

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



**Let us examine the foundations of the development building**

**Pablo Regalsky, CENDA**

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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 NGOs<sup>1</sup>.

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:

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<sup>1</sup> 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”<sup>2</sup>.

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 project<sup>3</sup>. 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 project<sup>4</sup>. Surprisingly, a few years afterwards, in the ‘90s, identical signs appeared in a similar

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<sup>2</sup> World Bank’s World Development Report 2000-2001 p9

<sup>3</sup> 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).

<sup>4</sup> Argandoña, Mario (1988)

situation in the high valleys immediately after the GTZ implemented its irrigation project<sup>5</sup> 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 seeds<sup>6</sup> 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"<sup>7</sup> 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 hands<sup>8</sup> and a greater migration to Chapare and neighbouring countries. Other research work in the same area<sup>9</sup> 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,

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

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

<sup>7</sup> PDAR financed by USAID

<sup>8</sup> PROBIOMA, 1991, Estudio Factores Socioeconómicos Medio Ambiente Valles Altos, PDAR

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 of Vienna, unpublished thesis

















































































