

Permanent Labor Contracts in Agriculture: Flexibility and Subordination in a New Export Crop

JANE L. COLLINS AND GRETA R. KRIPPNER

University of Wisconsin, Madison

Accounts of late-twentieth-century capitalist restructuring have emphasized the decline of “permanent” work contracts and the growth of more “flexible” ways of employing labor. Most of these accounts have argued that, under conditions of global competition, firms seek to reduce the cost of wages and benefits by hiring more temporary workers. Such accounts assume permanent labor contracts to be a norm that is violated only when economic systems come under pressure. This essay adopts a different perspective, suggesting that, in fact, permanent labor contracts have been normative only in certain historical situations (such as the twentieth century United States). In a global and trans-historical context, these contracts have been introduced under specific conditions to solve particular kinds of problems. Thus, this study attempts to shift the question from “why is permanent work declining?” to “where and why do permanent work contracts emerge?”

Agricultural labor markets have always been characterized by a high proportion of temporary labor, and many prevalent theories attest to the rationality (for firms) of employing temporary workers in this sector. For this reason, examples of the use of permanent contracts in agriculture constitute an anomaly that can provide important clues about the conditions under which permanent workers continue to play a role in late capitalist production systems. In this article we will focus on the special case of agricultural labor markets, examining the distribution of permanent and temporary workers in a labor-intensive export agro-industry. We will examine the cases of export grape production in Chile and northeastern Brazil through the lens of recent theories of employment contracts in agriculture, and in so doing, will seek to understand the problems that permanent contracts solve for employers, their implications for workers, and thus, the contexts where they are likely to emerge.

The use of permanent labor contracts in capitalist agriculture has been observed in many parts of the world. Bardhan (1984), Hart (1989) and Anan Gananjapan (1989) have referred to multi-stranded, permanent labor contracts in the South and Southeast Asian farm sector as “labor-tying.” They associate

the increase in these arrangements with a rise in opportunities for accumulation in agriculture and find them to be most prevalent among the largest agricultural employers. Hart argues that the complex permanent work contracts associated with tied labor provide employers with mechanisms "not only of labor management, but also of social control" (1989:37). She insists that the contracts associated with tied labor are not transitional forms on a linear trajectory leading to simple, "single-stranded" wage labor arrangements. Rather, complex permanent contracts have been appearing, disappearing and reappearing in contexts of accumulation in Southeast Asia since the nineteenth century. The cases Hart describes entail the transformation of former sharecropping arrangements into multi-stranded permanent wage contracts. Nevertheless, many of the advantages sought by the Southeast Asian employers she describes, such as greater control over the production process as non-labor inputs become more important or the creation of divisions within the labor force to ensure hard work, loyalty, and docility, are common in other situations as well. The emergence of tied labor in contexts of new accumulation opportunities is thus not only associated with the reshaping of former sharecropping relationships.

The literature on employment contracts in agriculture suggests a series of features that we can expect to go hand-in-hand with the employment of permanent workers. The case of export table grape production in Brazil possesses a large number of these features and, in fact, the incidence of permanent labor in grapes in this region is high. The Chilean case presents some of these same features, but technical and seasonal factors reduce the advantages that permanent contracts provide employers and also increase the costs. Thus, it is interesting to find that permanent contracts are uncommon in Chilean grape production. Instead, Chilean employers offer multi-stranded and complex temporary contracts which replicate many of the important features of permanent contracts, while reducing some of their disadvantages.

Labor control is a tremendously important issue in both of these cases, since export grapes for U.S. and European markets must meet exacting quality standards. Control involves two different dimensions here. One is supervision of daily tasks to insure they are performed in ways that will produce a high-quality (exportable) product. The other involves maintaining a compliant and docile labor force, whose collective actions do not threaten to raise the cost of labor in a production process that is highly labor intensive. Part of the argument presented here is that employers can increase control when they "personalize relations through complex, 'interlinked' contracts" (Ortiz 1993:44). Multi-stranded contracts have long been understood to be an important way for landlords to exert control over peasantries (Wolf 1969). But, as the cases of Chilean and Brazilian grape production demonstrate, multi-stranded employment relations continue to play an important role in modernizing and even in highly industrialized agricultural settings.

As with older forms of tied labor, contemporary agricultural employers may enhance their control over workers by proffering gifts and loans (Scott 1975; Hart 1989). They may achieve leverage over workers through providing parcels of land (Richards 1979). They may provide employment to family members, with the expectation that senior kin will discipline younger relatives (Thomas 1985). Or, in the case of permanent labor contracts, they may offer security and stability of employment beyond what would be available on the open market in return for loyalty, self-supervision, and "subjection" (Eswaran and Kotwal 1985a).

Researchers have referred to multi-stranded contracts as creating "morale effects." These effects operate through creating a two-tier labor market that pits relatively privileged workers against a seasonal labor pool—what Richards calls a "reserve army of the unemployed/insecure." As he notes, "Secure employment and assured subsistence were understandable incentives in societies where the low standard of living of the bulk of the population places the struggle for subsistence squarely at the center of daily life" (1979:486). While the "logic of sanctions and incentives" that Richards elaborates has long been recognized as part of the "moral economy of the peasant," more recent studies locate it at the heart of labor control in the most globally integrated and technologically advanced forms of export agriculture.

While the cases that we review confirm this theory, they do not do so in a simple or straightforward way. It would not be possible to predict the nature of the labor contract in each region based simply on the type of crop or its labor intensity, for example, or on the fact that the product must meet international quality standards. As Watts (1994:46) has noted, while crop characteristics shape the technologies, division of labor, and productive organization of an industry, "the labor form attached to a commodity . . . is . . . always explained in some measure by forces in the larger political and economic environment."

The factors creating pressures and incentives for permanent contracts operate within the political economy and culture of local settings. Both central Chile and northeastern Brazil, for example, have a long tradition of multi-stranded contracts in the hacienda-fazenda economies of the region. While decades of agrarian reform and counter-reform have thoroughly changed the agrarian landscape and its institutions, employers can draw upon this historical tradition in binding workers to their newly export-oriented estates (and workers can make claims based upon these traditions as well). Both Brazil and Chile experienced prolonged periods of authoritarian rule over the two to three decades prior to the 1990s. During this period, the enforcement of rural labor law was lax, and complex, locally crafted labor contracts flourished.

These kinds of employment traditions and politico-legal practices also intersect with local labor market conditions. The bargaining power of labor is quite different in Brazil and Chile, for example, given that Chilean grape workers operate within urban and peri-urban labor markets and that Brazilian grape work-

ers compete with a vast, migrant labor force from adjoining localities in the impoverished Brazilian northeast. Comparing the two cases does not involve abstracting out invariant relationships between factors, but developing a deep understanding of the social processes through which labor markets are constructed in each place and then asking why they are different.

THE CHANGING STRUCTURE OF AGRICULTURAL LABOR MARKETS

The seasonality of agricultural work is as old as agriculture itself. Even in its most advanced forms, agriculture always requires labor in patterns tied to biological cycles of growth and decline. The success of agricultural production systems has depended on finding ways to mobilize labor for crucial tasks at the right time, and to sustain that labor through lean periods when there is little work to be done (Mann and Dickinson 1978). As previously mentioned, this is as true in twentieth century export grape production as on seventeenth century estates.

In the nineteenth and early twentieth centuries, in many parts of the world, owners of large farms adjusted to a fluctuating seasonal demand for labor by relying on a dual strategy. They drew labor on a year-round basis from workers settled on their farms and during peak periods hired seasonal workers from nearby villages or the surrounding countryside (Wolf 1957; Migdal 1975). In Latin America, estate owners called their workers *inquilines*, *moradores*, *peones*, or *huasipungos*; they drew seasonal labor from a variety of types of peasant communities. Seasonal workers relied on their subsistence plots and other forms of livelihood within these communities when they were not employed by the estates, reducing what owners had to pay them.

These arrangements have changed in many parts of the world, as agriculture has become integrated into national and international economies in new ways and as small rural communities have lost their economic base. Gómez and Klein have argued that agricultural labor markets in Latin America have seen a breaking of peasant relationships to land, removing an important safety net for rural labor and increasing unemployment and underemployment. This has gone hand-in-hand with a growth in the number of temporary positions, a decline in the number of permanent ones, and a greater integration of rural and urban labor markets (1993:1, 3). Since the 1960s, these authors assert, Latin American countries have seen the emergence of "groups of temporary agricultural workers who do not originate in small peasant property, but who represent a new social group, a rural proletariat that has emerged in response to the decomposition of archaic social institutions, and of land reforms" (Gómez and Klein 1993:3). These authors describe the effective erosion of permanent labor contracts under conditions of agricultural modernization.

Trends like these have led researchers to ask whether agriculture is not undergoing a "casualization" of labor process akin to that observed in many branches of industry in the 1980s and 1990s. Pugliese, for example, asserts that

"flexibility is increasing in the economy as a whole, but flexibility is increasing even more within agriculture. The pattern of a seasonal and migratory or transient labor force is spreading even in those segments of the agricultural system that had more structured labor markets" (1991:141). De Janvry has commented that "the use of labor is now fully flexible, for it will be paid only for work that is strictly necessary in conditions of need that fluctuate between seasons and between years according to the climate and the market" (1981:83). Neoliberal economists have acknowledged the role that casualization of employment contracts has played in fostering the growth or assuaging the decline of agricultural sectors. In Brazil, for example, OECD economists attributed the stable performance of agriculture during the economic downturn of the 1980s in part to the flexibility of rural sector daily and monthly wages which provided a "cushion of declining costs during recessive periods" (Goldin and Rezende 1990:54).

Another way of approaching the problem of changing agricultural labor markets is to ask, as some economists have done, whether it is not unusual that permanent labor continues to play any role at all in agriculture. Given the seasonality of production, the low skill levels required, and the fact that an employer who pays a daily wage avoids provision of many types of benefits, some researchers have asked why permanent or long-term contracts have remained an important feature of labor markets (Eswaran and Kotwal 1985a; Binswanger et al. 1984; Hart 1986). As Schaffner has noted, "employers could simply fill slack as well as peak season requirements by hiring temporary labor, but they almost always choose instead to establish 'permanent' contracts with slack season workers" (1993:708). What accounts for the complex structure of many agricultural labor markets in the 1990s? No longer able to draw workers from partially self-provisioning peasant households, how are agricultural employers meeting their needs for cheap seasonal labor? Are the kinds of services provided by former servile estate workers still necessary to employers, and if so, how are they obtained on the market?

In the following section we will review recent literature on rural labor markets in order to identify a number of propositions about the conditions under which permanent versus temporary contracts are used. We will then turn to the Brazilian and Chilean cases, tracing the development of the labor market in grapes in a way that permits comparison of the two cases, as well as addressing the ways that each confirms or refutes existing hypotheses. The conclusions not only reconstruct and correct a number of propositions about how employers use permanent contracts but also reveal the areas where markets cannot fully meet the needs of producers and where they must mobilize or build more complex social relationships in order to accomplish their goals.

THEORIES OF PERMANENT LABOR IN AGRICULTURE

One of the most important structuring features of rural labor markets is the degree of permanence of labor contracts. There is no simple dichotomy between

permanent and temporary employment but, rather, a continuum of practices (see Table 1). At the permanent end of the continuum are multi-year contracts. In most cases, when employers offer contracts that last more than one year, laws require them to pay benefits, such as social security, severance pay, and paid holidays. For this reason, many employers prefer to provide stable but discontinuous contracts that create a class of workers that has been called "semi-permanent," "permanently temporary," or "stable temporary." In these cases, workers have an on-going relationship with a single employer, but their contracts are allowed to lapse for a month or more each year. A third type of contract is one in which a farmer rehires seasonal workers for a delimited period year after year. These returning temporaries have somewhat greater stability than workers who do not have such an on-going relationship but a seasonal contract. Such workers, in turn, have greater continuity of employment than simple day laborers.

Development economists have been puzzled by the continuing presence of permanent and semi-permanent labor in agriculture in contexts where a cost-reduction model would lead them to expect short-term contracts. Such economists acknowledge that permanent contracts may in theory prove useful in reducing the costs of labor turnover, but note that such costs are generally low in agriculture and are probably not an important factor in determining the type of employment contract (Binswanger and Rosenzweig 1984:7-8). In addition, employers have generally used long-term employment contracts when they required specialized skills on an assured basis, which would apply to only a small fraction of agricultural workers.

To resolve this paradox, economists have looked at cost structures over the longer term and at broader social contexts surrounding the wage relation. Some authors have suggested that employers lower the costs of recruiting labor during the peak season by tying that labor to the farm with longer-term contracts that extend into the lean season. Workers will take a lower wage during the peak season in return for the stability of longer-term employment (Bardhan 1984:73). This would appear to be consistent with other practices such as offering loans to laborers during the agricultural lean period, when there is little

TABLE 1
Continuity of Employment

<i>Permanent Workers</i>	<i>Semi-Permanent Workers</i>	<i>Annually-Rehired</i>	<i>Seasonal Casual Day Laborers</i>
year-long or multi-year contracts	regularly renewed short-term contracts	seasonal workers (hired during peak period each year)	contract workers (contracts of 1-4 months)

farm work, in exchange for a commitment to provide labor services during peak periods, when labor demand is high (Bardhan 1984:86).

As Hart has noted:

Workers who are incorporated into these arrangements are in a somewhat more secure position than those who depend on the market for casual agricultural labor. Although for brief periods in the peak season wages paid to casual laborers may be relatively high, tied workers have secure employment, and in general, a higher annual income. The existence of a group of people in an economically inferior position is essential to the effective functioning of these arrangements. Confronted with the option of joining the ranks of the excluded, tied laborers worked hard to ensure renewal of their contracts (1989:37).

"Morale Effects" Replace Supervision

Hart's comments direct attention toward another advantage that employers may find in longer-term contracts. Not only does retaining some workers year-round reduce the overall wage bill during the peak season, but permanent contracts can have what Binswanger and Rosenzweig (1984:8) have identified as "morale effects." According to this reasoning, workers who receive wages that are higher or more stable than the norm will put forth more effort in order to retain their jobs. Several researchers have argued that this reduces the cost of supervision of labor (Hart 1986).

Eswaran and Kotwal suggest that this reduction of supervision costs is a primary reason for the retention of workers on permanent contracts. They begin from the premise that "labor . . . itself is not an effective input; it is an aggregate of the labor hired and the supervision effort applied . . . that is an effective input into agricultural production" (1985b:354). They suggest that permanent labor allows employers to assign important tasks to hired workers without having to devote inordinate resources to supervision. The higher income that accrues to permanent workers over time serves as a monitoring device, they argue; "any shirking . . . would invite the threat of getting fired and losing the stream of income differentials" (1985a:164–5). This enables the employer to create a cadre of loyal workers who would have been prohibitively expensive to supervise otherwise. While the cost of hiring permanent workers is greater than hiring seasonally, it is less than the cost of seasonal labor plus supervision. Eswaran and Kotwal argue that employers will rely on permanent workers to perform tasks that require judgment, discretion, and care and that are difficult to monitor. In this sense, they claim that permanent employment contracts represent "an attempt by the landlords to transform hired labor into workers whose behavior would approximate that of family labor, thus reducing the burden of on-the-job supervision" (1985a:165).

Permanent Contracts and "Subjection"

Schaffner (1993) presents an interesting account of the ways that the annual wage differential represented by permanent contracts affects worker perfor-

mance. Writing about sugar estates in northeastern Brazil in the 1940s and 1950s, she argues that the higher annual wage associated with permanent labor allowed employers to demand subjection (*sujeição*) from their workers. Schaffner argues that subjection—a term associated with labor tied to estates (*fazendas*) in the late nineteenth and early twentieth century—was reconceptualized as a bundle of services that a worker could offer on the market in the second half of the twentieth century. “Subjection involves not only strict discipline and low absenteeism,” she argues, “but also obligations of wider scope, such as being ready around the clock to respond to the employers call for service, and demonstrating loyalty to the employer by not acting counter to his wishes in local politics” (1993:708).

Echoing Eswaran and Kotwal, Schaffner argues that “if the wage premium associated with maintaining the permanent employment relationship is sufficiently high, then workers will choose to perform the distasteful services of subjection in order to prevent dismissal and the return to the lower wage temporary labor market.” Schaffner claims that the introduction of the Brazilian Rural Labor Statute in 1963 undermined this arrangement. The Statute required employers to make severance payments to long-term workers dismissed without cause, thus undermining threats of dismissal as a way to enforce subjection. As a result, permanent employment experienced a sharp decline in the years immediately following implementation of the Statute (1993:708–9).

Taken as a whole, these arguments about stability of contracts suggest that relationships at the permanent end of the continuum are complex and multi-stranded. This leads to a reduction of supervision costs through “morale effects” and assures the employer a wider array of services than day labor would provide. Theory would suggest that employers rely on permanent contracts in situations where they require the “judgment, discretion and care” characteristic of family labor, rather than the performance of routinized and measurable tasks.

FROM FAZENDA TO EXPORT GRAPE PRODUCTION IN NORTHEASTERN BRAZIL

Grape production in the northeastern Brazilian states of Bahia and Pernambuco is a recent phenomenon. Over the period from 1970 to 1995, the region experienced a rapid transformation from low-input cattle ranching to intensive irrigated fruit and vegetable production. The emergence of the lower-middle São Francisco Valley as “Brazil’s California” involved a massive reshaping of both landscape and social relationships.¹

¹ Jane Collins conducted research in the São Francisco Valley of Northeastern Brazil in 1991 and 1993. Research was funded by the National Science Foundation. The Federal University of Pernambuco provided affiliation and support. The authors thank economists Andrea Melo and José Ferreira Irmão for their participation in the research. Interviews were conducted with regional officials, labor leaders, and technicians and a structured survey was administered to a sample of fifty-two agricultural firms operating in the region.

Reshaping the landscape required huge investments of foreign capital. In 1973, Brazil's military government initiated the building of a large hydroelectric dam on the São Francisco River at Sobradinho. Heavily supported by the World Bank and bilateral donor agencies, the project was designed to provide cheap hydropower in a period of increasing oil prices, to regularize the flow of the river, and to initiate irrigated agriculture in the region. The dam was completed in 1979 and created a reservoir of 4150 square kilometers, permanently flooding four small towns and forcing the relocation of approximately 65,000 people.

The state purchased lands appropriate for irrigation and organized them into project areas under the supervision of CODEVASF (the São Francisco Valley Development Company). Each project area included a mixture of large, medium and small enterprises. By 1993, nearly 50,000 hectares were in production within these irrigated projects, and a nearly equal amount of private land had been irrigated. These newly created farms grew more than 20 different irrigated crops, the most important being tomatoes, mangoes and grapes. Farmers began exporting both mangoes and grapes in significant quantities in the late 1980s.

The ruling families of the Brazilian northeast had long held power through their wealth in land and their connections to the state bureaucracy, the church and the military. For the families of the lower-middle São Francisco Valley, commerce was also an important basis for wealth, given their privileged location on the banks of the "river of national unity." The most powerful families of the region were progressive commercial capitalists who benefited heavily from subsidized credit and government incentive programs. Unlike more conservative landholders, these families did not oppose new forms of investment and technical change but found ways to participate in it (Carvalho 1988:392). They represented what some authors have called the new *coroneis*, who combined their merchant capital with state and industrial capital in order to strengthen their influence (Chilcote 1990:273).² The commercial elite of the São Francisco Valley was able to consolidate its power over newly irrigated lands and associated construction and processing industries through their ties to high-level military officials during the period of authoritarian rule. Members of the region's prominent families served as governors of the states of Pernambuco and Bahia in the 1960s and 1970s, and one of them became President of the national Senate in the early 1980s. Less-prominent family members held positions in banks and government agencies charged with the region's development. Although irrigation brought an influx of new capital into the region from many parts of Brazil and overseas, local families retained a firm foothold in the region's development.

² *Coroneis* were powerful landowners who held a monopoly of political power in regions of rural Brazil. In the past, many *coroneis* had private militias; many still control access to public services and have a strong influence on the voting behavior of individuals in their region (Chilcote 1990:8).

Prior to the introduction of irrigation, large landowners mobilized labor through sharecropping arrangements and contracts with live-in workers (*moradores*). Most pre-irrigation production in the region was not particularly labor intensive. Until the 1970s, the major economic activities were cattle-ranching and small-scale flood plain agriculture. Landowners used sharecroppers to work their riverside *granjas* or *sítios* in return for half of the crop. Workers and sharecroppers were tied to landowners through complex patron-client ties, often involving debt peonage and service in the landowner's militia (Chilcote 1990:17). The concept of subjection elaborated by Schaffner aptly describes the servile labor relations of regions such as the São Francisco Valley. As one observer has noted, the *patrão* (landowner) "was the authority in all matters. He stood between his people and the law. If they were voters, he took them to the polls and instructed them on how they should vote; to the extent that aid was available in times of need or disaster, it came from or through him. He was their friend, their counselor, their employer and their ruler" (Chandler 1972:130). While the demands on cattle ranch workers were often less weighty than those on agricultural workers, the dominance of the *patrão* was much the same in both cases.

During the early 1960s, important rural social movements emerged in northeastern Brazil. These movements, concentrated on the sugar estates of the coastal zone, fought for the expansion of the Rural Labor Statute, for landlord fulfillment of "social obligations" to workers and for agrarian reform. After the military coup of 1964 and the concomitant repression of unions of all types, struggles subsided; but the legislative gains remained on the books, and in many cases, efforts were redirected to their enforcement (Palmeira 1979). Although inhabitants of the interior of the state of Pernambuco were not among the most active participants in these movements, the new legislative environment affected rural workers in this region.

Flooding and the large-scale expropriation and reappropriation of land in the region effectively eradicated this social landscape. Smallholders who were dislocated by these events settled in nearby towns while waiting for irrigated plots or for jobs. Because of delays in reallocating irrigated land, many became discouraged and moved to other regions (Duque 1984). Large holdings were reorganized as commercial enterprises structured around the secondary and tertiary irrigation canals.

Irrigated farms had a new shape, and spatial and social relationships changed in tandem. An emerging orientation toward external markets was reflected in roads, storage sheds and packing houses; the rising value of land in the careful use of all available space; and the new relationship of laborers to the farm in the eradication of all spaces for self-provisioning production. When permanent and semi-permanent workers were housed on the farms, as they sometimes were in grape production, they lived in cinderblock houses clustered on the margins of the property. These *moradores* were not allowed to keep animals or to

maintain gardens of their own, as they had been in the past. Elsewhere in the region, on the periphery of the urban settlements of Petrolina and Juazeiro, settlements grew up to house the influx of migrants who formed the primary labor supply for most farms.

As Rodríguez and Venegas (1989:224) have noted, irrigated crops, and particularly fruit production, combine two processes that are often held to be mutually exclusive in agriculture: technical innovation and growth in labor demand. The São Francisco Valley experienced both of these processes in the 1980s and 1990s. Irrigated fruit required large investments in irrigation systems, drainage, and soil improvement, as well as in packing houses and cooling facilities. Farmers producing export grapes in the 1990s were making initial investments of up to \$25,000 per hectare, and at the same time they were using up to 1,500 person-days per hectare per year to produce two yearly harvests. The region became a dynamic "growth pole" that drew migrants from other parts of the impoverished Brazilian northeast.

The Use of Permanent Labor in Grapes

Farm owners in the São Francisco Valley used a broad range of labor practices in the early 1990s, and arrangements varied significantly by crop. Employers relied mostly on day labor for field crops like tomatoes, melons and onions. Permanent workers formed only 16 to 30 percent of the workforce in these crops. For tree and shrub fruits such as mango, maracuja, guava, sweet lime and acerola they used more permanent labor (34–40 percent). But the proportion of permanent and semi-permanent labor was highest for vineyards. On average, owners of these enterprises employed 74 percent permanent and semi-permanent workers.³

Hiring workers on permanent contracts implied that employers would comply with existing labor law (the Rural Worker's Statute, passed in 1963). Workers with a signed work card (*carteira assinada*)⁴ were entitled to Sundays off, a month's bonus at the end of the year (*décimo*), and employer contributions to the social security program for rural workers. Workers with signed cards were also entitled to severance pay if they were terminated without cause (Neffa 1986:54; Palmeira 1979:80).

In many ways, the use of permanent labor contracts in grapes confirms theoretical assertions. Of all the crops produced in the Valley, grapes are the most labor intensive and have the highest degree of interactive labor intensity. Ex-

³ At first glance, this might seem to be simply a result of the fact that the region's vineyards produce two harvests, employing even temporary workers for some 232 days per year. But the region's tomato farms also produced two harvests, and casual labor predominated in that crop. Clearly other factors were at work as well.

⁴ In 1979, the National Conference of Agricultural Workers (CONTAG) estimated that 80 percent of rural workers did not have signed work cards and thus were not entitled to these provisions. The percentage not covered was higher among women (87 percent) and minors (95 percent) (Neffa 1986:55).

ported grapes must meet standards for size of grape, size of bunch, weight, sugar content, absence of blemish, absence of pesticide residue, and other features. Tasks involved in producing grapes to these standards include removing old growth from vines, tilling, fertilizing, irrigating, securing new growth to arbors, trimming non-producing branches, monitoring for rate of growth, blemish and signs of disease, biweekly application of pesticides, selecting the two best bunches on each branch and culling the rest, trimming bunches to export size, harvesting, grading, packing and transporting to refrigerated warehouses. Seedless varieties of grapes are somewhat less demanding in this regard. Although Chilean producers have adopted the Thompson seedless grape, technicians have not yet found successful ways of producing seedless grapes in the São Francisco Valley, thus labor requirements remain high.

This situation would seem to confirm Eswaran and Kotwal's proposition that permanent labor is used to reduce supervision costs where tasks require judgment, discretion, and care. First, permanent contracts reduced turnover. Firms that successfully exported grapes often tested potential workers to determine what tasks they were best suited for, and then provided training. A number of firms provided housing for workers and schools and crèches for workers' children in order to encourage continuity of employment. Failure to perform the services demanded by employers would result not only in a loss of income for these workers but of shelter and schooling as well. Relations with workers became complex and multi-stranded under these conditions, evoking the memory of—though not replicating—the situation of live-in workers of previous eras.

Second, managers of large farms were explicit about the fact that they were seeking to combine elicitation of skilled, almost “artisanal” care of vines and grapes with practices of piece rate, monitoring, and control. The same managers who spoke eloquently about the need to standardize procedures also referred to their workers as “artisans,” emphasizing the care required in execution of these tasks. While this labor regime is similar to that described by Eswaran and Kotwal in the sense that managers sought to “transform hired labor into workers whose behavior would approximate that of family labor,” an orientation toward world markets required the incorporation of additional elements that insured compliance with rigid standards. Under this new export-oriented regime, multi-stranded relations and subjection were combined with intensive monitoring and control.⁵ Permanent labor reduced, but did not eliminate, the costs of supervision.

⁵ In the São Francisco Valley, the most successful grape farms *combined* the use of permanent labor with intense supervision and incentive wages. These farms used a three-tiered system which employed a monitor for every 20 workers and a technical supervisor for every 5 monitors (for 100 workers or more). They also combined payment of a fixed salary (minimum wage) with bonuses for productivity and quality. This system cost growers 25 to 30 percent of gross returns. Managers insisted that it was the only way to obtain consistently high levels of exportable grapes. The highest rate of export achieved in the region was 70 percent. The average for large farms was 40 percent.

The practices surrounding employment of permanent workers also confirmed that employers sought loyal and “subject” workers. During the harvest period, landowners expected permanent workers to stay on the job for up to twenty hours per day. This often made it necessary for women to bring their young children to the vineyards. If families lived in housing on the perimeter of the estate, it was expected that all family members would work in the vineyards as needed. (Not all of these individuals held signed worked cards and received the associated benefits.) One new investor in the region, a Japanese-Brazilian who had moved to the region from southern Brazil, referred to his workers as *meus filhos* (my children). The degree to which this reflected Japanese models of the firm and the degree to which it drew on the old language of patron-client relationships from the fazenda era was not entirely clear, but the emphasis on the worker dependency and loyalty was unambiguous.

The Brazilian case also conforms to theory in revealing the significance of a reserve army of workers in rendering the position of permanent workers both noticeably better and vulnerable—what Hart (1989) has called the “logic of exclusion.” Although there were not large numbers of unemployed agricultural workers in the irrigated zone itself, the region drew in significant numbers of workers from other impoverished regions of the northeast. The importance of the availability of this migrant labor force to employers was made clear in a brochure designed to attract investors to the region:

The Northeast of Brazil, where most of the São Francisco River Valley lies, is considered a poor region, afflicted with periodic droughts, and with a large number of under- or unemployed. It has become a tradition, during the droughts, for the population to migrate to the Mid-South of the country in search of employment. The irrigation projects now underway have attracted part of this contingent. Thus, the labor force that is found right in the region has helped reduce production costs.⁶

As Hart (1986), Richards (1979), and Eswaran and Kotwal (1985a) have noted, the “morale effects” of permanent labor are only operative if there is a threat of being returned to the less regular, less-remunerative seasonal labor market. The large number of impoverished workers from drought-stricken regions of the northeast functioned both to depress wage rates and to remind permanent workers of their vulnerability.

An additional factor that was important in controlling permanent workers, and in keeping their wages low, was gender. Women made up 65 percent of workers in grapes, higher than their level of participation in the labor force of most other crops grown in the region.⁷ Hiring women for these most privileged positions in the regional labor market enhanced employer control in two ways. First, unions in northeastern Brazil have generally have excluded women, and

⁶ This quote comes from an undated and unattributed promotional brochure circulated by CODEVASF.

⁷ Women form 66 percent of the labor force in onions, 54 percent in tomatoes, 44 percent in asparagus, 38 percent in mango, and 20 percent in melons.

thus they have been less likely to organize to make claims against the employer. Second, the employment of women in what might otherwise be considered skilled positions served to mask levels of skill and responsibility and reconstrue the work involved as "fastidious" or requiring "nimble fingers" (Collins 1995). This made it possible for employers to pay women who work in vineyards the minimum wage—less than the 1.5 minimum wage rate paid to men who run rototillers and irrigation pumps. Gender thus worked together with the presence of a large reserve army of workers to provide management with tools both control labor and reduce its costs.

RURAL LABOR MARKETS IN THE CHILEAN FRUIT INDUSTRY

Fruit production has played an extremely dynamic role in the recent history of Chilean agriculture. In the 1980s, fruit crops accounted for the 80 percent of the value of all agricultural exports, with table grapes alone generating 60 percent of all fruit dollars (Rodríguez 1987:65). While fruit has traditionally been an important part of Chile's agricultural profile, the sector experienced massive growth in the 1970s following the implementation of a series of national development plans which specifically targeted it as a growth area. Between 1974 and 1985, the value of fruit exports grew at an average annual rate of 23.3 percent (Gana and Romagüera 1987:18).

Geographically, much of this growth has been concentrated in the provinces of Central Chile, the agricultural heartland of the country. The municipality of Santa Maria, located in the valley of Aconcagua, is currently a major zone of grape production. Production of fruit crops for export in the valley began in the 1930s under the auspices of a group of Argentinean entrepreneurs who brought Italian workers into the area (Rodríguez and Venegas 1989: 119–20). Several of these laborers acquired land and now operate some of the largest firms in the valley. Most modern fruit estates, however, were formed more recently and are Chilean in origin. In the 1960s, Chilean producers began to make serious inroads into the sector—responding to the generous terms with which state loans for investment in fruit production could be secured and to pressures for modernization associated with the agrarian reform. In 1976, fruit crops occupied 60 percent of the surface area in Santa Maria, compared to 28 percent for the province as a whole and 7 percent for the entire country (Rodríguez and Venegas 1989:25). Initially, most estate owners in Santa Maria produced peaches, but by the mid-1980s, 65 percent of the area dedicated to fruit production in the municipality was occupied by grape arbors (Rodríguez 1987:80).

Contemporary labor arrangements in Chilean grape production have been shaped by the emergence and consolidation of the hacienda system and its subsequent dissolution. In the nineteenth century, the hacienda enterprise was based on the extraction of labor from estate residents, called *inquilinos*, who provided services in exchange for rights to land and fringe benefits. The *inquilino* was granted two plots of land by the estate: a *cercó*, or garden plot, di-

rectly adjacent to the family's living quarters, and a *ración*, or larger plot whose location varied from year to year according to the hacienda's rotation schedule. In addition, the *inquilino* was granted a house, grazing rights for a certain number of animals, and the right to collect wood from estate lands. In exchange, the *inquilino* household head was expected to supply the estate with one or more laborers, known as *peones obligados*, year round. *Inquilinos* might provide these labor services directly, or—in the case of wealthier tenants—they might hire other workers to fill their labor requirements. In addition, the male *inquilino* was expected to provide the labor of his wife or daughters to the estate for milking. Thus, whether by hiring replacement workers or supplying family workers, the *inquilino* functioned to recruit a labor force for the estates.

The hacienda system was not static during the course of the nineteenth century. As the international market for wheat expanded during the second half of the century, owners of wheat-producing estates sought to expand production by increasing the labor-rent obligations of the *inquilinos*, who were compensated by the introduction of a wage payment. This was a contradictory development which shaped the future development of labor relations on the hacienda. As Kay writes, “. . . [This period] witnessed the extension and consolidation of the hacienda system based on the labor-service tenancy arrangements, but it also showed the first signs of a proletarianization process . . . evidenced by the fact that landlords came increasingly to view the internal peasant enterprise as a source of cheap permanent wage labor rather than a source of rent” (1992:42).

This system began to break down in the 1930s, as certain forms of production were mechanized and as pressures for modernization increased. Higher levels of productivity associated with mechanization created pressures for estate owners to use more of their land directly. As a result, the *inquilino* system became more costly for landlords, who gradually replaced land leases with cash payments. In addition, the ways in which family members worked on the estates was modified. Formerly incorporated on a full-time or nearly full-time basis as *peones obligados*, family workers, renamed *voluntarios*, were now paid a wage for specific tasks performed on a sporadic basis. Thus, the labor of the *voluntario* was permanently available to the landlord, but employed only when needed. The use of estate residents as a labor force was increasingly supplemented by *afuerinos*, non-residents—either migrants or workers drawn from nearby villages—who were completely proletarianized.

These trends accelerated during the period of agrarian reform between 1965 and 1973. Labor legislation passed in 1965 required that an increasing portion of *inquilinos'* salaries be paid in cash, as opposed to in-kind benefits. This change pushed up the costs of *inquilino* labor relative to labor supplied by *voluntarios* and *afuerinos*, eroding the advantages of the labor-tenant system. In addition, the government began actively encouraging the formation of agricultural unions among resident workers. The surge in rural unionism after 1965 provided growers another incentive to reduce permanent work forces (Dorsey

1984). Given these pressures, it is not surprising that the implementation of the agrarian reform was accompanied by the large-scale expulsion of resident workers from estates. Agrarian reform policy allowed growers to retain 80 hectares of expropriated estates. Most owners responded by resettling workers outside the boundaries of their land. Many former estate workers came to be concentrated in new rural settlements, called *villorios*, which sprang up around the edges of larger properties (Cruz 1992:251). Even on farms not directly affected by the agrarian reform, owners attempted to reduce the size of the permanent labor force. Some offered workers the option of purchasing the houses in which they resided on favorable terms, providing severance pay, and guaranteeing such workers first refusal for temporary work (Dorsey 1984:145). Such agreements lowered the costs to the estate of maintaining housing and yet fixed a pool of laborers around the fringes of the estate.

The military coup of 1973 strengthened the hand of estate owners considerably. Labor union activity was immediately suppressed. The minimum wage was allowed to fall in real terms; at the same time, the percentage of the wage which could be paid in in-kind benefits was increased, reversing earlier legislation. Expropriations were terminated and fully a third of all expropriated land was returned to former owners. Another third became property of the state and was auctioned off. A final third remained in peasant hands—if only briefly. The state instituted a free market in land, with the result that 50 percent of the land in peasant possession was resold, often to former owners (Cruz 1992:252). As farms were returned or resold, landlords attempted to restrict their obligations to rehire permanent workers. Between 1965 and 1976, the proportion of labor provided by permanent workers fell by 40 percent (Dorsey 1984:iii-iv). The average number of permanent workers employed by capitalist enterprises was reduced from 7.7 workers per estate to only 3.6 workers (Cruz 1992:255). This figure placed most estates well below the required number of 8 permanent workers necessary to form a union according to labor legislation passed in 1979.

The Use of Permanent Labor in Grapes

Dramatic increases in labor demand associated with the expansion of fruit cultivation in the 1970s and 80s served to partially slow this reduction in the permanent work force (Venegas 1992). As Eswaran and Kotwal would predict, the quality-intensive nature of grape production created pressures to retain a segment of permanent workers. Over time, though, growers developed new practices in which workers hired on a temporary basis could be induced to perform in a manner similar to workers contracted under permanent agreements. As such, the temporary (or semi-permanent) labor force came to assume a far more important role in the Chilean industry than in Brazil. Rodríguez's (1987:172) survey of 7 vineyards in Santa Maria revealed that only 3 percent of the labor force—supplying 32.9 percent of the work-days over the entire year—was employed on a truly permanent basis. For every 3 permanent workers, 2 more were

employed on a semi-permanent basis (Rodríguez and Venegas 1989:158). National-level statistics—with 16 percent of the labor force employed in Chilean fruit production having permanent contracts (Venegas 1992:25)—present a situation which is closer to, although still far below, figures presented above for the São Francisco Valley in Brazil.

The average temporary worker employed in fruit production in Central Chile works 168 days per year (Venegas 1992:144). The bulk of temporary hirings take place between October and March, when thinning, harvesting, and packing activities occur. Many temporary workers are hired year after year by the same firm, lending a degree of continuity to employment relations which is not typical of temporary work in other settings. Such arrangements have led commentators to describe grape firms as disposing of a *planta* of temporary workers. As Rodríguez and Venegas (1989:174) write:

A considerable portion of temporary workers—never less than 50 percent of any given firm's work force—work in the same productive activity year after year. This is an agreement—usually tacit—of mutual convenience in which the employer is assured that he can count on having a base of workers trained in specific tasks whereas the worker is assured of finding secure employment each year . . . In periods of peak demand, these workers do not look for alternative employment, but rather each year simply present themselves at the firm.

While this phenomena is reported for all temporary workers, it is particularly common among women employees (Rodríguez and Venegas 1989:174). Women constitute 43.1 percent of the temporary labor force (Rodríguez 1987:262). These workers are attracted by the relatively high wages available for temporary work paid on a piece rate. In the case of cleaning and packing grapes, for example, women performing these tasks may earn between 50 to 80 percent more than their male counterparts (Rodríguez 1987:243). These wages are a novelty for women, whose occupational horizons have in the past been largely restricted to domestic service (Venegas 1992).

Up until the 1990s, the stability of the temporary labor force was enhanced by the fact that, in contrast to much seasonal agricultural labor in Latin America, a large proportion of temporary workers were local. This marks an important difference from the Brazilian case described above, in which migrants constitute a significant part of the temporary labor force. Venegas (1992:92) estimates that 90 percent of the temporary workers employed on fruit farms in Central Chile in the 1980s—the height of the grape expansion—were of local origin. This feature is consistent with the relatively insignificant role played by labor contractors in the industry up until the 1990s (Rodríguez 1987:234; Cruz 1992:256). In Santa Maria, sandwiched between two medium-sized cities, for example, 50 percent of the work force in the 1980s resided within the municipality of Santa Maria and an additional 33 percent of its peak-season labor force was drawn from these nearby population centers (Rodríguez 1987:303–4). In the Central provinces as a whole, urban workers constituted 50 percent of

the temporary labor force, serving as a labor reserve for the industry (Cruz 1992:255).

Employers preferred local workers for a variety of reasons. First, given the long history of fruit production in Santa Maria, most locals were experienced in the tasks associated with grape cultivation, harvesting, and packing. Second, locals were "on hand" year around and can be dismissed and rehired as needed. Finally growers "can keep an eye on locals more easily than outsiders; the former can be kept under control better than the latter" (Rodríguez 1987:310). This last point is interesting because the shift to a local labor force employed on temporary contracts was accompanied by a simplification of pre-existing supervisory systems. Gomez and Echenique (1988:65) report that the old pyramid of hierarchies of command collapsed in fruit production. Permanent workers headed squads of temporary laborers, effectively replacing the role formerly played by *mayordomos*, *capataces*, and *vigilantes*. The elimination of well-paid supervisory staff allowed enterprises to control costs. The outlay on salaries for all categories of workers, temporary and permanent, constituted between 14 and 16 percent of the final price of a box of export-quality grapes.

The remarkable stability of the temporary work force is evidence that employers have managed to structure temporary contracts in the Chilean grape industry in order to reproduce features of permanent contracts. Temporary contracts resemble the more familiar contours of the contracts established between firms and permanent workers in other features besides their stability, as well. Like the relationships that accompany permanent work, relations between firms and these temporary workers are complex and multi-stranded. This is most clearly demonstrated in the practice of giving workers "allowances." Allowances may include providing some amount of extra cash every month to "help out" with electricity and transportation costs, making a modest gift of a bottle of liquor, renting out a bus to transport workers to the beach for a day off, supporting the education of the child of a worker, or paying the cash equivalent of a *cuarto* of land. Allowances are more common and more generous among permanent workers, but 34 percent of temporary workers also receive some type of allowance (Rodríguez 1987:246). Allowances are largely symbolic, in the sense that they do not generally constitute a significant source of income among workers but do operate to maintain worker loyalty. Rodríguez (1987:211) suggests that the practice of giving allowances significantly improves firms' chances of retaining their best workers.

There are important differences between firms of different sizes in terms of their ability to participate in these arrangements. Small- and medium-size firms contract a higher proportion of permanent workers compared to their counterparts in the largest-size category. This appears to reflect the disadvantage smaller firms face competing for temporary labor with larger units. Larger firms are vertically integrated to a greater degree than small- and medium-sized units. Unlike smaller firms, they typically possess packing and cold storage facilities

and may even directly export their product. For these reasons, they are in a position to offer longer periods of employment to workers, who in turn prefer hiring themselves out to such firms. In the 1990s, some large growers moved operations into Northern Chile, where labor skilled in fruit work is scarce. They have offered their best temporary workers the opportunity to extend periods of employment by working in these new areas of production. Moving from estate to estate creates problems for workers and their families but does provide steady employment over a greater part of the annual cycle, despite the fact that contracts are still temporary. In general, the larger the size of the firm, the higher the proportion of temporary workers who are hired on a repeat basis (Rodríguez 1987:236).

Finally, it is important to note that just as gender played a role in keeping wages low and enhancing control in the Brazilian case, it is an important dimension of Chilean labor markets as well. As in the Brazilian case, hiring women workers allows employers to minimize the threat of disruptive union activities. The second effect of hiring women workers noted above—eroding the basis on which workers may claim rewards which are congruous to their skill levels—also holds true in the Chilean case. While women working in cleaning and packing grapes may earn some of the highest wages in the industry, such wages do not compensate these workers for the longer hours and more intense pace associated with tasks paid by piece-rates (Valdés 1992:110–11). A third and more novel point involves the way in which gender operates to stabilize the labor force in the Chilean industry. We have already noted that the long-term stable relationships between firms and temporary workers characteristic of the industry are most commonly established with local women. As Rodríguez (1987:301–2) notes, such women are in high demand, both because they tend to have more experience than outsiders and because they lack alternatives in the local labor market. It is plausible to suggest that such narrow occupational horizons may combine with women's tighter integration into the domestic sphere to constrain the mobility of these workers. In this regard, it is interesting to note that the majority of women employed in the fruit industry are either married or single heads of households (Venegas 1992:102) who presumably shoulder significant domestic responsibilities. Thomas (1985:ch. 6) has noted the way in which the California lettuce industry specifically targeted women workers—for precisely the reasons just described, lower mobility associated with restricted job opportunities and heavy domestic responsibilities—as a means of stabilizing its seasonal labor force. This would appear to be part of the strategy of Chilean grape growers as well.

In sum, grape producers in Chile have constructed a set of labor practices that look substantially different from those in Brazil. Rather than entrusting skilled work to a tier of permanent workers whose performance is ensured by the threat of expulsion to the less-secure temporary labor market, they rely almost exclusively on temporary workers. In some ways this is not surprising. Grape pro-

duction is not the same in all times and places. The less-delicate seedless grapes produced in Chile require less-careful handling than the varieties produced in Brazil, and thus require less supervision and less of a "morale effect" that substitutes for supervision. This reduces the advantage of permanent contracts to employers. Although seedless grapes need less care than other varieties of grapes, they still require more attention than most other crops. Chilean estate owners seem to have achieved many of the "morale effects" of permanent contracts by building some of their incentives into temporary work relationships. Temporary workers who exercise "judgment, discretion and care" are rehired regularly. As Cruz (1992:256) writes, "Once contracted, a temporary worker seldom leaves the estate. A certain clientilism is established from year to year which gives the relationship a degree of stability." Regular rehiring brings with it not only the chance to earn high wages on a piece rate but also a variety of gifts and bonuses as well.

Labor market conditions in Chile are significantly different from those in Brazil. These conditions have shifted over time, as the nation moved through a period of economic crisis and high unemployment in the late 1970s and early 1980s to more stable economic conditions in the late 1980s and 1990s. As unemployment has declined, thus improving the bargaining power of workers, the provision of permanent contracts has become riskier for estate owners. The threat of dismissal is a less-effective sanction under such conditions, particularly since Chilean workers, unlike their Brazilian counterparts, live in proximity to urban centers. Additionally, permanent workers with other employment opportunities can mobilize to press for higher wages and better working conditions. As economic conditions improved in the 1990s, even temporary workers organized. Women (who found participation in traditional unions difficult) came together in *casas comunales* to solve problems of child care and "off-season" employment. These initiatives developed, over time, into a broader set of actions, including demands for higher wages. Grape workers recognized the vulnerability of growers to the timing of the harvest and used this to their advantage in scheduling their actions to press for wage increases. Given these conditions, it is not surprising that employers were not eager to offer permanent contracts.

THE CASES COMPARED

The paradox of permanent labor contracts in a highly seasonal activity was most evident in the Brazilian case just reviewed. The lengthy season associated with two grape harvests meant that workers were needed for nearly eight months of production itself. By retaining workers for an additional three months (the contract was allowed to "lapse" for one month each year) the employer retained a skilled and stable workforce on hand. Most of these workers had a signed work card that made them eligible for social benefits (and increased the cost of their contract to the employer by 42 percent). Consistency of income, social benefits—and sometimes housing and crèches—provided a powerful incentive for

workers to remain with their employer. The presence of a large reserve army of migrant labor in the region highlighted the advantages of permanent service. In Hart's words, "the existence of a group of people in an economically inferior position is essential to the effective functioning of these arrangements" (1989:37). Permanent contracts guaranteed loyalty and stability of service, but the incentives they offered were not sufficient to render workers completely self-supervising. In the case of export fruit production, it was not enough to prevent workers from shirking and to see that they labored diligently. In order to meet quality standards, additional supervision was required to insure that tasks were performed in highly specific ways.

In Chile, a shorter production period (five and a half months) meant that the relative cost of permanent versus temporary employment was greater, at the same time that the relative hardness of the seedless grapes grown in the region reduced somewhat the need for careful handling. Because they were producing an export crop that had to meet standards, however, there were still powerful incentives for employers to develop a stable and skilled workforce. Firms accomplished this by developing stable temporary contracts with workers (mainly women) that offered opportunities to make decent wages through piecework and that often involved bonuses, gifts or "allowances" to workers. Many of the advantages of permanence were thus replicated using temporary contracts. The fact that smaller firms that were less competitive in recruiting stable temporaries resorted to permanent contracts attested to the employers' need for the stability and skill such contracts provide.

Gender was a crucial ingredient in the labor market strategies of employers in both regions. Because women formed the bulk of the permanent labor force in grape production in the São Francisco Valley, it was difficult to obtain recognition for the skill involved. In Chile, the relative dearth of other employment options for women, combined with the expectation that they would return to domestic labor during the off-season contribute to their availability on a seasonal basis. In both places, the fact that unions have historically excluded women meant that women had to create their own contexts for mobilization, slowing (though not stopping) the process of representing their political interests.

In both the Brazilian and Chilean cases, contemporary labor relations were shaped by a history of practices characterized by "subjection." Under the regimes of *hacienda* and *fazenda*, workers tied to estates were expected to provide a wide array of services, as well as to offer political support to the landlord. Labor was bound to estates through complex ties of patronage and clientism. These traditions provided models and vocabulary for the multi-stranded contracts that emerged in export grape production, even when the relationships they described were fundamentally distinct. In addition, in both the Chilean and Brazilian cases, organized labor was weakened by long periods of authoritarian rule during which union activities were curtailed or outlawed. In both re-

gions, while rural labor law existed, it was unevenly enforced. The situation which Palmeira describes for Brazil—in which “the mere struggle to enforce legislation acquires . . . radical features” (1979:87)—was true for both regions. The relative lack of enforcement of rural labor law under authoritarian regimes created a regulatory vacuum in which contracts that offered non-wage remuneration and that required performance of non-standard obligations could thrive.

Thomas has argued that most approaches to the study of labor markets have been insensitive to problems of social and political inequality outside the enterprise—failing to attend to the ways that social and political institutions shape the labor process (1985:9). Urban unemployment in the Chilean case (particularly for women) and the dire poverty and underemployment of much of the rural Brazilian northeast were the structural inequalities that created a reserve army of labor in both regions, which made it possible to divide the workforce into a privileged permanent or stable temporary sector and a disadvantaged reserve army. In addition, in ways that have already been described, broader cultural gender inequalities structured women’s options in the larger labor market and thus conditioned their availability to—and ability to bargain within—the agricultural labor market. The greater bargaining power of Chilean workers as unemployment declined attests to the importance of broader labor market dynamics and the political and economic processes that structure them.

CONCLUSIONS

The implications of these two cases for existing theories of labor contracts are two-fold. In a rather elegant way, these two cases confirm the propositions of the literature: that permanent labor will be used when supervision is of paramount importance or when costs of supervision are high; that it will be used when the employer requires the performance of extraordinary tasks (subjection); and that permanent contracts will function best, as a means of labor control, when there is a large reserve army of more casually employed workers against whose experience the permanent workers can contrast their own. These conditions are met in Brazil, where permanent labor contracts predominate. The need for careful labor is somewhat less in Chilean grapes, the cost differential between year-round and temporary contracts being greater; and there is no large, impoverished “reserve army” of labor on which employers can draw. All of these factors make us less likely to expect employers to use permanent contracts in the Chilean case. Thus, the use of long-term, but temporary, contracts in Chile confirms theoretically derived expectations. Nevertheless, when temporary contracts in Chilean grape production were examined in detail, they were found to build in incentives for continuity and careful work that emulated permanent contracts. This confirms the expectation that employers will seek contracts that provide stability, “morale effects,” and subjection in situations where careful, committed work is required.

This essay sought to understand a paradoxical situation, one in which employer demands for more “subjected” and highly controllable labor led to the adoption of a more “modern” contract form. Theoretical writing about labor contracts in agriculture provided some guiding premises about how employers might use permanence to create morale effects and subjected workers. These premises proved relevant in both cases but played out differently within the two distinct cultural and political economic contexts. In each case, an understanding of the form of contemporary labor contracts required detailed examination of local labor markets in order to assess employer goals related to the production process, as well as an examination of the social and political forces outside the firm that shape labor availability and the conditions under which labor is sold. We cannot generalize from these cases to national or international trends. But we can learn things about the ways in which complex, multi-stranded employment contracts remain an important feature of highly rationalized (and globalizing) production contexts and about the conditions under which permanent contracts may emerge⁸—even in a seasonal industry. The cases also remind us that temporary labor is not a novel practice engaged in by firms seeking to reduce costs in a new global competitive environment but that employers and workers are always engaged in struggle over when, how, and for how long work will be performed.

REFERENCES

- Bardhan, Pranab K. 1984. *Land, Labor and Rural Poverty: Essays in Development Economics*. New York: Columbia.
- Binswanger, Hans P. and Mark R. Rosenzweig. 1984. “Contractual Arrangements, Employment and Wages in Rural Labor Markets: A Critical Review,” 1–40, in *Contractual Arrangements, Employment and Wages in Rural Labor Markets in Asia*, Hans P. Binswanger and Mark R. Rosenzweig, eds. New Haven: Yale University Press.
- Carter, Michael R. Bradford B. Barham; Dina Mesbah; and Denise Stanley. 1993. *Agro-exports and the Rural Resource Poor in Latin America: Policy Options for Achieving Broadly-based Growth*. Agricultural Economics Staff Paper Series No. 364. Madison: University of Wisconsin Press.
- Carvalho, Otamar de. 1988. *A economia política do nordeste: Irrigação e desenvolvimento*. Brasília: Editora Campus: Associação Brasileira de Irrigação e Drenagem.
- Chandler, Billy Jaynes. 1972. *The Feitosas and the Sertão das Inhamuns*. Gainesville: University of Florida Press.
- Chilcote, Ronald. 1990. *Power and the Ruling Classes in Northeast Brazil: Petrolina and Juazeiro in Transition*. London: Cambridge University Press.
- Collins, Jane L. 1993. “Gender, Contracts and Wage Work: Agricultural Restructuring in Brazil’s São Francisco Valley,” *Development and Change*, 24:53–82.
- . 1995. “Gender and Cheap Labor in Agriculture,” in *Food and Agrarian Orders in the World Economy*, Philip McMichael, ed., 217–32. Westport, Ct.: Praeger.
- Cruz, Maria Elena. 1992. “From Inquilino to Temporary Worker; From Hacienda to Rur-

⁸ There are parallels between the “reinvention” of permanent labor in the Brazilian case described here and the reinvention (or reintroduction) of sharecropping in the California strawberry production described by Wells (1984).

- al Settlement." in *Development and Social Change in the Chilean Countryside: From the Pre-Land Reform to the Democratic Transition*, Cristóbal Kay and Patricio Silva, eds. Amsterdam: Centre for Latin American Research and Documentation.
- De Janvry, Alain. 1981. *The Agrarian Question and Reformism in Latin America*. Baltimore: John Hopkins University Press.
- Dorsey, Joseph. 1984. "Changes in the Use of Labor on Large Haciendas in Chile's Central Valley: 1965, 1970, and 1976." Ph.D. Dissertation, University of Wisconsin-Madison.
- Duque, Ghislaine. "A experiência de Sobradinho: Problemas fundiários colocados pelas grandes barragens." *Cadernos de CEAS (Centro de Estudo e Ação Social)*, 91:30–38.
- Eswaran, Mukesh and Ashok Kotwal. 1985a. "A Theory of Two-Tier Labor Markets in Agrarian Economies." *American Economic Review*, 75:1, 162–77.
- . 1985b "Theory of Contractual Structure in Agriculture." *American Economic Review*, 75:3, 352–67.
- Gana, Juanita; and Pilár Romagüera. 1987. *Desarrollo y Perspectivas del Sector Frutícola en Chile*. Santiago: Centro de Estudios del Desarrollo.
- Goldin, Ian; and Gervasio Castro de Rezende. 1990. *Agriculture and Economic Crisis: Lessons from Brazil*. Paris: Organization for Economic Cooperation and Development.
- Gómez, Sérgio and Jorge Echénique. 1988. *La Agricultura Chilena: Las Dos Caras de la Modernización*. Santiago: Facultad Latinoamericana de Ciencias Sociales.
- Gómez, Sérgio and Emilio Klein. 1993. "El trabajo temporal en la agricultura latinoamericana," in *Los pobres del campo: El trabajador eventual*. Santiago: FLACSO/PREALC.
- Hart, Gillian. 1986. "Interlocking Transactions: Obstacles, Precursors or Instruments of Agrarian Capitalism." *Journal of Development Economics*, 23:177–203.
- . 1989. "Agrarian Change in the Context of State Patronage," in *Agrarian Transformation: Local Processes and the State in Southeast Asia*, Gillian Hart, Andrew Turton and Benjamin White, eds., 31–52. Berkeley: University of California Press.
- Kay, Cristóbal. 1992. "The Development of the Hacienda System," in *Development and Social Change in the Chilean Countryside: From the Pre-Land Reform Period to the Democratic Transition*, Cristóbal Kay and Patricio Silva, eds. Amsterdam: Centre for Latin American Research and Documentation.
- Mann, Susan and James Dickinson. 1978. "Obstacles to the Development of a Capitalist Agriculture." *Journal of Peasant Studies*, 5:466–79.
- Medel, Julia; M. Soledad Olivos; and Veronica G. Riquelme. *Las temporeras y su visión del trabajo*. Santiago: Centros de Estudios de la Mujer.
- Migdal, Joel. 1975. *Peasants, Politics and Revolution: Pressures toward Political and Social Change in the Third World*. Princeton: Princeton University Press.
- Neffa, Julio César. 1986. *El trabajo temporario en el sector agropecuario de América Latina*. Geneva: International Labor Organization.
- Ortiz, Sutti. 1993. "Market, Power and Culture as Agencies in the Transformation of Labor Contracts in Agriculture," in *Understanding Economic Process*, Sutti Ortiz and Susan Lees, eds., 43–59. New York: University Press of America.
- Pugliese, Enrico. 1991. "Agriculture and the New Division of Labor," in *Towards a New Political Economy of Agriculture*, William Friedland, Lawrence Busch, Frederick H. Buttel and Alan P. Rudy, eds., 137–50. Boulder: Westview.
- Richards, Alan. 1979. "The Political Economy of Gutswirtschaft: A Comparative Analysis of Prussia, Egypt and Chile." *Comparative Studies in Society and History*, 21:4, 483–518.

- Rodríguez, Daniel. 1987. "Agricultural Modernization and Labor Markets in Latin America: The Case of Fruit Production in Cental Chile." Ph.D. Dissertation, University of Texas at Austin.
- Rodríguez, Daniel and Sylvia Venegas. 1989. *De Praderas a Parronales: Un Estudio Sobre Estructura Agraria y Mercado Laboral en el Valle de Aconcagua*. Santiago: Grupo de Estudios Agro-Regionales.
- Schaffner, Julie. 1993. "Rural Labor Legislation and Permanent Agricultural Employment in Northeastern Brazil." *World Development*, 21:5,705–19.
- Scott, James. 1985. *The Moral Economy of the Peasant*. New Haven: Yale University Press.
- Thomas, Robert. 1985. *Citizenship, Gender, and Work: The Social Organization of Industrial Agriculture*. Berkeley: University of California Press.
- Valdés, Ximena. 1988. "Feminización del mercado de trabajo agrícola," in *Mundo de mujer: Continuidad y cambio*, 389–432. Santiago: Centro de Estudios de la Mujer.
- . 1992. *Mujer, Trabajo, Y Medio Ambiente: Los Nudos de la Modernización Agraria*. Santiago: Centro de Estudios para el Desarrollo de la Mujer.
- Venegas, Sylvia. 1992. *Una Gota al Día, Un Chorro al Año: El Impacto Social de la Expansión Frutícola*. Santiago: Grupo de Estudios Agro-Regionales.
- Watts, Michael. 1994. "Life Under Contract," in *Living Under Contract: Contract Farming and Agrarian Transformation in Sub-Saharan Africa*, Peter Little and Michael Watts, eds. Madison: University of Wisconsin Press.
- Wells, Miriam. 1984. "The Resurgence of Sharecropping: Historical Anomaly or Political Strategy?" *American Journal of Sociology*, 90:1, 1–29.
- Wolf, Eric. 1957. "The Closed Corporate Community in Mesoamerica and Java." *American Anthropologist*, 13:1, 1–18.
- . 1969. *Peasants*. New York: Holt, Rinehart and Winston.