

Poverty, Capital and Development, and the strategies of Andean Peasants



Let us examine the foundations of the development building

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Development buildings are near collapse. Their crises are exposing their foundations. And NGOs, where are we heading to?



We hope this contribution helps unveil some assumptions and premises hidden behind discourses that guide the debate on “the struggle against poverty,” headed by the World Bank and other international organisms; and tailed, of course, by the Bolivian government as part of what is known as the “international community”. We want to expose some of the myths found in WB documents and international agencies’ dispatches that control our daily “information” intake as the source of our “common sense”. This common sense seems to rule our understanding of development, poverty and globalization phenomena and is part of unexamined premises underpinning, for instance, the document that evaluates Dutch co-financing of NGOs¹.

To support our observations we not only consulted statistics provided by the own international organisms but we also contributed with some data that may show trends and strategies observed in these 15 years at the community level.

In the last section we lay governmental proposals for discussion, and present our conclusions and proposals to enrich debate as well as action.

When the World Bank speaks about the *opportunities* required to leave poverty behind, it mentions 4 conditions for these *opportunities* to be given:

¹ Bebbington et alii, 2002, Contributions of the Netherlands’s Co-financing Agencies ..., Boulder, Colorado.

“Effective support to private investment”; “Expansion of international markets”; “Multiplication of the Poor’s assets,” including the “correction of their distribution by gender”; and finally, “Building infrastructure and knowledge on poor areas”².

Bebbington highlights one of these conditions: “development is seen as capitalist expansion in the Andes...conceived as a process that changes institutions and structures governing access to and transformation of resources ...it can be seen as an effort to augment directly the basis of peoples’ assets (for example, by providing them with seeds or training).” An asset-based conceptual framework is considered helpful to think better about life strategies and rural development strategies (2002:5), access to markets as an “intense connection with contemporary capitalist economy”, and the nature of these markets as fundamental for a development option (id:8).

The success of development projects

Already by the early ‘80s serious doubts had encroached on development strategies and technological innovations promoted by international organisms and “transferred” to our countries under different guises.

A research piece that raised some concern within the Patiño Foundation, and shed some light on our own concerns, sought to highlight the introduction of new hybrid maize varieties by the Foundation’s Pairumani Centre in Cochabamba, in association with an IDB project³. Although this work was supposed to stress the benefits of the green revolution technology, on analyzing the consequences of the technological change a direct link could be found between the technological package introduced and a strong drop in the peasants’ already scarce earnings.

In the previous study and also in the changes in social relations brought about by technological change we were able to find the explanation for social conflicts and crisis situations within “beneficiary” communities, including an unexpected suicide epidemic that took place in Pocona a little after the arrival of this IDB project⁴. Surprisingly, a few years afterwards, in the ‘90s, identical signs appeared in a similar

² World Bank’s World Development Report 2000-2001 p9

³ PDAI carried out in Pocona under an agreement between the UMSS, the Pairumani Centre, IBTA and other institutions; for other studies, see the thesis of Rico, F. (1984), and Calvo and Regalsky (1994a).

⁴ Argandoña, Mario (1988)

situation in the high valleys immediately after the GTZ implemented its irrigation project⁵ at an even greater scale, both in money and in time invested.

Meanwhile, the 1983/84 Drought Emergency Plan applied by a group of NGOs strongly intervened peasants' productive systems in several regions. In Cochabamba, local knowledge and varieties were displaced in order to introduce techniques and exotic seeds⁶ with the support of substantial subsidies coming from the Dutch government.

There seems to be evidence that this type of anti-drought actions not only did not neutralize adverse climate effects but rather made them more acute for they helped to throw off balance the communities' regular strategies to confront changes in climate. Moreover, these changes were probably linked to numerous population displacements; for instance, those that fed the spectacular growth of the city of El Alto with migration from the high plateau.

Likewise, projects associated with "alternative development"⁷ carried out in the Aiquile and Mizque valleys and supposedly aimed at stopping migration managed to achieve the opposite effect: greater social differentiation, community dissociation, concentration of income in few hands⁸ and a greater migration to Chapare and neighbouring countries. Other research work in the same area⁹ has revealed doubtful results obtained by implementing irrigation, improved seeds and micro-credit in communities: temporary increases in crop productivity were followed by a diminution of work profitability, as measured in crops obtained by number of hours worked. Greater crops also concealed a reduction in monetary returns and hugely indebted peasants who were involved; unpaid debts would eventually drive them into conflicts with some NGO loaners.

All these projects proclaimed an increase in peasantry income as their goal. USAID projects explicitly associated their objective to capital accumulation; whereas others preferred to dodge the topic and weave it into a discourse on improving life standards,

⁵ Reports of Quitón, José (PRAV-GTZ, 1984) and the GTZ-High Valleys Health Project (Cenda, 1995)

⁶ Transcriptions of peasant meetings and interviews held by the newspaper El Mizqueño (1984)

⁷ PDAR financed by USAID

⁸ PROBIOMA, 1991, Estudio Factores Socioeconómicos Medio Ambiente Valles Altos, PDAR

⁹ Escalera, J.C. 1992, UMSS; Meir, M, 1996, Univ. of Vienna, unpublished thesis

raising productivity, nutrition, etc. Yet, most of them pose a methodology that emphasizes on the “pioneer” family, and proposes *per se* a policy differentiating between a “dynamic,” alphabetized, preferably Spanish-speaking sector vs. a “traditional,” illiterate, Quechua-speaking sector attached to costumes. Supposedly, this differentiation will give way to the emergence of a farmer class. As for the GTZ High Valleys irrigation project—first called PRAV and later PRIV¹⁰—Quitón (1984) explicitly argues that its success will be determined by the dropping of costumes like the “ch’alla”, a ritual performed while sowing. Meanwhile, this author verified that crop profitability in Cochabamba’s high valleys diminished “thanks” to technological improvements introduced by the GTZ project, and an increase in production was achieved by expanding surface under irrigation and greatly augmenting the number of crops per year.

In 1985, among communities in the Aiquile-Mizque valley greatly influenced by integrated development programmes (that incorporate irrigation, improved technology, health, feeding patterns and micro-credit components), the highest migration and child malnutrition rates were detected¹¹. In turn, in those communities labelled the poorest, considered economically unviable by said programmes, the best sustainability conditions were observed, expressed in low malnutrition rates and zero migration.

Can greater impoverishment and signs of social differentiation within communities in the aforementioned cases be read as the “failure” of development projects?

Even back then these signs were not interpreted as “failure” but as the effects of the own designs and their premises: development projects cultured by the IDB, USAID and GTZ got what they were looking for: **activate mechanisms of capital accumulation within Andean communities**. It is necessary to understand that the fundamental mechanism of capital accumulation is to separate some producers from their own means of production so they can be hoarded by a minority to exploit their “free” labour force.

¹⁰ Years later, when problems were way too evident, the PRATEC group helped to keep up appearances with a work piece that sought to veil the project under a “Pachamamic” ideology; see.

¹¹ Hosse in Calvo y Regalsky (1994a)

This is the role that scholars working on the topic like Urioste, Van Niekerk and, lately, Bebbington also assign development and its facilitating projects. It is capital development, as mentioned by Bebbington (2002: 1, 25 and on), under the assumption that asset (capital) accumulation in the hands of peasant families will give opportunities to render peasant economy feasible. Since peasant agriculture, i.e. families that base their strategies on agriculture and animal breeding production to ensure food security (or, as they prefer to put it, to ensure their subsistence), is not competitive then it does not have economic potential, it is “surplus” (read: superfluous and should disappear).

As “more than half the peasantry is not...capable of accumulating capital”...“the most efficient way to generate a development process is to invest exclusively in human development, thus facilitating a migration process to urban areas.”¹²

This is part of a myth originating in some situations capitalism experienced in its origins and at some peak moments. Its last boom was lived in post-war years, during the last century’s ‘50s and ‘60s. Since then, more than fifty years have elapsed and we are only undergoing crisis after crisis, but some still yearn for the past and are cooed by the WB’s promises. Surplus accumulated in some few hands in the rural community and “dynamic and entrepreneurial” sectors fostered within it have granted this policy a certain success in some regions, but the results do not show a dynamic economic development (capital expansion) or increasing opportunities for all (even for wage-earning workers); actually, quite the opposite: generalized pauperization, income reduction and insecurity, food insecurity, anomie and suicide. The proposal of stimulating the land market has acted in like manner.

An ethno development policy

Based on preliminary field observations that showed the de-structuring and impoverishing role played by development projects, CENDA began then work on strengthening the Andean community strategies to manage their vital space with a

¹² Quotes VMPPF-BM 1998:4 in Bebbington (2002:25)

critical view of those development experiments and concepts¹³. In communities where projects only discovered poverty and exclusion, we saw the potential for a new society, an ignored cultural ecological concept, a social force that the hegemonic civilization tries to articulate and from which, at the same time, it is nurtured via an unequal exchange and a direct exaction. This does not point to an Andean-centric posture nor does it idealize the Andean community, it simply acknowledges that millions of people effectively live in conditions of greater life security –and also in greater cultural comfort according to their own parameters- than those provided by today’s large industrial cities. State re-distributive and global policies that subtract agriculture’s surplus value to benefit financial capital hinder the likelihood of community development and do not give space for ethno development.

The fact is that, contrary to superficial observations and from a profound diagnosis, communities that had preserved their resource management system and their control over access to the land showed almost no child malnutrition when compared to other communities where development projects had intervened¹⁴. All these potentials were summarized in our project to strengthen self-esteem in front of the unbearable campaign springing from schools, the state, and other projects to underestimate community values and destroy the safety network they imply.

In a prolonged effort (in shared daily practice accompanied by systematic research) to try to understand processes undergoing within communities and their domestic units, our institution has been able to outline a work programme that culminates in the strengthening of “institutions” that control territory. That is, the development of Andean social strategies with their own rationality, born amidst families and communities, has to be articulated in institutions and norms which can also define and reinforce their own rationality but at a political level. This process of strengthening the institutions, strategies and policies of Andean organizations, so they may control their political and social space, we have termed “ethno development”. Granted, the meaning of the concept “ethno development” may differ remarkably from source to

¹³ The growth of financing for projects after 1979 and particularly after 1983 is explained in part by the rupture of peasant movements in the Military Peasant Pact. This left a power void in the countryside that the state could not fill. Progressive NGOs managed to lay a bridge which the state would later “take charge of” through the Law of Popular Participation. From then on NGOs became somewhat redundant and the financing they channelled diminished.

¹⁴ Hosse, Teresa and Richter, Osvaldo, 1985, socio-medical report, Mizque

source; apparently, the WB also speaks of ethnic development meaning more of the same: generation of opportunities for capital accumulation and social differentiation albeit with a folkloric tinge.

The topic of “strategies” as an analysis category is posed in anthropology and other disciplines to overcome structuralism and [culturalism](#). We try to understand change processes and diverse rationalities according to productive interaction and forms of social organization in work within social groups and, therefore, the processes by which a society interacts with and appropriates its environment. Said interactions are governed by programmes, meaning control and significance systems, comprised under the denomination of culture. Many have contributed to that debate since the late ‘70s. The best known is Bourdieu who elaborated the concept of cultural or symbolic capital. According to Harvey, symbolic capital is the same money transformed into capital established as fetishism to reproduce the establishment¹⁵. Now, that debate is being turned over, inverted to follow a current promoted by a series of World Bank-financed studies that encourage the distortion of the meaning of that debate. This WB-driven current proposes to neutralize somehow more subtly the vision of multiple and diverse processes, and seeks to impose a unilateral and linear vision complemented now with an ideology about “social capital” and the “struggle against poverty,” which means prolonging the idea of linear progress and development formulated in the ‘50s.

Admittedly, CENDA’s proposal has a limited scope marked by our own experience among Andean communities of Bolivia’s Quechua region. It does not endeavour to encourage a general interpretation of what is happening in the Andes but it does suggest a work model that starts from acknowledging the potentialities of Andean peasant strategies, and it uses rigorous research for support. Information provided by diverse research sources for different Andean regions, though quite illustrative, can hardly replace concrete experience as a source of knowledge: we admit our knowledge is based on experience limited in time and space. How can we overcome this limitation?

In part, incorporating academic contributions allows for a critical approach to the bases of our knowledge, which stems from work with Andean communities and a

¹⁵ Harvey, David, 1998, *The condition of post modernity*

certain degree of insertion in the ongoing political and social processes. Nevertheless, our own insertion in concrete and jointly held actions plainly reveals that processes in the communities where we work are part of a global reality, of other processes and dynamics that go beyond the local and the national: communities themselves are not blind to those global processes and one might say they take a position in front of them, obliged by the same events¹⁶. This document attempts to reflect on those global matters and to establish thereby a position in front of them.

The present paper is proposed as a first draft in taking up the debate opened between some NGOs and financing agencies, quoted in part by “the Bebbington report”. With it we hope we can contribute to find our way through the maze which the own NGOs have been getting into for years now, trying to adapt to the “new circumstances” and in obliviousness of the type of commitment we acquired “at the beginning”. Said report can aid in this situation by dividing the waters, because it pinpoints premises NGOs are chary of examining.

We attempt to help clear the problems of the rural crisis, just one facet of the global crisis. In doing this, we shall go beyond the question of “aid to development” in order to understand its meaning. We hope that proposals springing from our analysis contribute to give loud voice to the NGOs debate and self-criticism.

We shall analyze **premises** hidden underneath the slogan Struggle against Poverty, and their relation with the concepts of Capital and Development. This axis of intervention and debate, currently pressed by the WB and other main actors, may serve to build a new hegemony that can overcome the economical and political crisis of the so called “world order” laid down in the ‘70s, that is, a decade before the fall of the Berlin Wall. We shall see if these premises that claim to be self-sustainable and readily understood have the solidity attributed them.

What problem are we posing in this discussion? Not many work colleagues in NGOs tackle critically the meaning of “struggle against poverty” that the WB and its acolytes aim at. Is it a distracting measure, as some say, or is it a change in direction

¹⁶ Notwithstanding the belief that communities stay in the margin of international events, they were the first to react to the campaign against the ALCA in Bolivia by demanding information and organizing large mass meetings and seminars in 2002 and 2003.

in the WB, as others argue? Could it be that the meaning of this slogan of “struggle against poverty” is coherent with principles the Bank permanently maintains or does it propose a change in direction? What is really disconcerting is that the analysis proposed portrays all peasants as capitalist entrepreneurs, not potentially, but rather effectively. Only, the small problem this analysis confronts is that they have no capital!!! To solve this problem, the argument goes, some few are feasible and the others are not. That unfeasible majority should then leave the land so it may operate effectively as capital.

An unexamined premise is that the land is an asset, i.e., a component of capital. By this premise, in the case of peasants, owning the land would make them small capitalists. However, the productive land of a domestic unit becomes capital only in certain circumstances. As we shall see later, it cannot constitute capital and at the same time be a condition of work and life for the community and its domestic units.

Having recognized that the possibilities domestic units have of acquiring financial capital are minimal, what happens then with the perspective of transforming domestic units into capitalist units? This explains why the terms human capital, social capital and cultural capital have been coined there where, until now, only institutions and norms existed. Besides, the so called human capital, taken from a terminology used by traditional economy, is applied to macro analysis, say, a country’s human capital. Nowadays there is an attempt to use the same designation for productive domestic units, which only creates confusion and does not sound very convincing anyway, we shall see why.

This is part of the knot we shall try to untangle in order to show that neither the analyses nor the recommendations that seemingly emerge from them correspond to data reflecting reality. Information constructed and presented by the own international organisms and those who defend their position contradicts that WB’s ideological posture labelled “struggle against poverty”.

We shall try to analyze the current situation as well as the dynamics and possibilities the country and the native and indigenous peoples face, and thus the specific situation we NGOs confront as part of the “aid to development” chain. Once premises are

understood, we need to see if it is appropriate to change the axes of discussion and intervention posed up to now so we can gather around a proposal that may respond better to our realities.

I. Poverty

Premises to be analyzed have figured in several ways in different documents. It is the World Bank who defines terms in use in its 2000 Report: *Struggle against Poverty* (WB 2000), and in manuals and reports published as early as 1992. We will try to see how each premise is built (be it explicitly or not) in those reports and manuals, which will also give us the chance to analyze other documents derived from such a “bible”. We shall see how the *Agricultural and Rural Development Strategy*—presented in 2003 by the Ministries of Sustainable Development, and Agriculture and Peasant Affairs (referred to as MACIA 2003) and in President Mesa’s last speech on presenting his economic programme—is articulated within that global policy.

From 1990 the World Bank

“[A]rticulates a two-fold strategy for a sustainable reduction in poverty: First, a wide-based economic growth that may generate efficient opportunities to earn income; Second, improve access to education, health and other social services that may help the poor take advantage of these opportunities. Both elements are designed to effectively develop and use the most abundant resource (*assets*) the poor have: their work. The second element “must focus on the cost/effectiveness of public expenditure to develop the Poor’s human capital¹⁷”.

What is of interest here is the analysis of what the “struggle against poverty” is about. To begin with, we need to know what they call poverty, how it is defined, and which the assumptions behind that definition are. The so called opportunities can be analyzed in the second place. Lastly, we will deal with the remaining matter, where the WB is leading to with those “assets” of the poor—knowing as we know that historical capitalism is founded on confiscating (separating) the means of production from those who work them. At this point the WB’s discourse pretends to solve that contradiction with the ironical statement that the greatest “capital” (human, by the

¹⁷ Poverty Reduction Manual and Operational Directive, WB, 1992: abstract.

way) of the poor is their work (?), that is, that social condition that precisely expresses the lack –confiscation- of capital in its strictest sense!

The WB places the line of poverty at an income/consumption of less than 1 us\$/day. The curve on which it is based shows that 30% of the world population is under the income/consumption line of 1us\$/day/inhabitant and that almost 70% is under the line of 2us\$/day¹⁸. The WB instead takes \$us 2.- as the threshold of poverty.

Of course, we members of NGOs or of the state bureaucracy or, even worse, those who are lucky enough to be part of the jet set of international organisms, find it extremely distressing to have to live with less than one dollar a day and so it seems unnecessary to find out what lies behind that data, it all seems “obvious”.

An equal life standard for all: the ethnocentrism in the WB’s definition of poverty

The WB defines its main document of 2000/1: Struggle against Poverty as follows:

“The poor have no access to the fundamental freedom of action and decision that the wealthiest take for granted (...) and these deprivations do not let them adopt life standards we all desire”¹⁹. (My underlining)

This is an *a priori* statement: that is, its origin is unknown unless one has read Amartya Sen. Evidently ethnocentric, and knowing where it comes from, one of the popes of neo-liberal multiculturalism, perhaps it would not merit any comment. Yet, since it is on this ethnocentric current that development notions are based, and so assumed by technicians and university students in general as a matter of common sense, we must delve into them (into ethnocentrism and its logical derivation, development notions).

¹⁸ Implementing the WB Strategy to Reduce Poverty, WB, 1993:4

¹⁹ It is noteworthy that the English version of WDR contains the original phrase of Amartya Sen, which says exactly the opposite of what the Spanish version says: “(the) capabilities that a person has, that is, the substantive freedoms he or she enjoys to lead the kind of life he or she values”.

We label ethnocentric, by the way, that which A. Sen and the WB establish as civilization and at the same time global parameter –i.e. hegemonic-: a certain mode of production and consumption of goods and services based on life conditions developed in large industrial cities, but which in addition is theirs: “we the best-off”. It is a substantial part of their own cultural capital and they are not willing to give it up as the prevalent, hegemonic life standard and cultural pattern. Such life standard is what defines the *habitus* of which A. Sen partakes, in accordance with the class to which he/she belongs, and what therefore needs to be imposed as a cultural standard (“the type of life we all want”) on all submitted classes, as Bourdieu explains. One page further in the WB text, with regard to an anecdotic description in a remote village of India, the way in which a hegemonic cultural parameter rises to become a universal category becomes clear. This anecdote, which occurs in the farthest possible place from the centre of cultural and financial capital, seeks to show monetary income as a seemingly-neutral measurement standard valid even for the most distant village in India and centred on economic growth—as if it were above and in the margin of cultural standards that hold sway over societies’ consumption and production, and thus beyond any discussion.

This focus on poverty is indeed criticized by supporters of the PNUD’s approach, who argue against using a monetary standard to define the poverty line. They adduce the need to use Human Development Indicators that include populations’ education, housing and life expectancy. Even so, those who have used this optional approach to elaborate the HDI indicators and Bolivia’s Poverty Map²⁰ have also defined these indicators in such a way that “in some communities 100% of the people are considered poor. The *preste* (ceremonial party host) who can afford to host the communities’ party during an entire week, providing food, drinks and a band is classified as poor, and some observers will even say that his or hers is an irrational behaviour”²¹ It is clear that both the HDI poverty indicators and the WB’s follow a dominant cultural standard imposed as the yardstick with which to measure “human” development. In other words, those cultural life patterns that do not follow the HDI’s or the WB’s guidelines are considered “infrahuman” or, in the best cases, “ethnic”.

²⁰ INE, 2002, Bolivia: Poverty Map 2001

²¹ Laserna and others, Human Development Report, Bolivia, PNUD:9

According to the INE²², “the 2001 Census has determined that 58.6% of Bolivian population is poor, a percentage that represents 4.695.464 inhabitants dwelling in housing that does not meet appropriate conditions, with no water and sewerage services or with inadequate ones; people who use inadequate fuel, have low levels of education and/or manifest inadequate health services”

Namely, if the housing and its services do not meet the technical-cultural characteristics of urban dwellings (brick, cement, pipe water, toilet, etc.), if firewood is used instead of gas, if school has been attended up to 6th grade, and if there is no access to medical services officially recognized by the state... if one lives in all of these conditions, then one is poor. A case in point, a *jampiri* (medicine man) who charges a cow for a healing, who has enough cattle but has not attended school, who does not go to the sanitary post and whose house is made of sun-dried mud brick instead of commercial brick is poor, even if in terms of his culture he is in the highest stratum of his society and is thus well-regarded. Insofar as this *jampiri* continues healing with methods that are not accepted by western medicine, not buying industrial medicine with money, or making his own bricks with his own means instead of buying them, he will be considered poor; and he will be poor until he attends school or sends his children to acquire knowledge officially sanctioned as superior and valid because his own traditional knowledge is considered null and archaic even if it is effective. The *jampiri* does not use fossil energy to cook brick or food, nor does he use fossil energy transformed in industrial remedies yet he is considered a “predator” of the environment by the same people who deem it better to use construction material that would consume much more energy than that required to build a house. Such community character is considered not only poor but is also excluded.

Excluded from what? Obviously, he is excluded from the “liberty” to try to imitate a life style that is imposed on him as hegemonic. Notably, in the survey carried out by the own INE for the PNUD, within the framework of the 2000 Report on Human Development, 47.9% of the interviewees defined themselves as “poor”. Which is to say that the INE reports more poor people (58.6%) than what people consider themselves to be; notwithstanding the bias the urban interviewer introduces with

²² INE (id)

his/her mere presence as bearer of a strange cultural pattern. On the other hand, in 40 communities in Raqaypampa, where the national census considers 99% of its members to be poor, the criteria expressed by the community members—interviewed by peasant interviewers in a Community Census—indicates that 18% of the families are poor because they do not have enough land or enough family labour force, whereas 8% is wealthier than the average²³.

The concept of poverty is culturally defined by a community, in the same way it is also culturally defined by the WB technocrats or by elites in the capitals of every country. What cannot be denied is that some people—in communities and marginal neighbourhoods—are subject to a system of oppression and surplus extraction that works in different ways; one of which we have detected goes through, precisely, technological change²⁴. The mechanisms that operate on productivity increase go in detriment of the worker, and undoubtedly also impair the agrarian worker; this seems to us a paradox only because the propaganda flaunted by the mass media has introduced a myth: that technological change is a universal panacea.

Those who hold that the poor are those who lack the freedom to decide on their options are the same people that—to extract greater surplus—submit others to adjustment policies, i.e. the diminution of their income and their consumption capacity. It goes without saying that fundamental transformations like the adjustment brought about by the 21060 decree were not consulted with the population and it had to take peasant mobilizations to draw the government back in its plans—like taxing small property, the so called “agro-power” of [medianizing](#) agrarian property, the first projects to commercialize land and, lately, the legislation that privatized access to water.

Technology

Let us focus on the meaning of the definition of poverty not only in terms of consumption but also in terms of production techniques.

²³ CSUTCIR-CENDA: PDDI, Raqaypampa, 1999.

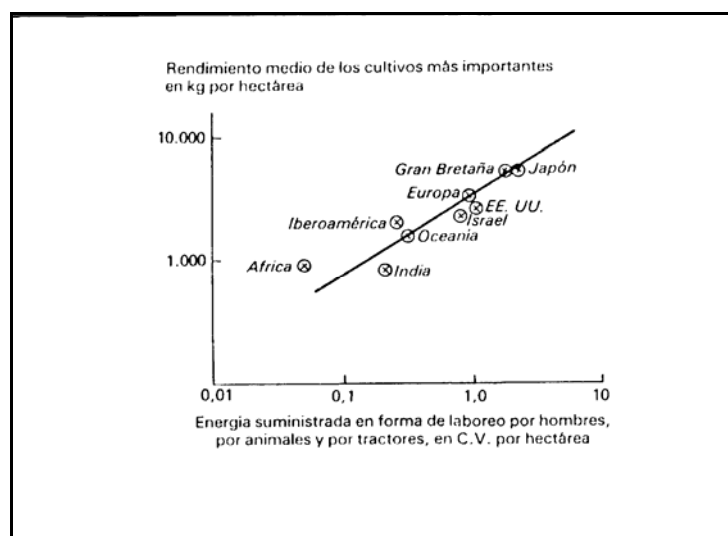
²⁴ Calvo et alii, 1994, Raqaypampa, The complex roads of an Andean Community, CENDA; Cochabamba.

We have seen how a way of life based on a restricted use of energy is considered by INE, based on the WB and the PNUD parameters, as a clear indication of poverty. He who lives and produces adapted to the nature of his own means and of his environment “has no access to fundamental liberties of action and decision that the best-off take for granted”. Let us see now what is called “fundamental liberties of action and decision”.

The measurement of poverty in terms of consumption capacity in us\$ could be contrasted with production and energy consumption indicators. From the shallow analysis of the characteristics of indicators selected to define poverty it is evident that all of these indicators have as a prerequisite a high consumption of energy. No doubt that the consumption of energy and its evolution are parameters and, simultaneously, conditions for the current growth of global economy. This happens with the US economy and with similar economies and could be applied to Bolivia, too. On presenting its annual report, the government highlights the indicator of consumption as a variable that verifies the existence of a full economic growth process and shows there is no stagnation in the country. Let us see then the implications of defining poverty in terms of low energy consumption, by unit of nutritional calories produced and consumed.

Figure 1.

Energy by agricultural yield (calorie input vs. calorie consumption)



from Odum (1972)

This graphic dates back to the '70s; differences have probably become even more acute in the following years. Moreover, it does not take into account the incidence of transportation, which has augmented geometrically in the agriculture of developed capitalist countries.

According to the same author, this data shows that for a 100% increase in output (agricultural product), a 400% and 1000% increase in input (energetic input measured in HP horsepower) is required.

We also have the following more general data on energy consumption:

Table 1 Energy consumption per capita

	1975 ²⁵	1997 ²⁶ in equivalent kg oil
USA	11.2 KW. year	8,076
Others high development	4.4 KW. year	5,369 ²⁷
Less development	0.4 KW. year	563
World average	2 KW. year	1,692
Bolivia	No data	548

During the last years, as can be observed, the least developed countries have been “reaching” the most developed ones: oil consumption in the US compared with the least developed countries has gone from a 28:1 ratio in 1975 to a 14:1 ratio in (?). However, statistics tells us that the abyss in product per capita between USA and the least developed countries has not been bridged.

This data reveals one of the faces of the hidden agenda in this story of wealth and poverty. There are high-performance countries with high indexes of energy consumption per inhabitant, and low-performance countries with low energy consumption. The former, like the US, have increased their GDP productivity (gross domestic product) per unit of energy used. The US's index rose from 2.9 to 3.6 unit GDP/unit energy between 1990 and 1997. In the last years, the least developed

²⁵ IIASA, Vienna, 1981

²⁶ World Bank, World Development Report 2000/2001

²⁷ The USA is included in 1997 but not in 1975

countries seeking to imitate the model, or rather, those to which the model has been exported, have augmented their energy consumption but not their productivity per unit of energy consumed (Bolivia increased its productivity index from 4.0 to 4.1 –a 0.02%- while it raised its energy consumption per capita in 24%)²⁸.

Even then, and at a closer look, this data tells us that there are countries (ours, the poor ones) that can produce a number of food products and other kinds of products with less energy input, be it mechanical or chemical, than that required by the agricultural industry subsidized by advanced capitalism. Bolivia consumes 23% less energy than the USA per unit of gross domestic product measured in dollars. The Philippines consumes half the energy the US consumes for each dollar equivalent in gross domestic product!

Even with much poorest soil than the USA's or Argentina's, Bolivia produces a kilocalorie unit of food with approximately a fifth of input expenditure.

When in our country, by an equivocal concept of technological transfer, the quantity of energy applied to a crop is five-folded, be it as chemical fertilizer or machinery, a two-fold increase in productivity of kilocalories apt for consumption is hardly achieved.

This inefficiency is compensated in advanced capitalist states by subsidizing proprietors and big companies.

Instead, in Bolivia and other countries “in development” this inefficiency is paid, and leads peasants who adopt what is called “technological packages” to almost double – sometimes- their production but losing a great deal of money in the process, as we shall show further on (see page...).

This data could give us a motive to reflect on why and how the monetary standard or the HDI's standard, apparently neuter, are used to establish a line to define poverty. It does not come as news that northern economies, especially the US's, are based on the predatory and systematic extraction of the energetic resources of other countries that produce raw material, at prices determined by relations of unequal exchange and power unbalance, forcefully brought on us by the invasion of Iraq and Afghanistan.

²⁸ World Bank, WDR 2000:292

Raw material extracted under submissive conditions for dependant countries become input for industries subsidized by northern governments, even for the agricultural industry during the oil and petrochemical boom production around the '50s. Therefore, an accelerated capital accumulation (at least thus it was between the 50's and 70's) is based on high productivity. The great accumulation created favoured, at the same time, a financial market that attracted other capitals: the ones accumulated by oligarchies that subjugate our countries—raw material producers—from within. The resultant cheap capital generated a credit current towards dependant countries that in turn paved the way to the external debt crisis of the '80s.

An economy's productivity that is based on the intensive use of cheap raw material has allowed, at least until the '70s, a certain degree of redistribution among the working population of industrialized countries (which is now, watch out!, already about to disappear). Logically, an economy such as that, with a great capital accumulation, is financially and commercially expressed in currency and in percentages of accumulated capital growth.

Nonetheless, not only has the oil and petrochemical cycle come to an end nowadays, but the cycle of microelectronics and computing has also been exhausted. Where then would the application of a model based on an intensive use of supposedly cheap fossil energy lead us to?

Almost everybody admits that the subsidized agriculture of the North, based on intensive use of cheap fossil energy, is unsustainable yet nobody would know how to put an end to this cycle. The budding biotechnological cycle is thought to be replacing the latter but political conditions, which the OMC and the ALCA are trying to impose, are required to guarantee this cycle's development. These political conditions are encountering resistance not only among dependant countries but also, interestingly enough, within populations in northern countries who would supposedly benefit from this new cycle. Big corporations find it hard to impose the biotechnological cycle, cloning and genetically modified foods, which investors hope will help them recover their profits.

Trade and well being

A feature writer for The Guardian²⁹ assures us that if the Cancun Ministers Summit in September 2003 had succeeded and international trade as well as capital circulation in general had intensified in the following years, as the OMC foresaw, 144 million human beings would have left poverty behind. We assume that the article's reasoning (we assume, because it does not actually elaborate on any type of argument) is that an increase in trade, together with a greater circulation of capital, would have generated a greater flow of money between economies, regions and people. That argument notwithstanding, **there is no evidence that there would be a greater production of wealth** and a greater cost/benefit efficiency that could lead to a more generalized well being. Neo-liberalism pursues this: greater benefits at lower costs opening frontiers, but we all know that it has failed to achieve its quest (with the exception of some multinationals and, even then, up to a point) as we shall see in the following section.

Let us confront the increasing curve in world trade with the increasing curve in global production. In the following graphic we see an exact coincidence between moments of drastic trade rise and the global crises that have affected people most and driven millions into poverty. There is no demonstrable positive correlation between an increase in trade and an improvement in life conditions, or much less a correlative increase in productive capacity. Quite the contrary and this is what globalization is all about: capital ceases to be invested in productive activities in order to enter a speculative un-located whirlpool.

Figure 2: World exchange vs. world production

²⁹ Mark Tran, The cost of failure, The Guardian 15.09.03



Source: The Economist Nov. 8, 1997

What the previous graphic shows us is that while world production has grown at a more or less constant rhythm, world merchandise flow, like services, foreign currency, stocks, etc., has increased exponentially.

It is precisely in the 1973 crisis and in the external debt crisis of the mid '80s that more threats hovered over our countries and that trade and service exchange intensified. This intensifying (in trade) coincided with structural adjustments (at the political level) and together they provoked the drop in purchasing power and the destruction of our countries' productive capacity.

In general terms, the drastic rise in the international traffic of capitals and merchandises brought no change in the global rhythm of wealth increase when measured in the world's total product. Rather, those years of general bonanza and generalized growth, between the '50s and the '60s, are the ones that coincide with a period of relatively-paused growth in global exchange. This suggests that a growth in international traffic and a growth in production cannot be directly related, but that a relation indeed exists between the productive crisis and the crisis in accumulation, provoked by the increase in traffic and global circulation of capital and merchandises, as we shall soon see in detail.

As was observed in the aforementioned studies on structural adjustment both in dependant countries and in the northern countries, the objective of these adjustments is to reduce the cost of labour force by accommodating labour, neutralizing union

organizations, and reducing consumption. The minimum employment rates are raised so “the economy may work well”, in simpler terms, central banks ensure there is little work, arguing the strife against inflation (actually, the strife is against all people living from wages and particularly industrial workers that have been “accommodated”).

The 4 conditions to get out of poverty

When the World Bank speaks about the *opportunities* deemed necessary to get out of poverty, it lists 4 conditions for those *opportunities* to occur:

“Effective encouragement to private investment”; “Expansion of international markets”; “Multiplication of the Poor’s assets” and “correction of their distribution by gender;” and, lastly, “Take infrastructure and knowledge to poor areas”³⁰.

The truth is that WB policies that foster free trade and display NAFTA as a showcase do not benefit agricultural workers anywhere in the world. They are resisted not only by Mexican agricultural workers invaded by US transgenic maize but even by the own US farmers.

On the one hand is the topic of subsidies. In Texas, in the last 5 years, 36,200 farmers received \$6.6 thousand dollars in subsidies (\$182,300 each) while the remaining \$1.1 thousand millions were divided among 181,000 small farmers (\$6,077 a piece). In other words, there is a policy that clearly favours property concentration and big consortiums in and out the US.

Concurrently, farmers’ income has become stagnant in spite of the colossal increase in US agricultural exports. The famous expansion of international trade, the “opportunities” the Bank talks about, only serves to consolidate big consortiums, and its alleged benefits do not reach producers even in the US, as the following graphic shows.

³⁰ World Bank (2000:9).

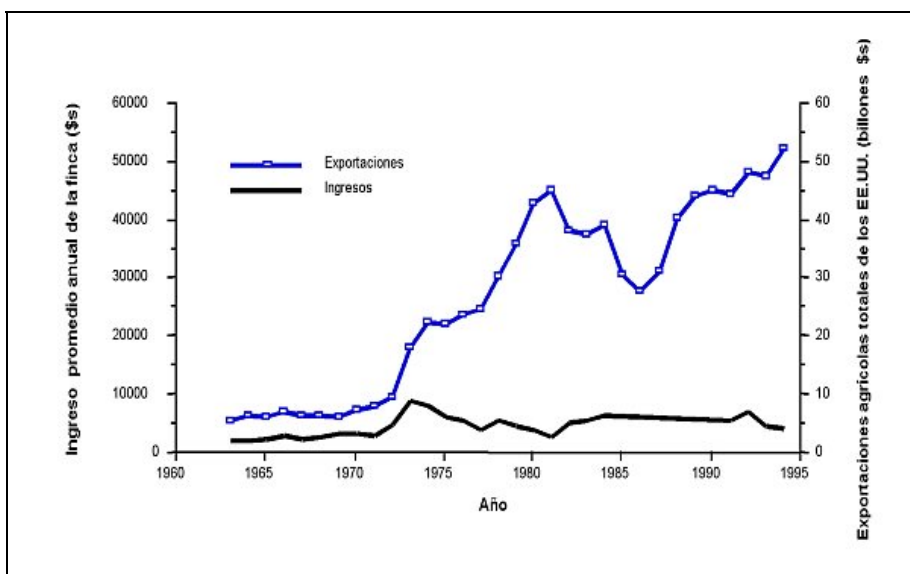


Figure 3. Income by farm of the US average farmer vs. total US agricultural exports, 1963-

1994. Sources: Farmer income--Economic Research Service, U.S. Department of Agriculture, Current and Historic Operator Household Income Tables. Exports--Food and Agriculture Organization, FAOSTAT Agriculture Data. Taken from: Anuradha Mittal and Peter Rosset, co-directors Food First/Institute for Food and Development Policy, USA³¹

Income concentration generated by the expansion of international trade and the general globalization has been so successful since NAFTA that a million agriculture workers in Mexico have lost their lands or abandoned agriculture due to debts. In Argentina, another extreme case where land and labour force are offered in a free market—which, fortunately, has not occurred until now in Bolivia—, a quarter of the number of small agriculture workers have lost their lands only in the last five-year period.

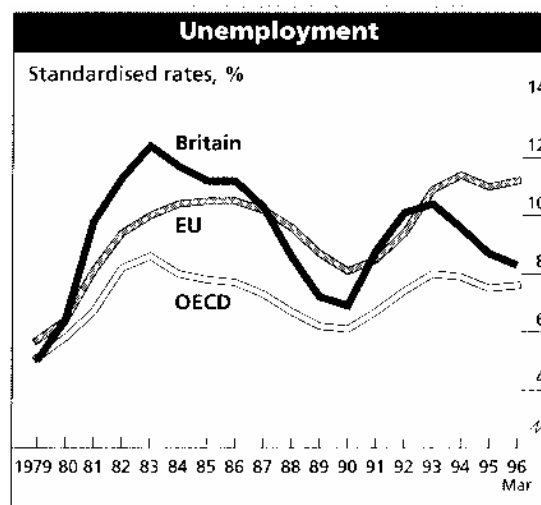
Let us suppose that, as Bebbington says, there is an “opportunity” to increase human capital (read: go to school) and look for a job in the city, then what NGOs should basically do is facilitate the provision of human capital (ergo, teach how to read and write) so that people can have the opportunity to go, say, to El Alto to enjoy the possibilities offered by the urban job market.

Employment

³¹ <http://www.foodfirst.org/pubs>

As for the statements of the WB and its local acolytes who wrote the 2003 Rural Development Strategy and/or the 1996 ETPA: that the expansion cycles of international trade generate greater employment opportunities, what we can also observe is exactly the opposite. Even in countries of advanced capitalism, the diverse boom cycles of the world traffic in goods and money did not have much to do with improving workers' situation, rather, an inverse correlation appeared at the time. The globalization boom that has been echoing since the mid '70s, facilitated in part by structural adjustment measures and trade openings dictated from the Washington Consensus of the '80s, corresponds to a greater rise in unemployment rates in developing countries and, simultaneously, to a great apogee and wildness in stock markets. This can be appreciated in the following graphic.

Figure 4: Unemployment rates in the most developed countries (OECD) and in Europe (EU).



Taken from The Economist June 8th, 1996.

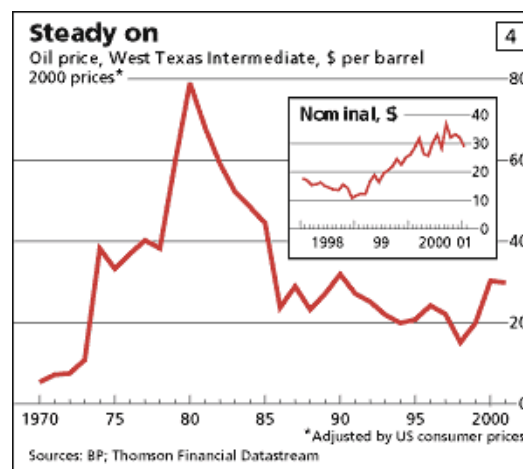
What this graphic reveals, as opposed to figure 2, is something quite different from what the WB would lead us to believe, that “the expansion of international markets (...) offers an enormous opportunity for employment”³². In sharp contrast, it illustrates the phenomenon that Dierckxsens³³ calls “the war of classes from above”.

³² World Bank, id.

³³ Wim Dierckxsens (1997) The limits of a non-citizenry capitalism, Ed. DEI.

This “war” waged against workers is more elliptically called in journalistic terms “the end of the wellbeing state”. We all know that until then there had not been such “wellbeing” except for some quite limited sectors of the population, but now is when a real offensive coming from the big capital is being flung against “the most abundant resource (asset) the poor have: their work” (see above, page 5)

Figure 5: Price of the barrel of oil (adjusted to the dollar of 2000)



Taken from The Economist, Febr 10th, 2001

The crisis of global hegemony

Certainly interesting is the fact that the price of oil follows the steps of political events very closely; oil prices seem to be a barometer of global power relations. Figure 5 shows that a fundamental condition for high productivity in countries of advanced capitalism, cheap oil, is being endangered by the change in world power relations. In 1973 the US suffered its first military defeat in Vietnam. In a new defeat in 1979, perhaps more serious because it was political this time, the Shah Pahlevi’s reign in Iran fell and Islamic fundamentalism rose to power at the very heart of the region on which the West depends for oil supply. Only a forceful reply helped regain control over petrodollars accumulated in the Middle East countries and the crisis known as the external debt crisis ensued, radically affecting Latin America while allowing big

consortiums to recover terrain and generate growth conditions for industrialized economies.

In the following table we can see how the political retreat of imperialism combines in one single moment with the drop in corporative profit.

Figure 5: Corporative profit in the US



Source: The Economist 26 Sept 2002

To confront the US's political retreat, the main centre of capitalist accumulation, big multinational agencies and its multilateral "development" agencies released the "neo-liberal" strategy to replace the Keynesian doctrine and thus recover hegemony (and, especially, their profits).

The global manifesto to save democracy is known as the 1985 "Washington Consensus". What indeed surprises is that the economical crisis, inflation, should be chosen at that moment to justify an attack, in the first place, against social conquests (health, education, stability in employment and retirement) both in England and in Bolivia or Chile under the excuse of "solving the crisis"³⁴ [Pablo: and in the second place?]. That is, workers had to pay the fiddler when capitalism's inefficiency failed

³⁴ In 1984, Margaret Thatcher pioneered the launching of this war of classes from above, with British miners as her target, and followed it with privatizations of the main industries and railroads. Only one year later, President Paz Estenssoro in Bolivia mimed her with the "re-localization" of miners and Supreme Decree 21060.

to advance economic growth. What’s more, the paradox is that while this discourse claims that neo-liberalism, the “structural adjustment,” is the only way to face the crisis and augment productive investment, the truth is that, instead, in the new conditions capital withdraws from productive processes and seeks refuge in the space opened by financial circulation. This has caused, in the first place, a financial bubble that on exploding accentuated even more the misery of millions of people, inside and outside industrial countries [and in the second place?].

This concept of development and struggle against poverty as measured in energy consumption and the amount of circulating money, along with the scandalous laissez faire with which the US government hinders the adoption of measures against global warming, drive us to the following:

Figure 6: The increase in the risk of disasters correlated with the globalization index.



Taken from Smutniak (The Economist 2004)

As is graphically shown, the degree of liberalization goes inextricably linked to an increase in “natural” disasters caused by the current ways in which nature is exploited, and fostered by the globalization framework and the strife to augment corporative profits. On February 25, 2004, La Razón reported on a Pentagon’s confidential document, leaked to the newspaper The Observer, which predicted that in 20 years from now several important European cities would be totally flooded and that wars

would ensue due to climatic changes unleashed by uncontrolled industrialization, technological changes in agriculture, irrational use of energy, etc. Said report³⁵ indicated that future wars would rotate around access to food and water sources, i.e. around basic elements for survival placed in hazard by, precisely, free trade policies and ALCA-type agreements that above all pursue capital and trade expansion as the basic tool for “development”.

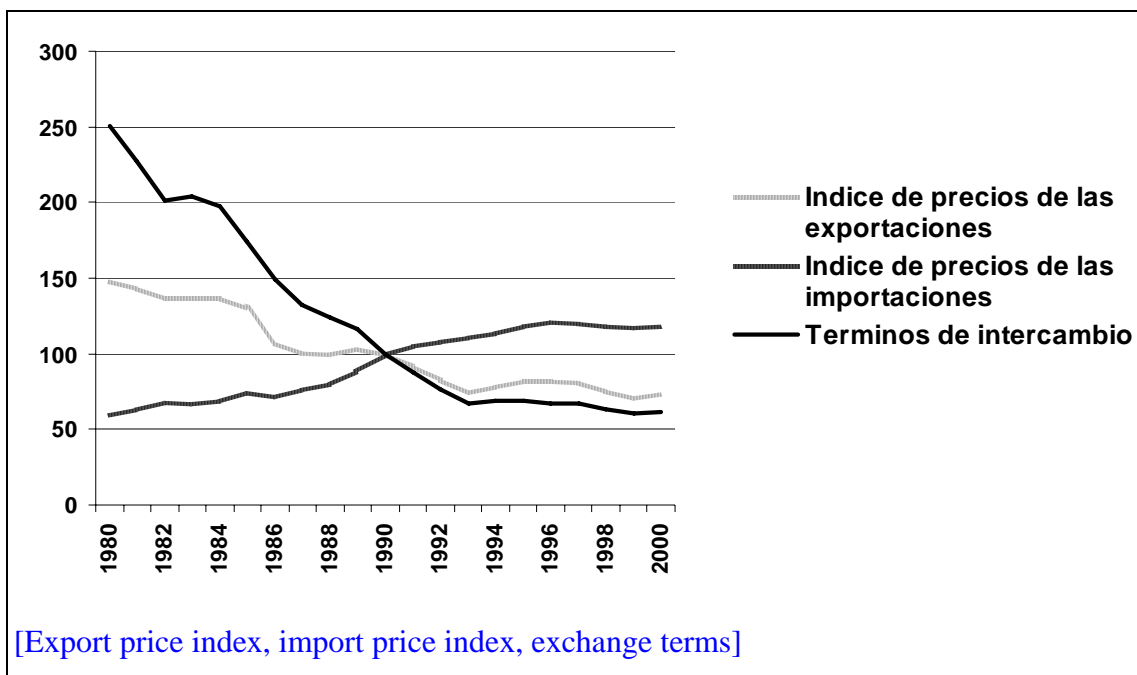
The WB’s manner of “struggling against poverty” is a high-speed shortcut to this future that threatens humanity and the earth.

³⁵ <http://observer.guardian.co.uk/international/story/0,6903,1153513,00.html>

How has Bolivia been affected by international trade expansion?

The following graphic shows the country's exchange relation by export and import prices:

Figure 7: Bolivia's exchange terms.



Source: CEDLA and INE

This correlation in foreign trade exchange terms shows that Bolivia has lost in only 10 years the equivalent of 50% of the relative value of its exports. However, this does not stop the government from grandiloquently concluding, in the opening page of its Agricultural and Rural Development Strategy³⁶, that in order to achieve rural development...

“The main problem of the agricultural sector is its **limited insertion in internal and external markets**; this reduces the rural population's income and food

³⁶ MACIA (2003)

security, thins out private investment flow to this sector, and allows foreign agricultural products to displace national products.”³⁷

The same document, the 2003 Agricultural Strategy, finds no contradiction whatsoever in reproducing a few pages later a graphic that shows a more than 50% drop in the exchange terms in the last 10 years!—its graphic is a portion of the one we reproduced above with figures for the last 20 years.

The boys of the 2003 Agricultural Strategy team do not seem to find an obvious relation between international trade expansion and structural adjustments, and the abovementioned drop in the national income. On the contrary, they change things completely and claim that, according to the World Bank and the own government, what matters is that the GDP has grown in more than 3% per year and that poverty has diminished from 85% to 70%, from the own WB data,³⁸ thanks to the implementation of the NPE. How can this conclusion be reached without denaturalizing data? Growth obeys to the inclusion of supposed investments in national accounts by capitalized companies; investments which are difficult to prove and which, in any case, are neutralized by the same fact that they consist of goods and service imports and not of a production increase generated from within.

The important thing is to come off well and avoid contradicting international organisms; understanding reality is not that fundamental.

A type of development was promoted to agree with the powerful West’s ideas and expectations, with what western countries judged the normal course of evolution and progress. ... On conceptualizing progress in those terms, the development strategy became a powerful instrument to normalize the world. Behind the new strategy’s humanitarian interest and positive appearance, new more subtle and refined forms of control began to operate. The capacity of the poor to define and rule their own lives was more deeply eroded than ever before. The world’s poor became the target of ever so more sophisticated practices, and of a multiplicity of apparently unavoidable programmes³⁹. Lander (2000:4)

³⁷ MACIA (2003 Executive Summary:1)

³⁸ MACIA (id.II: 10). The WB’s estimates notably differ from data contributed by the 2001 Census and the census, in turn, from people’s self-perception. As can be seen, we are dealing with very reliable information here.

³⁹ Lander, Edgardo, 2000, The utopia of total market and imperial power, Quito.

President Mesa's government has ratified the previous agricultural policy claiming that the solution passes by the promotion of productive chains in the style of those pertaining the quinoa and the cacao, i.e. through the exclusive promotion of those peasant products that are exported and grant income in foreign currency, without the slightest analysis of the effects on the agricultural activity as a whole.

The fact that an unceasing rise in the prices of industrialized products (like processed coffee or refined chocolate) is at par with a hopeless drop in the price of exported raw material is not taken into account; neither is the fact that those productive chains only "empower" consortiums in control of the entire world trade, like the Nestlé in the case of coffee and chocolate.

It is assumed that low agricultural productivity is the result of peasants' lack of access to new cultivation technologies. Equally taken for granted is modernization as the necessary condition for any technological change and productivity increase; modernization understood, by the by, as the regularization or "streamlining" of private property's title deeds over land that is now under community territorial jurisdiction so that peasants can have an individual title—apt to be readily seized by a bank—and thus access credit and a greater participation in the market.

Andean communities are characterized by their system of jurisdictional control over access to the land that restricts the rights—to possess land and to usufruct from it—of community members, be they from a union, community or *ayllu*. Purchase and sale of land is exceedingly limited, as was indirectly recognized by the legal framework in force until 1996, which trailed along the ground of the 1952 agrarian reform. In 1996, the INRA law established a free land market and concurrently allowed indigenous and native communities new forms of accessing territory. Even though the system of property and other resources still rests on this general principle of community control under customary norms, there are great differences between communities.

The very succinct data that follows, taken from our own field research, question a strategy that is based on expanding the market of lands, products, technology and labour force to pursue credit and formality.

The 2001 Census shows the growing trend towards urbanization yet, at the same time, it does not fail to show the revealing data that the rural population continues growing,

albeit at a slower rhythm than the urban one. According to this census, the economically active rural population comprises 1,742,647 inhabitants and the total number of people at a working age in the rural area is 2,155,312 inhabitants⁴⁰. What else but peasant agricultural activity sustains this population?

It is true that the peasant population emigrates temporarily to cities and other productive areas for increasing periods of time to complement their income. The census was carried out precisely during migration, in September, when peasant agricultural activity drops to a minimum, no more than 10%, particularly in lowlands under irrigation.

To put it differently, the Census is underestimating rural population and rural PEA because it was carried out during summer; their figures point to a minimum rural PEA and not to a maximum. An example of this is Raqaypampa, where the 2001 census only counted 7,732 inhabitants whereas the community census, carried out under VAIPO's supervision in 2003 –**during** the agricultural cycle- obtained 10,644 inhabitants, a 37% gap! Those in charge of the census, it must be said, also stopped counting much of the population dwelling in areas that take long hours to be reached. These differences must be considered when evaluating the relative decrease in rural population.

Even if we accept the estimated employment rate used by PNUD-CERES⁴¹, by way of illustration, which in my understanding would only include family heads, this takes rural employment to 723,143. What productive chains will be implemented to substitute this enormous amount of employment at a minor risk and providing, at the same time, greater opportunities for income, and more food security and stability?

Life strategies, employment and land

Life strategies displayed by peasant families are tied, basically, to their food security. Just as an urban family endeavours to find ways to ensure its reproduction and

⁴⁰ Müller and Associates, 2003, Socioeconomic statistics 2002, La Paz page.462

⁴¹ PNUD-CERES, 2003, Formation and Evolution of the National Space, Plural, La Paz

diversify its risks with several jobs, the aversion to risk is a main parameter in the case of peasant families. This is what guides their actions, the aversion to risks or, in positive terms, the search for food security.

Accumulation does indeed appear in a small percentage of families, the ones that manage to take advantage of special circumstances in the market: a favourable crop or auspicious dates for crops when prices are still high and “they arrive before” to seize the opportunity. However, it is precisely the smallness of this number of people which characterizes the likelihood of grabbing these opportunities for extraordinary profit, because when the rest arrive, they naturally lower the prices.

In our mind, that characteristic is complementary and contradictory. The approximately 700,000 rural domestic units that work the land to guarantee their reproduction operate those contradictory spaces with a given margin at stake; they face a risk when they try to take advantage of those exceptional market opportunities: if they fail, they lose everything. The term “struggle against poverty” when referring to opportunities for accumulation does not realize that the strategies used by millions of workers in the countryside and in the cities have their families’ reproduction in mind and see in accumulation and profit an extremely risky game.

Granted that, unlike city workers, peasants’ sale of products in the market is their main source of monetary income and helps them buy goods for immediate use. Selling their labour force is also source of monetary income. Yet, that income is meant to acquire goods for immediate use or materials for immediate application to production. They do not transform it into capital, that is, they are not used to buying labour force like any other merchandise, save for those exceptional cases referred to before.

As mentioned by Bartra, products sold by peasants generally constitute an indirect way of selling their labour force. Both peasants and city workers sell their labour force in the market, either directly in the labour market and under employers’ control or indirectly through the market of goods.

The problem is that labour force is incessantly being undervalued, its market value is constantly being undermined: high-productivity industries are the ones that can extract that difference in value upon market exchange. Depreciation of rural labour (which occurs in most industry sectors) is the common element of structural adjustments undertaken throughout the entire world economy and in each and every country, whether they are industrialized or the least developed.

It is unreasonable to think that an enormous amount of people with an effective occupation in peasant agriculture can be transferred to another sector with more possibilities of wellbeing; in fact, the opposite is true. What is reasonable is to prepare peasant children so they may try their luck in different activity areas to diversify their occupations, because land availability is becoming scarce and does not allow for a population increase in these regions.

The extreme situation of available land in relation to peasant population growth leads to another issue, that of a new agrarian reform or, in other terms, the reversion of unproductive large estates which, contrary to what the 53 agrarian reform postulates, have taken over the greatest percentage of land in the country. Much has been said on this topic and the own peasant organizations have a clear position on it so reiteration is unnecessary. Nonetheless, the topic of development measured as an increase in wellbeing must face this matter as the core of the peasant issue. Although not the axis of this document, the land matter must be the main part and an unavoidable element of discussions in the programmes of development institutions.

What does correspond herein is to mention the social and economical function of land in peasant economy. Land is far from being an asset in the sense it is defined as a function of capital, in other words, work accumulated as inactive which in turn allows for the acquisition of more work-asset to produce profit. Land does not work as capital but only as a tool and condition of existence. This is why communities have developed a normative called customary that impedes the development of a land market, which in turn hinders its functioning as capital. Understanding the behaviour of this community normative for access to and control of land is prerequisite of understanding the behaviour of the economy of peasant families.

Raqaypampa and Kuyupaya, two case studies:

What follows is a brief analysis, summarized at its utmost, of the case studies CENDA has been carrying out in Raqaypampa (Mizque) since 1986 and in Kuyupaya (Ayopaya) since 1996, both at the productive system level and at the level of these communities' exchange relations in the regional market. Through these studies we shall see how development proposals reflect the continuity of the state's "anti-peasant" nature.

Raqaypampa is a native Quechua peasant regional centre of 41 communities with a diversified agriculture in unirrigated land from which a population of approximately 11,000 inhabitants live. It spreads through an area of about 550km² at the south east of the Department of Cochabamba, bordering on the south with Northern Potosí and Chuquisaca. The Kuyupaya community is part of the Sanipaya Sub central that comprises three communities with an approximate population of 600 inhabitants. These communities are situated at the north of the Independencia section bordering La Paz. Both were landholdings, but Kuyupaya has maintained the rotation system of *aynuqas* that belong to the whole sub central, and its identity reflects a greater Aymara influence.

In spite of both being ex-landholdings and though land in Raqaypampa has been almost completely fractioned among domestic units, community control over access to the land has been maintained, i.e., community norms on resource control prevail over state norms and thus strongly limit the existence of a land market. Likewise, the same community norms are at work to limit the labour market.

We have seen before that the exchange relation Bolivia/world market is negative, the same happens with the relation community/internal market.

Agricultural crisis and school crisis

Since 1980, in response first to an intensified demand and then to a favourable exchange relation between countryside and city—due to the 1985 inflationary process—domestic units doubled the surface to be sown. In 1986, prices began to

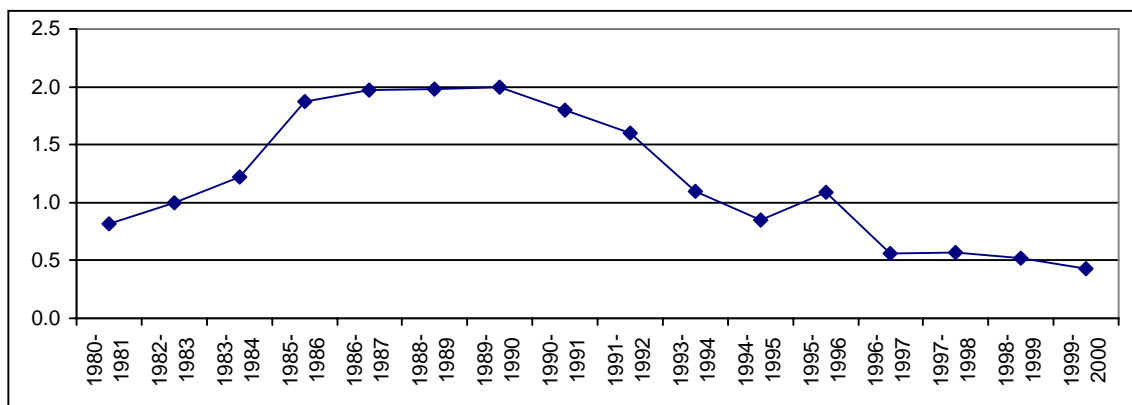
drop and domestic units reacted to the fall in potato prices by, paradoxically, increasing once more the surface sown in order to compensate for the loss in the family monetary income. All the while, the school issue grew in importance, as well as the need to train children before sending them to the city.

Children, in principle, are a key part of the family's labour force. They contribute to safeguard agricultural productivity, as herders during crop growth and as auxiliaries when work in the plots is overbearing.

When more surface is sown, their work also increases and school absenteeism is greater. However, when monetary income falls due to a drop in prices, families are at a crossroad and in an unsustainable position, for there is a limit to how much land they can leave to their children. Families become concerned about sending a greater number of children to school.

Meanwhile, state education was plunging into a crisis, part of the budgetary crisis that had begun with the external debt debacle of the early '80s. Public education, therefore, started to reveal a desolating panorama. There is an interesting correlation between sending children to school, the surface families sow, the availability of land in rest and agricultural prices.

Figure 8. Surface sown with POTATO in Raqaypampa, by family

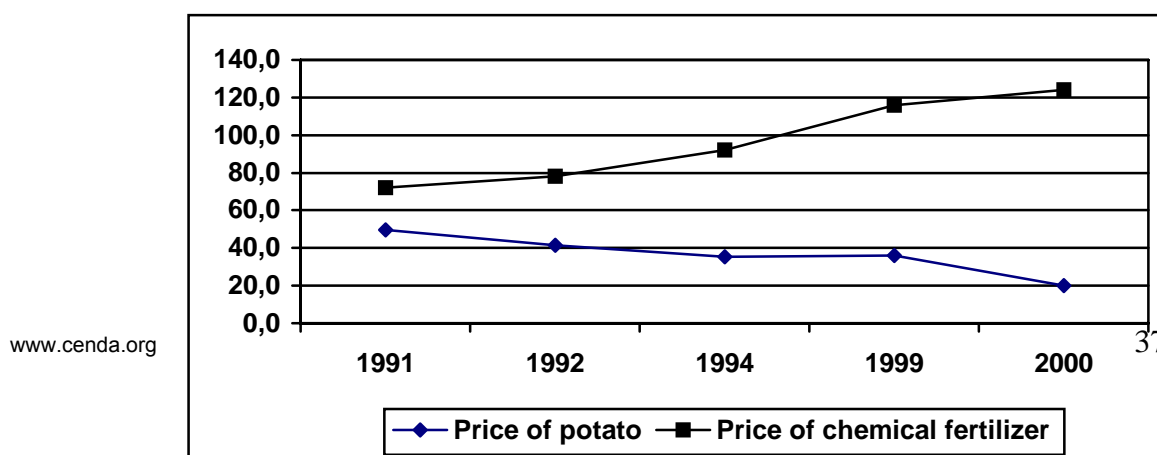


To cover the almost three-fold increase in surface each family was sowing, an also three-fold increase in labour effort would be needed, utterly impossible. As time was not enough to carry out all tasks required to cultivate potato adequately (plough, weed, earth up, drain, select seeds, select diseased plants, *saq'eo*, etc.), productivity per unit of surface fell proportionally to the lack of available labour force. When key tasks—preserve the soil and ensure the quality of native seeds—were neglected, soil fertility was lessened, diseases increased and overall performance lowered.

At the beginning, some families tried to increase the amount of fertilizers and even pesticides and herbicides to compensate for the lack of labour force. Even worse consequences tagged along: soil compacting, an increase in diseases and in their resistance, and a loss of genetic vigour in native seeds. Seeds produced in the region, very appreciated in the valleys, lowered their quality and lost markets. A disaster, simply because peasants were trying to maintain productivity by incorporating inappropriate technologies and because, in doing so, they abandoned traditional practices, which imply availability of intensively-applied labour force in all the stages of cultivation, from seed selection to harvest and storage. The cause: a drop in the price of potato.

This study was based on the price of the main product, potato, and the main purchase, a chemical fertilizer.

Figure 9:
Relation of prices between the potato and the fertilizer 18-46-0 in the Aiquile market



Elaborated by Teresa Hosse based on data from CENDA.

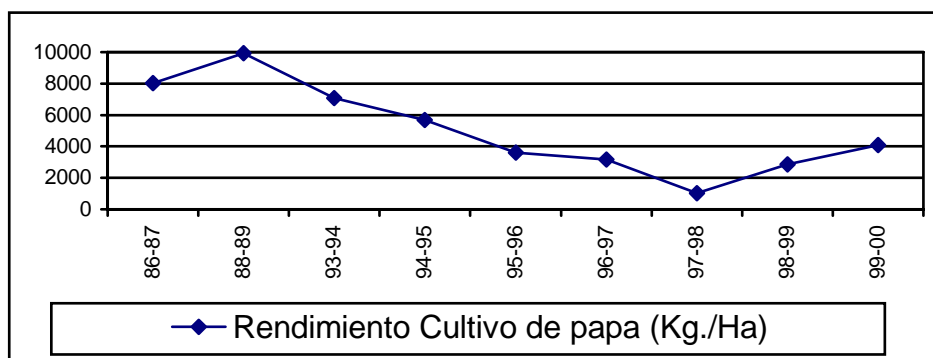
Graphically, this means that if -in 1991- a quintal (46 kilograms) of fertilizer was bought with a load and a half of potato, by 2000 more than 6 loads of potato were needed to buy the same 46 kilograms of fertilizer. Meanwhile, what happened with soil fertility and productivity?

How did structural reforms affect the price of potato if, in turn, they did not notably affect the price of other products like wheat and maize? Prices for the latter have always corresponded to those ruling the international market. Wheat and maize have always been imported or smuggled in so local prices correspond to world market prices. Instead, potato seems to obey the phenomena of local demand.

Even though the offer of potato decreased in the country and notwithstanding the negligibility of potato import, demand has dropped noticeably in the national market. Potato is widely consumed; still, people saw fit to reduce this consumption, along with that of other products, when their own income decreased. Despite population increase in the last years, urban consumption of absolutely essential food seems to have stagnated. Since there is no real data for consumption—the information simply does not exist⁴²—we rely on estimates of available food supply; no other possible source on which to base this reasoning is at hand. It is the only plausible explanation for the drop in potato prices.

Figure 10: Potato yield in Raqaypampa

⁴² For example, SINSAAT 1999



While accepted literature attributes the fall in crop productivity to “traditional” technologies, we verified the opposite: productivity falls precisely because traditional cultivation techniques are deserted, and inappropriate technologies, seeds and tilling practices are introduced. These technologies are incorporated because they do save labour force. It takes much less time and hence it is easier, for instance, to fertilize with chemicals than with animal dung, and the same can be applied to disease and weed control; it is easier to apply chemicals than to keep manual control and select more resistant seeds, part and parcel of “traditional” practices. This technological change, inadequate for soils and native varieties, has brought forth, among other consequences, a rapid disarrangement, a vertical drop in soil fertility, an increase in diseases due to the diffusion of “improved” seeds with little resistance to local diseases, and more disease vectors that have become resistant to chemical remedies.

Prices have dropped for other peasant products like coffee and quinoa in response to drops in world prices and only indirectly to structural reforms in the country, but the case of the potato is notable because it portrays the “national” effect of structural adjustment.

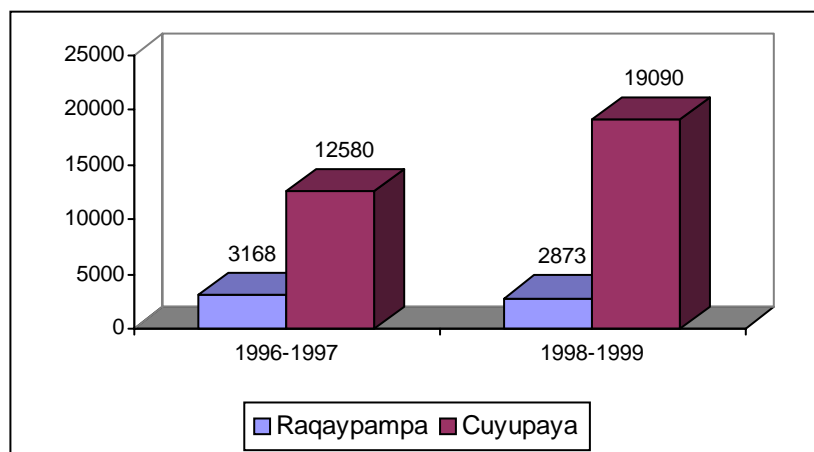
As is known, adjustment sought to restrict consumption especially for popular sectors, which have seen their income cut out and lack stable employment sources. The market of internal consumption, therefore, became less elastic.

Market liberalization consists fundamentally in cheapening production costs by innovating technology and reducing salaries, and it is this variable which impinges on

the decrease of internal consumption and, of course, the general contraction of the internal market. The production of “massive consumption goods that cannot be bargained” is thus made to depend on the generation of an export economy, cheapening costs to render production competitive in the external market. This is the explicit purpose of the Agricultural Productive Transformation Strategy, ETPA, which has inspired policies launched after 1996. This will be manifested with greater clarity in the conclusions of this work. The effect of free imports, on the other hand, has not been so dramatic because products introduced from neighbouring countries have not been very significant; whereas the effect of income adjustment on labour masses with little resources and on those that buy and consume peasant products was indeed remarkable.

To verify this hypothesis, we shall compare the situation in Raqaypampa with what happens in the north of the Ayopaya province where the main commercial product is not potato but maize.

Figure 11: Comparative yields of potato (kg/Ha) in Raqaypampa and Kuyupaya



Elaborated by Teresa Hosse based on data from CENDA

The previous graphic shows us that potato yields have reached a minimum in Raqaypampa while Kuyupaya [In the graphic it is written as Cuyupaya] presents an even greater yield than that obtained in experimental stations. The explanation is that in Kuyupaya potato production was kept exclusively in small plots for family consumption, whereas in Raqaypampa commercial strategy centred on potato tried to extend cultivations a family could not adequately attend. The problem was not labour

force unemployment but rather intensive tilling that required seasonal labour force, which could not be adequately covered because the drop in potato prices did not allow families to incorporate more labour force than the one they themselves provide.

In Kuyupaya, all adequate tasks agreeing with traditional Andean technology were feasible, great care of the soil and the culture itself. Likewise, a great diversity of appropriately selected native seeds and even the adaptation of introduced seeds, through a careful system of peasant experimentation, could be maintained. Besides, in Kuyupaya the system of *aynuqas* is still in force; this lets the community keep their members from extending their crops beyond those places chosen every year for cultivation and joint rotation among community families. Traditional authorities' vigilance ensures soil is much more cared for.

Peasant strategy of accommodating the valid orientation to food security and establishing variations, in the sense of broadening their commercial crops by incorporating industrial technologies, had negative results in Raqaypampa. The region has been plagued by a productivity crisis that endangers the sustainability of the system. Not only is the regional productive system put into test because the productive conditions of soil and varieties are tested, but the food security system of every family is tested too. Meanwhile, the strategy for food security in Kuyupaya, kept by an adequate technological management, has let them optimize yields and keep soil balance and variety richness in a sustainable way.

The ETPA government strategy and its subsequent modifications seek to attack the problem of “massive rural poverty”. Therefore, it proposes to “stimulate a technological jump” and prioritizes investment in roads and irrigation to expand markets, reduce risks and increase productivity. The result is expected to “mitigate emigration to cities, reduce the prices of massive consumption food and generate more sources of employment”. It does acknowledge, nonetheless, that “technological transformation will translate into a greater availability of rural labour force” that requires a “labour adjustment”.

According to ETPA “there is ample empirical evidence that in many regions in the world investments in agricultural technology research and diffusion have high social

return rates, from 80 to 100%”. We ignore what empirical evidence it is referring to. The one we know, coming from countries like India, Indonesia or Mexico, show exactly the opposite: the social cost of technological transformation has been extraordinarily high and is still costing millions of peasants the loss of their lands and their only sources of income and food security.

Places where communities had perfect conditions to apply this Strategy, as Pocona in the Carrasco province, show dramatic results. After years of development efforts begun in the early ‘80s with great IDB financing to extend markets, insert agricultural production into and according to those markets, build roads, infrastructure, extend irrigation, introduce improved varieties and technological packages, with a strong component of technical assistance in situ, without forgetting to supply subsidized input and establish a modernized health system, what we find is a community totally forlorn where almost all community members, save some old people, have gone to Argentina, United States and now Spain, convinced that the fundamental concern is to get monetary income.

ETPA’s “novel” recipes and their “productive chains” are no novelty for those peasants who have decided to leave their land uncultivated because it did not provide sufficient monetary earnings to cover ever increasing costs. Communities who have not followed these recipes conserve the productive potential and are still producing for the cities, guaranteeing the country’s food security, keeping native genetic patrimony and providing young labour force for cities. While it is true that most of their children go to the city to study and to look for jobs, this in no way contradicts the main goal which is to ensure family survival through food security strategy.

Some preliminary conclusions

A couple of case studies have shown us that market extension, combined with an unfavourable exchange relation both at a global level and at the level of the internal market, has generated a critical situation in peasant economies, and that if they have been able to save something it was thanks to their strategy of food diversification and autonomy and not to their insertion in the market proposed by the Strategy of the

MACIA and the ETPA. Rather the opposite, this insertion led to countless penuries suffered.

We have shown, by the way, that the introduction of intensive fossil-energized technologies also plays a role in deteriorating the situation of peasant agriculture, which is instead dependant on the use of family and inter-family labour force. New energy-intensive technologies replace the intensive use of labour force with machinery or materials that consume energy. In sharp contrast, human energy is increasingly being underused and worse remunerated; it is becoming ever more abundant and cheap.

The technological change proclaimed as the sine qua non condition for development appears in its place as the preface for the destruction of peasant family life and the increase in the exaction of their economy through uneven exchange. This is why we base ethno-development on the improvement of the use of culturally validated resources and strategies, and not on changing them for other little-sustainable resources and strategies. While modernization strategies proclaim that they enable the creation of employment, in practice they eliminate millions of jobs and seek to replace labour-intensive crops and traditional technology for crops that can be mechanized or that require less human effort, thus dispensing the use of family labour.

“There is an unblemished scepticism in people that the proposals of policies in vogue are adequate in overcoming those structural problems...a suspicion that the political class does not know how to articulate the globalization process and take advantage of it...A general feeling that our countries are adrift...with governments unable to guide them towards clear strategic objectives...” (Eguren 2003:4).

It is true; we NGOs want to add our efforts to solve problems common to countries like Peru and Bolivia that share the same crisis and the same type of governors; yet, it seems that our governors are not the only ones adrift. There is a deep crisis due not only to “not knowing how to take advantage of globalization”. And it is true that in order to understand the crisis, we need to question the understanding that underlies that “common sense” about what globalization is and what it represents. For that, we need the intellectual and political courage bureaucrats lack but which is present in

those who struggle daily beside people suffering from increasing oppression and exclusion. Could this be our “human capital”?

It is simply about supporting current Andean peasant strategies in force, and the demand for access to enough land subject to customary norms of community control and management in order to guarantee a sustainable future for millions.

It is about facilitating appropriate Andean technological management to continue generating occupational opportunities and maintaining current food security strategies.

It is about keeping the stock of genetic resources in the hands of communities, not letting GM multinational steamroll the right of small producers to use their own seeds. It is about not letting access to water and natural resources be commercialized, nor giving in to the creation of protected areas, under the pretext of preservation, for they obstruct even more the access of the poor to resources they need to survive.

It is about restricting the activities of oil and mining companies, which currently destroy rural productive environments and yet have free access to regions that are supposedly under environmental conservation.

It is about subordinating policies that promote production and food security to the needs of the country’s urban and rural population, by stimulating small production and not subsidizing the needs of an export industry that has yet to demonstrate it can generate development, not a mysterious future where minute minorities are benefited.