NEW THINKING ON THE PERUVIAN HIGHLAND PEASANTRY

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THE Indians of the Peruvian Andes have been among the most widely discussed of the world's peasant populations; but the discussion has usually focused on the repetition and elaboration of a theoretical synthesis achieved in the 1920s by the Marxist writer Mariátegui and little modified since.[1] Mariátegui's model hinged upon his perception that objectively the Peruvian Indian suffered a very high level of exploitation, and that the exploiting structure which impinged directly upon the Indian bore some resemblance to the agrarian system of medieval Europe. Mariátegui therefore classed the Peruvian Sierra as "feudal,"[2] and went on to equate "the problem of the Indian" with "the problem of land."[3] Around these two statements, and the relationship between them, revolves the present debate on the Indian problem. In this paper, an attempt will be made to summarise the present status of this debate, and to indicate the implications of some of the models now being advanced by social scientists. No claim is made to originality, but it is hoped that some of the more important issues will be clarified in the discussion.

To begin with, the approach to the Peruvian peasantry used by Mariátegui (and many others since) deserves critical treatment. Mariátegui was writing as a Marxist in the years following the Russian revolution and the debate on the peasant question which had raged during that revolution.[4] Yet the way in which he framed his analysis bore very little relation to contemporary European Marxist models. The crucial difference lay in the definition of the problem. Marx, discussing the peasantry of Europe, saw and analysed exploitative structures and noted the effects on the peasantry of the advance of capitalism;[5] but if he saw peasantry as a "problem" it was in the sense that, as petty-bourgeois elements, they posed a potential problem for the proletarian

[1] Mariategui (1971): chaps. 2 and 3 (first published 1928).
[2] Mariategui (1971): 23. He was, in fact, always uneasy about the feudal analogy.
[3] Mariategui (1971): 22 and 32.
[4] Carr (1966): 35-62 and 381-391. Also Alavi (1965).
[5] Marx (1959).

revolution (a difficulty which Marx expected to diminish over time as the peasantry were proletarianised). This, however, was not Mariátegui's central concern. The "Indian problem" had been defined in Peru not by Marxists, but by liberal reformers[6] seeking to redeem the Indian from "age-old exploitation"; and the solutions commonly proposed involved defence of the village *comunidad* as a source of social cohesion for the Indian; education to raise his cultural level; and an end to some of the more obtrusive forms of exploitation, including the labour-service obligations identified as "feudal".

Mariátegui began by accepting this definition of the problem, and concentrated his attention on the range of proposed solutions. The Indian, he claimed, would be redeemed not by panaceas applied to the superstructure of Sierra society, but by a direct attack on the base: land. Since the power of ruling classes rests upon their control of the means of production, that power could be broken only by transferring control of those means of production to other groups. On this basis, Mariátegui and his followers argued for agrarian reform to give land to the Indian, a change which they considered would lead to a revival of the supposedly communal society of pre-Conquest Peru. In order to bring this peasant-centred approach into line with Marxism, Mariátegui went on to affirm that the achievement of a reactionary ("revindicationist") goal, namely the return of the Indian to an earlier social order, was an essential step in the construction of socialism. This meant that he had to classify the Peruvian Indians as different from other peasant classes elsewhere in the world. Peasants typically are motivated by limited aspirations relating to land rights, and have no immediate reason to develop spontaneously social consciousness at a higher level; successful "redemption" might thus lead merely to the entrenchment of a relatively satisfied peasant class with no interest in pressing through a social revolution.[7] The Peruvian peasantry, however, Mariátegui portrayed as embodying progressive, socialistic ideals, which found expression in the collective village organisation, the *comunidad.*

The similarities between Mariátegui and the Russian Narodniks of the nineteenth century were more than superficial. The Narodniks had argued that the Russian peasantry, by freeing itself from landlord dominance and reviving the traditional communal institution, the *mir,* could jump over directly from feudal to collective relations of production without passing through any intermediate phase of individualistic peasantry. Mariátegui took the same position in Peru:[8]

> . . . I believe that the moment for attempting the liberal, individualist method in Peru has already passed. Aside from reasons of doctrine, I

[6] Notably the Lima-based Asociacion Pro-Indigena.
[7] A problem manifest in Bolivia after the land reform in the 1950s.
[8] Mariategui (1971): 33.

> consider our agrarian problem has a special character due to an indisputable and concrete factor: the survival of the Indian "community" and of elements of practical socialism in indigenous agriculture and life.

In the Russian case, a number of criticisms of this model of revolutionary change had arisen and eventually triumphed. Marx and Engels had initially agreed that the *mir* might provide the basis for agrarian socialism—but only if the agrarian revolution occurred in the context of a general Europe-wide socialist transformation.[9] In a context of European capitalism, a Russian revolution based upon the *mir* would not succeed. As the old agrarian order in Russia disintegrated under the impact of capitalism, Marxists turned away from theories of agrarian primitive communism and began to make detailed analyses of agrarian society, of intra-class divisions among the peasantry, and of the dynamics of rural revolt.

In Peru, the process of theoretical reappraisal was long delayed. By the 1960s, the key elements in Mariátegui's synthesis had been demolished by empirical research, mainly the work of anthropologists. The Indian had been found to lack any consciousness of the historical role assigned to him; and the *comunidad* had proved to be faction-ridden and well advanced on a path of disintegration into individualism. The reaction of many of Mariátegui's followers was to disparage the Indian's own conscious self-awareness (which displayed so disappointingly little revolutionary content) and to elevate instead the idea that the peasantry remained the vital agent of Peruvian socialism, only afflicted with false consciousness. Attention was focused more and more exclusively upon objective factors which were supposed to determine the Indian's role: exploitation, relations of dominance-dependence, the distribution of land-ownership.[10] Indian revolts which failed to enter a revolutionary phase were labelled "traditional revolts",[11] and the participants were presented as a mere mass, their actions unstructured, anomic, and crying out for the imposition of determined revolutionary leadership from without. (A readiness to ignore the Indian's own statements and disparage his powers of reasoning is already built-in to the attitudes of the non-Indian elite of Peru, including those of many of the intellectuals.[12]) On such an analysis was based the abortive guerrilla campaign of the MIR in 1965.[13]

Three factors have contributed to the revival of original thinking on the Peruvian peasantry in the past few years. Two of these have been specific to Peru: the successful peasant revolt of La Convencion, which inspired several detailed analyses[14] and revealed the real import-

[9] Marx and Engels (1959): 24.
[10] See Keith (1970, ed.) and Kapsoli and Reatagui (1972).
[11] Quijano (1967).
[12] For a critique of such images of Indian revolt see Piel (1967): 375-386.
[13] Mercado (1967); and Gott (1973): Part 4.
[14] Craig (1967); Hobsbawm (1970); Villanueva (1967).

ance of intra-class divisions among the peasantry; and the effective application of agrarian reform from 1969 on by the military government. The reform has been quite thorough, dispossessing the largest landowners throughout the country, and with its advent the expectation that a magical transformation of the entire Peruvian social system would result has rapidly evaporated—as has the old belief of the Left that agrarian reform would be a sufficient condition for "redemption" of the Indian. The reform has also contributed directly to the construction of more adequate descriptions of rural Peru, by opening the archives of expropriated estates to researchers.[15] Finally, a third impetus to model-building has come from the wider Latin American context, particularly from the debate over feudalism and the economic rationality of non-capitalist relations of production.

FEUDALISM OR CAPITALISM: THE ISSUE OF MODE OF PRODUCTION

As developed by Marx, the concept of "mode of production" integrated into a single whole all the economic-structural relationships involved in the physical production of goods, and their subsequent distribution. Perhaps because of the clarity with which Marx set out his historical schema of the stage-by-stage evolution of society, Marxists tended to view the "mode of production" as a kind of seamless web, a single unity which must, as a whole, correspond to one or another of the set-pieces in the original schema. Any social order could thus be classified as belonging to a single specific mode of production, even though elements of other modes might be present in a subordinate role. Some of these alien elements would be relict survivals from the preceding, defeated social order (such was the role in which Marx tended to cast the peasantry); and others could be viewed as embryos of the future growing in the womb of the present. Thus, when one said that a social system was "feudal" one meant that it was characterised by feudal relations in all important areas: the peasantry existed in a state of serfdom with labour obligations to the lord, who also controlled (backed by force) the allocation of land resources; the ruling class would be recognisable feudal types, aristocratic, pre-capitalist in outlook and mentality, living primarily from land rents; the society would centre on the self-contained manorial unit, whose contacts with the external world were marginal rather than vital. This feudal stereotype has, of course, been much modified by research on medieval Europe. It corresponds, however, to the basic model used in most descriptions of Latin American "feudal" systems.

The comfortable, and widespread, acceptance of this feudal stereotype by Latin American social scientists was rudely jolted in the 1960s

[15] Horton and Horton (1973).

by a series of challenges from writers who showed that the supposedly feudal society existed in close and vital interrelation with the capitalist world economy; that the local ruling class were capitalist in outlook and background; and that in many cases land rents were merely a secondary source of income for landowners. Several of these writers, retaining the "seamless-web" view of the mode of production, asserted that the features they described sufficed not only to demolish the feudal stereotype, but to delineate the Latin American agrarian system as entirely capitalist.[16] Once the challenge was made, it was quickly evident that neither feudal nor capitalist stereotypes sufficed to explain the agrarian system. While it is simple to demonstrate, as Frank does, that Latin American agriculture is linked into a capitalist market system, it is equally simple to demonstrate that the relations between peasant and landlord in the Peruvian Sierra have corresponded to non-capitalist rather than the recognised capitalist forms.[17] The co-existence of capitalist market relations with pre-capitalist productive relations seems indeed to have been a feature of many economies of the colonial type. To understand such systems, it is necessary to disaggregate the concept of a unified mode of production, and to substitute a more flexible conceptual apparatus. The theoretical basis for such a disaggregation is provided in a 1965 paper by Franklin[18] although the Latin American version has developed independently. The central distinction, between relations of *production* on the one hand and of *appropriation* on the other, makes it possible to develop a model in which a system of production drawn from one Marxist ideal-type is operated in harness with an appropriation system of a different order. Specifically, "feudal" production and "capitalist" appropriation could coexist in stable equilibrium. The application of such a theoretical solution to Peru, however, immediately draws attention to important problems.

The first problem relates to the landowners. Seen as simply the ruling class of a manorial society, landowners are quickly characterised as a feudal class whose actions and attitudes can be predicted using a feudal model. The new dual model, however, places them in an analytically very uncertain position, on the border between two systems. To quote a Peruvian historian, "The hacienda remained located on the border of two economies, and of two social sectors . . . capitalist business towards the outside, semifeudal social system on the inside. The hacienda thus coordinated two formally contradictory systems."[19] The new approach is distinct from the old "dualist" models which drew a more-or-less sharp dividing line between, on the one hand, the "feudal" landowners totally involved in their rural fiefdoms, and

[16] See Frank (1967) and Stavenhagen (1968).
[17] See Laclau (1971) and Romano (1971) for criticisms of Frank.
[18] Franklin (1965).
[19] Macera (1971).

on the other hand the "bourgeoisie", involved in the commercial and industrial business of the modern pole (the fully-capitalist sector). Investigation shows this dividing line, at least in Peru, to have been non-existent: the economic elite since at least the nineteenth century has been composed of interlocking groups with interests in a variety of sectors. Large landholdings were often acquired by successful entrepreneurs from the commercial, industrial or mining sectors, or by political operators who had played a major role in integrating Peru into the world capitalist system. Men who began as Sierra landowners, furthermore, often moved out into successful operation as capitalist entrepreneurs in the wider economy. Some scattered examples will illustrate the point. The Fernandini family, whose wealth was derived from the mining sector in the late nineteenth and early twentieth century, were large landowners in the Central Sierra (but lost their hacienda Algolán to successful peasant invasions in 1964). The Mujica family also moved from mining into land (although their main landholdings were in coastal valleys).[20] The Gildemeister family, leading coastal sugar planters and former nitrate dealers, became also the largest landowners in the Sierra of La Libertad department.[21] In the south, the De la Torre family of Cuzco were involved in the main industrial developments of the city in the early twentieth century, and were also large landowners. The merchant family Gibson, of Arequipa, became the largest landowners of the southern department of Puno. The cases cited were, it is true, rather exceptional men, standing considerably above the ordinary run of Sierra *hacendados*. What is important, however, is that most of them ran their haciendas in the same way as did other landowners—that is, using the relations of production which are commonly labelled "feudal" in Peru. When leading capitalists adopt "feudal" relations, it can no longer be argued that such relations reflect the backwardness of landowners, in the sense of pre-capitalist mentality or perspectives narrowly limited by the forces of tradition. Nor was it a case of capitalists moving into predominantly "feudal" areas and simply adopting local customs; for in cases where entirely new areas were being opened up, and new haciendas established, the same set of productive relations emerged: small tenants contractually obliged to perform labour services for the landowner.[21A] The persistence of such systems of production is not, therefore, to be explained by non-economic factors, or as a relic of the traditional past, but must rather be seen as a form of social and economic equilibrium, susceptible to familiar economic techniques of analysis. (Many features of Andean rural society often identified as "traditional" are in fact institutions established and maintained in response to contemporary needs. This is particularly true of collective institutions among the Indian population.

[20] Pastor (1969): chap. 4.
[21] Miller (1967).
[21A] Hobsbawm (1970) describes this as "neo-feudalism".

A good example is the formation of new *comunidades* by groups of peasants wishing to take advantage of the legal privileges granted such institutions by the 1920 Constitution.[22])

A second problem arises concerning the Indian. Once the system is admitted to be an open one, rather than a closed manorial order, it has to be explained not only why capitalist-minded landowners continued to operate as "feudalists", but also why Indians continued to be "serfs". The simplest explanation, obviously, is that the Indian has had no alternative: that Indian society is so dominated, fragmented and isolated as to prevent either concerted rebellion or informed individual choice, let alone actual escape. A popular model in Peru is that of "triangles without bases", which suggests that Indians relate to one another only through the medium of the landlord or his agents, so that the dependent class are kept mutually isolated one from another; while contact with the outside world is similarly mediated.[23] This type of model, however, is contradicted by the historical evidence; for the Indians of the Sierra have historically been far from immobilised since the Spanish Conquest. The initial adjustment to Spanish Rule involved mass movements of population, while an acute labour scarcity caused by famine and disease enabled many Indian communities to strike successful bargains with the rulers.

Throughout the Colonial period labour was constantly on the move to and from the silver mines; and in the twentieth century the institution of *enganche* (the contracting of migrant labour under debt obligations) channelled huge seasonal migrations between the Sierra and the Coast. In the 1920s the Leguia government's policy of forced labour conscription for public works threw together large masses of peasants; and since then the flood of rural-urban migration has given most Sierra communities direct links with the urban sector through their own members.[24] The history of peasant revolt, in addition, contains evidence of communication among various communities, careful calculations made by individual villages for or against participation, and a genuine capacity to express shared grievance.[24A] The picture of the Indian which emerges is very different from the traditional "helpless victim" stereotype. As Martinez-Alier has suggested:[25]

> Being and remaining an Indian has been a voluntary humiliation endured in exchange for material benefits.

These two problems—the capitalism of landowners and the free choice of peasants—are directly relevant for an understanding of the pre-reform agrarian system.

[22] Harding (1974): 2-3, and Keith (1970).
[23] Cotler (1967/68), and Tullis (1970): chap. 3.
[24] See Roberts (1973).
[24A] See Diaz Bedregal (1955) on the 1923 Huancane revolt.
[25] Martinez-Alier (1971): 9.

THE ECONOMICS OF A LABOUR-SERVICE SYSTEM

The outstanding feature of the Sierra mode of production was the institution of labour-service tenure, whereby peasants who worked on the "demesne" land of a hacienda were paid in whole or in part by being granted usufruct of a plot of hacienda land for themselves and their families. The labour services paid by the *colono* for his plot of land seemed to outside observers very arduous and often humiliating, and it has been widely assumed that such a system could arise only in a society where landlords held a monopoly of power and could force the peasantry into acquiescence. The fact that historically the system could arise and persist where the peasantry was mobile suggests however the need for more adequate explanatory models. This section surveys recent contributions by three writers: Hunt, Griffin, and Martinez-Alier. All three use models of rational choice to explain why landlord and peasant may agree on the desirability of labour-service tenancy under certain conditions—most importantly, in a context of fixed techniques of production.

Griffin[26] has suggested that large landowners obtain the benefits of market distortions resulting from their institutionalised control over land resources. The marginal value (opportunity cost) of land to the *hacendado* is much lower than its marginal value to the peasant; but large landowners do not sell off land to peasants. Instead, they use their monopoly position to manipulate other markets to their advantage; in particular, large landowners have access to cheaper credit (because of their better security) than do peasants, while at the same time the opportunity cost of labour (and hence the wage rate) is held down by the limitation on the amount of land available to the peasant outside the hacienda system. Starting from this institutional setting, it is then possible to predict the agrarian system which results if all participants are "rational" economic calculators. The large landowner, for whom land and capital are cheap relative to labour, will tend to operate in ways which substitute those factors for labour—to adopt extensive land-use techniques—while for the peasant it will pay to substitute labour (of which a large supply is available from within the family enterprise) for land and capital—*i.e.*, to cultivate intensively with large labour inputs.

The implications of the existence of two separate markets for land, and two for labour, go beyond the conclusions drawn by Griffin, however. Given that land is worth less to the *hacendado* than it is to the peasant (*i.e.*, that the opportunity cost of a given area of land is lower for the former than for the latter), it will be rational for the *hacendado* to reward a *colono* for his labour *with land rather than with cash,* and it will furthermore be rational for the *colono* to prefer this form of payment so long as certain conditions are met.

[26] Griffiin (1969): 71-80.

As Martinez-Alier[27] points out, it is never automatically true that wage labour represents a more "advanced" or dynamic type of relations of production (from the point of view of the landowner) than labour tenancy; the choice of one or the other system rests upon the calculation of efficiency and profitability in production for external markets, in the case of the landowner, and the comparison between the cash wage offered and the value of usufruct access to land, for the *colono*. To illustrate this, imagine a simple example, in which the cash wage payable for a year's labour on the hacienda is W. Denote the value of a year's access to a plot of land for the *colono* by L_c (that is, L_c represents the compensation which would have to be paid to the *colono* to persuade him to give up his use of the land). Finally denote the opportunity cost of the plot of land in question to the *hacendado* by L_h. Given the imperfection in the land market sketched above, we know that $L_c > L_h$. If there are no technological problems raised by labour-service tenancy, it will be possible for the *hacendado* to grant each member of the labour force a plot of land of such a size that $L_c > W > L_h$. Then both the *hacendado* and the peasant are better off than they would have been in the case of simple payment by means of a cash wage.

The system is underpinned in reality by the nature of the peasant enterprise, as distinct from the wage labourer and his family. The peasant enterprise (generally the family) operates as a unit, pooling the labour of all members and distributing the output. In this context, labour will be used even when its marginal product is substantially lower than the prevailing wage rate in the wider economy, unless there is full employment in the wider system which guarantees any member of the peasant enterprise employment at the prevailing wage rate if he or she leaves the family enterprise. In any other context, the security and employment which the peasant enterprise provides for its members will be highly valued by them; and the access to land on which the enterprise's existence depends will be tenaciously defended. The labour-service tenant who works apparently very onerous hours on the hacienda enterprise is obtaining in return the land resources which permit him to put the labour power of the remainder of his family to use for the benefit of the family. He preserves also a safety-cushion on which to fall back in hard times, by involution of the peasant enterprise—something which is not available to a dismissed wage-labourer. The fact that, in the Peruvian Sierra, expulsion of a *colono* from a hacienda was a frequent form of *punishment* confirms that the usufruct access to land granted a *colono* was highly valued by him.

It is of course obvious that this model of differential valuation of resources does not necessarily imply the emergence or the perpetual

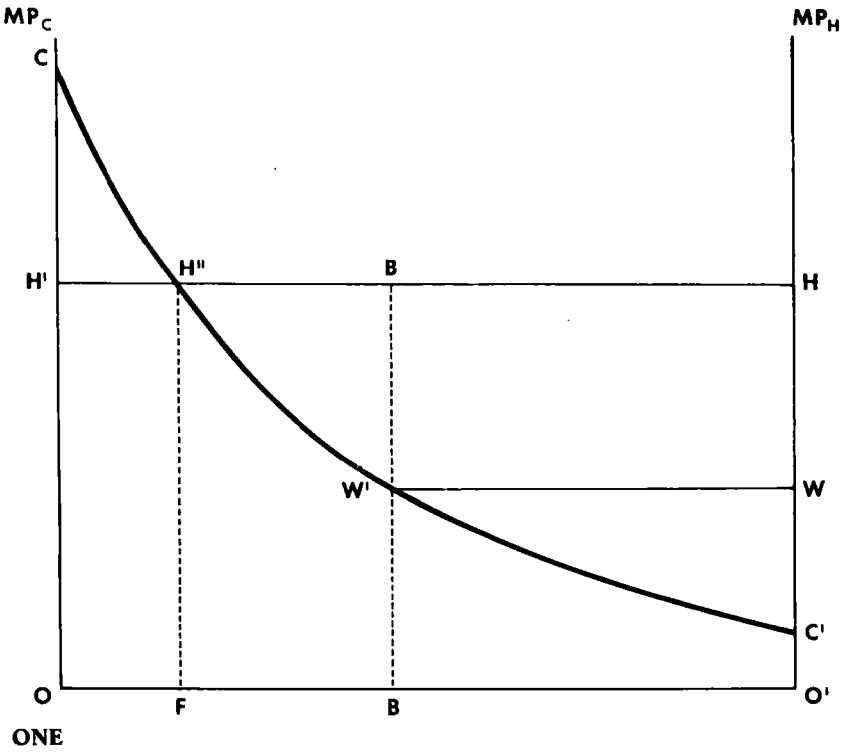
[27] Martinez-Alier (1973): 48-49, 83-85.

survival of a labour-service system. The system will emerge only if $W > L_h$, *i.e.*, if the marginal product which the hacienda could obtain by incorporating the *colonos'* subsistence plots into the demesne lands would be insufficient to pay for the hiring of free labour at the prevailing market wage rate. In general, the more abundant is the supply of land available to the hacienda relative to the supply of other factors, the more likely it will be that landowners will favour labour-service systems. Any change in external markets which sharply raises the value of demesne land (*e.g.*, by increasing the price of cash crops produced by the hacienda enterprise); or any technological innovation the introduction of which is incompatible with the *colono* system, may provide the large landowner with incentives to abolish, wholly or partly, the labour-service system, by displacing tenants from lands required for incorporation in the demesne, and by converting the labour thus displaced into proletarians.

From the point of view of the peasant, the labour-service system will be desirable so long as $L_c > W$, *i.e.*, so long as he places a higher value upon land access than upon the income he and his family could earn in alternative employment. Only if there is a sharp increase in W will the labour-service tenant willingly see the system abolished. In the absence of such a rise, sufficient to make W greater than L_c, the tenant will fight to *retain* his status as a "serf". An attempt by the landowner to abolish labour-service tenancy will appear as a breach of the previous social contract, and may provoke violent resistance. (Within the terms of the contract, of course, there remains also plenty of scope for conflict—in particular, over the duration and intensity of the labour obligations required of the tenant.)

The methodology for a more rigorous formulation of some of the above points is provided in a recent paper by Hunt,[28] which deals (among other things) with the allocation of labour within a *latifundio-minifundio* complex. For purposes of exposition, Hunt assumes that the *minifundio* peasantry control a limited amount of land, while the *latifundio* has unlimited land resources. Factors of production are assumed to consist only of land and labour: and the issue of divergent valuations of resources is ignored (*i.e.*, cash wages are paid for work on the large estate). Figure 1 shows such a rural economy, with a hacienda sector (H) and a *comunidad* sector (C) existing side by side. (The model is formulated in terms of the relationship between the hacienda and an independent peasant *comunidad* sector, rather than in terms of hacienda-*colono* relations. It can, however, be extended to include the latter). The *communidad's* marginal product of labour, MP_c, is measured up the left-hand axis, and the total labour force is shown by the length of the horizontal axis OO'. The production frontier of the *communidad*, CO', representing the successive additions to total product

[28] Hunt (1972).



as more labour is employed on the fixed supply of *comunidad* land, slopes down to the right, reflecting diminishing marginal product of labour. The total output which the *comunidad* can produce by full employment of its own resources is shown by the area under the curve, OCC'O'. If only part of the available labour force is used to work the *comunidad* land, output will be less, for example, employment of OF labour yields total output of OCH''F, leaving the remainder of the labour force, FO', available for work outside the *communidad.*

The marginal product of labour on the hacienda land, MP_h, is measured up the right-hand axis. The production frontier, HH', is drawn horizontal, since land is unlimited (by assumption). (The hacienda's operations are portrayed from right to left, with reference to the origin at O'.)

The allocation of labour between the two sectors is now seen to be governed by the wage rate paid by the hacienda. A wage of O'H will attract O'F labour out of the minifundio sector to work on the hacienda. The resulting situation, with labour paid at its marginal product, represents a global optimum, with output of the total system maximised as OFH''CH' + O'FH''H = OO'HH''C. It is not, however, likely that the *hacendado* will pay the competitive wage in a situation where he has some monopoly power. A wage of O'W will still attract

labour out of the *minifundio* sector, though less labour than was forthcoming with wage O'H. Specifically, O'A labour is available to the hacienda at wage O'W, and hacienda output is equal to O'ABH. This is lower than the optimum output O'FH''H, but the rate of exploitation of labour is greater, and the *hacendado* realises monopoly rent of BHWW'. From the *hacendado's* point of view, there will be an ideal location for W' at which his profit BHWW' is maximised; and in a closed system the hacienda wage rate would tend towards such a point. In an open system, however, the wage rate will be determined exogenously, by the opportunity cost of the peasant's labour power elsewhere in the national economy.

This opportunity cost will not usually be composed simply of the money wage rate available in other economic sectors. In his evaluation of alternative employment opportunities, the peasant will discount them to allow for uncertainty of obtaining employment for himself and for other members of his family; loss of the benefits of membership in the local social and cultural community if he leaves permanently; costs of moving (including possibly sanctions wielded by local power groups to hinder movement); and most important, the loss of the land on which the peasant enterprise rests. Several of these elements, obviously, will diminish as the integration of the national economy improves and the probability of obtaining lucrative employment in the cities increases. The hacienda in such a society will find its wage rate subject to upward pressure, in the form of peasant demands for a higher cash wage or reduced labour-service obligations. Effective long-run resistance to such demands by *hacendados* as a group will be possible only where they command very great reserves of force, and are able to obtain assistance from civil and military authorities in preventing departure of their labour. In Peru this has been possible in the past only in isolated cases; in most of the Sierra the hacienda system could not be held closed against external economic forces.

In terms of the Hunt model above, such upward pressure on the wage rate implies a reduction in the *hacendado's* profit, and if the opportunity cost of peasant labour is pushed up above the level of the HH' curve, the hacienda ceases to be a paying proposition unless technological improvements are introduced to raise the productivity of labour (and hence the HH' curve). *Hacendados* who are unable (for whatever reason) to carry out the necessary improvements will no longer have an incentive to maintain the hacienda as a functioning enterprise, and may then abandon their land. The same effect may also be produced by a fall in the HH' line, as a result of physical deterioration in the land, or falling external markets for the products of the demesne. In either case, the hacienda lands would then be open for invasion by the local peasantry. The historical significance of this point in Peru is taken up again below.

Obviously it is important to know how far the image of the calculating and mobile peasantry used above corresponds to Peruvian reality. The weight of empirical evidence supports the view that the majority of the Sierra population have had either personal or family experience of geographical mobility over at least the past century (and probably throughout the Colonial period also).[29] The actual degree of mobility and strength of contacts with the external society certainly vary—for one thing, labour on grazing haciendas was of necessity more mobile than that on agricultural enterprises[30]—but in general it has been true that the Indian's decision to remain in the local system has involved conscious choice. Martinez-Alier quotes a revealing series of interviews with *colonos* in the department of Ayacucho in the mid-1960s, and especially the case of a *colono*'s wife who explained in clear terms the calculations which lay behind the decision of her family not to migrate to the coast. Martinez-Alier remarks:[31]

> . . . with such an assortment of domestic animals and children and with no knowledge of Spanish, they were wise not to leave. Nobody prevented them from doing so, however. The point is that this woman thought in terms of alternative employment opportunities. She was dissociating the economic aspects of her life from other social and political aspects, in the way that people living in a capitalist system are used to do.

The discussion above has used the Hunt model as a useful expository device, and in so doing has gone somewhat beyond the terms in which it was originally formulated (for use in analysis of a closed system, in which choices open to the peasantry were narrowly constrained by the need to obtain a subsistence income). Before moving on, it is worth emphasizing that, despite its formal elegance, the model suffers from several limitations common to comparative-statics approaches. One problem is that of measurement. It is misleading to speak of the "hacienda wage" as though it were a simple cash wage, easily measurable and comparable with income gained in the *minifundio* sector. In fact, cash commonly plays only a minor role in this wage, being associated with payments in kind, payments via social benefits (patronage) payments via usufruct rights to land, and on occasion the use of sanctions (physical force, seizure of peasants' possessions by the *hacendado*, and so on) to reinforce the positive incentives. Most of these non-cash elements in the remuneration of the labour force are subject, as described earlier, to differential valuation by the *hacendado* and the peasant. In Fig. 1, if the wage O'W is measured in terms of the *hacendado's* values (which determine also the value of hacienda marginal product), the rate of exploitation of labour will tend to seem higher than it would if the wage were expressed in terms of its value to the *colono*. (In other words, the *colono* will perceive the rate of

[29] See Cornblit (1970): 24-25.
[30] Maltby (1973).
[31] Martinez-Alier (1971): The interviews were published in Diaz Martinez (1969).

exploitation as being lower than does the *hacendado*, or an outside observer who uses the *hacendado's* scale of values.)

A second problem with models of the Hunt type is that a number of dynamic issues cannot be comfortably accommodated within the model. In order to obtain historical perspective on the dynamics of the peasant problem in Peru, it is necessary to look more directly at the issues of land distribution and technological change.

DYNAMIC ISSUES: THE QUESTION OF CLASS STRUGGLE

It was pointed out earlier that the profitability of the hacienda was subject to the influence of two sets of external factors: the opportunity cost of peasant labour, and the market for cash crops or other products of the demesne land. The relationships between external factors and changes in the rural sector are very complex; but it is worth focusing on a few of the more important in order to indicate some of the ways in which the agrarian conjuncture in the Peruvian Sierra has shifted. The first important question concerns the allocation of the Sierra's limited land resources between the hacienda and the small peasant sector, which can conveniently be discussed in terms of reactions within the system to a change in external markets for products.

Suppose that external prices for one or more of the products of the hacienda and/or the small peasant producer improve sharply, or that (which amounts to the same thing) there is a rapid improvement in the ease of marketing them, due to some new exogenous factor — the building of a new road or railway, or the arrival of a new merchant group anxious to deal in the product. The immediate effect is to raise the value of the land on which the commodity is produced, and hence to reduce the desirability for the *hacendado* of rewarding his labourers with grants of land of this type. He thus has an incentive to reclaim part of the land formerly worked by tenants, which may be done either by reducing the size of *colono* plots, or by displacing part of the *colono* labour force altogether from hacienda land. If the rise in land values is sufficiently great, the *hacendado* may decide to abandon labour-service relations of production and go over to wage labour, with all hacienda land worked as part of the demesne. In addition, *hacendados* may find it worthwhile further to expand their resource base by encroaching on land controlled by independent peasant communities in the neighbourhood. This type of reaction can be incorporated in Fig. 1, by relaxing the assumption that the hacienda has unlimited land. The HH′ line then becomes concave to the origin O′, and the hacienda can push its production frontier outwards by incorporating more land at the expense of the *minifundico* sector (whose production frontier CC′ consequently moves inward towards origin O.)

A look at the historical record in Peru quickly indicates that such a "grab for land" did in fact take place in the late nineteenth and early twentieth centuries, with haciendas expanding at the expense of the peasantry. This process of hacienda expansion figured in Mariátegui's writing, and provided the basis for many novels of the *indigenista* school of social protest in Peruvian literature.[32] One clear example is provided by the southern Sierra departments of Puno and Cuzco, where the construction of a railway linking the interior to the coast in the 1860s and 1870s coincided with a rising market for wool. The result was a process of hacienda creation and expansion which encountered growing opposition from the Indian communities from which lands were taken, and which probably contributed to the revolts of the 1910s and 1920s in the area.[33]

There are two points which need to be borne in mind when reading accounts of this process of hacienda expansion. The first is that, despite the exaggerated emphasis often given to the issue of legal title to land, or claims based on natural justice, the decisive element determining the distribution of land between haciendas and peasants has always been the balance of force between the two, which in turn is affected by the strength of their desire for control of land. Legal title to land has been effective only when defended on the ground against other claimants, and the possession of such title by one group has never constituted by itself any deterrent to encroachment by others. In the early and mid-nineteenth century, before the improvement in external market opportunities which sparked off the hacienda drive for land, there had intervened a long period of poor market opportunities, when haciendas were not intensively worked and their marginal land was of very slight value. In these circumstances, *hacendados* were frequently unwilling to incur the trouble and expense of keeping Indians off the land, even though the hacienda's legal title was often clear; and Indians were naturally happy to occupy these lands. The revival of profit opportunities revived also the *hacendados'* interest in asserting their legal rights to the land, a process which necessarily involved dispossessing neighbouring *comunidades* of land which they had absorbed in previous years. Many of the court cases lost by Indian communities at that time involved land of this type, and there was probably a tacit awareness on the part of the peasantry that in the final analysis their continued occupation of the land had to rest upon their willingness to defend their possession by force. Correspondingly, for the *hacendado* the price of reclaiming his land was often the use of extreme violence, whether by the police or by hired thugs. Such violence had its own costs; and although there exist plenty of examples of massacres unleashed by *hacendados* against individual groups of Indians, it is not

[32] For example, see Alegria (1941), and for a literary survey, Chevalier (1966).
[33] Maltby (1972).

clear that landowners had at their command sufficient forces to achieve complete mass expulsion. The outcome was a balance of force, with *hacendados* incorporating as much land as possible into their enterprises, but constrained by the knowledge that to do so too fast, or to overstep certain limits, would provoke outright revolt, disrupting the system of production and harming the *hacendado's* short-run profits, besides putting himself and his property at risk.

The second point to bear in mind is that improved external market opportunities affect not only the *hacendados*, but also the Indian small producers. The successful peasant revolt of La Convención provides a good example of the possible implications of this. In that case, valley-floor haciendas growing sugar and tea granted their *colono* workers (locally termed *arrendires*) plots of land on the valley sides. The latter type of land proved ecologically suited to coffee, and when the market for coffee improved sharply in the 1950s the immediate beneficiaries were the *arrendires*. Attempts by the haciendas to re-incorporate the valley-side land in order to profit from the coffee boom were strongly resisted by the occupying peasantry, whose large cash income gave them the power to defeat the haciendas by hiring lawyers, suborning officials, and mounting an effective compaign to persuade the national Government to declare an agrarian reform for the valley. Similar considerations apply to the wool-producing areas of the southern Sierra, where the highest-priced wool, alpaca, has been produced mainly by Indian herdsmen, while haciendas have been dominant in sheep wool. The wool market booms of World War 1 and the Korean War meant important gains for the peasantry as well as for the haciendas. A third case in point is the production of foodstuffs in the Central Sierra to feed the growing populations of Lima and the mining camps from the 1890s on. The expanding urban market provided opportunities as much for the independent peasantry of the Mantaro Valley (where haciendas never became established on the valley land) as for the agricultural haciendas of the zone.

It can thus be argued that the same forces which led the hacienda to seek to expand could also produce a countervailing (though not equal) strengthening of the peasantry's motive and ability to resist. At some point, the balance of class forces puts a check on the geographical extension of the large estate: and further supply response by the hacienda sector becomes dependent upon the introduction of improved techniques. The need for such improvements may be indicated also by a further element, namely, that improvements in general market conditions may well be accompanied by a rise in the opportunity cost of peasant labour, which (as discussed earlier) puts upward pressure on the hacienda wage rate (however paid or valued), and thereby threatens profitability unless labour productivity can be raised.

The issue of techniques of production provides perhaps the most important insights into the real balance of class forces in the Peruvian

Sierra in the past half-century. We have already seen that many *hacendados* qualified as capitalists in the fullest sense, operating successfully in the capitalist sector of the economy, and in close touch both with markets for their products, and with new techniques. For such men, the possibility of raising their hacienda profits by investing in improvements must have been obvious enough; and the experience of European agriculture in the early period of industrial capitalism would lead one to expect several familiar types of improvements: enclosures; specialisation of labour; innovations such as new crop types, new livestock breeds and improved pastures; rotation systems, and so on. The Peruvian Sierra has been notable for the slowness with which these changes have come about, however. The accepted explanation used to be that the landowners were not the type to undertake the raising of productivity, because of their "feudal" mentality.[33A] Current research, however, is suggesting a different explanation: large landowners have, in the twentieth century, been willing to capitalise their properties and introduce new techniques, but have been prevented from doing so by the strength of Indian opposition. The reasons for this opposition have been clear enough: these new techniques of production are incompatible with the interests of the peasantry unless their introduction is accompanied by very substantial compensation for the disruption of the pre-existing system. Enclosures mean the definitive exclusion of the peasantry from large parts of the hacienda lands, and economies of scale associated with new techniques can be realised only by displacing tenants from hacienda land and converting from a labour-service to a wage-labour regime. These features (displacement from land and proletarianisation) are the familiar threats posed to peasantry as a class by the advance of capitalism, and they have encountered intense resistance in Peru as elsewhere. The "serf" prefers to remain a "serf" with his peasant enterprise preserved, rather than become a rootless and insecure proletarian. The livestock haciendas of the Sierra provide a good example of the process.[33B]

By the 1920s, *hacendados* with grazing lands were well aware of the advantages which they could expect to reap from various specific innovations. Improved livestock breeds could be introduced; better pasture management and fencing to control the movement of stock; dipping of sheep to eradicate disease. In the 1910s the landowners of Puno successfully pressured the Government to set up an experimental ranch in the area, in order to prove various of these changes.[34] They were also, however, aware of the obstacles:[35]

[33A] Mariategui (1971): 59 and 73.

[33B] Martinez-Alier (1971, 1972, 1973) pioneered the work in this field, using archives of the expropriated haciendas.

[34] Bertram (forthcoming).

[35] *West Coast Leader* (1926): 6-7.

> At present, it may be said that the farmer is at the mercy of the Indian shepherd . . . Usually each flock of 500 is grazed by an Indian who also pastures on the farm 200-300 sheep of his own and needless to say his own sheep receive more attention than do those of the patron . . . The farmer may dip his own sheep, but the Indian will not submit to having his interfered with, so that where there are Indian sheep on a farm the complete eradication of scab will be impossible . . . The introduction of a paddock system . . . will . . . put an end to the unsatisfactory relation between patron and Indian, and facilitate the complete emancipation of the latter . . . The Indian will be compelled to keep his sheep on his own ground, leaving the patron free to improve and develop his farm . . . He will also be able to pay his Indians a much higher rate of wages, thus lifting him from the state of semi-slavery in which he now is . . .

The problem for a capitalist landowner was clear: he could innovate only if he could displace the Indian *pastor* from the hacienda and replace him by (or convert him into) a wage labourer with no flocks of his own. Otherwise Indian flocks would mix with purebred stock; disease control would be difficult or impossible; a large proportion of the hacienda's land resources would be tied up supporting tenants' enterprises; and the *hacendado's* control over what happened on his own hacienda would remain only partial. (Examples of such weakening of control were the institutionalisation of sheep stealing; and the frequent practice whereby *pastores* introduced their relatives' livestock on to hacienda pasture as their own.)

The displacement of the Indian from his position as labour-service tenant, however, was extremely difficult. While the *hacendado* might interpret his proposed changes (as in the quotation above) in terms of "emancipation" of the Indian from his "semi-slavery", the Indian was not so impressed. The prospect of losing access to land and moving into a new labour regime in which he would be subject to much more effective control induced stubborn peasant resistance to the advance of modern techniques, and only a few of the wealthiest and most powerful landowners — led by the U.S.-owned Cerro de Pasco Copper Corporation—were able to institute the new system. The Corporation's archives are filled with evidence of the extreme difficulty of establishing secure boundaries for hacienda lands and persuading the Indian *pastores* to give up their grazing rights. Other landowners such as the Fernandinis were ultimately unable, after long struggles, to achieve the transformation of their properties. The few successes, furthermore, may have been possible only in the context of a general hesitation of landowners (particularly the smaller ones) to confront the opposition of their tenants. Martinez-Alier suggests[35A] that

> If some haciendas have been able to modernise, dislodging colonos and using a reduced number of wage labourers, it has been perhaps because the traditional haciendas have held the social system together by refusing

[35A] Martinez-Alier (1971): 9.

to follow suit in the dangerous disruption of social relations in the Sierra.

The Sierra agrarian system as it existed in the twentieth century thus reflected an underlying balance of class forces, sufficiently precarious to impose limits upon the ability of the *hacendado* class to develop the area using capitalist techniques and relations of production. The balance was not a stationary one; as already indicated, the agrarian conjuncture had swung in the peasantry's favour in the early nineteenth century, and back towards the large landowners in the late nineteenth and early twentieth century. From the 1920s on, the conjuncture began to swing once again in the peasantry's favour. A number of factors contributed to this process. One was that the inability of *hacendados* to use modernisation as a means of maintaining their profitability, in a national economy where the opportunity cost of labour was rising, meant that tenacious defence of hacienda-controlled lands against peasant invasions became less and less worthwhile. Alongside this went a decline in the degree of power and influence wielded by Sierra landowners at the level of national politics, as the economy became increasingly dominated by mining, coastal agriculture, and urban activities; while new political parties (first APRA, and then Acción Popular) emerged ready to provide the peasantry with allies at the top of the political structure.[36] By the 1950s and 1960s the peasantry were once more on the offensive, and a significant number of *hacendados* admitted defeat in the face of peasant strikes and invasions.[37] Agrarian reform, meantime, became a generally-accepted slogan in national politics, particularly in the 1964 elections which brought Belaúnde to the Presidency. The arrival of effective agrarian reform in 1969 marked, for the Sierra, the dispossession of a landowner class which was already split and in decline.

CONCLUSION

The discussion in this paper has focused upon the recent revision of ideas about the landowner-peasant contradiction in the Peruvian Sierra, and has indicated some of the serious weaknesses in earlier models based upon, or resembling, that of Mariátegui. Out of this process of rethinking has emerged a new image of the Indian peasantry—an image which is fundamental to any understanding of contemporary developments in the Sierra under agrarian reform. Some of the main elements in this image are:

(1) The agrarian system in the Sierra, based upon labour-service tenancy, came into existence and survived so long because it offered concrete gains for both landlords and peasants, and could therefore

[36] Harding (1974) and Tullis (1970).
[37] Tullis (1970): chap. 6.

provide the basis of a stable social contract. The system, furthermore proved itself capable of surviving in an open economy, in which the labour force possessed sufficient mobility to exercise a real degree of choice.

(2) The attempt of some landowners in the twentieth century to replace the system with more clearly capitalist relations of production was opposed, generally successfully, by the peasantry, who found the status quo preferable to a proletarian alternative.

(3) The hacienda has thus been an agent of progress (in the sense of modernisation of the rural sector) while the peasantry has been conservative. This conservatism has been a response to their calculation that the benefits of modernisation would be captured mostly by other groups, while the costs would fall heavily upon peasant society. Peasant reaction to the military government's attempt to modernise the post-reform rural sector follows similar lines.

(4) The peasantry, thus, are a subordinate class, but they are by no means powerless; they show a capacity to calculate, and act on, class advantage; and they have shown themselves able to profit from historical conjunctures favourable to their interests, while ready tenaciously to defend such gains against encroachment in less favourable conjunctures. Class conflict in Peru has therefore been an authentic phenomenon, comprehensible in terms of models of class conflict elsewhere in the world: the claim that Peruvian society is "unique" cannot be sustained.

(5) To be an "Indian" in Peru is not altogether without its advantages. Some of these advantages have been legal ones, from the early measures taken by the Spanish Crown to protect Indians after the Conquest, down to the special privileges granted to "indigenous communities" in the Constitution of 1920. Others are cultural: the ability of the Indian to take advantage of his popular image as ignorant, slow-witted, and dishonest (for example, by deliberate misunderstanding of instructions given in Spanish, or the introduction of unintelligible Quecha place-names into litigation over land titles). For a subordinate class, characteristics such as these can often provide potent defence mechanisms.

In addition to further elaboration of historical models of the type discussed here, social scientists now confront an important new set of issues for research in the Peruvian Sierra, as a result of the agrarian reform. The peasantry remains the same peasantry, but the *hacendado* class have been replaced by (or in some cases converted into) technical administrators appointed by the Government to modernise (and extract surplus from) the new rural co-operatives. In addition to perpetuating some of the old conflicts, the reform has brought to the surface many which were previously latent. Most important of the latter

is the question of intra-class divisions within the peasantry, something which has been barely touched on in this paper, yet which is of vital importance in the present situation. [38] Former *colonos* have now become members of co-operatives which control the lands of the former large estates; and with those lands they have inherited all the disputes over titles and boundaries between haciendas and the neighbouring independent *comunidades;* the two groups now find their interests directly opposed. In addition, in haciendas which employ outside labour, the relations between landowner and labourer have been perpetuated in the relations between co-operative and labourer, with the co-operative just as eager (or often more eager) to exploit the rural labourer, as was the landowner in former times.

Underlying the emerging new disputes is always the basic geographic constraint of the Peruvian Sierra: that the total supply of usable land does not suffice to convert all of the rural poor into either independent peasant farmers, or members of well-endowed co-operatives. Not all gain from reform, and many have been losing in concrete terms. The full understanding of the conflicts which arise as a result offers a research task of the greatest interest.

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