

31 Contemporary dynamics of agrarian change

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The contemporary dynamics of agrarian change is being shaped by the neoliberal corporate global food regime dominated by the agro-industrial capital. It has accelerated processes of concentration of land and capital as well as configuring a new political economy of agrarian change driven by the 'golden age' of neoliberal globalisation which may be at a turning point due to the global pandemic of the virus COVID-19. I focus on the following interlinked processes of agrarian change: land grabbing, agriculture's financialisation, crisis of the peasant economy, and emergence of a precariat. Related issues such as the global food regime, its ecological impact, its contestation by peasant movements, and the search for labour-empowering alternatives to neoliberalism are discussed in other chapters of this book.

Land concentration, land grabbing, and agro-industrial capital

During the 1980s, many developing countries, as well as several developed countries, liberalised their economies. In the countries of the South, the trigger for this shift was the debt crisis, which forced governments to request financial support from the World Bank and other financial institutions. These institutions demanded the implementation of a series of 'structural adjustment programmes' that focused on liberalising the economy and opening it to world markets so as to encourage exports and thereby facilitate debt repayments. So as to facilitate the development of a land market, the World Bank and other international aid and government donor agencies encouraged governments to launch a land registration programme as many farmers, especially peasant farmers, either had no land titles or these were doubtful, by providing financial and technical support.

With the spectacular rise of China the world demand for agricultural commodities rose significantly. Furthermore, the food crisis of 2006–2008 led various governments to find ways to improve their food security as well as making agriculture profitable for private investors. Governments such as China and the Gulf states started to negotiate large-scale land deals with mainly African governments that gave the investing country the right to cultivate the acquired land and export the harvests back to their country. Those in favour of these types of land deals argued that they provide much-needed investment in agriculture, incorporate new lands to cultivation, increase production and productivity, create jobs, provide an income to the local government, and generally modernise agriculture (Deininger & Byerlee, 2011). In some cases, conflicts erupted as the lands that the government had provided were either not vacant lands and led to evictions, or these large-scale land deals began to affect negatively some peasant communities. As protest mounted against this 'fever for land' and 'foreignisation', interest by researchers and

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activists in these large-scale land deals led to a growing literature on ‘land grabbing’, as critics labelled these land deals.

The critics argued that in several cases these land deals led to the displacement of the local population who had been obtaining their livelihoods on those lands for decades or even generations, although they may not have had legal titles to it. Also many of the promises of foreign investors, such as providing decent and abundant employment opportunities, did not materialise. Initially, these large-scale land deals focused on Africa, but with the shift to a wider and more critical analysis of land transactions, it was discovered that capitalists had progressively gained more and more control over natural resources, whether through outright purchase of land, mining concessions, or various kind of rental agreements.

A useful ‘work-in-progress’ definition of land grabbing is provided by Borras et al. (2012: 851):

(L)and grabbing is the capturing of control of relatively vast tracts of land and other natural resources through a variety of mechanisms and forms that involve large-scale capital that often shifts resource use orientation into extractive character, whether for international or domestic purposes, as capital’s response to the convergence of food, energy and financial crises, climate change mitigation imperative, and demands of resources from newer hubs of global capital.

Using this expanded view about land deals, it was discovered that land grabbing was a far more common phenomenon than initially assumed, involving almost all developing regions of the world, as well as Eastern Europe (Borras et al., 2013; Franco & Borras, 2013). This definition indicates the various factors that led to land grabbing, such as the food crisis of 2006–2008, the energy crisis, and the financial crisis of 2008–2009. It also refers to control and not necessarily ownership over resources, which could include, besides agricultural land, minerals, forest plantations, water, and natural reserves. This control could be used for a variety of purposes, but often for a production process of an extractive character, such as monocrop cultivation of ‘flex crops’ for either exports or the domestic market. Flex crops refers to crops such as soy, sugarcane, palm oil, and maize, which can be put to various final uses according to what is most profitable at the time of the harvest. For example, soy, sugarcane, and maize can be used for food, animal feed, or biofuels, and as the price varies for each of these final uses to varying degrees, so does their profitability. This flexibility makes these crops particularly attractive to financial investors and speculators seeking to maximise profits.

The term ‘extractivism’ is usually used for characterising an economic system based on the extraction of minerals, oil, and gas, which generates a rent income to those who own the resource but sooner or later depletes it. While agriculture is usually considered a renewable resource-based activity, the term ‘agro-extractivism’ is now also being used to refer to those agricultural activities which have extractivist characteristics (Petras & Veltmeyer, 2016). For example, the dramatic expansion of soy cultivation by agribusiness capital in Argentina, Brazil, Bolivia, Uruguay, and Paraguay has led to deforestation, loss of biodiversity, depletion of water sources, and ‘green deserts’ due to mono-cropping, with damaging consequences for the environment.

As for ‘green grabbing’, this refers to land deals with an environmental purpose, such as bio-carbon sequestration, setting up natural reserves, biodiversity conservation, and so on. These land deals might restrict the customary access that local communities used to

have to these ecosystems, thereby having a negative impact on their livelihoods, for which they are not always compensated, thus leading to conflicts. In some instances, a market is developing for these environmental services, such as carbon credits, thereby attracting private capital to finance these land deals, furthering the commodification of nature through 'green commodities' (Fairhead et al., 2012).

While land grabbing tended to further land concentration, it was not the main driver, as it was the shift to neoliberal globalisation that spurred the development of agro-industrial farming that took advantage of the rapid growth in agro-exports. The power of industrial capitalist agriculture was further strengthened by their increasing linkages with agro-input transnational corporations (TNCs) providing fertilisers, seeds, pesticides, and animal pharmaceuticals, and agro-food TNCs undertaking processing, logistics, and marketing.

A further boost to the hegemonic power of agribusiness farming was given with the financialisation of agriculture, particularly since the world food crisis of 2006–2008. In some countries, with a relatively advanced capitalist farming sector, some large farmers established companies to scale up and diversify their operations so as to capture economies of scale not just in farming but also by gaining control over the commodity chain. By accessing the financial markets they purchased more land but also rented land or established partnerships with landowners. These contracts were flexible so that the company could cancel them when economic circumstances changed. In Latin America, some of these companies developed into mega-farms controlling over 100,000 hectares, often for soy cultivation or livestock farming, and some forestry companies managed over one million hectares. These lands were located in different regions of the country, and increasingly even in neighbouring countries, thereby reducing risks. Hence the term 'translatino' capital, or companies, was coined to characterise this new phenomenon (Borras et al., 2012).

These companies extended their control over the value chain by investing in processing plants and establishing their own distribution networks so as to capture a larger share of the value generated by the commodity chain and enhancing its market power. These 'network companies' create and integrate the productive, financial, and commercial activities by establishing a new business model. These network companies deploy 'multi-scale strategies of capital accumulation ... where firms allocate capital and seek profits in multiple nodes ... that enable reinforced concentration through flexible ways of resource control' (Soasa & Gras, 2020: 11). The extent of penetration of agribusiness capital varies between countries depending on the degree of liberalisation of the country concerned and the profitability and potential of its agriculture, among others.

Industrial agriculture has been much criticised for their ecological damage. So as to counter-act those critiques and legitimise their activities they have introduced new technologies such as precision agriculture (PA) and climate smart agriculture (CSA). The aim of PA is to minimise and optimise the use of fertilisers, chemicals, and other environment-damaging inputs, while the aim of CSA is to shift to agricultural practices which are less damaging for the climate and are better adapted to climate change. This is to be achieved while at the same time promoting efficiency and food security. But, as Gras and Cáceres (2010: 2) conclude: 'PA and CSA ... approaches have a productivist focus that fails to address the social-environmental contradictions which have characterized the last 50 years of agricultural intensification, and to alleviate poverty and inequality'.

The greater the dominance of agribusiness capital within a country, the more difficult it becomes for social movements to succeed in their campaigns for land reform and food sovereignty. Some of these agro-industrial corporations have become too powerful, and

some countries have become too dependent on the foreign exchange and rent income they generate for governments to go against their main interests, although they may be able to regulate and control some of their more harmful and contentious practices.

In sum, the neoliberal turn has led not only to increasing land concentration, but more significantly to a major concentration of capital and power in the agrarian sector and beyond, creating a new global food regime in which the state is subordinate to corporate capital, contrary to the previous food regimes in which the state played a key role in shaping it. This is what McMichael (2013) has conceptualised as the ‘corporate food regime’.

Recommended reading: Borras et al. (2012); Gras and Cáceres (2020); Petras and Veltmeyer (2016).

The financialisation of agriculture and food

The food crisis of 2006–2008 drew attention to the influence of finance on the agri-food sector that had hitherto been neglected. Some authors charged the financial sector for being a major contributory factor to the food price spikes during those years, when prices of key staples doubled. They also blamed it for the increasing volatility of food prices. Financial deregulation in the 1990s and early 2000s gave a significant boost to the entry of new financial players, such as hedge funds, pension funds, sovereign wealth funds, and investment banks, into the agricultural commodity exchanges to trade commodity futures contracts and other agriculture-related financial products. The financial sector had increasingly become involved in the agricultural sector through the creation of derivatives and other financial instruments such as agricultural commodity index funds. The financial system had also increasingly facilitated the purchase of farmland and food companies and the financing of parts of the agricultural commodity chain.

A debate ensued trying to ascertain to what extent financial markets had contributed to the food crisis and what their specific impact had been (Clapp, 2012). For some authors, trade in agricultural derivatives insures buyers and sellers against price volatility; other authors argued that they promoted speculative activity, resulting in higher price volatility, thus undermining the purported aim of stability. While in the past, producers and consumers used the highly regulated financial markets for hedging purposes, thereby stabilising farm incomes, under the neoliberal regime financial firms increasingly entered the market for speculative purposes by trying to profit from food price volatility, thereby exacerbating volatility (Ghosh, 2010).

Financialisation has also fostered land grabbing by facilitating large-scale land deals and helping to finance the rapid expansion of flex crops (Fairbairn, 2020). In the period of high fuel prices flex crops were increasingly destined for biofuels instead of food. Land became gradually more attractive as an investment and became a financial asset through farmland securitisation that enhanced land liquidity.

According to Isakson (2014: 749), ‘financialization has reinforced the position of food retailers as the dominant actors within the agro-food system’. He also points out the deleterious consequences of financialisation as it ‘has intensified the exploitation of food workers, increasing their workload while pushing down their real wages and heightening the precarity of their positions’. Furthermore, he argues that

small-scale farmers have been especially hard hit by financialization, as their livelihoods have become even more uncertain due to increasing volatility in agricultural markets,

they have become weaker vis-à-vis other actors in the agro-food supply chain, and they face growing competition for their farmland.

It is difficult for those negatively affected by financialisation to organise and demand greater regulation by governments and protective measures due to the complexity and opaqueness of the financial world. It is often challenging to trace a direct link between a particular financial instrument and the actual physical agricultural commodity, especially in some speculative activities. Hence, Clapp (2012) argues that financialisation, by fostering what she terms ‘distancing’ in the food system, obfuscates the resistance and struggle against the growing power of those institutions responsible for the damaging impacts of financialisation. Governments may also be reluctant to intervene and mediate between finance and agriculture as they set up the basic building blocks of this new financial system by withdrawing the various regulatory and protective measures so as to make it attractive to private capital. Furthermore, the increasing mobility, flexibility, and power of finance capital make it today also more difficult to regulate and control (Visser et al., 2015).

Recommended reading: Clapp (2012); Clapp and Isakson (2018); Visser et al. (2015).

The peasant economy, de-agrarianisation, feminisation, and precarianisation of labour

Neoliberal globalisation has intensified the crisis of the peasant economy or agricultural petty commodity producers (i.e., small-scale family household farmers producing agricultural goods for subsistence as well as for the market). Agribusiness capitalist farmers are increasingly appropriating resources through a variety of means that further strengthen it while weakening the peasant farmers. Land grabbing is just one of those ways. Various governments have privatised state farms, collectives, and several state enterprises and public utilities that it sold at often below market value to private capitalists. These state enterprises often provided services such as technical assistance, credit, agro-processing, and marketing facilities to peasant farmers at subsidised rates. With privatisation, peasant farmers either lost access to these resources or were unable to pay the high charges now demanded by their new capitalist owners. Through the neoliberal land-titling projects, some governments also introduced legislation which allowed the dissolution of indigenous communities and the granting of individual property rights. Only in a few countries were communal property rights strengthened as a consequence of mobilisation by indigenous peoples. Peasants who managed to secure land titles and beneficiaries of land parcels from agrarian reforms, as well as existing peasant farmers, struggled to compete in the market for agricultural commodities, being exposed to the full force of the neoliberal ‘market compulsion’. They no longer had the protection of the developmentalist state (Borras et al., 2008).

This wave of privatisation of natural resources as well as state enterprises, the enclosure of the commons, the depletion of the ‘global environmental commons’, bio-piracy, and the various forms of land grabbing are referred to by Harvey (2003) as ‘accumulation by dispossession’, arguing that some of these phenomena are new forms of appropriations by capital, which, on the one hand, were not included in Marx’s concept of ‘original’ or ‘primitive’ capital accumulation, and, on the other hand, are still ongoing processes, and hence the need for using a new concept. This accumulation by dispossession already robbed peasants of some of their livelihood means. As a consequence of the dwindling

access to resources, and the increasing pressures and vulnerabilities facing peasant farming, their members are forced to engage in a greater variety of activities so as to be able to sustain their livelihood (Scoones, 2015). A process of 'de-agrarianisation' takes hold whereby the members of peasant farm households need to find other income opportunities beyond farming through engaging in 'pluriactivity' (Bryceson, 2000).

These other activities and income opportunities are largely confined to seeking different forms of wage employment such as agricultural wage workers in capitalist farms in the locality, as non-agricultural wage workers in nearby rural or urban areas maintaining their residence in the peasant household, or in wage employment of different kinds that require seasonal or longer-term migration beyond the household, within the country, or internationally (Oya and Pontara, 2015). In areas where fruit, flower, and vegetable production is intensive in the use of labour, producers sometimes need to draw labour beyond the rural area, from nearby urban areas, or even from abroad. In some countries, there has been an export boom of these commodities that was much facilitated by drawing women into the wage labour market, at times with some resistance from men. Fruit (including berries) cultivation generally only offers seasonal employment for the harvest and in the processing of plants, while flower and vegetable cultivation, if undertaken in greenhouses, can offer longer-term employment. However, most jobs tend to be of a precarious, casual, and temporary nature as it allows employers to avoid issuing contracts or only issue contracts that allow them to bypass social security payments and other benefits to their workers. This has been characterised by some authors as 'primitive' or 'savage' flexibilisation. While in the past few years wage employment opportunities existed for women in the countryside, these have become common in labour-intensive non-traditional agricultural activities, leading to the feminisation of rural wage workers, albeit often with worse employment conditions than men.

This trend to precarious, casual, and flexible wage employment is reflected in the changing income composition of the rural household. While in the past income derived from off-farm activities constituted only a minor part of the rural household income, it has increased substantially, with the crisis of the peasant economy reaching in some instances over one-half of their income. Peasant labour by being driven to seek wage employment has kept down wages, thereby providing a cheap source of labour for capitalists. In some countries, remittances from migrant workers accounted for a substantial proportion of the family household income. Remittances also became a major source of foreign-exchange income for some countries and prevented further rises in poverty.

Many countries have weak labour legislations that give few rights to workers, such as minimum wages, and do not offer much protection against unfair dismissal or abusive labour conditions. Increasingly, capitalist farmers and agribusiness are using the services of labour contractors so as to minimise their obligations to workers. These labour contractors take advantage of the vulnerabilities of workers, especially if they can draw on a large pool of unemployment workers, due to their gender, ethnicity, or dubious legal status in case of migrant workers. Instead of receiving a daily wage, workers are often paid by piece work (i.e., by result), leading to a working day beyond eight hours, as well as an intensification of the work rhythm so as to maximise their daily wage income (Kay, 2015). The increasing proportion of this type of workers, in rural and urban areas, has led to the formation of a precariat.

Araghi (2009) argues that the process of neoliberal globalisation is creating 'the great global enclosures of our times' and an 'enclosure food regime', whereby corporate

agro-food capital intensifies 'depeasantisation via displacement'. As a consequence, a massive global reserve army of labour is formed, which, by migrating nationally and internationally, is readily available for capital to employ as wage labour whenever it is required in urban and rural areas. During the harvest season, workers living in the urban peripheries also engage in agricultural wage work, sometimes commuting on a daily basis with transport provided by labour contractors. Rural labour has become footloose on a massive scale, migrating to wherever they are able to find employment, allowing capitalists to increase their exploitation of wage workers, thereby achieving higher profits, and sustaining the process of capital accumulation on a global scale. This surplus labour has put a downward pressure on wages and led to ever more degrading employment conditions. The greater mobility of labour is also eroding the rural-urban divide, with the peripheral areas in cities and towns forming a transmission belt between them, leading to expressions such as 'cities of peasants', 'the countryside in the city', 'the urbanisation of the countryside', and 'rurbanisation'.

These processes of de-agrarianisation, depeasantisation, proletarianisation, fragmentation, and precariousness lead Bernstein (2010) to prefer to use the term 'classes of labour' as the term peasant no longer captures contemporary reality dominated by neoliberal globalisation. Hence, the key agrarian question of our times is the problematic of labour as it faces a crisis of reproduction. Although in crisis, the peasant family farm household is still holding its own, particularly in the interstices of capitalism, generally marginal areas of poor-quality soils, and with limited infrastructure making it unattractive for capital. In some areas it is the fierce resistance of social movements, such as those of indigenous peoples, that has limited, if not necessarily stopped, the onward march of capitalist relations. In some cases even processes of peasantisation and repeasantisation have been occurring. Hence, the debate between 'peasantists' or 'neopopulists' (inspired by Chayanov) and 'depeasantists' or 'proletarianist' (inspired by Marx and Lenin) regarding the future of peasant farming continues (Van der Ploeg, 2013).

Recommended reading: Bernstein (2010); Bryceson (2000); Van der Ploeg (2013).

Conclusions

To understand the contemporary dynamics of agrarian change we have focused on the dominant power of global capital, in the shape of the agro-industrial corporate food complex, and the concomitant rise of a global rural precariat that enables capital to intensify its exploitation of labour. The capitalisation of agriculture has significantly increased labour productivity in capitalist farms. However, the increased economic surplus produced by labour has largely, if not completely, been captured by capital, enhancing profits and capital accumulation. Technological developments have been largely labour displacing, thereby increasing the pool of cheap labour. Some new technologies (including farm management systems) tend to be knowledge-intensive, requiring highly skilled labour, out of reach for most rural labour. In sum, the contemporary dynamics of agrarian change further marginalises peasant farming as well as furthering the process of precarianisation of rural labour. This neoliberal resource-seeking and extractivist food regime has been, and is being, contested by those national and transnational social movements that seek an alternative food system, as analysed in other chapters of this book. In particular, Tilzey (2020) undertakes an acute critical analysis of the different proposals for such a post-neoliberal food and farming system.

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