PUTTING THE MARKET IN ITS PLACE
Food Security in Three Mapuche Communities in Southern Chile

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Abstract: This article analyzes the impact of state policies since the 1970s on household food security in several Mapuche communities in the Araucanía region of Chile (Region IX). The author highlights key transformations in the national economy and food system and endeavors to link those to local phenomena, in particular the absorption of the local livelihood strategies and food systems into capitalist markets and the high incidences of food insecurity. The article concludes that a reconceptualization of macroeconomic and indigenous policies are required to rebuild the material and social foundations of rural Mapuche communities that provide the bases from which their inhabitants can reconstruct a mutually beneficial relationship with the broader Chilean society and avert the continued acceleration of tension and violence.

In a continent riddled by persistent political turmoil and economic crisis, Chile has emerged over the past two decades as an island of relative stability and rapid economic growth. Indeed, a country that slightly more than twenty years ago was governed by one of the most infamous dictatorships of the twentieth century is now held aloft as the model for a region struggling to define itself in the age of globalization. A closer examination of the Chilean experience, however, reveals a more nuanced picture. Behind the rapid growth, rising average incomes, and high levels of personal consumption lurk a persistent marginality and precariousness, obscured by questionable poverty calculations and comparatively

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high levels of personal and household indebtedness (for a critique of the measurement of poverty in Chile, see Claude 2002).1

There is no better example in Chile of this persistent marginality and precariousness than the rural Mapuche communities that subsist on the margins of the extant order, mired in a pattern of livelihood and food insecurity. These patterns of insecurity, moreover, cannot be understood simply in the terms of “inefficient” modes of economic organization, amenable solely to the technical solutions of market access and the scientific management of production and distribution. On the contrary, the analysis of livelihoods and food security, especially in rural and/or indigenous communities, requires a multilayered methodology that situates household food security not only within the networks of food production, distribution, and consumption that make up food systems but also within the wider matrices of political, economic, and cultural relations in which households inevitably seek to secure food and reproduce livelihoods.

This article focuses on the effects in rural indigenous communities generated by economic policies designed to strengthen dynamic capitalist exporters by means of liberalization and subsidy programs and by indigenous policies designed to convert indigenous peasant producers into capitalist farmers that compete in globalized markets. I argue that these microlevel effects are the result of the tendency of state developmental models to abstract the market from its political and cultural milieus. Thus, whereas macroeconomic policy produces a highly stratified national economy, oriented toward the tradable sector in which peasant producers stand little chance of success, indigenous policy undermines the social and material bases of the subsistence economy, thereby driving rural producers into marginal positions in the concentrated national markets and emasculating the very foundations from which they could hope to participate successfully.

If food security is a fundamentally social relationship, produced, transformed, and reproduced within diverse institutional landscapes comprising crosscutting political, economic, and cultural relations, livelihood and food insecurity in rural indigenous communities cannot be grasped as external to public policy but very much as its logical and foreseeable result. And if the stated objective of indigenous policy is to promote the development of indigenous communities in a multicultural and pluriethnic society, it will first have to extricate itself from its economistic framework to generate measures that help rural indigenous communities define their participation in Chilean society on their own terms rather than by undermining the rural, indigenous economy by means of culturally inap-

1. Household credit as a percentage of gross domestic product (GDP) in Chile is almost double the nearest Latin American country and nearly triple the regional average (International Monetary Fund 2006).
propriate policies and then integrating those fragmented components into subordinate positions in politically constituted markets.

METHODOLOGICAL AND GEOGRAPHICAL NOTES

Fieldwork was conducted for a period of nine months in Ayjarewe de Xuf-Xuf, an intermediary socio-spatial territorial organization founded in 1997. Although the proximate cause of its founding can be traced to the conflict over the construction of the Temuco bypass, Ayjarewe is representative of a broader movement toward the reconstruction of the historical forms of Mapuche organization. The three primary objectives of Ayjarewe are to reconstruct and rearticulate the Mapuche way of life (az mogen) and the historical forms of organization in the region; to develop communicative and relational strategies with the Chilean state and nongovernmental organizations; and to articulate new relations with capitalist markets and the Chilean developmental model, based on the principles of the Mapuche way of life (Centro de Estudios Socioculturales [CES] 2002). Ayjarewe straddles the counties of Padre Las Casas and Vilcún, an area with among the highest proportion of Mapuche inhabitants in the country.

Over the course of the nine months of research, I lived in Temuco and two of the three participant communities. I carried out brief economic surveys related to patterns of production and consumption in thirty households, as well as semistructured interviews with members of each household. I also carried out a community-wide dialogue in each community, in addition to informal conversations and participant observation. Participation in surveys and interviews was anonymous, as a result of the decisions taken during the community-wide meetings that preceded the initiation of research in each of the three communities. I present the principal findings schematically via analysis of (1) the transformations in the national economy and food system brought about since the dictatorship; (2) the impact of indigenous policy on rural Mapuche communities; and (3) the repercussions of macroeconomic and indigenous policies on the livelihoods, food system, and household food security of the three participant communities.

THE POLITICAL CONSTITUTION OF RURAL PRODUCTION AND THE NATIONAL FOOD SYSTEM

Public policies of trade liberalization and the subsidization of export-oriented production since the 1970s have brought about major transforma-

2. *Ayjarewe* translates as “nine sacred sites.”
3. Other examples include the Asociación Ñankucheo de Lumaco and the Asociación Comunal Pewenche de Lonkimay.
tions in the rural sector and the national food system. The chief mechanism for these changes was the shifting of value from production to distribution, via the upstream (e.g., agricultural machinery, fertilizers) and downstream (e.g., packaging, transportation, advertising) components in the commodity cycle. The axes of the reorganized rural and food sectors were the rapid expansion of nontraditional exports and the importation of agricultural inputs and basic foodstuffs to cover domestic needs.

The accelerated commodification and international integration of rural production resulted in the shift in land usage away from domestic production and toward export markets. Between 1988 and 1999, the share of annual crops, natural pasture, and industrial crops fell 26 percent, and the share of fruit and wine, vegetables and flowers, and forestry plantations rose 35 percent (Ministerio de Agricultura [MINAGRI] 2002, 24), with the acreage dedicated to annual crops declining an additional 35 percent between 1997 and 2007 (Instituto Nacional de Estadísticas [INE] 2009, 37). The explosive growth of fruit and forestry plantations is even more staggering if one examines changes in the land use data since 1976. Between 1976 and 2007, the total arable land dedicated to fruit production increased 262 percent, and the total area of forestry plantations rose 358 percent (INE 2009, 37, 43).

At the same time, large agrarian producers were integrated into global agricultural input markets, and the national market was flooded with foreign produce. Between 1980 and 2000, the U.S. dollar value of imports increased 240 percent for milking machines and 143 percent for agricultural machinery. Pesticide imports likewise increased 362 percent during the two decades. Although the domestic agricultural protections that Augusto Pinochet introduced in response to the economic crisis of the early 1980s resulted in near self-sufficiency in a variety of foodstuffs, including wheat and sugar, the agricultural liberalization and export orientation that democratic governments since 1990 have promoted unleashed an influx of agricultural imports and engendered a growing import dependency. As table 1 illustrates, the dramatic increase in resource exports came at the price of a heightened reliance on foreign agricultural imports to meet domestic food needs.

Transformations in the national food system were further stimulated and consolidated by the emergence of supermarkets—and now hypermarkets—as among the most powerful actors in the sector, increasingly controlling demand patterns and backward linkages to producers and intermediaries in the agricultural sector. Because the highly concentrated supermarket industry—four chains, D y S, Santa Isabel, Unimarc, and Jumbo, control 70 percent of supermarket sales—depends on a small

number of stable suppliers, it was a contributing agent to the dramatic centralization in the agricultural sector. One government study described the impact of supermarkets as follows: “At the local level, the arrival of supermarkets not only transforms the habits of consumers in the cities and surrounding areas but also has a profound impact on the local agricultural sectors—small and medium-size landholders and retailers, and local fairs—that end up disappearing or relocating to ever more remote areas” (Oficina de Estudios y Políticas Agrarias [ODEPA] 2002, 53).5

As the concentration and centralization of the national food system advanced, small and medium-size businesses and agriculturalists paid the greatest price. Shrinking domestic markets and oligopolistic input streams squeezed the small and medium-size business sector as real sales fell while real input prices rose, the results of which were bankruptcies and employment and real wage losses across the sector (INE 2002). Small and medium-size businesses suffered a particularly harsh fate in the agricultural sector, where supermarkets—with average operating margins of 32 percent—drove out local butcher shops and vegetable retailers, whose low operating margins, 13 percent and 11 percent respectively, effectively prevented them from competing (INE 1998, 21–22).6

Small agricultural producers, however, paid the heaviest price of all. Indeed, the Organization for Economic Co-operation and Development (OECD 2008, 110) recently observed “a widening gap between the country’s commercial export-oriented sector and a traditional agriculture that produces staples for own consumption and importable crops such as wheat.” Market liberalization resulted in a flood of agricultural imports—with cumulative increases of 671 percent in wheat and 372 percent in beef.

5. All quotations from sources in Spanish are mine.
6. The average operating margin is the ratio of operating income to sales revenue. A greater operating margin gives companies more flexibility in setting prices.
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registered during the 1990s—and the decline of commercialization opportunities for small producers as the supermarket chains increasingly took over the retail sector. Rising input prices and the rapid increase in supply to the domestic market in turn depressed real producer prices, which fell 44 percent for cattle and sheep, 56 percent for lupine, and 21 percent for wheat between 1990 and 2000, whereas concentration of the agricultural distribution channels and consumer markets provoked a sharp decline in the supply of livestock at local fairs, the principal commercialization avenue for small producers (ODEPA 2001; INE 2003).7

In contrast, ample state subsidies to finance the mechanization of large-scale producers led to accelerated productivity gains and contributed to the growing productivity gap between small- and large-scale farms. The result of state liberalization and agricultural policies was a squeeze on the incomes of the peasant sector as agriculture, as a percentage of rural income, declined from 70 percent to 59 percent between 1990 and 1996, and by 2007, agriculture accounted for less than 25 percent of household income on 55 percent of farms (Echeñique 2000, 43; Echeñique 2009, 36). As the agricultural income of the peasant sector declined, moreover, stable employment opportunities became scarcer as the stagnation and slow decline of the agricultural labor force from the mid-1980s complemented the rise of temporary labor—by 2007, 69 percent of salaried employment in agriculture was temporary (Echeñique 2009, 57; INE 2009, 20).

Finally, the orientation of agricultural policy incited a dramatic concentration in land ownership. The land reform of the Pinochet era, which eliminated the reform sector created during the 1960s and early 1970s, initially created a substantial number of small and medium-size agricultural producers. As table 2 shows, in 1979, farms with fewer than twenty basic irrigated hectares (BIH) accounted for 42.3 percent of arable land, up from 22.7 percent in 1972, whereas farms with more than eighty BIH accounted for only 16.9 percent. During the 1980s and 1990s, however, those numbers reversed sharply. By 2002, large farms—representing 2.9 percent of all farms—held 54.8 percent of arable land, whereas the share of small and subsistence farms, representing 84.6 percent of all farms, was just 22.6 percent of arable land.8 The recent study of Echeñique (2009, 34–35), moreover, demonstrates the continuation of land concentration, with the holdings of subsistence and small producers falling 12.4 percent between 1997 and 2007 at the same time as the average size and total share of the largest farms rose.

7. Lupine is a legume that is used most commonly in animal feed, including more recently in aquaculture.

8. That land was reconcentrated after the 1970s as a result of policies that favored large agro-exporters at the expense of the new class of small landholders, is supported by the findings of Kurtz (2001) and Murray (2006), among others.
Table 2  Distribution of Arable Land, 1979 (BIH) and 1997 (Type of Producer)

<table>
<thead>
<tr>
<th>Farm size</th>
<th>1979</th>
<th>1997</th>
</tr>
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<tbody>
<tr>
<td>0–5 BIH/subsistence</td>
<td>13.3</td>
<td>3.0</td>
</tr>
<tr>
<td>5–20 BIH/small business</td>
<td>29.0</td>
<td>19.6</td>
</tr>
<tr>
<td>20–80 BIH/medium</td>
<td>36.3</td>
<td>22.1</td>
</tr>
<tr>
<td>&gt;80 BIH/large</td>
<td>16.9</td>
<td>54.8</td>
</tr>
<tr>
<td>Public agencies/unclassified</td>
<td>4.0</td>
<td>0.4</td>
</tr>
</tbody>
</table>

Source: Data drawn from Jarvis (1992, 199), based on author estimates from tax roles, and MINAGRI (2002, 17).

Note: The problem of data comparability in the rural sector is complicated by the fact that the 1997 census did not measure land in basic irrigated hectares (BIH), a standardized unit from the agrarian reform period based on land quality. As a result, ODEPA (2000) developed a new classification system based on the physical and productive characteristics of farms. Although the data presented here is not strictly comparable, it does illustrate that the opportunity for the development of an independent class of market-oriented peasant producers was largely forsaken, and successive waves of rapid land concentration followed the military regime’s completion of the land-reform process. Data by type of producer for the 2007 agricultural census were not available at the time of writing.

INDIGENOUS POLICY AND THE CULTURAL SPECIFICITY OF MARKETS

As macroeconomic policy sought to incorporate the agricultural sector into international commodity networks and fortify the market positions of the large agricultural exporters, indigenous policy aimed to integrate indigenous producers and their lands into the national agricultural and forestry markets. Predicated on the belief that market integration was the solution to indigenous poverty and that common property titles represented the greatest barrier to participation in capitalist markets, the indigenous policy of the military government was forged in the 1979 Decree Law 2,568, the intentions of which were clearly spelled out in its name: Division and Liquidation of the Indigenous Community. Decree Law 2,568 allowed for the division of indigenous communities, on request by only one occupant, who needed be neither indigenous nor a landowner in the community. A Chilean who was renting land in an indigenous community could thus apply for division.

Divided plots would cease to be considered indigenous, as would their owners. Although individual plots could not be sold for a period of twenty years, owners were allowed to enter rental contracts for up to ninety-nine years, a clause that forestry and tourism companies exploited. In addition to legal trickery, conflicts arose from the illegal eviction of Mapuche residents by forestry companies, the privatization of forests planted and managed by the Mapuche during the land-reform era, and the sale to forestry companies of land previously usurped by agricultural landowners. The end result was the loss of more than two hundred thousand hectares of Mapuche land during the dictatorship (Heine 2001, 21).
The return of electoral democracy in the 1990s brought with it great initial promise for new directions in indigenous policy. The focal point of the indigenous policy of the center-left coalition government was the 1993 Indigenous Law 19,253, which represented a significant improvement in indigenous policy following the dismal years of the dictatorship. Law 19,253 prohibited discrimination against indigenous peoples, acknowledged the existence of ethnic groups in Chile, founded the Indigenous Development Corporation (Corporación Nacional de Desarrollo Indígena, or CONADI), and ended the division of indigenous lands and prohibited their sale to nonindigenous persons. Yet despite its progressive elements, the narrow foundations of the Indigenous Law and subsequent policy in the principles of private property and capitalist development have undermined many of its positive effects. Rather than strengthening the autonomous spaces from which rural indigenous communities could participate in the Chilean economy, state policy has too often undermined the social and material bases of many rural indigenous communities while assimilating their fragmented components into precarious market positions.

The Indigenous Land and Water Fund, the centerpiece of the new indigenous policy, was set up to facilitate land acquisition through subsidies for those with inadequate resources, purchases of lands in dispute, and the transfer of public lands. Between 1994 and 2007, the fund helped transfer 213,907 hectares to indigenous families and communities. However, this figure greatly exaggerates the real impact of the fund, because it includes the transfer of property rights to state lands indigenous peoples already inhabited and subsidies given for the purchase of indigenous lands by indigenous peoples. If one includes only the land recovered for indigenous peoples by the fund, the figure would be much lower: between 1994 and 2001, for instance, only 25 percent of the land the program purchased or transferred increased the land inhabited by indigenous peoples (Toledo Llancaqueo 2006; CONADI 2006, 2008).

A closer investigation of the fund also demonstrates clearly the separation of culture and economy that has characterized state policy and mitigated its benefits. On the one hand, the program produced dislocation and disarticulation in Mapuche communities, the result of logistical difficulties and the lack of consideration by the government of the social and kinship relations that existed among the Mapuche population and underpinned the community economy. For example, an internal audit of the fund found that only 38 percent of recipients who participated in religious or cultural activities in their former communities did so in their new locations and noted “a degree of abandonment of traditional forms of interfamilial and community cooperation” and “signs of an emerging disaggregation of communities” (CONADI 1998, 9). The disarticulation of social relations in the communities involved with the fund also contributed to rising levels of intracommunity conflict: “In practically all cases,
doubts have manifested over the boundaries of acquired lands. This has generated a series of conflicts, many of which have endured years and persist today” (CONADI 1998, 34).

On the other hand, the land program likely contributed to the concentration of land ownership in and between indigenous communities. As the internal audit shows, in 1995, 50 percent of the lands purchased with subsidies from the fund were indigenous lands, a number that increased to 66 percent in 1996. Between 1993 and 1996, moreover, 85 percent of the beneficiaries of the land program were families with more than eight hectares of land who purchased an average of 15.88 additional hectares (CONADI 1998, 40). Yet census data show that only 18 percent of rural Mapuche families owned more than eight hectares of land before the initiation of the land program. It is no surprise, then, that that distribution of Mapuche landholdings is even more unequal now than in the 1960s, with 75 percent of Mapuche farms accounting for only 18 percent of total Mapuche landholdings (CIDA 1966; Apey G. et al. 2001, 21–22). Thus, in spite of the declared objective of the subsidies to expand the landholdings on the basis of need, the program appears to have favored those families with the largest landholdings and the greatest commercial potential, thereby paralleling the broader governmental strategy of supporting only “viable” peasant producers (Kay 1997) and suggesting the real function of the land program: to rationalize land ownership and create a class of commercial producers in Mapuche communities.

The design of local development projects belies the same inattention to the institutional diversity of rural indigenous spaces and undermines not only project objectives but also the social foundations of rural communities. Commercialization programs normally begin with government officials selecting a small group of individuals to participate in commercial ventures on the basis of ability to compete in commercial markets. However, as the director of the Department for Social Action (DAS), a nongovernmental organization (NGO) working in the field of rural development, explained, state intervention produced two unintended consequences. First, nonparticipants often felt jealousy and resentment toward program beneficiaries, which weakened intracommunity relations. Second, program participants often partially redirected state resources either to subsistence production or to community activities to diffuse intracommunity tension.10

Local development programs have at times also eroded the material bases of rural communities. Bengoa (2001, 101) found, for instance, that recipients used 87 percent of loans from the National Institute for Agricultural Development (Instituto de Desarrollo Agropecuario, or INDAP)

9. Unfortunately, it was not possible to find information after 1998.
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to Mapuche farmers for seeds and other inputs for crops destined not for commercial sale but for household consumption. Because the credit does not generate cash income, however, agricultural loans have often resulted in the decapitalization of the household economy via forfeiture of collateral or the exclusion of rural households from future credit. A main reason that many commercialization projects fail, then, is that they seek to direct all household resources toward commercial markets in sectors where such behavior is fundamentally irrational. Put another way, rather than recognize the institutional heterogeneity of rural indigenous communities and design programs accordingly, to use the market as a complement to the subsistence economy, government programs presume a rationality of profit maximization and capital accumulation that not only does not exist but also runs contrary to many of the institutions that regulate economic decision making in indigenous communities.

A lack of attention to gender relations has also undermined programs. For instance, during the 1990s, the government intervened extensively through credit and subsidy programs to direct agriculture toward vegetable production for national markets. But rather than fortify the household economy, commercialization programs have often undermined it because, unbeknownst to many state officials, the cultivation of vegetables is the responsibility of women. According to the director of Development and Management (Gestión y Desarrollo, or GEDES), an NGO working with Mapuche communities in the region, vegetable commercialization has inadvertently generated doubly perverse outcomes: first, an excessive female burden that results in the inability to commercialize production adequately and the partial diversion of resources to other subsistence activities and household consumption; second, the loss of the family vegetable plot, a key source of food variety and security, as female labor was redirected toward commercial production.\(^{11}\)

Government interventionism has not been restricted to the realm of production and commercialization: it has also affected consumption patterns in rural indigenous spaces. One such example is the Programa de Alimentación Escolar (PAE), which provides free meals to school children from marginalized sectors. Although PAE is a laudable program with important benefits, especially from a food-security perspective, it was designed according to broad and universal nutritional guidelines without any parental input. Indeed, implementation of the PAE—including selection of the daily menu—is subcontracted to private agribusiness firms, which effectively detaches patterns of food consumption from local sociocultural and ecological conditions and inculcates preferences for urban and commercialized foods, such as noodles and sugar, from a young age (Carrasco 2004).

A fundamental shortcoming of state indigenous policy is thus its abstraction of the market from its political and cultural environs. For instance, in conversations, both government officials and rural Mapuche households expressed a desire for greater “agricultural production”; the difficulty rests, however, in the fact that they attribute dramatically different meanings to the term. For the government, agricultural production is a purely scientific and commercial process, stripped of its local ecological and sociocultural contexts, existing for no other reason than to maximize output for market sale and monetary income. For much of the rural Mapuche population, however, agricultural production is situated as part of a more complex livelihood strategy. Its objective is not to maximize income but to reproduce household and community relations. Capitalist markets represent only one of the many institutional channels through which households meet their social and economic needs. Government initiatives are therefore reinterpreted and reconfigured by the institutional patterns that govern decision making in Mapuche communities.

One of the principal results of macoeconomic and indigenous policies has been the accelerated decline of the social and material foundations of rural Mapuche communities since 1973. Following the imposition of the reservation system between 1883 and 1927, the reciprocal social relations that underpinned the Mapuche social structure did not disappear, as many assumed they had. Instead, “new networks of socio-economic, neighbor, kinship, and ceremonial relations” (Stuchlik 1999, 96) were constituted at the level of the community, adapted from the reservation structure: “In spite of its strange and complex origins in the reservation system, the community became the social and territorial space of the Mapuche culture. There the borders with the wingka society were established; there the material space of cultural resistance was forged” (Bengoa 2000, 369).12

Thus, new reciprocal institutions such as matrilateral inheritance and intracommunity sharecropping—the latter, though incorporated from the exploitative Chilean agrarian structure, in the context of mutual scarcity and communal solidarity has allowed for a more efficient utilization of resources—were developed to strengthen the reproductive capacities of Mapuche households and communities (on the use of sharecropping in Mapuche communities as a means of organizing scarce resources and strengthening reciprocal socioeconomic ties, see Stuchlik 1999; Kradolfer 2002).

Although significant land usurpation and increasing intervention from Chilean institutions initiated the process of community decline in the 1940s and 1950s, the social and material bases of the Mapuche community proved resilient (Bengoa and Valenzuela 1984; Stuchlik 1999; Carrasco 2004). The extended family remained the principal form of famil-

12. Wingka (or huinca) was the name given to non-Mapuche settlers.
ial organization. Use of the Mapuche language was comparatively high, even among children, and traditional clothing and houses (ruka) were still common sights. Reciprocal economic exchanges remained significant aspects of the household economy, and institutions such as common pasture rights, mingako (communal labor pools), vuelta de mano (labor exchange), and sharecropping continued to fortify household subsistence. Indeed, intracommunity sharecropping played an integral role in the reproduction of economic life in rural indigenous communities, accounting for 22 percent of cattle holdings and 50 percent of sheep holdings, and raising the incomes of poor families by up to 60 percent (Stuchlik 1999, 154; Bengoa and Valenzuela 1984, 127).

Landholdings—communities divided between 1930 and 1971 produced individual parcels of 11.24 hectares on average (Toledo Llancaqueo 2006, 29)—were such that many families were generally able to provide for the household consumption of the basic agricultural staples such as wheat. Livestock holdings remained an important component of the Mapuche economy—84 percent of families raised pigs, 62 percent raised cattle, and 60 percent raised sheep—and constituted the largest source of rural cash income (Bengoa and Valenzuela 1984, 161, 191). Moreover, the 1976 agricultural census showed that the Mapuche continued to account for significant proportions of the regional beef, lamb, and pig supply, with Mapuche farmers accounting for most of the regional supply of several annual crops (Bengoa 1996, 20).

The aggressive expansion of the institutions of Chilean capitalism since 1973, however, collapsed the material and social bases of the subsistence economy while marginalizing Mapuche households in the concentrated networks of Chilean markets. The loss of land during the dictatorship and continued population growth resulted in a reduction in the size of family farms—land division during the dictatorship produced family farms of only 5.36 hectares on average—and unleashed a tidal wave of urban migration (Toledo Llancaqueo 2006, 71). By 2002, the percentage of the Mapuche population living in urban areas had swollen from 20 percent in 1970 to 64 percent (Ministerio de Planificación [MIDEPLAN] 2005, 28). As a result of accelerated emigration patterns, the extended family has continued to decay and reciprocal economic relationships have become infrequent as the reproductive space of the community continues to erode, in part as a result of migration and new settlement patterns and in part as a result of the division and formalization of property rights, which discourages practices like sharecropping that rely on fluid perceptions of land ownership (Bengoa 2001, 116; CONADI 2001, 56).

As the reproductive space of the rural community declined, the Mapuche were forced to wade deeper and deeper into commodity and labor markets, where they found themselves similarly marginalized. Although they hold 54.2 percent of farms in the Araucanía region, the Mapuche ac-
count for only 14.2 percent of agricultural land, 22 percent of annual crops, 4.1 percent of forests, 23 percent of natural pasture, and 18 percent of cattle. Such numbers, however, are misleading, because they account only for area under production. Mapuche agricultural productivity per hectare falls well below the regional and national averages, reaching only 35 percent for oats, 59 percent for potatoes, 30 percent for beans, and 42 percent for wheat (INE 1997; Apey G. et al. 2001). Thus, with respect to potato and oat production, for example, the Mapuche account for 54.8 percent and 53.1 percent of farms but only 23.8 percent and 8.3 percent of output, respectively. As a result, the Mapuche occupy a very disadvantageous position in regional and national markets and experienced declining agricultural incomes during the 1990s, with on-farm and livestock income falling 25 percent and 28 percent, respectively, in the second half of the decade (Bengoa 2001, 95; Aedo 2002, 11).

The Mapuche also faced significant barriers in local labor markets. The Mapuche economically active population (EAP) is focused on agriculture, petty trade, construction, and domestic services, with the clear majority of Mapuche proletarianized (Saavedra 2002, 39). But Mapuche workers not only were forced into the lowest-paying industries but also were remunerated far less than the average prevailing wages in those sectors. Unskilled Mapuche general laborers received on average 48 percent of the wage paid to their non-Mapuche counterparts, with similar numbers prevailing in key sectors such as construction (58 percent) and personal services (52 percent; Aedo 2002, 7). Wage discrimination is even more severe for Mapuche women; female Mapuche domestic servants—who constitute 26 percent of the female Mapuche EAP—receive on average only 46 percent the salary of their nonindigenous counterparts (Caniulef 2003, 7).

Of all the social groups in Chile, the Mapuche have arguably suffered the greatest extent from the neoliberal economic model developed during the dictatorship. In rural areas, Mapuche farmers occupy the poorest-quality soils, are concentrated in the agricultural sectors in decline, and receive inadequate levels of often counterproductive agricultural support. In urban areas, the Mapuche are the least-educated population and face an intense racial discrimination. Employment opportunities are thus severely restricted, in both quantitative and qualitative terms, and the average income for a Mapuche adult was only 56 percent the income of a non-Mapuche, with 65 percent of the Mapuche located in the bottom-two income quintiles (MIDEPLAN 2000, 22). On the UN Development Programme’s Human Development Index, the Mapuche of the Araucanía region scored 0.582, compared with 0.73 for Chile as a whole (Programa de las Naciones Unidas para el Desarrollo [PNUD] 2003, 19). Although rural and indigenous poverty fell more rapidly than the urban and nonindigenous rates between 2003 and 2006, the declines are in all likelihood the result of the sharp increase in government support to the poorest families.
under the government of Michelle Bachelet, as evidenced by the greater effectiveness of cash transfers in alleviating poverty in rural areas and the rising share of subsidies as a percentage of indigenous household income (MIDEPLAN 2000, 2006; Agostini and Brown 2007).

LIVELIHOODS, FOOD SYSTEMS, AND FOOD INSECURITY IN AYJAREWE DE XUF-XUF

The imposition of reservations between 1883 and 1927 radically transformed the existential conditions of rural Mapuche families. Much as at the national level, however, the Mapuche of Ayjarewe were able to articulate new livelihood and food systems within the new reproductive space of the community, based primarily in household agriculture and circulated by the reciprocal relations of exchange and consumption that comprised the institutional framework of the indigenous community. Although external interventions gradually undermined the material and sociocultural foundations of the community from the 1950s onward, the Mapuche managed to reproduce a parallel food system on the margins of Chilean capitalism, providing for self-sufficiency in staple crops and the sale of additional crops for cash to meet the relatively minor household expenditures (CES 2002; Carrasco 2004). As one female elder commented in an interview, extended families predominated and reciprocal economic relationships persisted in the period before the 1970s: “We all worked on the land and gathered what we needed from the forests. My father had animals. The people still helped each other.”

The application of neoliberal policies, however, radically weakened the material and social foundations of the livelihood and food systems of the sector. Farming is now dominated by small plots and concentrated in annual crops and vegetables. The average family in Ayjarewe owns 3.4 hectares of land, or 0.64 hectares per person; 33.8 percent of Mapuche farms have fewer than 2 hectares of land, and 10 percent own fewer than 0.5 hectares; 11.9 percent of families hold more than 6 hectares and only 3 percent hold more than 10 hectares. Moreover, only 7 percent of adults hold full-time employment in urban areas, with the overwhelming majority of laborers incorporated into the temporary urban employment networks. The poor land base and the unfavorable conditions of market integration have in turn resulted in high levels of social and economic marginalization. In 2001, the average monthly household income in Ayjarewe was an estimated CPS$94,516, with 44.7 percent of households falling under the classification of indigent, 34.2 percent as poor, and 21 percent as nonpoor (CES 2002, 142).

Transformations over the past three decades have also undermined the social bases of the rural communities of the sector. One of the most salient developments has been in the area of familial organization, where one can observe a strong and consistent movement away from the extended family.
From table 3, one can observe two main things. First is the growing predominance of the nuclear family, which makes up 58.8 percent of the families in the sector. Second is the prevalence of incomplete extended families vis-à-vis complete extended families, which suggests the decomposition of the extended family. In fact, the average size of an extended family has declined from between ten and twelve in the 1960s to an average of seven (CES 2002, 115).

The characteristics of nuclear families differ from their extended counterparts in several important ways. First, nuclear families tend to display higher levels of integration into market institutions, particularly labor and agricultural commodity markets, and have smaller landholdings. They also maintain fewer reciprocal economic relationships in the community. Nuclear families are therefore typically among the most vulnerable households, which results from the lack of domestic labor and community-resource capacity and the reliance on volatile urban markets. The vulnerability of nuclear families was further suggested in interviews, where nuclear families were far more likely to express the desire for greater production for household consumption than for market sale.

From the perspective of vulnerability, it is important to emphasize that the nuclear family is an institution largely imposed from without. From the settlement period onward, the progressive loss of resources and the encroachment of foreign institutions have resulted in rising levels of youth and female migration and the emergence of neolocal settlement patterns (whereby children, upon marriage, leave the parental dwelling to establish their own household, often with state housing subsidies), as youths adapt to the unfeasibility of traditional livelihood strategies and the shifting institutional landscape.13 A concomitant of the rise in neolocal settlement patterns has been the increasing nuclearization of resources and livelihood strategies.


### Table 3 Family Structure in Ayjarewe

<table>
<thead>
<tr>
<th>Type of family</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nuclear complete</td>
<td>56.8</td>
</tr>
<tr>
<td>Nuclear incomplete</td>
<td>2</td>
</tr>
<tr>
<td>Total nuclear</td>
<td>58.8</td>
</tr>
<tr>
<td>Extended complete</td>
<td>16</td>
</tr>
<tr>
<td>Extended incomplete</td>
<td>25.2</td>
</tr>
<tr>
<td>Total extended</td>
<td>41.2</td>
</tr>
</tbody>
</table>

*Source: Calculated from CES (2002, 96–97).*
As the resource base dwindles, forms of reciprocal economic exchange have eroded, with only six of the thirty families interviewed participating in such relationships, primarily in the form of sharecropping and labor exchange, data supported by the findings of the CES (2002, 179). The exchange of seeds, other agricultural inputs, and consumption articles such as food are likewise scarce and informal in their nature. The two principal reasons for the decline in economic cooperation among the Mapuche are the dwindling resource base, as many families simply do not have the resources to share, and the progressive mediation of life in the community by money and private property, with its attendant individualization. As one resident of the sector commented in a 2001 workshop, “Everything one plants now is money. . . . Before the people went out and gathered firewood and other basic necessities. Now if you go out to get firewood they kick you out, before no; now people say, ‘Why don’t you plant on your land?’” (quoted in CES 2002, 171–172).

A key outcome of the past thirty years with respect to the food system has been the near-complete loss of food sovereignty—or the capacity of Mapuche households to define and reproduce their own food system—and the expanded intervention of markets in the rural Mapuche food system (for an excellent critical discussion of the origins and evolution of the concept of food security, see Patel 2009). The interrelated loss of land; the deterioration of soil quality and the dependence on purchased seeds and chemical fertilizers; the decline of household sizes, community labor pools, and reciprocal exchanges; and the allocation of local resources to commercialization projects engendered by policies to promote capitalist integration resulted in the inability of households of the sector to meet their needs for even basic staples like wheat via household and community production, exchange, and consumption.

Households surveyed held on average only 0.8 hectares per person and dedicated scant resources to household subsistence, with only nineteen of the thirty households planting wheat and only eight households planting at least a hectare (which respondents considered the minimum area required to meet annualized household needs). Moreover, no household was able to produce sufficient quantities of three basic staples—wheat, potatoes, and beans—to meet household needs throughout the year. The situation was equally bleak with respect to livestock: sixteen of the thirty households had no access to livestock, and only seven had a small number of cattle.

As state and market interventions eroded the subsistence economy and community food system, Mapuche households were compelled to meet their food needs both directly and indirectly via local markets. All families surveyed who planted in the previous year purchased seeds and chemical

14. I thank one of the anonymous reviewers for drawing attention to Patel (2009).
inputs, and agriculture was listed as the second-most significant annual expenditure—behind food—and the budgetary item subject to the highest rate of inflation. Patterns of food consumption were also transformed, stimulated by urban employment and nutritional intervention programs such as the School Lunch Program. Indeed, several older women complained of the incorporation of urban foods into the household diet, thus affecting the food preferences of all members, because the children grow accustomed to the foods consumed at school. As one grandmother commented in an interview, “The children only want the wingka food they eat at school. We all eat wingka food now because the younger women don’t know how to prepare Mapuche food.”

Whereas the consumption of non-Mapuche foods before the 1970s was relatively uncommon (Carrasco 2004), urban foods now account for the bulk of household consumption, with noodles and rice in particular having gained a prominent place in the household diet, complemented by sugar, oil, salt, and tea. Such food items are problematic from a food-security perspective because, though they substitute for Mapuche crops, such as potatoes and maize, they cannot be produced on the farm. Facing declining subsistence production and shifting food preferences, all households purchased the majority of the food consumed, which further stimulated the commercialization of agricultural output and the sale of labor.

The rituals surrounding the preparation and consumption of food likewise underwent significant modification. Before the accelerated intervention of Chilean institutions, food preparation and consumption had an explicitly social dimension, integrating lineage groups and households and reproducing the reciprocal relations of the community (Carrasco 2004). But as the nuclearization of households and commodification of resource management intensified, the preparation and consumption of food fell more and more into the domain of the nuclear family. The rising consumption of food outside the community, particularly by children in school and wage laborers in urban areas, furthered the trend toward the isolation of food preparation and consumption from intracommunity networks. The end result of the aforementioned processes was the near-complete disarticulation of food production, exchange, and consumption from the reproduction of social and ecological life in the community.

As state and market intervention disintegrated the local food system, Mapuche households were forced to wade into local producer and consumer markets to meet household food needs. Earlier we saw how neoliberal reforms reorganized the national agricultural and food system, shifting value from production to distribution by means of the upstream and downstream components of the commodity chain and forcing small producers and distributors to pay the price. To appreciate more fully the impact of the growing dependency on markets to meet household food
needs, it is useful to divide the analysis into three sections: production, distribution, and consumption.

Agricultural input markets in Chile are dominated by a small number of wholesalers and retailers who import their products from abroad, which facilitates the monopolization of national markets and accelerated price inflation. Indeed, empirical evidence bears out the claim of households that agricultural input prices have risen the fastest. To provide just a few examples of the ability of oligopolistic firms to impose price increases, between 1990 and 2005, the prices of urea, sodium nitrate, and potassium nitrate rose at an annual rate of 14 percent, 29 percent, and 16 percent, respectively.15 The Consumer Price Index for the same period, however, rose only 6.5 percent per annum. The rapid price rises of agricultural inputs undermine the subsistence and commercial bases of Mapuche agriculture, as not only are farmers more dependent on purchased inputs in general but also the inputs they purchase are subjected to accelerated price inflation. In fact, seven families interviewed reported either not planting any crops in the previous year or planting a reduced number of crops because of the inability to purchase the required inputs and the undesirability of contracting a loan from a government agency, given the high rates of default.

At the same time that the real prices of agricultural inputs were rising sharply, the real producer prices for livestock were heading in the opposite direction, stimulated by government policies of trade liberalization and the subsidies provided to large-scale national producers—not to mention the state subsidies granted to foreign competitors—selling in the domestic market. For example, between 1990 and 2005, real producer prices plummeted 44 percent for both mature sheep and cattle. However, the price declines for mature animals tell only half the story; the real producer prices for yearling lambs and calves over the same period fell only 22 percent in the case of the latter and rose 10 percent in the case of the former. What this demonstrates is the severity of the income squeeze faced by Mapuche households rearing livestock as a source of income, as not only did real prices for their mature animals fall dramatically but also the real prices of the young animals purchased to raise for sale fell much less or rose, placing even greater strain on already-tight margins. In conversations with Mapuche agriculturalists in the sector, a clear pattern of decline in livestock holdings was noted, due to poor prices and the lack of land, a claim supported by Bengoa’s (1996, 2001) findings that livestock holdings have declined dramatically in Mapuche communities since 1980.

Prices for agricultural goods showed similar deteriorations, likewise owing to the government policies of trade liberalization and subsidies

15. All agricultural and livestock prices quoted in this section were drawn from the electronic database maintained by ODEPA.
that favor large-scale producers. Although data on producer prices for agricultural commodities are unavailable for the period in question, the government did monitor wholesale prices, which serve as an adequate proxy, as marginal producers, facing much greater power asymmetries in the markets than wholesalers, are unlikely to experience more favorable market treatment. Beginning in 1985, real wholesale prices for wheat collapsed under the pressure of domestic overproduction and a wave of imports. As a result, from 1985, the real wholesale price of wheat began to plummet, falling 53 percent by 2005. The trend in wheat prices, moreover, was reflected in many other staple crops since 1980, with the real wholesale prices of peas, beans, and lentils falling 33 percent, 53 percent, and 49 percent, respectively, between 1980 and 2005.

The collapse of real annual crop prices had two main local effects. First, Mapuche producers saw a portion of their on-farm income, the sale of “surplus” annual crops, deteriorate rapidly. Mapuche producers thus found themselves driven almost entirely out of their traditional markets, which placed even further strain on subsistence production, as the agricultural income used to purchase inputs and food items was eroded. Second, numerous households shifted production—with government assistance—to new crops, primarily fresh vegetables and fruit, to a far lesser extent. Producers of fresh vegetables and fruit, however, found themselves only marginally better off in market terms.

Although exports of frozen vegetables accounted for part of the increased production of vegetables, the supply to the domestic market expanded rapidly, placing downward pressure on domestic wholesale prices, which declined for most products commercialized in Ayjarewe (table 4). The end result was, on the one hand, the falling profitability and widespread bankruptcy among the small-scale vegetable retailers to whom Mapuche vegetables are sold and, on the other hand, the declining profitability of Mapuche production itself. Fruit prices faced a fate similar to that of annual crops and livestock, with the real prices for apples—the only other fruit sold by households surveyed was raspberries, for which only sporadic data was available, though it suggests a similar price decline—falling 34 percent between 1990 and 2005.

Price declines in the wider regional and national markets, however, only partially explain the predicament faced by Mapuche farmers, who are incompletely integrated into the urban market structures. To understand the extent of the limitations the Mapuche face, one must also examine how the Mapuche are integrated into the wider networks of commercial exchange. As a result of government regulatory measures, the lack of adequate production facilities, and racial discrimination, most Mapuche agricultural and livestock vendors cannot sell directly to retail outlets and must commercialize farm output via urban intermediaries or informal sale in the community, the latter representing an unsustainable commer-
cialization venue given the lack of rural effective demand. As the regional
deputy director of INDAP commented, although the sale to urban mer-
chants represents an advance over the previous system of sale to rural
merchants, the current commercialization avenues pose considerable bar-
riers to rural Mapuche vendors, who receive on average 20 percent less
than the prevailing market price. 16

In addition to intermediaries controlling volume and price by purchas-
ing in small quantities from a wide variety of producers, the Mapuche
suffer further from the geographical distribution of vegetable production.
To the north, where most of the national production is located, the har-
vest season takes place weeks earlier, thus allowing northern producers
to capture the highest prices. By the time Mapuche products come to mar-
ket, surplus vegetables have already arrived from the northern regions,
driving local prices below the national average. The Mapuche, however,
must sell their produce shortly after harvest, as unlike most annual crops,
vegetable and herb crops are highly perishable. As a result, not only do
Mapuche producers not receive even the average price dictated by supply
and demand, because of the price manipulation by merchants, but also
they are forced to sell during the annual price nadir.

The Mapuche households of the sector also participated in urban ex-
change markets through the sale of labor power. Yet much as in the case of
agricultural and livestock sales, Mapuche laborers participated in urban
labor markets under highly unfavorable conditions. Because of their low
educational achievement levels—which stem from a variety of factors, in-
cluding economic problems; difficulties with Spanish in areas of strong


Table 4 Real Wholesale Vegetable Price Changes, 1990–2005

<table>
<thead>
<tr>
<th>Vegetable</th>
<th>Percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cucumber</td>
<td>–26</td>
</tr>
<tr>
<td>Coriander</td>
<td>–22</td>
</tr>
<tr>
<td>Celery</td>
<td>–25</td>
</tr>
<tr>
<td>Cabbage</td>
<td>–22</td>
</tr>
<tr>
<td>Lettuce</td>
<td>–8</td>
</tr>
<tr>
<td>Carrots</td>
<td>–11</td>
</tr>
<tr>
<td>Cauliflower</td>
<td>–4</td>
</tr>
<tr>
<td>Beets</td>
<td>0</td>
</tr>
<tr>
<td>Swiss chard</td>
<td>43</td>
</tr>
</tbody>
</table>

Source: Elaborated from the electronic database of ODEPA.

Note: The years 1990 and 2005 are based on three-year averages,
given the price volatility of the items in question.
concentration of the Mapuche language (Mapudungun); discrimination from teachers and other students; and grossly inadequate funding and facilities, including transportation—the Mapuche are concentrated overwhelmingly on the margins of the labor market, with only fleeting access to the lowest remunerated sectors with the least job security. Of the households surveyed, only nine of thirty had a member who had worked in the past year—as seasonal agricultural laborers, housekeepers, janitors, and casual laborers in construction—and only two had members with employment contracts, the latter of which coincides with the findings of CES (2002, 142) that only 7 percent of adults worked full-time jobs.

Another factor threatening the attainment of rural food security via labor markets is the progressive decline and instability of the regional economy. The installation of the neoliberal economic model from the 1970s engendered the relative decline of the Araucanía region vis-à-vis the rest of the nation and rising rates of unemployment, even during the economic boom of the 1990s. In addition, the economic output of the region demonstrated a high level of instability, owing to its position as a de facto internal economic colony of the Chilean nation, providing raw materials to the Central Valley (the Araucanía region, with 5 percent of the national population, accounts for only 0.002 percent of exports). Regional output was therefore subject to dramatic boom-bust cycles, with GDP hitting peaks of 14.1 percent, 12.8 percent, and 11.4 percent and valleys of −0.1 percent, 0.1 percent, and 1.3 percent between 1985 and 2005.

The instability and decline of the regional economy provoked in turn a dramatic increase in labor-market instability. Cases of work without contract rose 135 percent during the 1990s, and cases of employment without social security benefits shot up 80 percent. Mapuche workers were hit hardest by labor precariousness because they worked overwhelmingly as independent unskilled laborers and domestic employees, which show by far the highest rates of labor insecurity. For example, 60 percent of domestic employees work without a contract, and nearly 90 percent of independent laborers work without social security benefits. Not surprisingly, the Araucanía Region manifested an inordinate expansion in the rate of urban dismissals during the 1990s, which increased 152 percent (Corporación de Fomento Fabril [CORFO] 1999, 142–145).

Finally, the Mapuche were incorporated as consumers into urban food markets. The growing reliance on purchased food for the majority of food supplies was a central feature of the contemporary food system of Ayjarewe. The growing importance of purchased food supplies, however, raises troubling issues for food security in the sector. The expanding dominion of highly concentrated agribusiness firms and supermarkets produced by neoliberal restructuring resulted in the emergence of two divergent price trajectories for food items purchased in the sector from small-scale retailers and supermarkets.
Table 5 Change in Nominal Prices for Select Foodstuffs, 1990–2005

<table>
<thead>
<tr>
<th>Food item by distribution type</th>
<th>Percentage change</th>
<th>Annual percentage change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small-scale retailers</td>
<td>76.8</td>
<td>4.8</td>
</tr>
<tr>
<td>Beans</td>
<td>72</td>
<td>4.5</td>
</tr>
<tr>
<td>Lentils</td>
<td>55</td>
<td>3.4</td>
</tr>
<tr>
<td>Peas</td>
<td>77</td>
<td>4.3</td>
</tr>
<tr>
<td>Ground beef</td>
<td>103</td>
<td>6.4</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>261.2</td>
<td>16.3</td>
</tr>
<tr>
<td>Flour</td>
<td>260</td>
<td>16.3</td>
</tr>
<tr>
<td>Rice</td>
<td>171</td>
<td>10.7</td>
</tr>
<tr>
<td>Sugar</td>
<td>179</td>
<td>11.2</td>
</tr>
<tr>
<td>Salt</td>
<td>511</td>
<td>31</td>
</tr>
<tr>
<td>Noodles</td>
<td>190</td>
<td>11.9</td>
</tr>
<tr>
<td>Condensed milk</td>
<td>256</td>
<td>15.9</td>
</tr>
</tbody>
</table>

Source: Elaborated from the electronic database of ODEPA.

Table 5 shows the existence of two distinct price trends for the principal foodstuffs purchased by Mapuche households in the sector. On the one hand, beans, lentils, peas, and ground beef rose 4.8 percent per annum, under the rate of inflation for the period, evidence of the precarious position of small-scale vendors. On the other hand, the second grouping of foodstuffs—flour, rice, sugar, salt, noodles, and condensed milk—rose by 16.3 percent, more than three times the rate of the first group and well above the general rate of inflation.

The rapid price inflation of food items distributed by the supermarket chains is significant because Mapuche food consumption is increasingly concentrated in precisely these items. The movement toward greater noodle, rice, and flour consumption, moreover, is not a “natural” phenomenon but is the result of persistent and patterned interventions by the institutions of the Chilean society. On the one hand, the loss of land and declining viability of subsistence production forced Mapuche households to rely in greater measure on purchased food items. On the other hand, government nutritional intervention programs introduced the foods distributed by the oligopolistic networks into rural communities, firmly establishing taste and consumption patterns in children from a young age. The outcome was thus not only that the Mapuche were consuming rising quantities of purchased food but also that they were purchasing foods subject to accelerated price inflation.

Given the aforementioned trends, it should come as no surprise that survey results suggested that food insecurity was widespread in Ayjarewe. Of the thirty respondents, thirteen reported persistent food shortages throughout the year, and twenty-eight restricted household food
consumption during the late-winter and spring months when food supplies run low and significant expenditures are required for the planting season. Although the limited sample size must be taken into account and the conclusions cannot be generalized across all rural Mapuche communities, when combined with the figures on land and income from the CES study, the data strongly suggest that food insecurity is widespread in the sector.

CONCLUSION: NEOLIBERALISM AND THE “PRODUCTION” OF FOOD INSECURITY

It is the argument of this article that food security is a social relationship, constituted and reproduced through the wider historical systems of power relations within which households attempt to meet their food needs. An adequate examination of the phenomenon of food insecurity therefore requires examination of the political constitution of markets in Chile and the cultural appropriateness of indigenous policies designed to integrate rural Mapuche producers into national markets. On the one hand, the liberalization of national markets resulted in the dramatic concentration of landholdings and market power, driving small-scale producers and distributors onto the margins of the national economy. On the other hand, for all its advances, indigenous policy remained rooted within a narrow conceptualization of the market and an inattention to the institutional heterogeneity of rural communities that often served to undermine the very social and material bases from which indigenous producers might be able to participate in market relations in a manner that strengthens rather than destabilizes rural society.

The preceding analysis is not, however, a call for return to an idealized past. Surely, improvements in the conditions of rural Mapuche communities will be found in neither of the poles of assimilation or autarky. Rather, the findings suggest the need for a critical reconceptualization of macroeconomic and indigenous policy in Chile, one that would allow rural Mapuche communities to define better the terms of their integration into the broader national society. Such a reconceptualization, however, faces significant barriers, including not only the legacy of state centralization and paternalism, which has limited the effectiveness of even the more “participatory” initiatives such as Programa Orígenes (Latta 2005; Rodríguez and Carruthers 2008), but also the present level of disarticulation in rural communities. One young community activist described the dilemma in the following terms: “It’s like there are two societies within our communities. There’s the Mapuche society and there’s the individualistic Chilean society. When there’s conflict or nguillatun, everyone is Mapuche. But in everyday life, people think only of themselves.”

What is clear is that the present course of indigenous policy is failing, as evidenced by the acceleration of violence and political conflict in the Araucanía region. Instead of talking about “development with identity,”
the state officials ought to be discussing “development from identity,” whereby indigenous communities are able to define local institutions and their articulation with the regional, national, and international levels.\textsuperscript{17} Moreover, the success of any new approach to rural indigenous communities will require that the state address the politically constituted inequalities in the distribution of productive resources and the neoliberal macroeconomic framework that has proved injurious not only to many rural Mapuche households but to much of the non-Mapuche peasantry as well. For genuine advances to be made, therefore, the state must extricate itself from the economistic lens through which it interprets rural and indigenous development and formulate economic and indigenous policies that not only respond to a broader political base but also recognize and foster the institutional diversity of rural and indigenous communities. Whether state officials and Mapuche communities will be able to achieve the kind of compromise that will enable the autonomous integration of the Mapuche into a pluriethnic society is one of the key questions that face Chile as the new century unfolds.

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