Chapter 9 Summary: Agriculture – The Primary Concern?

This chapter explores the evolving role of agriculture in the global economy, particularly in the **periphery** (less developed countries, or LDCs), and emphasizes its **critical yet vulnerable** position in economic development, food security, and labor dynamics.

The Paradox of Agriculture in Development

Agriculture has traditionally been viewed as a declining sector in the path to modernization, with low-income elasticity of demand, high labor productivity (via mechanization), and weak linkages to other economic sectors. Despite this perception, the reality is that **global population growth—mostly in LDCs—demands increasing agricultural productivity**, even as many of these regions face land, economic, and institutional constraints.

Agricultural Systems in the Periphery

Agricultural practices in the periphery range from:

- **Customary farming** (communal land use)
- **Feudal estates** (haciendas/latifundia)
- **Peasant agriculture** (including smallholder and sharecropping systems)
- **Capitalist plantations** (mechanized, wage-labor-intensive production)

The trend has been toward **larger-scale, export-oriented agriculture**, often at the expense of subsistence production and food sovereignty. Agricultural organization and outputs differ significantly across world regions:

- **Sub-Saharan Africa**: land-abundant but labor-scarce
- **Asia**: land-scarce and labor-abundant
- **Latin America**: mixed conditions with high export crop specialization

Gender and Labor in Agriculture

Women play a central—yet underrecognized—role in agriculture, especially in Africa and Asia. While they perform most of the agricultural and domestic labor, structural inequalities (e.g., lack of land rights and access to credit) limit their autonomy and productivity. Gendered divisions of labor are not incidental but fundamental to how agricultural systems function in LDCs.

Agricultural Transformation and Export Orientation

- **Latin America** has seen dramatic increases in export crop production (e.g., sugar, soybeans, beef) through commercial and mechanized farming.
- **Asia** has increased cereal production (mainly rice and wheat) due to Green Revolution technologies, but remains vulnerable to global price competition and trade barriers.
- **Sub-Saharan Africa**, by contrast, has seen **declining productivity and food production per capita**, worsened by minimal investment and poor infrastructure.

Structural Constraints and Global Inequities

LDC agriculture is heavily affected by:

- **Trade imbalances and subsidies** in developed countries (e.g., U.S., EU, Japan), which depress world prices
- **Lack of protection and support** for peripheral agriculture
- **Dependence on food imports** despite being agriculturally based economies

Land, Labor, and Capital

Latin America

- **Colonial Legacy:** Large estates (haciendas and plantations) dominated post-conquest landholding patterns, entrenching elite land ownership and marginalizing peasant farmers.
- **Export Dependence:** Most countries specialized in a few export crops (e.g., coffee, sugar), creating unequal rural structures and neglecting food crops.
- **Rural Unrest:** Resistance included uprisings and violence, especially during the early 20th century.
- **Shift Toward Industrialization:** The 1930s depression spurred urbanization and policies like import-substitution industrialization (ISI).
- **Agricultural Modernization:** From 1965 onward, policies promoted export-oriented agriculture, but benefited large landowners disproportionately.
- Persistent Inequality: Peasant agriculture coexists with capitalist farms; inequality in access to land, credit, and mechanization persists.

Sub-Saharan Africa

- **Labor-Centric Power:** Power was based on labor access rather than land.
- **Cash Crop Revolution:** Expansion of export crops (e.g., cocoa, groundnuts) under colonial influence; taxation and labor migration drove participation in the market.
- **Export Limits:** Growth peaked in the 1950s; post-colonial agriculture saw limited geographical expansion.
- **Policy Challenges:** Government policies favored urban food consumers, depressing farm prices and discouraging investment.
- **External Factors:** Global trade policies and poor foreign advice further harmed local agriculture (e.g., failed FAO potato project).
- **Three Trends:**
  1. Increased reliance on wage labor and labor migration.
  2. Women's growing role in food crop production.
  3. Extensive, not intensive farming, leading to environmental stress and marginal land use.

Asia

- **High Population Density:** Asia has the most smallholder farms globally—most under 2 hectares.
- **Land Tenure & Sharecropping:** Widespread tenancy and sharecropping; high land inequality in areas like India and the Philippines.
- **Colonial & Postcolonial Influence:** Colonial systems (e.g., zamindars in India) created rent-seeking intermediaries. Post-independence reforms were uneven; only China, South Korea, and Taiwan succeeded in full land redistribution.
- **Green Revolution:** Boosted cereal yields but mainly benefited areas with irrigation and large farms. Increased output did not always reduce poverty.
- **Policy Bias:** Many governments maintained anti-agricultural policies (e.g., pricing, subsidies), stalling rural progress.
- **Persistent Poverty:** Majority of Asia's poor are rural and landless. Appropriate technology for marginal areas is lacking.

Rural Land Reform

Overview:
Land reform in Latin America and Asia has been shaped more by politics than by technical models. Though reforms were often inspired by successful examples like Taiwan or China, outcomes varied widely and were tied to local political and economic contexts.

Motivations for Land Reform:

1. **Conservative:** Reduce political unrest by making small concessions.
2. **Liberal:** Create a capitalist farming class and boost domestic markets.
3. **Populist:** Argue small farms are more efficient and equitable.
4. **Radical:** Push for collective farms to empower peasants and challenge agro-export systems.

Trends & Outcomes:

- Most reforms were liberal in nature, aiming to build a reform sector rather than overhaul the whole system.
- Redistribution of land often didn't lead to long-term improvements for the rural poor.
- Counter-reforms reversed progress in places like Chile and Guatemala following military coups.
- Reforms in Taiwan, South Korea, and post-1978 China helped industrial development by increasing rural income and productivity.

Capitalization of Agriculture

Rise of Transnational Corporations (TNCs):

- Since the 1970s, TNCs have heavily invested in export agriculture in peripheral countries.
- TNCs pursue global sourcing for cheaper land, labor, and favorable climates, enabling year-round production and bypassing regulations.
- Example: U.S. pineapple production moved from Hawaii to Thailand via Castle & Cooke; banana exports boomed in the Philippines.

Industrialization of Food Systems:

- Driven by consumer demand for high-value foods and the rise of supermarket chains.
- Vertical integration and economies of scale dominate food systems.
- Despite recent trends like organic food and "mad cow" concerns, globalized agriculture continues to expand.

Concentration in Latin America:

- Four of the six main "new agricultural countries" are in Latin America (Argentina, Brazil, Chile, Mexico).
- TNCs either directly acquire land or partner with elites to produce export crops.
- Between 1964–1970, U.S. TNCs purchased 35 million hectares of Brazilian farmland.

Agribusiness Effects:

- Shifts capital to rural elites aligned with global trade.
- U.S. FDI in Latin American agriculture tripled between 1966–1978.
- Financial institutions, including foreign banks, also fund agriculture and land use conversion projects.

Modern Land Grabs:

- Since the 1990s, foreign companies (especially from China and South Korea) have bought land across Africa and Latin America.
- This locks land into corporate supply chains, limiting food availability for local markets.

Local Consequences:

- Export crops replace food staples, forcing countries to import basic foods.
- Increased livestock and feed crop production comes at the cost of traditional food systems.
- Economic shocks, climate volatility, and shifting global preferences make export agriculture unstable.

Labor & Inequality:

- Shift from tenant/sharecropper systems to seasonal, low-wage labor.
- Displacement and casualization of rural labor increase vulnerability.
- Small farmers incur debt to compete for land, inputs, and water.

The Cycle of Indebtedness

How It Works:

- Farmers take loans to keep up with industrial agriculture.
- Soil degradation from monoculture leads to declining yields, requiring more inputs and deepening debt.
- Many rural families must migrate or take on wage labor to survive.
- Seasonal migration (e.g., in Guatemala) is common during major harvest periods.

Science and Technology in Agriculture

Green Revolution:

- Introduced high-yield crops (wheat, rice, maize) with support from FAO, World Bank, and national governments.
- Boosted yields especially in parts of Asia (India, Pakistan, Philippines, Indonesia).
- Led to job creation in some areas but raised concerns about long-term sustainability.

Critiques of Scientific Agriculture:

- Biased toward commercial and export crops like cattle, cotton, and sorghum.
- Neglects important local food staples (cassava, sweet potatoes, chickpeas).
- Reduces crop diversity and increases vulnerability to pests and disease.

Social & Economic Impacts:

- Benefits large, well-capitalized farmers who can afford expensive inputs.
- Smaller farmers become trapped in debt trying to compete.
- Encourages dependence on energy-intensive products controlled by TNCs.

Second Green Revolution:

- Focuses on feed and export crops rather than food for local consumption.
- Countries exporting high-value crops often still need to import beans, maize, or wheat.

- Increases polarization between wealthy capitalist farmers and the rural poor.

Conclusion:
Scientific agriculture and agribusiness expansion bring higher productivity but deepen social inequality and dependence on global markets. Long-term success and sustainability depend not just on technology, but on addressing social and political structures.

Key Themes

- Agriculture is not just a transitional stage but a **pillar of survival and development** in many countries.
- The **gendered nature of agricultural labor** and the **persistence of inequality in land access** remain central concerns.
- Global market forces, institutional neglect, and external dependency **limit food sovereignty and development outcomes** in the periphery.
- **Core countries** maintain **agricultural dominance** through **subsidies** and **market protections.**
- These create **trade imbalances**, marginalizing producers in developing countries
- Local farmers are unable to compete or invest due to **volatile prices** and **lack of institutional support.**