

Chapter 2

Basic Needs, Peasants and the Strategy for Rural Development (1976)

Abstract During the 1970s a number of alternative viewpoints questioned the unchallenged hegemony of the theories that the unfettered market was the only one to bring about economic development. The ‘basic needs’ approach provided new thinking about economic growth and gave rise to important debates in university centers and multilateral organizations such as the International Labor Organization. The Dag Hammarskjöld Foundation in Sweden provided support for international meetings between scholars from the North and from the South. One such effort led to the study of alternative development approaches to which I contributed the paper presented here on the needs and possibilities of poor peasants in underdeveloped countries. The idea of peasant development has been completely ignored by mainstream development analysts.

2.1 Introduction

At the 1974 World Food Conference in Rome the dire state of malnutrition of large sectors of the world’s population was fully documented. Most of the undernourished people in the world live in the underdeveloped countries, and the great majority of them live in the countryside. It is not by chance that malnutrition and accompanying indicators of low living standards are associated to a large extent with agriculture, that poverty and under consumption of food are associated with

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Table 2.1 Rural poverty in Third World countries (1969)

Region	Total population	Rural population	Rural population as percentage of total population	Rural population in poverty			
				Below US\$50 per capita		Below US\$75 per capita	
	(millions)	(millions)	(%)	(millions)	(%)	(millions)	(%)
Africa	360	280	78	105	38	140	50
America	250	120	48	20	17	30	25
Asia	1,080	855	79	355	42	525	61
Total	1,690	1,255	74	480	38	695	55

Source World Bank, 1975: *Rural Development* (Washington 1975), Annexes 1 and 3

the world's peasantry, whose function in life is presumably to produce food. The poorest countries in the world are those where most of the population lives off the land (Table 2.1).

The agricultural sector has a twofold problem in the underdeveloped countries: (a) the need to raise production in order to satisfy increasing demand for food-stuffs; (b) the need to raise rural incomes in order to satisfy the basic needs of the majority of the world's poor, the peasants.

If the agricultural development of the poor countries in the last few decades has taught us something, it is precisely that these two objectives are not necessarily related. Agricultural production, and particularly food production, has risen fairly steadily at a slightly higher rate than the world's population; yet the income of the poorest part of the population (the peasantry) has not increased accordingly. In fact, in some areas rural income is decreasing.¹

The explanation for this must be sought in the nature of peasant production in the Third World countries.

2.2 Agricultural Production and Agrarian Structures

Agricultural production usually falls into two kinds:

- (a) production for the market, which may take place (i) on large estates or plantations with salaried or servile labor; or (ii) on small farms based mainly on family labor;
- (b) subsistence production and consumption by the peasant household.

Economic growth is associated with progress in the 'modern' agricultural sector, that is, in production for the market (whether local or international), and as cash-crop agriculture advances, so subsistence agriculture is thought to recede, and eventually to disappear.

¹ See: United Nations, 1975: *1974 Report on the World Social Situation* (New York: United Nations, doc. ST/ESA/24).

However, the development of cash-crop agriculture has not led to a generalized improvement of the incomes and living standards of the rural population. This is due to various reasons:

- Cash crops for export have displaced subsistence crops for local consumption, and while monetary incomes may have increased, food consumption has often decreased in the process.
- Price fluctuations of international commodities have often severely affected producers' incomes.
- Profits from cash-crop production have become concentrated in the hands of large estate or plantation owners, or merchants and middlemen.
- The high cost of modern inputs for cash-crop production has increased the debt burden of the small producer.
- Mechanization and other capital-intensive technology usually associated with the development of modern agriculture frequently displaces labor and creates a pool of landless workers.
- Monoculture for export, so characteristic of many underdeveloped areas, prevents the emergence of integrated mixed farming oriented towards the internal market and the satisfaction of local needs.

Both subsistence and commercial agriculture are carried out within a fairly wide range of different kinds of productive units. The potential for improving agricultural output and increasing the standard of living of the rural population is directly related, among other things, to the characteristics of these units in terms of their land-tenure arrangements, labor supply and relations of production, local credit and market structures, as well as cultural values governing the economic behavior of individuals and family groups.

There is nothing further from reality than the simplistic idea that by channeling more credit or providing a little bit of technical assistance, or supplying improved inputs, backward agriculture will respond by productivity leaps which will solve the problems of output and income of the rural poor. The feasibility of success of different kinds of incentives to the operator is closely linked to the various elements of the agrarian structure mentioned above.

Agricultural production is not an activity made up of a number of isolated elements which can be juggled at will by the planner or the specialist in rural development. Agriculture as an occupation and as a livelihood is a complex social and economic system. Perhaps in no other sector of economic activity are the relationships between the following elements as much interlinked as in agriculture. These elements are: labor; technology; natural resources; social organization; income; and living standards.

2.2.1 Labor

Labor in agriculture is generally of a non-specialized nature. That is, within a given ecological framework, the agricultural laborer usually carries out most if not all of the particular tasks of the production process himself. Productive efficiency does, however, require a high level of skill and specialized knowledge, but these are generally traditional skills and knowledge which are handed down from father to son and which are suited to a particular environment.

In traditional agriculture, the application of increasing amounts of labor is usually directly related to increased output, up to a point. The use of labor is determined seasonally, and periods of labor scarcity alternate with periods of labor abundance. Labor markets are unstable and unstructured. The definition of the labor force itself is a complex task; women, who play an important role in traditional agriculture, are usually not included in labor-force statistics. Other unpaid family and reciprocal labor (children, friends and neighbors who help out at certain times of peak activity) are not easily counted nor accounted for. Observers agree that disguised unemployment is one of the principal problems of agriculture in Third World countries, yet no satisfactory measures of disguised unemployment have been developed. Agriculture is often only one of various activities that rural labor engages in (the others being small trade, handicraft production, occasional seasonal jobs in other sectors). The availability of local labor for specific agricultural tasks at the required time is frequently subject to the pressures of these complementary or alternative activities. In many rural areas of the world, temporary labor migrations within the agricultural sector itself complicate the labor picture. The requirements and the availability of manpower at the local level are thus not only related to the size of farm units and the type of crop, but also to numerous elements within the wider social and economic structure.

2.2.2 Technology

Modern agricultural technology usually appears in inverse proportion to the use of labor. The mechanization of agricultural tasks on modern farms, while contributing to raising output and productivity, often displaces labor and increases human underemployment. Modern technology requires skills, credit, capital and technically optimal farm size. It is not surprising, therefore, that it is usually concentrated, in the Third World countries, in certain privileged areas and in the hands of the privileged social classes. Modern technology has been associated with plantations, estates or large farms. The introduction of modern technology among small farmers has only recently become of general concern. Even the new seed-fertilizer technology associated with the 'green revolution', which is being directly addressed to the small farmer in many parts of the world (Asia and Latin America

particularly), contributes to the concentration of wealth and greater inequalities in the distribution of income.²

Too little attention has been given to the development of labor-intensive, low-capital technology for the traditional agriculturist. Yet it appears that much can be done by improving traditional practices through the application of skills rather than the acquisition of costly inputs. The diffusion of technological innovations in agriculture is one of the principal tasks of agricultural extension services. Observers are agreed on the difficulties and resistances that many of these programs encounter among small farmers in underdeveloped countries. The reason for this is that the adoption of technological innovations cannot be taken in isolation from other factors such as land tenure, social organization and cultural values. The literature on the subject provides many examples of cases where 'rational' innovations have been rejected by farmers because of one, or a combination, of these various factors, and not because of any 'irrational behavior' or an abstract 'traditionalism', which some authors purport to find among peasants.

Frequently the technological innovations being promoted by public or private national and international agencies turn out to be ill suited to the natural environment, the social structure or the cultural values of the target society. To this may be added the ignorance about local conditions of so-called technical experts, or their downright biases in favor of only one kind of technological development as well as their reluctance to experiment with new processes. When this leads, as it frequently does, to costly failures in rural development projects, then renewed attempts at the local level become so much more difficult the next time.

2.2.3 *Natural Resources*

Natural resources (mainly soil and water) are the essential ingredient in agricultural development. They may be present or absent to varying degrees at the local and regional levels, but they may also be under-utilized, or wasted or depleted through malpractice. These resources must not be seen as something simply 'given' by nature. Their use, non-use or misuse is the direct result of social and economic organization in historical perspective. It is perhaps not an exaggeration to say that the poverty of millions of peasants in the world today in areas where there is a 'lack of resources' is not so much due to natural processes (though these do undoubtedly play their part) as to the result of social and economic ones. The poverty of many Latin American peasants who work patches of eroded earth on rocky mountainsides is the direct outcome of the monopolization of the best lands by large estate owners. The recent famine in Bangladesh, while no doubt 'caused' directly by natural factors, is the indirect result of the secular cultivation of cotton

² See: UNRISD, 1975: *The Social and Economic Implications of Large-scale Introduction of New Varieties of Food Grain* (Geneva: United Nations).

and jute under the artificially imposed 'international division of labor' of colonial and post-colonial times. Famine in the Sahel countries during 1971–1972 did not come as a surprise to observers who long ago warned that the export-oriented agriculture of those countries, with the progressive weakening of the cultivation of subsistence crops, would contribute to the particularly dramatic effects of drought on the population.³

In other areas of the world, fertile top soils are being depleted through the uncontrolled felling of tropical forests or overgrazing, which are man-made phenomena linked to social structures, market forces and land-tenure systems. In dry areas, the increasing use of water for urban or industrial purposes has increased the cost of this resource for agriculture and has severely affected the poor farmers. The rapid expansion of areas grown with cash crops for export in many underdeveloped countries, as a result of government policy concerned with earning foreign exchange, or as a result of monetary incentives, has had negative consequences for the conservation of natural resources in some regions. In the scramble for monetary income or quick profit the judicious use of local resources has often been neglected.

Communities that used to be relatively self-sufficient not only in food, but also in local handicraft production, building materials, raw materials for clothing, herbs for medicinal use etc. (all based on the use of local resources), have become increasingly dependent upon the market for the satisfaction of their basic needs. They have become victims of a vicious circle in which they must generate ever higher incomes for their members in order to acquire at increasing prices industrial substitutes for what they used to produce themselves. In this process, entire populations (particularly the younger people who often spend much of their time outside the community) have lost the basic knowledge and skills which previously enabled them to use carefully and maintain the equilibrium of their local resources.

It is thus a mistake to attribute the depletion and misuse of local resources, as some authors do, exclusively to the demographic pressure on the land. While population growth has undoubtedly played a role in this process, the development of market relationships is surely the main cause of the increasing disequilibrium between population and resources at the local level.

2.2.4 Social Organization

Social organization basically involves land-tenure arrangements and various kinds of relations of production between individuals and social groups that have legal, cultural and historical rights and obligations relative to the productive use of land as a resource. Much of current thinking about agricultural development is biased

³ See: Comité Information Sahel, 1974: *Qui se nourrit de la famine en Afrique?* (Paris: Maspéro).

towards the experience of the market mechanism of the western industrialized countries, which is proposed as a 'model' for the underdeveloped nations to follow. If the model were indeed applicable universally, we would find Danish-style dairy farmers or United States cattle ranchers all over the Third World. Inasmuch as this is not the case, and to the extent that so many attempts at local and regional agricultural development have run into trouble, it is principally because of the constraints of social organization.

Whereas capitalism, as Marx pointed out, does indeed tend to substitute the cash nexus for all other kinds of social relationships, in the agriculture of the poor countries it has not been able to do away with them yet. Not only that, but frequently the introduction of capitalism in agriculture strengthened traditional mechanisms of oppression and exploitation of the labor force. There are many instances of social constraints on the 'free' development of productive forces in agricultures. To cite but a few examples: community or tribal control over the use of land; local systems of reciprocal services of a patron-client type (e.g. Indian Jajmani); traditional chieftainships which exact tribute in money or kind from the farmers (e.g. Maraboutism in Islamized western Africa); prestige spending for ceremonial purposes implying a redistribution of income (some parts of Africa south of the Sahara, Indian communities in Latin America); the demands of kinship groups on the monetary incomes of their members (many parts of black Africa); peonage and other kinds of labor services by peasants to landlords (Latin America) etc.

When agricultural production is immersed in webs of social relations the individual farmer or producer is not always in the best situation to increase his output or improve his own standard of living. This is why so often purely monetary incentives or apparently rational criteria (by Western standards) for improving agricultural productivity do not work.

While, on the one hand, certain kinds of social structures are no doubt obstacles to the capitalist development of agriculture, on the other hand, it is the capitalist development of agriculture itself which has become an obstacle to authentic economic and social development of millions of peasants in the Third World. Capitalist agriculture has increased social and economic inequalities among social classes on the land; it has concentrated wealth, power and income in the hands of landowners or middlemen, pushed small farmers off their land and turned them into marginalized, landless laborers, and substituted the idea of gain and profit for a few for the idea of survival for the many.

However, some types of social organization (mainly the basic structure of the local village) may become the pillar upon which a different kind of agricultural development can take place, through collective or cooperative arrangements and adequate planning at the local level. In many parts of the world experiments are taking place along these lines which are opening up new possibilities for the rural poor.

2.2.5 *Income*

Farm family incomes can be of three types: monetary income from the sale of farm produce; domestic consumption of farm produce; and complementary income from activities off the farm. Agricultural development projects in the underdeveloped countries are usually concerned with the first kind: they tend to improve the output of saleable farm commodities and the monetary incomes derived therefrom. But as has already been pointed out above, the expansion of cash-crop production frequently displaces the cultivation of local subsistence crops. Monetary income from the sale of cash-crops must be spent on food imported from other regions or even from abroad. Inflationary pressures are common, middlemen turn sizeable profits, the regular supply of foodstuffs is often not assured and the increase in monetary income is not necessarily an indicator of increase in wellbeing.

The insecurity inherent in agricultural production, due to the forces of nature as well as the price fluctuations of cash-crops for export, makes farming an uncertain proposition at best for millions of cultivators around the world. Even when they engage in the production of cash-crops, the regular flow of monetary income is not assured. But when the farmer is deeply involved in the monetary economy he regularly needs hard cash simply to survive. This is one of the main problems facing the poor farmers in the underdeveloped countries. In order to solve the basic problem of survival he falls increasingly into debt, he tends to use institutional credit, the purpose of which is to enable him to carry out his productive activity, for day-to-day consumption needs (and often neglects improvements on his field in the process), and he seeks additional income through wage labor or other activities.

The poor farmer, in order to make ends meet, seeks multiple sources of income in a regular pattern of alternate activities of which the cultivation of his own plot of land is only one. The rural poor are mainly concerned with obtaining regular income flows; farming on small plots of land under the circumstances of traditional or tropical commodity agriculture is not the best way to achieve this end.

The vicious circle of poverty in a monetary economy has a negative impact on subsistence agriculture also. In areas where not all of the farm produce goes to the market, peasants retain a part of their crop for domestic consumption. But frequently, particularly in humid climates, they lack the means for storing and conserving their cereals. Also, owing to accumulated debts and other needs, they must sell quickly to the local middlemen. Yet when their stores of food grain run out, they often must buy back their own grain later in the year at prices several times higher. This is a frequent occurrence.

Rural income is closely related to the problem of employment, which in turn is linked to land tenure and technology. In areas where labor is abundant, rural wages are usually well below legal minimum standards. Landless laborers or subsistence farmers on micro-plots will work at times for any wage, and will often travel long distances in order to find employment (in e.g. West Africa, the Andean highlands). Only if and when the benefits of increased agricultural productivity can be equitably distributed among the rural population in the form of higher real incomes for

all social classes will the question of disguised unemployment on the land cease to be significant. But this is a question of social and economic organization of the wider society and not only of the setting of minimum wages or price supports.

2.2.6 Living Standards

Living standards are not directly related to monetary incomes. The relationship between these two variables is mediated by social organization and cultural values. It is still an open question whether the transformation of traditional subsistence agriculture into cash-crop farming for export (as has occurred in many underdeveloped countries) improves or rather worsens the living standards of the rural population. On the basis of material from many areas of the world, an argument can be made for the latter assertion.

The problem hinges, of course, upon the adequate definition of living standards. Increased consumer spending as a result of monetary incomes does not necessarily raise a family's or a community's level of wellbeing. At the level of the world's rural poor it is doubtful whether the mere increase in monetary incomes (which moreover usually accrue only to a small part of a community's population) will turn into improved standards of living without planned government intervention. The basic elements of satisfaction for the wellbeing of a rural collectivity are not provided through the economic activities of a few individuals. An adequate water supply, the building of an all-weather road, sewerage, housing, electricity, health services, an adequate provision of basic foodstuffs at reasonable prices, schooling and, of course, access to productive resources such as land, water, fertilizer and modern technology for the peasant masses, can only be made available to the majority of the population through concerted government action.

Thus, whereas the increase in monetary income can indeed be furthered through various well-known market mechanisms, the collective improvement of the rural poor can only be achieved through collective planning and action, which does not necessarily imply an increase in monetary incomes for poor rural families. On the contrary, where monetary incomes have been increased rapidly during a short time span and have tended to benefit only a privileged minority in the locality or the region, there we generally find that increasing inequality produces social disorganization, tensions and conflict which become the major obstacles to progressive social change for the benefit of the community as a whole.

The six basic elements that have just been discussed—labor, technology, resources, social organization, income and living standards—are crucial factors in the possibility of social and economic change at the local level for the great masses of the rural poor in the underdeveloped countries. Each one of these dimensions (and others which have not been included) presents itself differently in particular settings and is related to all the others in a complex set of interrelationships which constitute organic wholes or systems. These systems are the various kinds of agrarian structures that are to be found around the world. In order to assess the

possibilities for economic and social change in agriculture at the local level, let us briefly summarize the different kinds of agrarian structures that are most common in the Third World countries today.

2.3 Customary or Communal Land Tenure Systems

In these the land is neither privately owned nor a marketable commodity, but rather controlled by the community, whose members may have traditional usufruct or access rights to it under certain specified conditions. It is usually associated with primitive technology, shifting cultivation, subsistence farming or small-scale family production of commercial crops. Under this system, permanent improvements on the land are unlikely. The availability of family labor is the main constraint on the expansion of agricultural operations. Demographic pressure reduces the land/man ratio and generates out-migrations and a tendency towards the transformation of communal tenure into individual ownership, a tendency sometimes supported by government policy. Communal land-tenure systems are widespread in Africa south of the Sahara, in the indigenous regions of Latin America and in some tribal areas of Asia.

2.3.1 The Small Peasant Farm

This is characteristic of areas with a high density of population. The farmer directly owns his land or else holds it under some form of lease, tenancy or share-cropping arrangement, and mainly works it with the help of family labor. The small farm may provide for subsistence but it is also integrated into the market through the sale of agricultural surpluses. It may also be wholly devoted to the production of a marketable crop. When the farm is held under a tenancy or share-cropping arrangement, then a large part of the farmer's output must be set aside to support a parasitic, dominant social class that exercises a legal or customary right to the peasant's produce. In such systems, landlords are not entrepreneurs but rentiers; their interest in agricultural innovation is slight; they tend to be absentee owners, politically conservative and basically opposed to modernization. In some Asian countries, a whole chain of intermediate tenants links the direct producer to the landowner; all of them live off the peasant's labor. Obviously, unless the land-tenure system changes, the peasant producer will hardly be able to improve his situation and will not be likely to respond to the conventional economic incentives designed to improve the performance of agriculture.

2.3.2 Large Feudal or Semi-Feudal Estates

These are the traditional hallmark of Latin American and Middle Eastern agriculture. Under this system most of the cultivable land is monopolized by a small landholding elite and the peasant population is tied to the estates under different kinds of servile labor arrangements or service tenancies. The laborers are usually allowed a plot of land for their own subsistence crops, but they are required to work on the estate for the owner's benefit under his direct supervision or that of special supervisors or administrators. Estate owners do not usually innovate, being content to draw a regular income from the labor of their attached peasant workers. Estates are generally managed quite inefficiently, and much of the land is underutilized. Technology remains traditional, and is mainly that of the peasants themselves.

Estate owners constitute a politically dominant class. Only when they see their power threatened by other classes of society (the industrial entrepreneurs, the urban middle sectors or even the peasants themselves through organized demands for land reforms) do they modernize their operations and use their resources more efficiently. They may then attempt to increase the exploitation of the peasantry or transform the semi-serfs into a rural proletariat, or simply evict them from their properties. In all of these cases social and political conflicts are likely to occur.

Estate agriculture represents a socially unjust and politically oppressive social system. Inequalities in wealth, income and social status between landowners and peasants are large and pervasive. Estate agriculture is always fraught with potential conflict, but it has also proved to be historically extremely stable, because it is tied to a fundamentally undemocratic and rigidly hierarchical social structure.

2.3.3 Modern Plantation Systems

These systems, also based on large landholdings as economic units, arose in the tropical areas for the production of commodities for export to the colonial metropolises or the industrialized countries. Plantations are commercial enterprises that rationalize their operations. Very often they are owned by foreign companies rather than individuals. They specialize in a single crop and frequently constitute veritable economic enclaves in the countries in which they operate. Their locally recruited labor force is not a traditional peasantry but a rural proletariat, working for a wage. Permanent plantation workers are often unionized and are able to engage in negotiations with management for higher wages, social security, fringe benefits and other issues. However, the seasonal workers come mainly from the peasant subsistence areas. Plantations are economic enterprises which require a high degree of organization, internal division of labor and specialization of tasks. They are more integrated into the international market than into the national economy in which they operate.

2.3.4 Family Farms

Family farms are the agricultural planner's utopian dream in the free-enterprise system. They are medium-sized, independent commercial enterprises, managed by an owner-operator at a relatively high level of technology and mechanization, with the occasional help of well-paid wage labor on a reduced scale, and provide the farm family with adequate income, giving it what might be termed 'middle-class status'. Family farms practice modern, rational agriculture and use their resources most efficiently. They sometimes combine different types of farming, rotate their crops, use fertilizers and improved inputs, and sell their produce on the market. Or else they specialize in cash crops with high unit value such as vegetables or flowers.

Family farms are not numerous in the underdeveloped countries for a number of reasons: the monopolization of the land in the hands of a few; the large number of traditional peasants who are unable to capitalize; the use of the land either for subsistence crops or for monoculture for export; the abundance of cheap underemployed labor; and the lack of integration between agriculture and industry within a strong internal market, which is one of the prerequisites for a family-farm economy in the industrialized countries.

Unless the traditional peasantry and the large mass of under- or unemployed agricultural laborers decrease sharply in the underdeveloped countries, it is unlikely that family farms will develop into a generalized kind of land-tenure system in the Third World.

The different kinds of agrarian structures mentioned above do not exist in isolation. Several of these systems may coexist within countries, depending upon a number of geographical, economic and historical factors. For example, in countries where European settlement took place at a relatively late date and where the native population was either exterminated or expelled from the settlement areas, family farms may have developed. In tropical areas where a native labor force was recruited during colonial times (or where slavery existed), plantation systems developed. In areas where a numerous peasantry was subordinated to a colonial system, the traditional large-estate system developed side by side with peasant holdings. Estates also existed in traditional feudal economies, such as those of the Middle East, where no foreign colonization took place. Peasant smallholdings, family farms, large estates, plantations and communal-tenure systems may exist within the same national society.

Often, the different systems are organically linked to each other, such as when plantations require labor from the areas of communal tenure (Africa) or when the large estate exchanges labor, produce and services with surrounding peasant holdings (Latin America).

The various systems use the resources at their disposal in different ways. It cannot be said that there exists a single optimal combination. Historical, political, social and institutional factors are as important as economic and technical ones. Small peasant holdings are usually considered inefficient in economic and

technical terms. Their output per unit of labor is low. Their smallness makes the application of modern technology costly and impracticable. Yet in the absence of other employment opportunities, small peasant holdings use labor more intensively and their land and water resources more carefully. In contrast large traditional estates that monopolize the land in some countries are wasteful of their natural resources. Where they could modernize or mechanize, they prefer to use low-productivity labor. And when they do modernize, they often displace manpower, which, in a situation of large-scale unemployment, is socially and politically harmful. In the process of modernization of the large estates, the 'economic efficiency' of the production unit is frequently valued above the 'social efficiency' of the national economic system. We find still another combination in the communal or collective land-tenure systems associated with primitive shifting or slash-and-bum cultivation. In these systems, when the land-man ratio remains low, the tropical forest in which such cultivation takes place can regenerate itself over a period of several years. But when population pressure increases, or when deforestation takes place after a change in the use of the land, then the continued practice of shifting cultivation may rapidly destroy the remaining soil and thrust the primitive peasants into misery.

Land-tenure systems and agrarian structures are the result of historical development. While some may be the product of generations of spontaneous evolution, others were designed by governments or ruling elites with specific economic or political purposes in mind. They were not necessarily established for the maintenance of the ecological equilibrium; on the contrary, their evolution frequently leads to the breaking of the equilibrium, requiring new arrangements. Recent thinking about agricultural development has usually considered traditional peasant economies as existing prior, and being in a way opposed, to modern agriculture. Much has been written about how to transform traditional agriculture, how to modernize it. Different theories of economic growth foresee the gradual disappearance of peasant economies in the world. Some development theorists and planners believe that it is possible to transform traditional peasant plots into market-oriented, competitive family farms or enterprises, in imitation of what is supposed to have happened in the industrialized countries.⁴ Other analysts see the process of capitalist development in agriculture producing on the one hand the concentration of wealth and resources in the hands of a new landlord or entrepreneurial class and on the other the progressive proletarianization of the dispossessed peasantry.⁵

⁴ See: R Weitz, 1971: *From Peasant to Farmer, a Revolutionary Strategy for Development* (New York: The Twentieth Century Fund), for a forceful statement to this effect.

⁵ See: R Stavenhagen, 1975: *Social Classes in Agrarian Societies* (New York: Anchor Books); and Keith Griffin, 1972: *The Green Revolution. An Economic Analysis* (Geneva: UNRISD).

2.4 Revival of the Peasant Economy

While a small number of entrepreneurial family farmers do indeed develop here and there out of the traditional peasant substratum of the underdeveloped countries, this is by no means a generalized tendency. A rural development strategy to this effect is doomed to failure in the sense that it may, to be sure, create a small middle class of family farmers in selected areas, but it cannot solve the problem of mass poverty in the rural areas. This can only be solved through an overall development strategy in which agricultural development is only a part.

The tendency towards economic polarization between a small landholding elite and a growing mass of proletarianized rural workers is clearly what is happening on a widespread scale in the underdeveloped countries. But contrary to predictions, even while this process is taking place, the traditional peasantry is not disappearing: on the contrary, it is in fact becoming more numerous in some areas.

The reasons for this are complex but it is essential to identify them for an understanding of rural poverty in the world today. We shall begin by defining peasant economy as the small-scale production of subsistence crops for local consumption by domestic groups based mainly on the use of family labor. For an economic characterization of peasant production, the legal aspect of land tenure is secondary: peasant production may take place on communally owned land, on private holdings, on leased or rented or sharecropped land, and on subsistence plots within large estates which peasants obtain in exchange for labor services.

Traditional peasants, as producers, are only loosely integrated into the capitalist system; their social world continues to be the local community with its own corporate structures, religious and political life, and cultural value systems. Peasants cultivate the land for their livelihood, rather than for monetary gain. Their lack of capital, of knowledge of the market, of formal education, and of opportunities is the result of their traditional subordination to local and regional power structures, in which the middlemen, the moneylender, the landlord, the political 'boss', all place insurmountable obstacles in the way of economic advancement and social improvement. Peasants are tied to their micro-plots, and unless large-scale institutional changes are brought about in the system which engulfs them, their transformation into independent, commercial, efficient farmers can be no more than wishful thinking.

Peasants are generally unable to capitalize. On the contrary, indebtedness is one of the more pervasive characteristics of peasant agriculture. Peasants cannot expand their operations, either because there is no more land available or because the price of land is too high (in both cases this may be so because of the monopolization of cultivable land by the regional landowner class), or because the amount of family labor available is limited and they lack the capital to employ wage workers.

Peasant farming, even while principally geared to the production of staple crops, is usually not able to satisfy the basic needs of the peasant household. With primitive technology and a small resource package, the peasant economy actually

becomes increasingly decapitalized. If family labor were to be priced at prevailing wage rates (which it is not, in usual economic calculations, because it is an 'abundant' resource), the value of output is most likely to be inferior to the cost of the total inputs. In other words, the peasant farm is not only unable to turn a profit, it is often unable (in economic terms) to reproduce the labor force which is involved in its own production process.

The small peasant is placed before strong monopolistic elements in the rural land and capital markets. His industrial inputs, and of course his credit, are several times costlier for him than for the landlords or larger farmers.⁶ Unable to keep his saleable surplus for long (owing to his constant need of cash for current consumption); he sells his produce at lower prices than the larger farmer. In other words, the peasant suffers a double squeeze. If to this is added the rent he pays, or the part of his crop he must deliver to the estate-owner or the sharecropping landlord, or the government tax, or interest on mortgage payments and so forth, we easily see how peasants are forced to transfer a part of their wealth to other sectors or classes of society. Thus their actual or potential surplus is skimmed off, or else they have to depress their already low living standards even further.

In these circumstances, why do peasants not simply give up their unprofitable activity and go into other sectors of economic life? Many of them do, and thus become proletarianized. But many of them do not, simply because the other sectors of the economy are unable to absorb them. Thus, in many areas of the world, peasants migrate temporarily to work in the modern agricultural sector, in the mines, in the cities, on construction sites and so forth. But they find neither stable employment nor adequate wages for themselves and their families. Time and again they are thrust back into subsistence agriculture only to be drawn again, temporarily, into wage work in the modern sector. The peasant economy has come to play the role of a labor reserve for capitalist enterprise in agriculture, mining and industry, as well as for the services sector.

In the underdeveloped countries, the modern agricultural, mining and urban-industrial sectors thrive by the use of cheap labor which the traditional peasant economies constantly provide. In the modern agricultural sector the need for labor is usually seasonal; but even in the other activities labor turnover is high and employment irregular. The modern sector is able to keep labor costs low not only by paying lower wages to migratory peasants than it would have to pay to a stable, permanent labor force, but also by not providing the various social services, housing, education and so forth which a permanent, stable labor force would be able to demand (particularly if it were unionized).

Economies exporting tropical commodities or raw materials are subject to severe international price fluctuations (sometimes artificially manipulated by the transnational corporations). When prices fall at short notice, cash-crop farmers and their laborers or sharecroppers, plantation workers, miners and other sundry workers directly or indirectly associated with the export economy are laid off. In

⁶ See Griffin, *op. cit.*

the absence of viable employment alternatives, social security or unemployment compensation, they fall back upon the subsistence peasant economy for survival.

The peasant economy thus plays a dual role in the underdeveloped countries. On the one hand, however small and inefficient the peasant's plot, it serves to hold him on the land, thus lessening pressure on the non-agricultural economy in a situation of labor surplus. The peasant economy is able to reproduce the labor force at much lower cost to the economy as a whole than other sectors. It is thus in the interest of the modern, or capitalist, sector to maintain and, indeed, to re-create the peasant economy to a certain extent, as long as it remains subordinated to the needs of the modern sector. On the other hand, it provides a safety cushion for millions of underemployed workers who would otherwise openly starve (as many of them actually do in Africa and Asia), and who would generate enormous pressures on the social and political system.

Far from disappearing or receding into the background, the traditional peasant economy, linked to the modern capitalist economy through the various mechanisms that have been mentioned, turns out to be a major economic and social system in large parts of the world in the latter part of the twentieth century.

The world's peasantries are thus by no means marginalized or isolated vestiges of pre-capitalist economies. They cannot be written off simply because the theories of modernization or of capitalist development tell us that they should have disappeared long ago. It is among the peasantries in their various and complex manifestations that we find the largest numbers of those millions of rural poor which the World Bank has belatedly recognized as being a major challenge of our times.⁷

Strategies of development have generally by-passed the peasantry. They focus on the modern farmer, the agricultural entrepreneur, the so-called rural middle class. Even countries that have carried out land reforms do little, in the non-socialist world, for their peasantries once land has been redistributed. Rather, by simply distributing land and then concentrating additional efforts on those farmers 'most likely to respond' to monetary incentives, they are in fact re-creating the peasant economy. Mexico is a case in point: massive redistribution of land to the peasants during the 1930s; thereafter a thirty-year period of agricultural policies directed at strengthening the modern, entrepreneurial sector; the result being a considerable polarization of the agrarian structure with the concentration of wealth and resources among a small elite and the increasing marginalization of the large majority of subsistence peasants and landless workers.

⁷ See: World Bank, 1975: *Rural Development* (Washington: World Bank).

2.5 The Peasant Household: Basic Economic Unit

An important fallacy appears to run through much of contemporary theorizing about rural development strategies. This is the emphasis placed on the farm as a self-sufficient enterprise. When the question of inputs, credit, market, technology, resources etc. is raised, this is usually done with respect to the farm unit as such, as if it existed within a social and institutional vacuum. The fact is, however, that in peasant economies the basic economic unit is not the farm at all, but the household. In peasant economies, as we have seen, farming is generally an uncertain and unstable occupation, and the peasant farm, whether it is devoted exclusively to subsistence crops or to cash crops, does not provide either sufficient employment or sufficient income to satisfy the basic needs of the peasant family (however these are defined).

The peasant household is not the characteristic nuclear family of urban settings, but frequently includes a fairly large number of members linked by kinship or affinity ties, covering various generations. Extended families, as these households or domestic groups are known in the specialized literature, are the real productive and consumption units of the peasant economy. Productive labor on the farm is but one aspect of a multitude of possible alternatives that the household actively pursues for its livelihood. The relative importance of direct farming depends, of course, on many local circumstances. The commitment may range from exclusive dedication (when no other alternatives are available) to a complementary activity (albeit a strategic one) when other alternatives present themselves.

The range of alternatives varies from country to country and from region to region, in accordance with the rate and kind of economic development that takes place at the national level. Thus, in many areas, temporary seasonal or pendular labor migrations are an essential complement to peasant farming. Elsewhere, or simultaneously, local handicraft production is a primary activity. This, however, is rapidly being displaced by the penetration of industrially manufactured goods even into the most remote areas, thus increasing the economic pressure on the peasant household. In still other areas, small-scale trade (sometimes even over long distances) is an essential source of much-needed cash. (Observers note the variety and colorfulness of market-places in western Africa or Indian Latin America, but seldom ask themselves about their economic function.) In many countries family members (male or female, usually the younger generation) seek employment in domestic or other services to supplement the peasant household's income; military service for the young men is another possibility. In some areas the development of international or national tourism opens up new vistas for local employment. (But it is generally underpaid and requires the supportive role of the peasant economy, cheap tourism being one of the attractions for the international jet-set who love to go to 'exotic' places.)

All of these activities cannot be accounted for simply as 'complementary income' for the peasant farm. They form an integral part of what we may call the peasant household's strategy for survival in underdeveloped capitalism. We must

therefore attempt to understand the dynamics of the peasant household in its entirety as an economic and social unit. The role of family labor is paramount, as against the usual consideration of only the farmer or the head of the family as the visible economic pivot. Women, children and the elderly have important parts to play in the household's survival. As for children, their economic role frequently conflicts with their duty to attend school. When the men are away, women have to attend to the farm or the market-place. The internal division of labor in the household is essential to its economic function. Large families are of strategic importance. This is why birth-control programs so often run directly counter to prevailing cultural values among the rural population. These values are derived not only from some vague religious prejudice, but from the structural needs of the peasant economy.

Within this context, the time, energy and attention that the peasant household devotes to its plot of land are determined by two fundamental criteria: (a) the need for food; and (b) the available alternatives for obtaining monetary income. The relation between these two variables determines the nature and intensity of direct labor on the peasant farm. Contrary to facile references to the peasant's 'irrational behavior' or his abstract 'traditionalism', farm work is one of a number of carefully evaluated variables in the peasant household's economic calculations. At the level of subsistence living, a mistaken decision may make the difference between survival and starvation. The peasant household's margins for economic maneuver are slim, and the risks loom large.

Rural development strategies aimed at raising the standards of living of the rural poor must focus on the peasant household rather than on the peasant farm as such. This means that some of the basic premises upon which rural development planning has rested in recent decades should be rethought.

2.6 Objectives of Rural Development Strategies

Basically, different kinds of development strategies converge on a number of fundamental and common objectives. A clear understanding of these objectives is thus necessary for the adequate evaluation of different kinds of rural development strategies.

- (1) Probably the most widespread objective at the present time is rapidly to increase agricultural output and productivity. The most spectacular advance in this field is from the various technical improvements known as the 'green revolution', that is, the various practices associated with the introduction of new, *high-yielding varieties* (HYVs) of seeds, mainly wheat, maize and rice. The 'green revolution' has had some success, especially in some Asian countries, in which it has contributed to considerable increases in agricultural output of basic grains in a relatively short time. Acreages covered with the new varieties of seeds have expanded rapidly. However, the 'green revolution'

has also run into some problems. The introduction of HYVs is associated with special technical and environmental factors (water for irrigation, fertilizers etc.), the success of which is in many areas reserved to a small, privileged class of richer farmers, who are also able to concentrate the benefits deriving from higher output. Generally, the small peasant has not adopted the new varieties. The 'green revolution', while contributing to the increase in output and productivity at the farm level, has also helped to aggravate income inequalities in the rural areas, and has increased the proletarianization of many small peasants.⁸

- (2) Another overall objective of rural development strategies is to improve efficiency in the use of scarce land and water resources. Lack of consciousness about these matters has led to a dangerous depletion of soils in many countries. Millions of tons of good soil are washed away yearly by rains or floods or eroded by winds in mountainous or hilly areas. The haphazard cutting down of woods and forests has changed micro-climates and contributed to erosion. In other areas, the desert advances against the tropical rain forest or the cultivable areas. The control over soil erosion is closely linked not only to agricultural techniques, but also to the organization of production and the functioning of land-tenure systems.

The same may be said of the wastage and inefficient use of water. Many underdeveloped countries are partially arid and do not have favorable hydraulic resources. Certain kinds of irrigation systems, so necessary to increase agricultural production, are depleting ground-water deposits to levels at which their natural renovation is endangered. In other areas, water resources are contaminated through other uses with detriment to agriculture. This has even led in some cases to international conflicts. Water, like soil, is not inexhaustible, and agricultural planners have only recently become seriously concerned with these matters at international levels. The efficient use of water for irrigation is directly related to land tenure and the distribution and organization of farm units. It is thus a political and social as well as a technical problem.

- (3) A serious obstacle to development in the Third World countries is the lack of capital resources. Agriculture is generally the last sector to receive new capital investments. In many countries, agriculture has actually been decapitalized. A more efficient use of capital resources is one of the principal objectives of many rural development strategies.

This is not an easy problem to solve nor are there any recipes to apply. Frequently, economic planners believe that any injection of capital will produce increased output, yet field studies and cost-benefit analyses of rural development projects in various parts of the world have shown that this is not necessarily so. On the contrary, massive investments in the rural areas have sometimes produced massive social and economic maladjustments. Too much

⁸ See UNRISD, *op. cit.*

capital investment, and too rapidly, has led to tremendous wastages. Rural farm surveys have shown that whereas small peasant holdings are definitely undercapitalized, large modern estates or commercial farms may be highly overcapitalized. The modernization of agricultural operations has often led to the uncritical adoption of labor-saving mechanization, without making significant contributions to output. The efficient use of capital investments in the rural areas is not only a function of different factor availabilities, but also of the social organization of production, as well as the structure of the regional and national economy.

- (4) Over the last decade it has become increasingly evident that one of the principal development objectives in the Third World countries must be the creation of employment opportunities for a growing mass of unskilled labor. Disguised unemployment is particularly acute in the rural areas, but detailed statistical information about this is difficult to come by. Satisfactory strategies for employment creation, particularly in rural areas, have not yet been devised. Many different measures are being considered: labor-intensive agricultural techniques, public works for infrastructure using manpower intensively, rural industrialization etc., combined with accelerated manpower training programs, the creation of regional poles of growth, the control of international transfers of technology, among others.
- (5) Yet another objective is income redistribution. Economic growth over the last few decades has shown that aggregate and per capita output can be increased, but that the distribution of income between regions and social classes becomes more unequal. Agricultural growth has been no exception to this tendency. Modernization, mechanization, the 'green revolution' and other policies designed to further agricultural development have generally benefited a small group of large or richer farmers, merchants and middlemen. If a more equal or more just distribution of income (and with it, of social status and of political power) is indeed a development objective, then rural strategies must specifically design measures to implement this. The peasant farmer, the landless laborer, the migrant seasonal worker must be included in development plans, which is not always the case at the present time. Furthermore, in the under-developed countries, marketing and distribution networks tend to absorb a disproportionate part of rural and regional income. Agricultural development has furthered the growth of a 'rural bourgeoisie' whose increasing economic importance has only recently begun to be appreciated by students of the rural areas.

A rural development strategy aimed at improving the distribution of income would have to pay special attention to these questions, through the creation of marketing cooperatives or boards, state-owned purchasing and distribution agencies and other mechanisms allowing the rural producer easier access to urban and international markets.

- (6) The final goal of a rural development strategy must, of course, be to raise the living standards of the rural population. Increased output and even increased monetary income do not automatically mean a better standard of living for the

peasantry in terms of material wellbeing, nutrition, education, security, leisure, mental health and social integration. All of these various goals require specific policies. Field studies in different parts of the world have shown that the sudden injection of money in a traditional economy may lead to wasteful spending, conspicuous consumption and produce socially harmful results. If increased output is to lead to real improvement in standards of living, in saving and productive investment, a number of social development policies must be carried out simultaneously with the introduction of economic measures on the production side. Education for consumption and better living is as important as training and incentives for increasing production. This requires the definition of collective rather than individual goals, of communal rather than personal improvements, of social rather than private interests. Specialists are not yet agreed as to what the relevant variables are, much less as to what are adequate indicators for measuring these variables. It is easier to measure increases in output than increases in social wellbeing.

The crisis of the world's agriculture and its peasant masses has led to the proposal of a number of development strategies in the rural areas, all of which have been tried with more or less success in different parts of the world.

2.7 Rural Development Strategies

2.7.1 Redistribution of Land

In areas of large estates and an oppressed peasantry, far-reaching agrarian reforms have redistributed the land to the peasants under various kinds of ownership arrangements. In some cases, the peasants have received small plots of land as proprietors; in others the land has been given to villages collectively, and heads of family have received individual usufruct rights to specific plots; in still others, cooperative or collective farms have been established on parts or on all of the old estate. In some cases the peasants have simply received title to the plot they have always worked, and only their labor services to the landlord have been abolished.

While the redistribution of land from the estate sector to the peasantry has everywhere had important political and social consequences (raising the social position of the peasant, making him a participant in political life), and has also allowed a rapid increase in the peasant family's consumption of foodstuffs (they can now retain more of their own produce, rather than transferring it to the landlord), the mere distribution of land rights or land titles does not solve the problems of agricultural backwardness and low incomes for the farmers. Land redistribution schemes must go together with a massive transfer of resources and inputs into the agricultural sector. Credit, technical assistance, supporting services of various kinds, must be channeled to the reform beneficiaries if substantive increases in agricultural output are to take place.

2.7.2 Abolition of Rents and Tenant Arrangements

Similar in effect to agrarian reforms in areas of large estates are measures designed to abolish rents and tenant arrangements for the benefit of the direct producer. Such policies do contribute to raise the level of income of the peasant, but they do not produce agricultural development by themselves unless accompanied by a whole series of additional measures. Their main result is a redistribution of agricultural income, at least for a period, before new kinds of exploitative structures (commercial or financial) again tie the peasant to some other social class that is able to extract surplus from his labor.

2.7.3 Landholding Reform

In regions where a traditional peasantry has been settled on the land for many generations, the landholding pattern becomes dispersed and complex. Commercial transactions, inheritance and other land transfers lead to the atomization of peasant property and to a crazy-quilt patchwork of tiny plots and parcels which is not conducive to the integration of viable economic units. Here, policies are put forward tending to consolidate dispersed peasant holdings, to redraw the local landholding maps and to create more stable and economically feasible farms. Again, unless these policies are accompanied by other measures, their beneficial effects may be short-lived.

2.7.4 Intensification of Peasant Agriculture

Where small peasant holdings are the result of land reforms, or where basic structural changes in the land-tenure system are not feasible, or in areas where a high level of unemployment characterizes the agricultural sector, thus requiring a part of the peasantry to remain on the land for several generations to come, policies leading to the intensification of peasant agriculture may be possible. This means channeling to the peasant the technical and financial assistance necessary to improve the use of his resources and the productivity of his labor, without necessarily changing the size of his farm. This means 'thinking small' rather than doing big things like building giant, expensive dams or introducing monster-sized tractors designed for wider open spaces and large private or collective farms. 'Thinking small' is not usually the way politicians or planners operate in the underdeveloped countries. Multipurpose dams, eight-lane highways and settlement schemes in faraway areas constitute more of a monument to statesmen preoccupied with their place in history, than do small irrigation networks built by local labor, soil-conservation projects of reforestation programs.

The intensification of peasant farming, designed mainly to increase the peasants' own income as well as to provide surplus produce for local and regional markets for the urban population, is not a 'popular' development strategy, because there has been so much emphasis on the backwardness and inefficiency of peasant agriculture that forward-looking planners want to do away with it altogether, and right away.

2.7.5 Family Farms

The development of family farms on the European or North American model has long been the purpose of many rural policymakers. The advantages of family farms are defended on economic and philosophical grounds. There is no doubt that, in certain social and economic environments, family farms are economically productive and competitive and able to absorb new technology productively, provide good incomes to their owners and contribute to the social and political stability of their countries (family farmers are usually conservative). But this rural development model is only possible in a situation where the labor force in agriculture has decreased to, say, less than 25 % of the total population, and where there is a dynamic internal market for agricultural products. Nowhere has it been possible to transform peasants into family-farmers, except on an experimental scale and at very high cost per unit (family or farm). Most land reforms in Latin America or Asia have not achieved the development of a stable class of numerous family farmers.

2.7.6 Cooperatives

Together with the development of the peasant economy or distributive land reforms or policies designed to further family farms, many strategies direct their attention to the growth and extension of various kinds of cooperatives of independent producers. Service, marketing, purchasing and credit cooperatives are well-established instruments that enable producers to reduce their costs and increase their incomes. The success of cooperatives depends on the economic solvency and stability of the members. But in underdeveloped countries in which there exist great income inequalities among the rural population, cooperatives generally benefit only the richer farmers and contribute to marginalize the lowly subsistence peasants, who might most benefit from cooperative arrangements.

2.7.7 Collective Farms

A final strategy of rural development consists in the furthering of different kinds of cooperative, collective or state farms. When a land reform takes place, large estates or plantations that are economically integrated units cannot be profitably

subdivided into small plots or farms. Their maintenance as units may be necessary, even if the form of ownership or management changes. In such circumstances, there are strong arguments for state or collective management, on technical and economic grounds. In other cases, collective or state farms may result from the integration of small, individually owned units into larger ones.

The problems of state-owned or collective farms are many and well-known. They do not basically have to do with economic or technical rationality, but rather with psychological incentives, social organization and bureaucratic efficiency. In the underdeveloped countries, a strategy of collective farming seems to be increasingly envisaged by policymakers in order to confront the problems of increasing output, redistribution of income and creation of employment.

None of the aforementioned strategies needs to be taken by itself, even though policy-makers usually prefer to emphasize one or the other. It is possible that any one country may adopt one or several of these strategies of rural development simultaneously. The relative value of each strategy cannot be judged only on its own terms, but only in relation to the organization of production in agriculture at the local level. The viability of a rural development strategy depends on factors embedded in the wider socio-economic system. Each strategy has economic, legal, political and ideological implications which are beyond the scope of the rural planner or the agricultural specialist. A working knowledge of the political system is indispensable for a realistic appraisal of the possibilities of any one rural development strategy at any given time.

Recent experience has shown that there is no single rural development strategy applicable in all socio-economic and cultural environments. Unfortunately planners and policy-makers, for reasons of their own, often emphasize one strategy or one objective above all others (land distribution, or rural settlement, or the 'green revolution', or the creation of family farms etc.), and a country's scarce resources will go mainly into one channel. In rural development planning it is necessary to consider various objectives at the same time, and clearly to order them according to priorities. Frequently the priorities of urban-based national planners do not coincide with those of the rural population. Peasants are rarely consulted when development priorities are set. They should be.



Workshop on Southeast Asian indigenous peoples, Phnom Penh, Cambodia, 2008. *Source* Personal photographic collection of the author



With Inuit teaching staff at Arctic College, Nunavut, Canada, 2004. *Source* Personal photographic collection of the author

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