and the pattern of land conflicts (Nera, *Dataluta*, 2004).



**Table 3**  
**Ratio of Total Acreage Share to Share of Total No. Producers, by Peasant Category**

	1992	1998	2003
<b>Big</b>	56.7	50.0	61.3
<b>Medium</b>	4.9	4.6	5.6
<b>Small</b>	0.4	0.3	0.2

Source: Nera, *Dataluta, Relatorio Preliminar 2004*, Tabala 13, p.20.

As for the income generated by economic activity in the form of agricultural production, many if not all of the big landholders can be classified as 'rich', some rich enough to accumulate capital and to be transformed out of the peasant economy into rural and/or urban capitalists, by investing their income productively in different ways in different sectors. At the bottom of the land size/income hierarchy, a sizeable proportion—in many contexts, the vast majority—are income poor and subject to forces of expulsion or primitive accumulation. Many of the smallholder peasants under these conditions—making up the bulk of landholders—are made landless or near-landless, virtually all of them impoverished and forced to either migrate to the cities or work off-farm for wages, converting them—at least over 50% in many contexts—into a vast rural semiproletariat.

As for the patterns of change in the social structure it is difficult to determine in most cases for lack of data and dynamic analysis. Dynamic studies of size distribution of landholdings—to measure the distribution of landholding by size at different points of time—have been conducted in some contexts but the resulting data are difficult to determine in terms of the inner social dynamics of the process of change. Thus it is likely that in each size category some conditions tend to both reproduce producers in that size category while others induce either downward or upward mobility. In the big-landholder or income-rich category, a small proportion is able to save and thus accumulate capital, and to be converted out of the peasantry into capitalists. But does this diminish the number and proportion of landholders in this size category of producers?

Table 1 suggests that it does not. Relevant studies in other contexts show that it depends on demographic and other social processes, including the likelihood that a number of middle-size/income producers are elevated into large/high income category and the possibility that some peasants in this category will experience downward mobility. Also some unknown percentage of middle-sized landholders are likely to be converted into a middle class of family farmers (*agricultures familiares*), losing not their connection to the land as much as their status and self-identification as 'peasants'.

Under these conditions, the question is whether the middle size/income category of peasant is growing in proportion; that is, in relation to the large/rich and small/poor peasant as Chayanov found to be the case for Russia in the 1920s? Alternatively is there a tendency towards size/income differentiation, a relative hollowing out of the middle and increasing growth at the extremes—as



Lenin had argued in his classic study of social differentiation and the transformation of the Russian peasantry? Tables 1-3 suggest that the trend identified by Lenin is closer to reality for Brazil in the most recent phase of capitalist development.. If this is the case, what are the social dimensions of this process of land concentration and social polarization? What are the dimensions of this apparent social dualism: wealth and capital accumulation at one extreme of the social structure, poverty and proletarianization at the other?

As indicated, much more systematic study of these dynamics need to be undertaken to establish a national or regional pattern (of conditions of reproduction and transformation in each landholding/producer category). The one dynamic trend that can be definitively established is that of out migration and proletarianization vis-à-vis the small landholder category of peasant. Undoubtedly, some elements of the middle size category are also led to migrate and abandon agriculture, and a larger number are evidently converted into a different non-peasant category of agricultural producer – family agriculture...losing thereby not their connection to the land but to the peasantry. It is even possible, although not likely, that some middle-sized peasants can increase their handholding by resorting to the market-mechanism to buy land and become larger if not rich. However, it is for the largest category of peasant, the smallholder, that a clear pattern has emerged, even with only a cursory examination of the available data and without a systemic dynamic analysis of trends by landholding size and income and associated social and political processes. The pattern is for a significant and increasing proportion of peasants in this category to be proletarianized, fuelling a well-established process of outmigration and resulting in the impoverishment and proletarianization of a large (and seemingly growing) proportion of smallholder peasants.

### **The politics of resistance to the new world order**

The struggle for social change in the new world order has taken diverse forms including, most importantly, that of social movements, which, in the Latin American context, were formed on the crest of three distinct waves. The first of these waves hit Latin America in the 1960s in the wake of the Cuban revolution. The most important and dynamic movements were formed by organized workers in the urban centres and by peasant organisations that in their revolutionary form (guerrilla armies of national liberation) were generally led by urban middle class intellectuals. Both the urban-centred labour movement and the peasant-based struggles for land and social change made substantial gains, improving the general situation of their members and advancing the class struggle. However, by the end of the 1970s most had been either defeated or destroyed in a complex process of implementing state-led projects of community-based 'development', the accommodation or corruption of the movements' leaders, or, when and where required, outright repression (Petras and Veltmeyer, 2000).

In the 1980s, in a very different urban context (debt crisis, a new economic model, a state in retreat, a process of democratic renewal), Latin America was hit by a second wave of social movements that emerged from within 'civil society' – both in its popular sector (the urban poor) and the middle class. Well into the decade, sociologists and other analysts armed with a poststructuralist form of analysis (Laclau 1989) and a postmodernist perspective (Slater 1985, 1994, Calderón 1995, Calderón and Jelín 1987, Escobar and Alvarez 1992) dubbed these movements as 'new' in regard to the subjectivity and heterogeneity of conditions that gave rise to them, their broad social base and their fundamental





concerns. In this context these movements were conceived of as a new social actor on the political stage, rather than in class terms.

In the ebb and flow of changing political tides towards the end of the 1980s, there emerged another wave of social movements that included the MST, the largest, most dynamic and successful grassroots popular movement in the region. Unlike the 'new' movements of the 1980s, these movements were formed in the rural sector and were both peasant-based and peasant-led. A number of them also had an ethnic or national character with a social base in the indigenous communities of peasant farmers. This was the case, for example, in Mexico (*Zapatista Army of National Liberation*), Ecuador (CONAIE) and Bolivia.

Although the dynamics and future of these movements remain uncertain, and require further study, in a number of respects they can be viewed as 'new', which is to say, different from those that preceded them in earlier waves of resistance. What is not new are the fundamental dynamics of the land struggle.

### **Modalities of social change: Class struggle, the state and social movements in the new millennium**

In the context of a system and state very much on the defensive, and the apparent widespread and growing disenchantment with neoliberalism as an economic doctrine, the peasants essentially have three political options on the road to social change and in defence of their source of livelihood and way of life. One is to continue to pressure the state by a social movement strategy of social mobilization (mobilizing the forces of resistance) and tactics of direct action (land occupations, cortas de ruta, etc.). This is undoubtedly the path of greatest resistance but also, as demonstrated by the social movements over the past decade, the path with the greatest prospects for change. A second option is to abandon the class struggle and opt for a non-power approach to change in the form of local development—to build on one of the two assets that the poor are deemed to have in abundance, namely, their 'social capital' formed in a capacity for networking on the basis of their presumed 'culture of solidarity'.<sup>13</sup> John Durston, an economist with ECLAC explores the dynamics of this option in the context of conditions presumed to be relatively widespread in the countryside, namely the persistence of a traditional culture that supports a communalist rather than individualist form of 'political practice'.<sup>14</sup> Under these conditions Durston (1999) argues—that is, where a cultural predisposition towards communal action persists, and even (it turns out or he argues) when it does

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<sup>13</sup> The other 'asset' that the rural poor are known to have in abundance is their capacity to labour, a power that they can exercise or capitalize on by means of an exchange against capital, to add value to production in exchange for a living wage. This, of course, this is central to the process of capital accumulation...and the 'great transformation' of a precapitalist, traditional and agrarian society into a modern industrial capitalist society (a process of productive, social and cultural conversion).

<sup>14</sup> In the old paradigm oriented towards market-generated and state-assisted economic growth the traditional culture of peasants was viewed as a drag on the development process. However, in the 'new paradigm' of local development based on the accumulation of social capital, and facilitated by a policy of administrative decentralization, a peasant culture oriented as it is towards 'communalism' (defined as a sense of mutual obligation towards others) is viewed as a 'productive resource', a source of capital. It is in this context that Evo Morales (2003) defines 'communalism' as 'our political practice'.



not—it is best for the rural poor to turn not towards the market or the state but to themselves—to construct a cooperativized social economy based on norms of reciprocity. This ‘no-power’ path to development and change, it might be added, is compatible with the strategy of decentralized local self-development and cooperativism promoted by the UNDP and other strategic partners in the World Bank’s ‘war on poverty’.

A third approach to social change in more traditional terms, i.e. as conceived within the main stream of development thinking and practice, is tri-modal: to combine use the electoral mechanism of democratic politics with resort to the market mechanism and a strategy of local development. This is, in fact, the basic strategy pursued by the neoliberal state and its strategic allies in the process of ‘international cooperation. In fact, the strategy has been widely implemented over the past decade and a half within the latest cycle of neoliberal reforms. It has been met with some ‘success’ in dividing the popular movement and demobilizing the forces of resistance (as in Ecuador, for example). But at the level of ‘development’ or ‘progress’—improvement in socioeconomic conditions and associated social change—the record is dismal indeed, easily explaining the widespread and increasing levels of social discontent and disenchantment with the neoliberal model of policy reform.

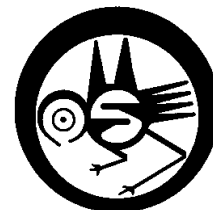
Within the space and in diverse conjunctures of conditions created by the response of the state to the popular movement, the peasant movement responded by essentially moving in three directions at once: by actively mobilizing the forces of resistance where political conditions were available; setting up, in some cases (Ecuador, Bolivia), a political apparatus to contest local and national elections; and, in virtually all cases to turn towards ‘civil society’ (i.e. the middle class sector of associational-type social organizations—NGOs, cooperatives) for support and strategic or tactical alliance.

The outcome of this strategic move, taken almost simultaneously by different social movements (EZLN, MST, CONAIE, the Cocaleros) in the mid-1990s, can be illustrated by developments in Brazil. Here the MST, in advancing the struggle from land occupations to organizing for production, entered into a series of strategic inter-sectoral alliances with diverse social organizations in Brazil’s ‘civil society’. At the same time it turned towards and began to actively participate in an emerging ‘global civil society’ constituted by diverse coalitions of nongovernmental organizations in the ‘antiglobalization movement’.

Although the consequences and effect on the popular movement of this strategic move requires a closer look and further study several considerations arise and tentative conclusions can be drawn. One ‘development’ has been for the state to take over from its strategic allies in the ‘international development community’ primary responsibility for turning the rural poor away from the confrontational politics of social mobilization and direct action. This development is reflected in a change in the pattern of financing of the NGOs with which the movement has formed an alliance. In Brazil, as in Chile, Peru and elsewhere the state has become the major source of project financing and rural extension—to incorporate the localities and communities of the rural poor (the landless rural workers, proletarianized peasants and indigenous population) into the development process. Other consequences of this strategic inter-sectoral alliance with ‘civil society’ is an apparent ideological moderation of the MST leadership, a turn away from the class struggle towards cooperativism<sup>15</sup> and

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<sup>15</sup> Cooperativism, promoted by the MST leadership, as ideology implies a form of organization that is neither capitalist nor socialist but somewhere in between, community-based and community-accountable. It is viewed as a way of plugging a hole in capitalism, creating a island of cooperativism within a capitalist sea. In practice,



diverse efforts to bring about a change in government policy 'from within', and the partial conversion of a social movement into an NGO.

The consequences of peasant movement electoral alliances with neoliberal and pseudo-leftist 'centre-left' regimes has been a political and organizational disaster in Brazil, Ecuador, Bolivia and Peru. In Brazil the MST alliance with Lula alienated it from the public sector trade unions and paralyzed the struggle for agrarian reform. In Ecuador CONAIE's support for Lucio Guttierrez led to a severe decline in peasant support and regression in rural living standards, and in Bolivia after two years of rule by Evo Morales no land, credit or income has been redistributed.

Abandonment of a class approach to political analysis and a politics of strategic alliances has undermined the social advances the peasant movements achieved between 1985-2003

### Conclusion as to 'what is to be done?'

Mexico's *La Jornada* (Nov 20) reported that over nine months in office by country's neoliberal President Felipe Calderon, the cost of family subsistence (the *canasta básica*) went up 34.2%, seven times the wage increase allowed in by the authorities in 2007. It also reported on the World Bank's announcement that 'there has been no progress in Mexico after the past 15 years' as well as advice, given by John Negroponte, US Deputy Secretary of State, for Latin America more generally 'success requires the free market and democracy'. Earlier *La Jornada* had reported on the massive subsidies received by Texas corn producers (\$150,000 each per year), allowing them under NAFTA to dump surplus corn, devastating the peasant economy in Chiapas and elsewhere, and with the complicity of the government, a client of the US, exposing peasants to the 'forces of the market'.

So, with such advice, deteriorating economic conditions and the on-going process of productive and social transformation, 'what is to be done? What should and can the landless or near landless rural poor do? Succumb to pressure and some scholars' view of history by continuing to abandon their communities and migrate to the cities and beyond for greater opportunities? Resort to the electoral mechanism as a means of changing the government? Turn to the market for assistance in accessing land, to sustain their livelihoods and achieve food security? Or should the rural poor and peasants organize, mobilize and combine with other forces of resistance? Forge alliances, take direct action against neoliberalism in a socialist direction? To resort to Margaret Thatcher's misplaced dictum, 'there is no alternative'.

A return to independent class struggle politics which rejects alliances with so-called 'centre-left' demagogues is a way forward. The alternative to the abysmal failure of neoliberal reforms to improve living standards for the rural and urban poor is the main argument for reviving the option of revolutionary change, however difficult it might appear in the current conjuncture.

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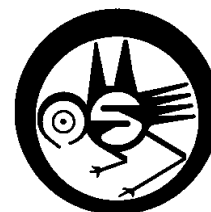
however, cooperativism is compatible and works well with capitalism.



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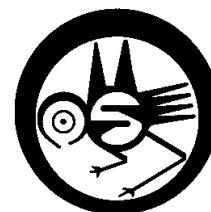
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