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RURAL COLLECTIVIZATION AND DEPENDENT CAPITALISM: THE MEXICAN COLLECTIVE EJIDO

by
Peter Singelmann*

While the industrial revolution in the advanced capitalist nations has transformed most peasants into agricultural entrepreneurs, rural proletarians, or holders of non-agricultural occupations, most developing societies today still face the so-called "agrarian problem": the persistence of a large number of impoverished peasants and of agricultural sectors too inefficient to feed the exploding urbanized populations. Under these circumstances, rural cooperatives have been tried as a possible solution in a number of Latin American countries (cf. Fals Borda, 1972; Galjart, 1967), with the most dramatic efforts being represented by the Mexican collective *ejido* (cf. Eckstein, 1966; Restrepo and Eckstein, 1975). The major arguments in favor of rural collectivization generally refer to the advantages accrued from economies of scale which permit capitalization and increased productivity, the facilitation of centralized economic planning, the diversification of agricultural activities to create new employment opportunities, and, in the case of marketing cooperatives, the elimination of parasitic middle men who can exploit peasants at the individual level.¹

In Mexico the collectivization movement assumed a dramatic momentum under the Presidency of Lázaro Cárdenas (1934-1940), with its proponents arguing that the collectivization of the peasant smallholders (primarily *ejidatarios*) represented a viable development alternative to large capitalist agricultural enterprises and the "unproductive" smallholdings which contributed little to satisfying the demands for food in an increasingly urbanizing and industrializing nation. It is in this context that the League of Socialist Agronomists coined their famous theme: "Neither ejido, nor small private property."² *hacien-*

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¹Cf. Restrepo and Eckstein (1975:314); Schiller (1972:ch. 2); Fals Borda (1972:15); Reyes Osorio (1975:40-41); Stavenhagen (1973); Fernández y Fernández (1973:14-15, 63-64).

²Mexican law restricts agricultural properties to certain limits defining "small property" (which fluctuate between 100 and 300 hectares, depending on the type of crop). However, many rural entrepreneurs are circumventing these restrictions by a variety of legal and illegal devices: through formal subdivisions of *latifundia* among family members and "namegivers," in an indirect manner through financing small producers, effectively controlling the production of numerous contiguous small plots, or renting ejidos illegally.

das without *hacendados*." The idea was that collectivization would enable the peasants to control their own production and benefit from its results, eliminating the hated landlord, but without destroying the traditional units of large-scale production with "proven" success.

Above the economic objective of increasing productivity in the collectives is the stated social goal of emancipating the peasantry as a group (or class) from the traditional forms of exploitation and domination. This is, however, also one of the most problematic aspects. It is evident that the integration of formerly dispersed smallholders into large enterprises *per se* does not necessarily change the inequities and contradictions inherent in the capitalist mode of production which dominates Mexican agriculture. The elimination of the traditional landlord does not preclude his substitution by salaried managers, government functionaries, or bank officers. Collectivized production does not guarantee that the producers appropriate the value of the production. Traditional middlemen (merchants, moneylenders) may be substituted by modern corporate and state marketing monopolies. Collectivization, therefore, does not automatically tend toward some sort of "socialism," as some authors have asserted (Fernández y Fernández, 1973: 54-62).

It may, therefore, be useful to make an initial distinction between "controlled" and "cooperative" collectivization, of which only the latter represents the classical idea of cooperativism as the collaboration among autonomous associates who receive individual and collective benefits from shared resources and joint activities.³ *Cooperative collectives* can be outlined ideal-typically as peasant communities which exercise effective control over the distribution and utilization of land among their members. Labor and capital are generated and distributed within the community without dependence on outside individuals or institutions; they are integral and inalienable "attributes" of the collectively managed production within the rural community. The administration of production is controlled autonomously by the community. Products are marketed directly and without recourse to parasitic intermediaries. The community has a sufficient degree of political independence to freely negotiate institutional supports (such as credit or social services) without being swayed by the changing tides of political climates in the larger society. In the *controlled collectives*, land may be owned or controlled by the peasants (although even this is often only a nominal matter), but the utilization of other resources (labor, land, credit) becomes controlled by agencies outside the rural community. Under these conditions, the peasants effectively "sell" their labor power to a collective enterprise which is only nominally theirs. Production and marketing are managed by hired administrators who respond not to the membership of the collectives but to financial institutions or government agencies. The enterprise is completely dependent on outside institutional supports which the members have to accept under imposed, not negotiated, conditions.

These concepts represent ideal-typical dimensions which, for purposes of exposition, have been described as though they were isolated from the larger socio-economic context within which they operate. Indeed, they are useful mainly as polar types which are approximated empirically in varying degrees.

³For statements on the nature of cooperatives, see Fernández y Fernández (1973:22-23) and Schiller (1972:ch. 1).

The degree to which collectives historically approach one or the other type depends on the nature of the macro-structural environments in which they operate. This paper will examine the specific case of the Mexican collective ejido which tends to exhibit the features of the "controlled" rather than the "cooperative" variant. It will be argued that it represents a specific adaptation to the structure of constraints and opportunities arising from the integration of a dependent capitalist national economy into an international imperialist economic system.

IMPERIALISM AND DEPENDENT CAPITALISM

While attempts have recently been made among orthodox Marxists to separate the process of "dependency" from imperialism and suggest that the so-called "dependency theories" mystify the structure of the international imperialist system (Fernández and Ocampo, 1974), most scholars tend to agree that dependency is not qualitatively different from imperialism but rather a part of it. In replying to Fernández and Ocampo, for example, Cardoso (1974) and Sternberg (1974) view patterns of dependency as specific mechanisms which integrate contemporary underdeveloped nations into the imperialist world system and which have certain implications for the internal structure of such nations, creating conditions of development which differ qualitatively from those prevailing in the early development of the advanced capitalist societies. Following the Marxist-Leninist theory of imperialism, a number of authors (e.g., Amin, 1970; Marini, 1974) have shown that imperialism, as the advanced stage of capitalism, generates in the colonies or dependent nations a form of "distorted" capitalist development in accordance with the specific functions those national economies fulfill within the international division of labor that characterizes the larger system. This distorted capitalist development has been variously labelled "peripheral capitalism" (Amin, 1970; Senghaas, 1974), "dependent capitalism" (Marini, 1974) or "dependent capitalist development" (Cardoso, 1972). The position defended by those authors does not preclude the recognition that pre-capitalist modes of production may continue to persist in dependent nations; they rather argue that capitalism (represented at the peripheral level in its "distorted" form) is the dominant mode of production within a larger socio-economic formation. This general position underlies the argument presented in this paper and is specifically applied to the Mexican case (cf. Gutelman, 1974; Bartra, 1974: esp. 23-24). As there are detailed analyses of imperialism and dependent capitalism elsewhere,⁴ the following will offer only a brief summary of their structures and underline some implications for agrarian development in dependent nations.

Structure and Functions of Dependent Capitalism

The major phases in the development of dependent capitalism began with

⁴For statements on imperialism, see Lenin (1970), Alavi (1964), O'Connor (1971), Baran and Sweezy (1971), Frank (1971). For discussions of the relationships between dependency and imperialism, see Sternberg (1974), Cardoso (1972, 1974), Bodenheimer (1971). On the specific relationships between imperialism and the internal structure of dependent capitalism, I have relied heavily on Amin (1974), Marini (1974), and Furtado (1974); cf. also Senghaas (1974) and Cardoso (1972). The specific implications of dependent capitalism on agrarian structures have been treated in Amin (1975) and Vergopoulos (1975), while the application of these issues to the Mexican case can be documented by reference to Warman (1973), Bartra (1974), and Gutelman (1974).

the expansion of European and North American capitalism and the concomitant establishment of an international division of labor within the emerging international capitalist economy. This economy was founded on unequal exchange through colonization and trade and implied external dependency for most nations which today constitute the "Third World." External dependency, once established, has also become a major mechanism for sustaining the pattern of unequal exchange that developed through the transfer of surplus from dependent to metropolitan capitalist nations. This pattern accounts largely for the "distorted" capitalist development within the dependent nations and the corresponding implications for agricultural change.

(1) During the initial phases of the industrial revolution in the advanced capitalist nations, colonies and dependent nations contributed to the formation of *relative surpluses* in the industries of the metropolis. The extent of the relative surplus depends on increasing the proportionate difference between socially necessary labor and actually performed labor (cf. Marx, 1971: chs. 10 and 14). The amount of relative surplus can be increased by decreasing the amount of socially necessary labor which, in turn, entails a devaluation of the means of subsistence. In this respect, one of the early functions of colonies and dependent nations has been to subsidize the means of subsistence in the metropolitan countries through the exportation of cheap foodstuffs (Amin, 1974: 76; Marini, 1974: 105-107).

(2) This contribution of the dependent nations and colonies entailed, however, its own contradictions. The declining relative value of labor power resulted in an increasing organic composition of capital and thus contributed to a tendential fall in the profit rates (Marx, 1971: 650-657). Such tendencies can be counteracted either by measures to increase the amount of surplus produced or by decreasing the value of the constant capital. The acquisition of cheap raw materials in the international market is one such measure, and the exportation of these commodities has been a second function of the dependent nations (Marini, 1974: 107-108; Amin, 1975: 76). Latin America in particular has thus ". . . not only contributed to the quantitative expansion of capitalist production in the industrialized countries, but also to overcoming the limits placed upon such expansion by the contradictory character of capitalist accumulation" (Marini, 1974: 108; author's translation).

(3) The low prices for the exports of the colonies and dependent nations have been made possible by the high rate of labor exploitation that was initially buttressed by external conquest or internal patterns of coercion. Later coercion became supplemented (and at the level of external relations superseded) by institutional mechanisms of domination. External trade was characterized principally by the exchange of raw materials and foodstuffs for luxury goods imported by the upper classes. The inequality inherent in these exchanges became institutionalized from the beginning via the international tendency towards equalized profit rates brought about by the differential organic compositions of capital in the dependent and metropolitan nations. For the dependent nations this resulted in a tendential decline in prices for their exports that was periodically modified by cyclical and conjunctural fluctuations in the international market. These price declines meant in structural terms that part of the surplus generated in dependent countries was appropriated by enterprises in the metropolis. For the entrepreneur in dependent

countries that translated into reduced profit rates. Within the context of dependency caused by unequal exchange, the entrepreneur was forced to respond by increasing the volume of his production and by reducing wages to, or below, the subsistence minimum (in this sense, he superexploited labor by appropriating part of the socially necessary labor). The subsidizing of a *relative* surplus in the industrial nations (via increased productivity) on the basis of transferred *absolute* surpluses (via increased exploitation of labor) thus became further intensified (cf. Braun, 1974; Amin, 1974: 76-77; Marini, 1974: 108-115).

(4) When Latin American nations began to intensify their industrialization in the twentieth century, they were thus faced with a number of obstacles not encountered by the advanced industrial nations. Their economies had specialized in (and were heavily dependent on) foreign exports, the incomes from which generated mainly an internal demand for imported "luxury" goods limited to the upper classes. There was virtually no sector producing capital goods, and internal mass consumption was restricted to goods produced by peasant and craft "enterprises" of low productivity. The linkage of the most productive sectors of the economy to the international market effected a separation of production from circulation in the economy. Goods produced internally were not purchased within the country and thus did not depend on the extent of the internal market. This separation of production from circulation, in turn, had separated the consumption function from the producing population. There was, thus, no necessity to link the wage levels to the production levels in order to guarantee the circulation of the products. The only limit on lowering wages in those enterprises thus became the level at which labor power could no longer be physically reproduced or substituted. The superexploitation of labor was thus both a condition and consequence of the dependent capitalist economy. It represented, other things being equal, a self-perpetuating mechanism which stratified the population into two separate consumption spheres: one, small and affluent, oriented to the import market, and the other, constituting the mass of the population, surviving at the subsistence level, unable to constitute a potential market for industrially produced consumer goods. This limitation of the internal market constituted the final link in a vicious circle of dependency which has handicapped the development of industrial capitalism on the continent (Marini, 1974: 120-130; Amin, 1974: 72-81; Furtado, 1974).

(5) Industrialization in Latin America has generally been an adaptation to these structural constraints in the form of "import substitution." In contrast to industrialization in the advanced capitalist countries, import substitution is not based on the connection between the production of capital goods and commodities for mass consumption (cf. Amin, 1974: 72-76) but rather on production of "luxury" goods (including industrially produced consumer durables) for the consumption of the limited elite and emerging "middle strata" whose tastes and demands were temporarily unsatisfied due to the international crises between 1929 and the early 1950s. Industrialization in Latin America thus *began* with patterns that were characteristic of the *end* of the industrialization process in the advanced countries. Dependent capitalist industrialization thus never generated its own markets but only responded to the limited markets already in existence that had developed through the diffusion of

consumption patterns from advanced capitalist countries (Furtado, 1974; Marini, 1974: 123-130; Amin, 1974: 76-79). Dependent capitalist industrialization is thus initially geared toward satisfying demands of a limited upper and middle income stratum, and its growth depends on the expansion of a middle income market as well as of an incipient foreign market. Both the growth of the middle-sector market and of the export market entail, however, the continued maintenance of wages at the lowest possible levels; first, because the development of middle strata ultimately tends to entail surplus transfers from the working classes and peasants to the capitalists, and second, because the continued differentials between the organic composition of capital in the metropolitan and dependent countries require the continued superexploitation of labor in the latter. This process operates both in exports and imports of industrially produced consumer goods, with the double effect of maintaining low wages and high prices on industrially produced consumer goods for the largest part of the population.

(6) In order to increase productivity and thereby increase the internal market via lower prices, dependent countries have increasingly relied on foreign technology and investments. The results have been (a) increased dependence on exports to finance the acquisition of foreign technology and (b) the development of "dynamic" sectors with a large share of foreign control and which are highly capitalized so as to employ a minimal amount of labor. In this sector, industrialization thus contributes little to absorbing labor reserves; in contrast to the advanced countries, there is little development of a capital goods industry that could absorb labor displaced by mechanization (Furtado, 1970: ix-xxi).

(7) Latin American industrialization has thus not overcome the "distortions" of dependent capitalism but has, in effect, reinforced them through the one-sided development of an internal upper class and middle sector at the expense of the masses which remain marginalized and incapable of participating in the markets for industrially produced consumer goods (Amin, 1974: 79-81). The superexploitation of labor remains the basic impetus to, and indeed condition for, development. The previous pattern of subsidizing capitalist development abroad through internal exploitation of labor is thus merely shifted to the internal sphere of the dependent nations (Marini, 1974: 128). For the capitalist entrepreneur, this entails a number of implications. First, he continues to need to increase the amount of production to compensate for the effects of unequal exchange (involving imported technology and foreign competition) which reduce his profits. Second, the tendential fall of his profit rates (caused by unequal exchange) forces him to increase the amount of labor exploitation; his capacity to do this is aided by the fact that labor is only a cost factor. Third, specifically he may be forced to expropriate part of the socially necessary labor in order to maintain his profit rates. This means in effect paying wages below the subsistence minimum (cf. Marini, 1974: 114-115) which is possible on the condition either (a) that there exist sufficient reserves to substitute labor eliminated through physical attrition, or (b) the availability of pre-capitalist subsistence production which supplements wage earnings at no cost to the capitalist sector. It is in this context that the "agrarian problem" needs to be evaluated.

The preceding discussion represents a summary of some (not all) basic parameters of the general model of dependent capitalist development. As such it is

necessarily abstract and needs to be applied differentially in given historical contexts. For now, the model allows us to derive certain implications for the analysis of agrarian development.

Implications for the Agrarian Problem

The penetration of capitalism in Latin American agriculture began with the production of food and raw materials in the export sector. In addition, industrialization and urbanization have resulted in an increasing internal demand for agricultural products in the twentieth century. The corresponding pressure for higher productivity has been two-pronged. On the one hand, agriculture had to feed an increasing non-rural population, and on the other, increased agricultural productivity entailed a lowering of the subsistence costs in the non-rural sectors and thus contributed to increasing the profits rates in industry.

While the development of industrial capitalism generally entails a stimulus for the penetration of capitalist modes of production in agriculture, under conditions of dependent capitalism there develop built-in mechanisms for limiting the profitability of rural enterprises.

First, rural capitalist enterprises in dependent countries face a twofold handicap in regard to the terms of trade. On the one hand, they compete at the international level with producers from advanced capitalist countries whose organic composition of capital is generally higher; on the other, they lose in the unequal internal exchange with the more productive industrial sectors which are favored by higher organic compositions of capital. In both cases, the corresponding equalization of profit rates translates itself into surplus transfers either into foreign economies or into the internal industrial sector (cf. Bartra, 1974: 94-95; for specific data on Mexico, cf. Gutelman, 1974: 218-222). These surplus transfers mean, from the standpoint of the rural entrepreneur, declining profit rates. In order to continue producing, he must subsidize the prices for his products with part of his accumulation fund or attempt to increase his absolute surplus through the superexploitation of labor (i.e., appropriate part of the socially necessary labor). Herein lies one of the basic structural roots of the "inefficiency" and "stagnation" of capitalist agricultural production in Latin American societies.

Second, there are a number of specific market mechanisms which mitigate against capitalist agricultural development in dependent countries. One of them is a direct consequence of international unequal exchange and entails a constant tendential price decline. Apart from this long-range trend, there are conjunctural fluctuations related to climatic factors or overproduction but which make long-range investments risky (cf. the drop in the international sugar price from U.S. \$.66 to U.S. \$.12 per pound within the last few years). Finally, basic food products often encounter internal price regulations which are designed to strike a delicate balance between the profitability requirements of the producers and the minimal incomes of the mass of the consumers; these "economic" decisions are typically confounded by "political" considerations when social tensions are high or elections approach. The net effect of these free and controlled market mechanisms is to reduce the subsistence costs in the urban sectors to a minimum and thereby facilitate the formation of profit rates in industry that allow compensation for the effects of unequal exchange in the external market and for the limited size of the internal market (for

Mexico, cf. Gutelman, 1974: 252-256).

Third, the relatively high cost of imported technology limits the degree to which its introduction is economically feasible in rural enterprises, both because of international competition and the reduced size (or purchasing power) of the internal market.

As a consequence of such factors, the profit rates for rural "enterprises" are reduced to a minimum, although they generate a considerable surplus that is transferred either into the industrial sectors or into foreign economies. Dependent capitalist economies are thus facing a contradiction between the requirements of industrial accumulation for productive agriculture and the limits placed on agricultural productivity by the "distorted" nature of dependent capitalism within the larger context of imperialism. In response to the dilemma, rural producers have resorted to the superexploitation of labor which is, however, nothing but a short-range measure to delay the full impact of the contradiction. At the level of the rural "enterprises" the consequence has been a steady deterioration of the position of the least productive units — the peasant household which in Mexico has experienced a continuous decapitalization in favor of the more productive capitalist sector (Gutelman, 1974: 179, 188, 193-194). The peasant producer, like the capitalist enterprise, has also had to resort to the superexploitation of labor — namely his own and his family's. It is through the incorporation of non-financially remunerated family labor that the peasant has attempted to compensate for what would otherwise be a "negative rent" (cf. Bartra, 1974: 43-45). This phenomenon has in Mexico been observed both for those peasants who produce for the market (Bartra, 1974: 72-80) and those primarily involved in "natural" production for household consumption (Bartra, 1974: 88-92). The latter case represents, from the standpoint of the capitalist mode of production, a limiting case in which the reduction of monetary production costs to (near) zero allows a reduction of profits to (near) zero. Furthermore, peasant production for home consumption has an indirect effect on capitalist accumulation by providing subsistence means outside the capitalist sector which (1) reduces the amount of monetary remuneration these peasants have to receive in seasonal or part-time employment and (2) reduces the general demand for food products in the mercantile market. This contributes to limiting food price increases which, in turn, reduces the general subsistence costs and thus facilitates higher profit rates in all capitalist enterprises. It is thus possible that the continued development of dependent capitalism will in fact promote the persistence, not destruction, of some traditional "peasant" production, both as a relief for the rural labor force and as a mechanism for facilitating the rural-urban surplus transfers required by dependent industrialization (cf. Warman, 1973:122-125).

Rural Collectivization

As has been pointed out above, urbanization and industrialization require high agricultural productivity. Yet under conditions of dependent capitalism, the profitability of rural enterprises is beset by inherent limitations. The corresponding marginalization of the rural lower classes cannot be offset by a dynamically developing industrial sector. The political and economic problems generated by this contradiction have given rise to three general and contradictory tendencies in Mexico. First, massive land redistribution programs (Gutelman, 1974: 86-124) have created the ejido sector in agriculture which

combines communal property with private usufruct rights. Members of this sector are overwhelmingly peasant *minifundistas* (cf. Reyes Osorio *et al.*, 1974: 434-484). The ejido in general can be viewed as a "holding operation" that has not been able to resolve the agrarian problem but which has served as a means to provide a minimal subsistence to a large part of the rural population and thus relieve social tensions (Bartra, 1974: 19). Second, there has been a tendency toward land and capital concentration in the private sector (Gutelman, 1974: 180-189). Third, there have been various forms of collectivization of peasant producers, either by private individuals and corporations or by governmental agencies. In both cases, *de facto* or formal-legal collectivization has been structured around financing commercial crops for peasant producers under the condition that production and marketing be controlled by the financing agents. Specifically, the collective ejido has been devised to resolve some of the contradictions entailed in dependent capitalist development. It is intended to increase agricultural productivity among peasants through capitalization on the basis of existing resources in the peasant community (land, labor) which are pooled, intensified and rationalized.

Within the larger capitalist economy, the collective ejido is, however, subject to the same conditions as private capitalist enterprises. Moreover, as will be argued in this paper, its internal productive structure has become in effect a specific sub-type of a capitalist enterprise in which capital is differentiated from labor and in which accumulation is based on the exploitation of labor. Its specific characteristic is that some of the production costs ordinarily charged to the capitalist are absorbed in the collective ejido by the producers, which permits a reduction in the price for the product. In this capacity, the collective ejido represents a specific adaptation to the structural constraints inherent in dependent development by (1) permitting increased productivity through capitalization, thereby promoting exports and food production for internal consumption, (2) developing a new variant for the intensification and superexploitation of labor, and (3) thereby supporting profit rates in the larger economy and thus subsidizing dependent industrialization.

In the following section, an attempt will be made to evaluate these theses by reference to evidence from the Mexican collective ejido.

THE COLLECTIVE EJIDO ⁵

Since the beginning of collective agriculture in the 1930s, the legal stipulations of Mexico's Agrarian Code (cf. articles 200 and 202) specified that collectivization should be established for the large-scale cultivation of crops destined for industrialization and which constitute agricultural "tributary zones" for an industry. It is specifically tied to the requirements of machinery and other implements of production as well as the optimal utilization of resources. The new Federal Law of Agrarian Reform (1971) does not alter these stipulations substantially, except for its greater explicitness in granting the

⁵The interpretations offered in this part are based on analyses of cases and comparative studies in the literature, as well as on my field observations in the state of Morelos, 1975-1976. The cases are reported in Barbosa and Maturana (1972), Glantz (1974), Gómez Tagle (1974), Müller-Oswald (1974), Paré (1971), Reyes Osorio *et al.* (1974:491-534), Restrepo and Eckstein (1975:282-312), Ronfeld (1973), Senior (1974), and Stavenhagen (1975). For comparative studies, see Eckstein (1966) and Restrepo and Eckstein (1975). For general discussions of the collective ejido see Schiller (1972:140-153), Durán (1975:103-145), Stavenhagen (1975), and Guerrero (1975).

President of the Republic the right to determine the form of exploitation in the ejido (article 131).

While there are different modalities of collective organization in the ejido (cf. Reyes Osorio *et al.*, 1974: 486-491; Restrepo and Eckstein, 1975: 159-180), the general characteristics of the formal structures entail the following:

(1) Collective ejidos are legally organized most of the time in the form of credit societies which function as agricultural enterprises under the direction of agents from the financing institutions and to which individual *ejidatarios* contribute land, labor, and capital.

(2) The profits of the enterprise are calculated as the difference between the total value of the harvested crop that is delivered to the bank on the one hand, and the sum of all cash advances to the peasants, credits and amortization costs on the other. This difference may in part be channeled into various funds (for accumulation or social services), and the rest is prorated among the peasants in proportion either to the labor services rendered or the size of the plot contributed.

(3) Peasants receive regular cash advances on their future dividends as remuneration for labor services rendered.

It should be noted that there are variations in the specific organizational forms and also frequent deviations (as, for example, the employment of wage laborers who are not members of the collectives). It should further be stressed that this form of collectivization is characteristic for the cultivation of commercial and industrial crops which require relatively capital-intensive methods of large-scale production on irrigated lands. The collectivization of ejidos, particularly when the active support (or pressure) of the federal and state governments has been involved, has almost always entailed the establishment of highly capitalized enterprises in the rural communities.

In theory, then, the members of collective ejidos receive incomes composed of a mixture of (1) a proportionate share for their contributed labor, (2) a proportionate share of the land rent, and (3) a proportionate share of the profits made by the enterprise. By uniting the basic factors of production (land, labor, and capital) in their own hands and by increasing the productivity of the enterprise through capitalization, the peasants should thus receive incomes above the "normal" level of traditional peasant household production.

In practice, however, the collective ejido is subject to the same constraints which limit the profitability of any rural enterprise that is profit-oriented and produces for the market in a dependent capitalist economy. In effect, the formal ownership of capital, land, and labor power in the hands of the peasants generally does not increase their incomes above the level of individual and more labor-intensive household production but rather serves as a cushion for absorbing the effects of the enterprise's low profitability.

In a few collective societies profits have been high enough that the dividends distributed among the associates permitted them to accumulate capital. Those associates may be compared with stockholders in a private enterprise or may be considered as rural *rentiers*. In the Quechhueca society of the Yaqui valley, for example, 80 percent of the associates only oversee the works on their land done by hired labor; a few of them are peso millionaires (Eckstein, 1966: 155-156; Stavenhagen, 1975: 157-158). Other peasants are structurally in a similar situation but less fortunate. Cane cultivation, for example,

is practically always collectivized or at least semi-collectivized (formally or *de facto*) under the administration of the sugar mills whose "supply zone" is constituted by the corresponding rural communities. The cane growers essentially take charge of executing mill instructions on their assigned plot or on their own property; they may or may not perform some or most of the actual labor; they pay for most capital inputs with credits advanced to them usually through the mill and later charged against the value of the crops, but they do not determine the type and the timing of such inputs; at the end of the cycle, they receive a payment for the cane produced on their fields but outside their own control (cf. Warman, 1973: 35-38). The basic input provided by the peasants in this case is land as well as labor for which they receive a salary. They are, therefore, a combination of rentiers and wage earners. Whether they can subsist or even accumulate capital on their incomes depends principally on the size of the plot and the quality of the land.

In most collective ejidos even nominal dividends are not distributed to the associates who, therefore, must live principally from the cash advances on "future dividends" in return for labor services rendered. In the absence of profits, there are cases in the Yaqui valley and in Yucatán where associates are paid without working (since work is scarce) in order to avoid potential social unrest (Warman, 1973: 31). In the Laguna district, even cash advances often arrive late from the central office of the bank, forcing local employees to hand out tokens which merchants redeem at 80 percent of their value (cf. the infamous *tienda de raya* of pre-revolutionary times; Gómez Tagle, 1974: 78). In most collective ejidos the cash advances have become the sole basis for the associates' household economy (cf. Guerrero, 1975: 78).⁶ As a consequence, members frequently attempt to "stretch" their labor time to obtain higher incomes but with the effect of further reducing the profits of the enterprises (Reyes Osorio *et al.*, 1974: 489). In some of the more recent efforts at collectivization, peasants have delivered their land to enterprises which have not made any profits. This forced them to hire themselves out as wage laborers to work their own land. Such occurrences are accompanied by strong resentments on the part of the associates who then feel that they can produce a higher and more reliable income by working their land individually (field notes, 1975) and who would rather be "poor but free" than bossed around like "slaves" (Müller-Oswald, 1974: 15, 29, 40). In the extreme case of the Atencingo ex-hacienda, lands were distributed not to the surrounding peasant communities but to the sugar mill workers and field hands manipulated by the owner. An investigation found in 1939 that the associates of the collectivized ejido knew nothing about the cooperative and their rights as associates; they only knew that they received a "salary" and believed that the dividends were gifts from the mill administration to reward them for working hard (Ronfeld, 1973: 40-41).

Capitalist Mode of Production and Peasant Economy

These initial observations point toward a general tendency of the collective ejidos to function along the lines of a capitalist enterprise in which the members assume the roles of salaried workers. This process, to be examined further below, can be comprehended by reference to the impact of capitalist

⁶See Restrepo and Eckstein's data (1975:255-256) for the Laguna district for a comparison of value of production, gross incomes and additional incomes from salaries.

modes of production on the traditional peasant economy. Many of the salient parameters of capitalism are diametrically opposed to those of the ideal-typical, traditional peasant community. *Capitalism* involves (1) production for the commercial market within a monetarized economy; (2) highly developed capital which is acquired as a commodity in the market; (3) labor as a variable cost factor which tends to be reduced to continuously lower proportions; (4) a general pattern in which high productivity and profits entail relatively high monetary production costs, in which surpluses are generated which constitute an accumulation fund, and in which the required financial resources are internally generated or externally acquired; (5) capital, land, and labor power are differentiated from one another and from the producing agents and are alienable commodities which constitute the basis for an internal division of labor and corresponding patterns of class exploitation. In the *traditional peasant-household economy* on the other hand, (a) production is principally for household consumption plus small surpluses for meeting ceremonial needs and paying land rent to an overlord; (b) capital is minimally developed and easily produced or reproduced within the household or acquired in incipient trade relations; (c) given an adequate supply of land, labor power is the principal productive force; it is unpaid either as family labor or as reciprocal labor within the community and thus represents no monetary cost factor; (d) the general pattern is one of low productivity, low or no "profits" but also of low or no monetary costs; the surpluses generated (if any) are not sufficient to facilitate accumulation; but the generation of productive resources within the peasant household guarantees a relative self-sufficiency and independence from externally acquired production inputs; (e) land, capital, and labor power are fused as inalienable "attributes" of the peasant household or community so that in the "pure" case no class differentiation occurs.

In reality such pure cases are not the rule. The ideal-typical model of traditional peasant-household production is, however, a useful point of departure for analyzing salient features of the *simple mercantile mode of production* (cf. Amin, 1975: 37-42; Bartra, 1974: 72-79) which combines the traditional mechanisms of the low-productivity economy, unremunerated labor and household consumption with an incipient involvement in a monetarized market economy. In this case a marketable surplus is produced, and the cash incomes from the sale of the products are used to purchase some of the production implements (some tools, some hired labor). Peasants involved in simple mercantile production must, therefore, make a minimal profit in order to continue producing. There is thus at least the possibility of accumulation and internal class differentiation in the rural community. In pre-capitalist agrarian societies, the "rich peasants" (*kulaks*) typically remained peasants. With the penetration of capitalism into the rural sectors of contemporary dependent countries, however, accumulation in the peasant sector leads to the transformation of the "rich peasants" into bourgeois entrepreneurs (cf. Amin, 1975: 48). The peasant society proper consists of the "middle peasants" who within the simple mercantile mode of production barely "break even" and do not generate a surplus large enough to accumulate (cf. Bartra, 1974: 79-80) or those who incur monetary deficits and who become semi-proletarianized or

¹On the ideal-typical parameters of traditional peasant production, see Chayanov (1931), Wolf (1966:ch. 2), Amin (1975:36-40); and Warman (1973:121).

proletarianized (Bartra, 1974: 88-92). This process of differentiation under the penetration of capitalism into the peasant economy is qualitatively different from the traditional forms of internal differentiation because the peasant household, by being incorporated into a capitalist market system, becomes from the point of view of this larger system converted into an "enterprise" that is subject to the laws of unequal exchange and profit rate equalization just as any other capitalist enterprise. The peasant economy is thus not relatively "static" and equilibrated any longer but experiences a steady decline in the prices it gets for its production while at the same time suffering a steady increase in the monetary costs of subsistence and reproduction. Against this background, the persistence of production for household consumption and the use of unremunerated family labor — characteristics of the traditional peasant economy — become mechanisms for absorbing what in terms of the capitalist mode of production represents falling profit rates. This suggests that under the conditions of dependent capitalism where (for the reasons outlined above) the peasants cannot simply "disappear" in industrial occupations and urban areas, traditional peasant production will continue to persist and complement (not contradict) the requisites of industrial development. It also explains the "conservatism" of peasants in the face of pressures toward commercial production in the nineteenth and twentieth centuries.

In view of the social tensions accompanying the simultaneous persistence and pauperization of peasants, governments have been obliged to "deal" with the problem of the "middle" and poor peasants at the same time that they needed to respond to the needs for increasing agricultural productivity. Collectivization in general, and Mexico's collective ejido in particular, represent one response along these lines. Since capital-intensive collectivization, has, however, had the same impact on the peasant household economy that the impact of capitalism has had in general, it could not have solved the "agrarian problem." Principally, it has increased monetary costs for the peasants out of proportion to the increased productivity, thus leaving the "profits" which the individual peasant received in the form of dividends the same or less than he could expect from individual household production. First of all, machinery and other capital equipment are expensive and must be purchased with long-term credits, the amortization of which reduced the dividends of the enterprise for perhaps a decade. During this time, however, the peasants must subsist on their dividends (usually in the form of cash advances) as these constitute their principal source of income. Secondly, mechanization generally displaces labor (cf. Restrepo and Eckstein, 1975: 246-250) and thus wastes the only productive force the peasants can apply without incurring "costs." Moreover, in the collectivized ejido, labor is paid for in cash and includes *de facto* many salaried workers and administrative employees. This reduces the possibilities for applying unpaid family labor and thus entails additional production costs. Third, the emphasis on cash crops reduces or eliminates land and labor available for subsistence production. In one case, collectivization to produce cash crops not only reduced the corn available for household consumption in the village but by the same token raised the price of corn which the peasants now had to purchase in the commercial market (Müller-Oswald, 1974: 20-21). Fourth, mechanization entails specialization and the introduction of skills which the peasants do not possess (crop dusters, accountants, etc.) and have to

pay for in money; moreover, increasing specialization requires more levels of control and trained management, thus raising the administrative costs of the enterprise (Warman, 1973: 80-81). While such increases in the costs may contribute to increasing the productivity of the enterprise and thus serve the "national need" for commercial crops, they contribute little or nothing to raising the level of living of most of the peasant producers.

Failures and Successes

High Costs. The relatively high costs of large-scale capital-intensive production is reflected in the data available on the collective ejidos. Eckstein (1966: 142-43), for example, shows for the 1937-1938 cotton cycle in the Laguna district that for the 30,622 members of 273 confederated societies the average total expenses equalled the average total incomes. But when investments and contributions for social funds were deducted, the actual average net income consisted of 407 pesos (out of a gross income of 1,090 pesos). This figure represented, however, a net loss of 73 pesos per member, as the average cash advances to the members for the labor they had contributed during the cycle averaged 480 pesos.⁸ One reason for such losses has been the large debts contracted at relatively short terms by the societies in the acquisition of capital goods. Another factor has been the high cost of irrigating with water pumped from wells. Both of these factors have meant for many peasants in the Laguna area that they had to foreclose profits for a long time and in the meantime were "materially drowned in debts" (Reyes Osorio *et al.*, 1974: 526, 533). The situation has been similar in most of the large collective ejidos, even in the few "successful" societies which shall be discussed below (cf. Gómez Tagle, 1974: 32-33; Reyes Osorio *et al.*, 1974: 508; Stavenhagen, 1975: 157-158). Cases are known in which the Banco Ejidal advanced credits to individually worked ejidos to plant cash crops but took over the organization of production from the peasants, thus converting the credit societies virtually into collective ejidos; when the final accounts were squared, the large crops yielded half the value of the debts the peasants owed to the bank; in return for transferring increased surpluses to the bank, the peasants only contracted liens on their future crops (Warman, 1973: 23). In the Yaqui valley, the introduction of wheat strains produced with the highly capital-intensive methods of the "Green Revolution" resulted for the peasants only in a spectacular rise of their debts and left no profits (Hewitt Alcantara, 1974; Feder, 1974). In general, peasants thus made few gains with commercial agriculture. Profits were made by the companies who sold the farm machinery, fertilizer and other implements, by those intervening in the transformation and marketing of primary materials, as well as government and party officials benefitting from the graft entailed in government-supervised purchases. An extreme case is the collective ejido of Atencingo whose various societies have been legally bound to produce sugar cane for the privately owned mill in that village. In the process they have had to pay excessive rental and maintenance for all sorts of equipment owned by the mill, including the mill's costly railroad system to transport the cane from the fields to the factory; there were times in which the mill deliberately sabotaged production in order to bring down the ejido leadership opposed by

⁸More detailed and more recent data on the relationships between production costs and incomes from a sample of 208 agricultural operations can be found in Restrepo and Eckstein (1975:255-265).

the mill administration (Ronfeld, 1973: 84-87).

Capitalization and returns. While it may be argued that some of the high production costs in the collective ejidos are the result of inefficiency, graft and deliberate sabotage, the root of the problem lies in the character of the mode of production. Data from a sample of collective ejidos in Laguna district (Restrepo and Eckstein, 1975) may serve as cases in point. There has been a general tendency for the value of production per hectare to decline with increasing amounts of capital invested per hectare (1975: 100, 239-41), which is indicative of the tendential fall of the profit rates under capitalism. The data reveal specifically that the "free" (individually worked) ejidos with the lowest degree of capitalization yielded the highest production values, along with some of the best collective ejidos. The majority of the collective ejidos, however, showed declining production values per hectare along with higher degrees of capitalization (1975: 100, 239-241). While a decline in the profit rates need not entail a declining absolute amount of profit and thus may not necessarily imply lower returns for the peasants, this is in fact what has happened in most instances. The "free" ejidatarios in the sample generated disposable incomes⁹ superior to the "regular" and "bad" collective societies and even to the smaller "good" societies;¹⁰ the largest among the "good" societies generated the highest disposable incomes of all groups; the disposable incomes of the "bad" societies were negative, i.e., they operated with a deficit (1975: 258-259). This latter group in which the indebtedness exceeds gross investments are continuously decapitalized (1975: 244). In terms of gross incomes generated per hectare, the "free" ejidatarios also rank above the "regular" and "bad" societies but below the "good" ones (1975: 260). Finally, these data show that all groups of ejidatarios supplement their incomes from production with wages. In terms of proportions, this supplementary income is most crucial for the "regular" societies (where over 50 percent of the total income is generated through wage labor) and the "bad" societies (where *all* positive income is generated by wage labor; part of it is absorbed to make up for the productive deficit) (1975: 258, 260). The members of these "regular" and "bad" societies live primarily on the cash advances they receive on sometimes imaginary future dividends and on supplementary incomes from wages. They receive little or no additional dividends as the profits of their enterprises are mostly below or barely at the level required to remunerate labor services (Restrepo and Eckstein, 1975: 256, 261). As these peasants only receive remunerations for the value of their labor power (or less), they are effectively converted into rural proletarians regardless of their formal status as landholders.

Underemployment. Underemployment and unemployment have been another central problem that has plagued the collective ejidos, although the problem is by no means their exclusive domain. In part, underemployment has resulted from the distribution of ex-hacienda lands among too many laborers.

⁹Disposable income is defined as the total value of production minus total costs (in cash plus investments in cattle and plantation). The costs do not include wages paid to the peasants as advances. The disposable income does not, therefore, represent actually paid out dividends of the enterprise but rather the total amounts the peasants receive, either as cash advances or as dividends or as a combination of both.

¹⁰Collective societies were classified as "good," "regular," or "bad" according to performance evaluations supplied by the banks. On the criteria, see the discussion below of the "successful" societies.

In the Laguna district, 35,000 associates originally received land in territories which had previously been worked by some 16,000 permanent and 15,000 seasonal workers (Eckstein, 1966: 137); in 1960 the agricultural labor force in the area had increased to 90,000 (Stavenhagen, 1975: 153). The situation has become so dramatic in the winter months that the bank often finances work projects to alleviate the problem (Gómez Tagle, 1974: 14). Another fundamental problem is the displacement of labor due to mechanization. While Eckstein (1966: 487) indicates that the problem of underemployment is no more severe in the collective ejidos than in those worked individually, he does suggest that the problem is severe in both and that it has been one of the principal factors in the decline of the collective ejidos (1966:466). This effect of mechanization has had severe consequences in the Yaqui valley in spite of the comparatively high incomes for the peasants in that region (Eckstein, 1966: 151-52), as well as in Nueva Italia (Michoacán) where the peasants had received large donations of 10 hectares of irrigated land (Eckstein, 1966: 161-162).

A more detailed analysis of employment is presented by Restrepo and Eckstein (1975: 246-50) for a sample of private farms and collective and individually worked ejidos in the Laguna district. The most salient characteristics of these data are (1) the "good" societies generate the highest number of labor man-days per plot, per hectare and per amount of capital invested; (2) within the category of the smallest plots, the "good" collective ejido generated the most man-days per hectare (188 days), followed by the "free" ejido (161 days), by the "regular" societies (105 days) and finally by the "bad" societies (90 days) (1975: 247); (3) collectivization eliminates the participation of non-remunerated family labor (1975: 247); and (4) the largest and most highly capitalized "good" societies with diversified production have generated new employment opportunities (1975: 247-48; Reyes Osorio *et al.*, 1974: 508).

Two tentative conclusions emerge from these data. First, there are a number of large-scale and highly efficient collective ejidos which generate employment instead of displacing labor. Second, in the majority of the collective societies, employment opportunities are worse than, or at best equal to, the individually worked ejidos.

The "successful cases." There are a number of collective ejidos which are considered a "success" in contrast to the general experience. They include the remainder (after several divisions) of the Quechehueca society in the Yaqui valley (Eckstein, 1966: 154-155; Stavenhagen, 1975: 157-158), the Sector 1 of the Ana society in the Laguna district (Gómez Tagle, 1974; Restrepo and Eckstein, 1975: 299-312), "El Manantial" in the Laguna district (Restrepo and Eckstein, 1975: 282-290) and the more recent collective complex of Cananea in Sonora (Reyes Osorio *et al.*, 1974: 405-409). These are generally cited as "successful" collectivization efforts because they have generated satisfactory and even high incomes for the peasants and in some cases have significantly raised the level of living of the associates. Restrepo and Eckstein have offered some specific criteria by which their "good" collective societies could be distinguished from the other categories. These criteria include the "disposable income" (1975: 255, 258), the "residual product" (230-231),¹¹ generation of employment (246-250) and

¹¹The residual product is defined as the gross value produced, divided by the costs for production and amortization per hectare cultivated. It is a measure of the net income received by the peasant from his production per hectare.

efficiency in capital utilization (232). As has been indicated above, most collective ejidos sampled in the Laguna area ranked below the individually worked plots along most of these criteria; but some of the larger and highly capitalized collective ejidos were highly productive and generated high incomes for their associates. In an earlier study, Eckstein (1966) showed that within regions dominated by cash crops cultivated on irrigated lands the collective ejidos were more "successful" than their individually worked counterparts. Data of this kind suggest to some authors that the collective ejido is indeed economically feasible under optimal conditions of capital utilization and socio-political organization (e.g. Restrepo and Eckstein, 1975: 263, 265-268, 271, 313-320).

Whether such conclusions are justified remains problematic, however, because they suggest only ways and means to make the collective ejido more competitive within the capitalist mode of production without resolving the contradiction inherent in the structure of dependent capitalism itself. The evidence suggests, indeed, that the "success" of collective societies has been limited to a small number and appears, by and large, to be due more to an accidental constellation of optimal contingencies rather than to the inherent possibilities of capitalist rural collectivization. Profits often result from semi-clandestine activities outside the control of the bank (cf. Gómez Tagle, 1974: 33), or from independent production other than the official crop (Restrepo and Eckstein, 1975: 232, 239). Other important factors are the availability of cheap irrigation water (in contrast to the more costly water pumped out of wells; Restrepo and Eckstein, 1975: 238-239). There are, however, some general tendencies which explain successes. One of them is an optimal mix and amount of capital. Restrepo and Eckstein show for their sample from the Laguna district, for example, that "good" societies invest five times the amount of capital per member as the "bad" societies (1975: 238); on the other hand, the large "good" societies channel 87 percent of their investments into new plantations, while in the "bad" societies 80 percent of the value produced is composed of expenses for machinery (1975: 244).

Other conditions for the "success" of the collective societies include, apart from technical and geographical factors, (1) the size of the plots held by the associates, (2) the availability of diversified industries to absorb rural labor displaced by mechanization, and (3) the conditions of the national and international markets. As far as plot size is concerned, it has to be remembered that the "success" of collective enterprises is not identical with the success of the individual associates, as these (unlike most stockholders in industrial enterprises) must subsist on their dividends. The number of associates of a collective ejido cannot thus exceed the number of families able to survive on the returns — a rule that has hardly ever been observed in Mexican land redistribution programs. Even in the Yaqui valley or Nueva Italia, where the associates received unusually large (by peasant standards) irrigated plots of between 5 to 10 hectares, economic failure has been the rule rather than the exception. *Diversification* has been one of the weakest elements in Mexico's rural collectivization programs, with some notable exceptions such as the "successful" cattle complex in Cananea, Sonora (cf. Reyes Osorio *et al.*, 1974: 504-509). It is in this context that the restricted industrialization (and its limited capacity to absorb surplus labor) associated with dependent capitalism has to

be considered as a serious obstacle (cf. Schiller, 1972:46-50). Furthermore, diversification by and large does not affect agricultural production itself. It generally establishes new industries, or at most nodes of vertical integration (e.g., rice mills or cotton gins), thus relieving pressures from rural labor but without affecting the mode of production in the agricultural enterprises. The restrictions, fluctuations, and declining opportunities of the national and international markets have already been discussed above. The basic conditions of "success" for the collective ejidos are thus in existence only for a small number of enterprises. What is most striking about the "good" collective ejidos is not their "success" but their exceptional character.

The collective ejido thus does not represent an opportunity to overcome the restrictions imposed by dependent capitalism but is subject to them like any other enterprise. While it may result in occasional or short-range improvements for some rural communities, it participates in the competitive struggle for survival in the market. The most highly productive collective enterprises will benefit in the same way from the equalization of profit rates as the most productive conventional "free" enterprises; the existence of "successful" collective ejidos is thus no more proof for the feasibility of collectivization than the existence of monopolistic "free" enterprises is for the feasibility of capitalism in general. From the standpoint of the peasantry, capitalist rural collectivization, if it were to become the dominant form of socio-economic organization, would entail an increasing pauperization both of semi-proletarian associates and independent smallholding producers. While Eckstein's (1966) conclusion concerning the "superiority" of the collective ejido is thus correct, it misses the point. For, from the peasant's standpoint, the question is not whether for the production of capital-intensive cash crops, collective production is more efficient than individual production, which may be conceded, but rather whether the production of cash crops is more feasible for him than the production of subsistence crops. In this respect, the interests of the peasants are diametrically opposed to those dominant within the larger mode of production. For the peasant, the production of subsistence crops would mean a relatively stable equilibrium for survival without accumulating, whereas the production of cash crops would entail in the long run de-accumulation and loss of the subsistence means for most. This proposition is underscored empirically by the general observation of widespread tendencies to maintain and return to traditional subsistence crops for household consumption (such as corn) as a complement to the unsatisfactory incomes from the collective enterprises (cf. Reyes Osorio *et al.*, 1974:490, 529). Such activities in favor of subsistence crops have, indeed, often constituted a bone of contention between grass-roots peasant movements and the administration of the cooperatives (Müller-Oswald, 1974:9; Ronfeld, 1973:183, 204, 221). *De facto* collectivized cane growers from the state of Morelos expressed very succinctly this distinction between "*cultivos nuestros*" and "*la caña chingada matita*" (field notes, 1975). This problem, together with maladministration and corruption, has been the basic source of the peasants' resistance to collectivization and the source of frequent pressures to subdivide collective lands into individual plots.¹²

Theoretical Implications

While the development of industrial capitalism in the metropolitan coun-

¹²On the subdivision of the large collective ejidos established in the 1930s, see Barbosa and Maturana (1971), Ronfeld (1973), Gómez Tagle (1974), and Glantz (1974).

tries was founded on a preceeding internal agrarian revolution and a concomitant formation of mercantile capital (cf. Laclau, 1974; Amin, 1975: 38, 42-47), dependent capitalist industrialization preceeded the agrarian revolution in the peripheral nations (previous capitalist development in agriculture had been the domain of enclaves producing for external markets). In these countries, revolutions in agrarian production were thus required to meet already existing needs in the developing urban industrial sectors (cf. Amin, 1975:48-49). But under the conditions of already developed capitalist industrialization, private property of land becomes an obstacle to the further development of capitalism because of the constant costs entailed in the land rent which generate decreasing returns in comparison with non-agricultural production (cf. Vergopoulos, 1975:231; Amin, 1975:41, 44-45). In this context the persistence and expansion of private landed property thus becomes increasingly an anomaly in contradiction to the logic of the larger economic system but is in numerous cases sustained by political means. While in the metropolitan capitalist countries the problem was resolved by eliminating the ground rent by various means, but maintaining profits derived from capital in the large estates which had absorbed or displaced peasant agriculture (Amin, 1975:40, 42), dependent capitalist industrialization is faced with an agrarian structure in which peasants still constitute the largest number of agricultural producers. Under these conditions it is possible for capitalism to penetrate agriculture without incurring the "disadvantages" of private landed property in large estates: peasant-based agricultural production can be directly socialized (in the capitalist sense) through the introduction of mercantile capital and the increasingly monopolistic control over the marketing of peasant production. These processes, in connection with the price mechanisms of unequal exchange, reduce the remuneration the peasants receive to, or even below, the value necessary to simply reproduce them; i.e., the peasants are remunerated only according to the value of their labor power. With the elimination of the land rent and of the profit derived from capital investments, the formal ownership or control of the peasant's plot and his capital investments become mere formalities without structural significance. The peasant, while remaining a peasant producer in a formal sense, becomes in effect proletarianized (cf. Amin, 1975: 39-40, 42-43, 54-55; Vergopoulos, 1975:233-235):

He certainly retains the formal property over his land, but he has already lost the real property. He maintains the appearance of a commercial producer who offers his products in the market, but in reality he is a vendor of his labor power, although this sale is blurred by the appearance of mercantile production. In this form the peasant is in fact reduced to the status of a household laborer (*trabajador a domicilio*) (Amin, 1975:40; author's translation).

The surplus generated by these peasant producers is thus transferred into the urban industrial sector, either in the form of capital (raw materials) or as cheap foodstuffs which reduce the cost of socially necessary labor in industry. Within the logic of the capitalist mode of production, this surplus transfer represents the most "rational" mechanism for subsidizing dependent industrial development through agriculture. It represents a rural capitalism without rural capitalists (Vergopoulos, 1975:65, 234). The profits that would be generated in agriculture show up in the profits of national urban industries where they

serve as a compensation for the losses entailed in unequal exchange at the international level. Within the structure of imperialism, there is thus a linkage between the exploitation of peasants in dependent countries and the profits of industrial enterprises in the metropolitan nations.

The development of capitalism in agriculture *via* the monopolization of peasant marketing — to supply urban and foreign markets or to supply rural industries (sugar mills, cotton gins, dairy factories) with primary materials — makes the introduction of various “modernization” measures economically feasible from the capitalist standpoint. It is in this context that it is possible to explain various measures of “rationalization” and the pooling of individually dispersed resources whereby peasant production becomes standardized and integrated into economies of scale. Cooperatives which standardize production methods and involve the large-scale introduction of fertilizers, farming machinery, and other production implements into peasant production are founded on the same principles (cf. Amin, 1975:54). To the extent that rural cooperatives increase productivity while at the same time eliminating the land rent and the profit of the enterprise, reducing their costs to the remuneration of labor power, they represent the most efficient mechanism for exploiting peasant labor for the benefit of dependent and metropolitan capitalist development. Private capitalist enterprises, in contrast, must secure a surplus which, in addition to the reproduction of labor power, must also secure a minimal return for the capital investment and (in the case of land concentration through rental) a land rent. Rural collectivization thus represents a method for lowering the organic composition of capital without simultaneously sacrificing productivity. Thereby it yields higher surpluses which on the one hand enhance the survival chances of the enterprise in competition and on the other allows a more efficient capital transfer into the industrial sector which, in turn, struggles to survive the losses imposed by unequal international exchange and the corresponding international capital transfers.

For the peasants, collectivization has meant a steady decline in their capacity to maintain their precarious subsistence equilibrium. They have exchanged their traditional and relatively “stable” low-cost/low-productivity economy for one of high-cost/high-productivity in which their own returns continuously decrease as a result of the tendencies inherent in unequal exchange. While this process does indeed entail increasing proletarianization of the peasants, this observation must be qualified. First of all, this pattern of development does not necessarily entail the disappearance of traditional mercantile peasant production *as an activity*, although it does represent an increase in rate of exploitation of those engaged in this activity to a point whereby the peasants’ remuneration in effect corresponds to a wage. In this sense, Vergopoulos is quite correct in affirming a functional nexus between the overall structure of dependent capitalism and the continuous reconstitution of the peasantry within it (1975:199, 234-235). Second, the traditional peasant production for household consumption, outside the capitalist mode of production, still represents a vital source for supplementing the peasant’s subsistence in a world in which the means of reproduction have become increasingly costly for him in the commercial market. Peasant subsistence production (which is still proportionately large in Mexico, cf. Gutelman, 1974:231-32), both by members of collective ejidos or by independent producers, thus subsidizes

production in the capitalist sector (1) directly by lowering the cost of socially necessary labor in rural enterprises which seasonally employ peasants who produce part of their subsistence in unirrigated plots and (2) indirectly by reducing the demand for food products in the commercial market, thereby reducing the price for food (and thus the cost of socially necessary labor) in the larger economy. Capitalist production (in and outside of agriculture) and pre-capitalist peasant production thus complement one another in dependent countries, with the peasant himself being in an inescapable losing position where his incomes from subsistence farming and from participation in capitalist production (including in collective enterprises) each are insufficient by themselves to enable him and his family to survive (cf. Bartra, 1974; Warman, 1973).

CONCLUSIONS

The preceeding analysis suggests the utility of regarding Mexico's collective ejidos as a specific variant of capitalist enterprises adapted to the requirements and constraints of dependent capitalism. They operate as businesses to produce a profit (which is transferred into other sectors) in the commercial market; they are highly capital-intensive in comparison with traditional peasant agriculture and in most places tend to displace at least some manual labor; high investments require economies of scale and therefore large territorial extensions (cf. Warman, 1973: 120-122). These characteristics, however, are not sufficient to capture the capitalist nature of the collective ejidos. A pivotal dimension is the differentiation of capital from labor power, both of which become in effect alienated from the direct producer through exploitative relationships with commercial capital. The specific mechanism of proletarianization here is the reduction of the peasants' remuneration to or below the level necessary for their (and their families') physical reproduction. Against this fundamental process, other correlates become incidental, including the conversion of agriculture into an industrial process, state intervention, capital accumulation (where it does indeed occur), increased efficiency over individual production, or challenges to the "backward" (unproductive, parasitic) sectors (cf. the arguments of Guerrero, 1975: 74-76).

Within the larger context of imperialism and dependent capitalist development, agricultural production is under constant pressure to increase its surplus and profits in order to compensate for the effects of unequal exchange both at the national and international level. This is accomplished by the reduction of the peasants' remuneration to a minimal level and decapitalizing them in the process. This form of primitive accumulation does, however, in this case not result in savings that can promote further agricultural accumulation. Hence a tendency toward what Bartra (1974:23-24) has called "permanent primitive accumulation." Rural collectivization under these circumstances becomes simply a more efficient mechanism for guaranteeing the permanence of primitive accumulation. As this process entails an increasing pauperization of the cooperatives' members, the latter have to be increasingly coaxed and coerced to enter and remain in the collective societies. Continued rural collectivization thus increasingly requires the activation of political control mechanisms (cf. Singelmann, 1976). In terms of their socio-political organization, most collective ejidos thus have taken the form of the "controlled," rather than of the

"cooperative" collectivity discussed at the beginning of this essay. The "controlled" collectivity thus corresponds both in terms of its internal structure and in terms of its external functions to the constraints and opportunities inherent in the structure of dependent capitalism. This vitiates the emancipatory potential which some have attributed to the collective ejido. Stavenhagen (1973:163) has aptly summarized the problem:

... the ejido as a cooperative enterprise will generally be unable to break the framework of individualism, corruption, private profit-seeking, and exploitation which characterize the wider society. The ejido cannot become a sociological and economic "enclave" within the framework of a society that collectively rejects it . . . It can only function as an institutional alternative if it manages to cut the umbilical cord that links it to the society which generated it. But this is of course impossible unless that society itself becomes totally transformed.

But since Stavenhagen does not "wish to end this paper on a note of total pessimism," (1975:163) he expresses some hope:

Yet if we accept that in politics nothing is ever permanent, then we may posit that the collective ejido — given adequate circumstances — could eventually reawaken as an institution from its present lethargy.

Stavenhagen does not say what those "adequate circumstances" are, apart from that total transformation of society he referred to before, but he does suggest that the most recent changes in President Echeverría's agrarian policies (n.b.: not among the peasants) "may signal such an awakening" (1975:163; c.f. also Restrepo and Eckstein, 1975:315).

It is of course quite true that nothing in politics (or, for that matter, anywhere else) is permanent. It is precisely for this reason that the contemporary support in Mexico for rural collectivization may die down to its pre-Echeverría levels, although the analysis of this paper suggests that Stavenhagen's "optimism" may be justified because of the inherent logic of dependent capitalist development. For the fundamental issue is indeed not the inherently fickle nature of the often invoked "political climate" (*coyuntura política*) that can make or break political movements in Mexico (cf. also Durán, 1975:145), but rather what the implications of rural collectivization are for the contradictions in the rural and national class structures. For the peasants the current political support (and indeed pressure) for collectivization represents no cause for elation for it is simply capitalism without rural capitalists which substitutes collective for individual exploitation (cf. Senior, 1974:97). For them the analogy of the haciendas without hacendados comes uncomfortably close to the truth.

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