Globalising Chilean Farm Workers:  
The Effects of Neoliberal Policies of Agro-Food Exports from Chile to the Northern Hemisphere

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Me Parece evidente que la dinámica de los segmentos campesinos, aunque no su naturaleza propia, está determinada por el carácter del sistema global. En último análisis, el modo de producción dominante es quien impone sus exigencias al modo campesino y le obliga a adaptarse a ellas.

Ángel Palerm

_Antropología y Marxismo_, 1980

A pesar de todo, la política agraria del país parece continuar desconociendo este conjunto de características del modo campesino de producción y de sus articulaciones con el sistema capitalista dominante.

Ángel Palerm

_Antropología y Marxismo_, 1980

The starting-point of the development that gave rise to the wage-labourer as well as to the capitalist, was the servitude of the labourer…In the history of primitive accumulation…those moments when great masses of men are suddenly and forcibly torn from their means of subsistence, and hurled as free and "unattached" proletarians on the labour market. The expropriation of the agricultural producer, of the peasant, from the soil is the basis of the whole process.

Karl Marx

_Capital_, 1906 [1867]

The essence of capital is its ability to mobilize social labor by buying labor power and setting it to work. This requires a market in which the capacity of human beings to work can be bought and sold like any other commodity: buyers of labor power offer wages, which sellers accept in return for a commodity, their own labor.

Eric R. Wolf

_Europe and the People Without History_, 1982
Introduction to

Panel DEM 20: Chile: the Social Consequences of Neoliberal Policies

I organized the following panel in an effort because Chile currently confronts the distress of its “free-market miracle.” Chile’s economy, spurred by neoliberal oriented policies is possible due to several encumbrances; the U.S. intervention into Chilean politics, openness to international trade and investment rates, and budget surpluses to mention a few. The political changes have caused the First World to consider Chile as a future partner. Nevertheless, the social consequences of this kind of development or underdevelopment are becoming disturbingly clear. Although Chile’s dominant political culture supports neoliberal policies, others disagree. This session will discuss the different impacts of neoliberalism in Chile.

In a continuing effort the journal of Latin American Perspectives (LAP) has once again realized that Chilean politics, economy, and social unrest must not be ignored. The two previous issues on Chile, “Chile: Blood on the Peaceful Road” (Summer 1974) and “Military Rule and Struggle for Democracy in Chile” (Winter 1991), emerged at crucial moments in the country’s development. Currently, LAP is pursuing a third issue on Chile. It is this response that forms the basis of the organized session of specialist on Chile for LASA 2000. The proposition of opening the forum for discussion of Chile: The Social Consequences of Neoliberal Policies prior to publication will both serve to promote the issue as well as aid many of the authors in the revising stage of their manuscripts that are pending. Therefore I welcome you all to the many wonderful papers in the session.

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Paper Introduction:

Good morning, it is a pleasure to be here in Miami, Florida to share with you some of my preliminary findings. As a social/cultural anthropologist the University of California, Riverside I have spent most of my academic years conducting research among Mexican and Mexican origin farm workers within California’s thriving industrial agriculture. However, currently I have been conducting field research in rural Chile. The prosperity for a few (growers & transnational corporations) and poverty for many (farm workers) is a reality, here in the U.S. and globally. The social consequences that farm workers face, day in and day out have taken me to study why this is happening elsewhere in the globe. As we pass into the new millennium the movement of capital and technology between the First World and Latin America has and is causing countries such as Chile to be considered "economic miracles" (see Collins & Lear 1995). However, the social consequences of this kind of development and underdevelopment are becoming disturbingly clear to some. Prompted by the enormous social, economic, and political changes over the last twenty years, Chileans today are feeling both the pain and prosperity of development efforts from nations such as, the United States. The following brief paper discusses the process of agricultural globalization that Chile is currently undertaking caused by its neoliberal practices and what I call

1 see Jose Cademartori Chile: el modelo neoliberal, (1998) Ediciones Chile America CESOC, Santiago, Chile.
the "Californization" of Chilean agriculture. My presentation will be divided into three sections. First I will offer some data on the California Agricultural Model (CAM). Here I will demonstrate why it is no surprise that developing countries such as Chile see the model as a solution to their agricultural woes. Second I will offer some preliminary field data collected in the newly transformed and established desert "corporate plantations" within the Limarí Valley, an agricultural valley in Chile's northern desert. Here I will discuss the agricultural future that Chile has decided to undertake. I will close with some preliminary observations and of the possible outcomes of such a marriage between California's industrial agriculture and Chile's rural population. This also sets the stage for my need to understand the social consequences caused by industrial agriculture in the 21st century in Chile and around the globe.

Around the globe, countries in the First and in particular the Third World have become global factories in the field. Today it is becoming apparent that capitalism and its industrial mode of production for world free-markets are now present in practically every continent. The holism of the field of anthropology situates itself in a critical position in both understanding as well as investigating these new global factories in the field. The many facets of anthropology (e.g. economic, political, social, historical, ecological) provide the necessary tools to disclose the different ways that societies and cultures incorporate themselves and of particular interest how they are incorporated into the mode of production for the new capitalist world markets. As anthropologist Michael Blim (1992) notes, "The rise of this new global factory is marked not simply by the spread of industrialization throughout the world but also by the incorporation of vast new populations of workers in novel production and labor processes manufacturing goods for the world capitalist market" (Blim 1992:1, emphasis added). However, what M. Blim is saying is not new nor novel. Discussions of this process can be traced back throughout the history of the discipline. Anthropologists have been theoretically and empirically struggling in the past as well as today. Therefore why is it that; "Capitalist accumulation thus continues to engender new working classes in widely dispersed areas of the world"? (Wolf 1982:383).

The California Agricultural Model (C.A.M) of industrial agriculture or agribusiness demonstrates certain characteristics that other nations such as Chile are in the process of emulating. Certain characteristics and the combination of social, economic, political, environmental, and historic assets have allowed the California Agricultural Model to thrive. The

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2 The term refers to both the size of the agricultural field as well as the shift from using family labor to the use of new working classes as wage-laborers, thus making it reflect a corporation.
3 The term "factories in the field" is derived from a Carey McWilliams study Factories in the Field (1939), where he describes the transformation of California agriculture into agribusiness. His study demonstrates how farms and the fields have come to emulate industrial factories by the hiring of wage-laborers and the management, marketing of the farm to harvest its crops.
4 Marx's discussion was never as rigorous in conceptualizing modes of production as subsequent generations of Marxists. "As Cardoso notes, there are at least three uses of the phrase in Marx's writings: 1. a descriptive usage, without a real theoretical dimension, as in an agricultural mode of production; 2. an epochal usage, designed to refer to modes of production that dominate entire periods of history; and 3. a usage that refers to secondary modes of production, which dominate historical periods but may characterize certain aspects of those periods (eg. petty commodity mode)" (Roseberry 1989:155-156).
5 As industrial society becomes increasingly specialized and technocratic, that is, dominated by narrowly trained experts who have mastered techniques and the use of machines others do not understand, the need for anthropology's holistic view of social life becomes more urgent.
following five characteristics encompass this model. First is the aspect of land ownership from small to large landholdings (see McWilliams 1939, Burbach & Flynn 1980). Second, the presence of corporate farms in contrast to family farms (see Goldschmidt 1978 a & b, Pisani 1984, Barlett 1987). Third is related to the scale of production and the specialization of production (see Palerm 1991, 1997). The fourth refers to the management of agricultural labor (see Fisher 1953), and fifth is the dependence of cost effective domestic and transnational labor (see Fuller 1940, Martin 1984, Palerm 1991, Kearney 1995). California’s agriculture is a prime example of industrial agriculture. Therefore, Barlett’s (1989) six general characteristics of industrial agriculture are also pertinent. Her characteristics in summary are; 1) increased use of complex technology, 2) increased substitution of capital for labor, 3) increased energy use, 4) increased influence of the state, 5) tendency toward competition, specialization, and overproduction, 6) increased interdependence between farm units and agribusiness’s that control inputs, machinery, product sales, processing, and transport (Barlett 1989:255).

My research aim has been to investigate ethnographically the social consequences of farm workers in rural Chile. Using the five characteristics of the California agricultural model as a comparative base in addition to Barlett’s characteristics, I have been investigating the probabilities of a similar pattern of development occurring in Chilean agriculture today. A necessary aspect of my research has been developing an understanding of the agricultural and labor changes occurring in Chile caused by its neoliberal policies, and describing the different methods that the country is using to solve their agricultural labor needs.

History has demonstrated that California agriculture was not able to depend on a domestic labor force. The conflicts of distressed dust bowl migrants from Oklahoma and Arkansas are evidence to this reality (Daniel 1981, Gregory 1989). In particular, as California agribusiness was not able to operate with a strictly domestic labor force and thus turned to immigrant laborers, I hypothesize that Chile will need to adopt similar methods of labor importation of immigrants as it becomes more thoroughly engaged in the industrial agriculture of California. I hypothesize that Chile will have four options in solving their agricultural labor needs. First, Chile will engage in the use of transnational migrant labor from neighboring Peru and Bolivia. Second, Chilean women will be incorporated into Chile’s modernizing agribusiness. Third, a proletarization of the peasantry in the communities surrounding the growing corporate farms will take place. Fourth, the domestic migration of moving laborers from southern to northern Chile will occur. In sum, industrial agriculture in Chile will pursue labor development and labor recruitment as an intensified use of laborers as seen in California's agricultural history. Furthermore, I hypothesize that the labor management techniques used in Chile will change, simulating California agricultural labor management strategies. I predict that there will be several outcomes based on these changes. One will be demonstrated by a rise in the level of poverty within the rural communities surrounding “corporate” industrial agriculture. Walter Goldschmidt’s hypothesis on “corporate” agricultural communities described in his ethnography As You Sow 1947 and later developed further in 1978 has demonstrated this outcome for California. Goldschmidt revealed that there is a causative relationship between large-scale “industrialized” agriculture and quality of life in California. In his work, he demonstrated that this type of “industrialized” farming creates class

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6 Walter Goldschmidt has now said that we should refer to his hypothesis as a finding since it has been tested time and time again a proven correct. Therefore we should say the "Goldschmidt Findings".
difference in surrounding communities. It is also evident by the studies of scholars who have reached similar conclusions for California; LeVeen (1976), Palerm (1991), Garcia (1992), and Griffith and Kissam (1995). In addition, Goldschmidt’s ideas are applied to other areas throughout the United States and around the world (see Gilles & Dalecki 1988; Green 1985; Harris & Gilbert 1982; Young 1994). The California model of agricultural production, with its large land holdings and high capital investments, Goldschmidt argues, needs a large farm labor force in its production; and because of the numbers involved, the workers are not housed on the farms but in the surrounding communities. In addition, due to the nature of agribusiness laborers are not paid a fair wage nor guaranteed permanent employment. Therefore, they can only afford to live in substandard housing. Lacking political clout and financial resources, the workers do not become active in civic affairs and do not open businesses in their communities. Hence, together with low incomes and poor living conditions a result is an impoverished farm worker community in the midst of agricultural economic prosperity.

Why is Chile Imitating California Agribusiness?

The process that I refer to as the “Californization” of Chilean farms builds off of the my hypothesis that Chile is importing the California agricultural model. Why is Chile imitating California agribusiness? There are several reasons behind the development that is occurring. One factor that drives nations to change is the reality of achieving economic profits. Therefore it can be seen that economically California’s agricultural value of $26.8 billion in 1997 are nothing but impressive (CDFA 1998). California produces 350 different crops and commodities, and leads the nation in production of 75 of these crops and commodities. It grows nearly half of the nations supply of fruits, nuts and vegetables (CDFA 1998). In addition, according to some scholars California is the unchallenged epitome of capitalist agriculture (Palerm & Urquiola 1993:314). Hence, it is not surprising that the California agricultural model is envied by most and emulated by many, including Chile. California embodies the ideal quest of most agricultural development efforts within the U.S. and worldwide (Palerm 1997:9).

The successful development of California’s large-scale and lucrative agriculture is the result of the felicitous combination of various natural, historical, social, and political circumstances. Among them: (a) its benign climate and rich soils; (b) the development of a state-supported irrigation infrastructure; (c) the Spanish-Mexican legacy of large landholding systems; (d) the harnessing of university resources and scientific expertise for research development purposes; (e) the entrepreneurship of farmers; and (f) the availability of cost-effective labor (Palerm 1993:315).

Among these circumstances Varden Fuller (1940) claimed that the supply of labor was the determining factor in the evolution of farm structure in California. Chile has several of the same ecological, political and social conditions. They include: (a) favorable climatic conditions and fertile soils, (b) the use of university resources to develop marketing and technology for agriculture, (c) high levels of educational attainment by Chilean growers, (d) cooperation agreements with nations that offered agricultural modernization, (e) free-market agricultural policies passed by politicians, and (f) the availability of cost-effective labor. It is these conditions that enabled the strengthening of Chilean agriculture in global markets. Not with standing, Chile is also environmentally and ecologically similar to California, or as some scholars have stated, Chile is merely California on its head.
California has demonstrated a prosperous history of economic profits for its capitalist owners. California occupies 2.5 percent of the nation’s cropland and a mere 11 percent of the state’s territory. In addition, its twenty six billion dollar agricultural industry easily out performed and out produced all other major agricultural states in the United States, as it has for the past 50 years (California Agricultural Statistics 1995). However for this lucrative agribusiness to succeed, prosper, and flourish it must depend on a large influx of “cheap” labor. Immigrant workers have historically filled this. In the past and present, California has been linked to the presence of highly exploitable labor forces; that is, farm workers willing to work long hours for low wages, amenable to insecure, irregular, and intermittent jobs with few employment opportunities (Palerm 1991:2). The labor for these farms has been accumulated through a process of immigrant replenishment as described by Carey McWilliams in *Factories in the Field* (1939). Currently evidence suggests that the success of California agriculture hinges, in great measure, on the presence and availability of cost-effective, immigrant and migrant farm workers from Mexico (Palerm & Urquiola 1993:311).

**Chilean Agriculture and its Dependency with Labor**

The increasing importance of agriculture in Chile has caused a shift in the labor demand. Currently a large number of agricultural laborers are needed during the months of November through March. Currently employment in agribusiness is primarily seasonal. Chilean sociologist Sergio Gómez notes,

> desde la situación de la hacienda donde prevalecía el inquilino y otras categorías de trabajadores permanentes, se ha pasado a constitución de los grandes complejos agroindustriales - fruticolas y forestales - en los cuales predominan los asalariados temporeros (Gomez 1991:17).

(since the situation of the hacienda where tenant farmers and other categories of permanent workers prevailed, this has changed to the large-scale agroindustrial complexes - fruits and forestry - where seasonal wage laborers predominate)

The labor required by agribusiness in Chile is separated into two types: permanent workers numbering 100,000 and the seasonal workers ranging from 350,000 to 460,000 (Gomez 1991:17). Currently Chile’s fruit growing area has expanded from 116,000 acres in 1965 to nearly 400,000 acres in 1991 (Goldfrank 1991). Through a series of cooperation agreements Chile has been able to increase its agricultural yields. Technological transfers, including genetically improved plant varieties, high-tech irrigation, field packing, elaborate packing houses, cooling facilities, advanced commodity transportation, and a systematic labor system enable Chile to change. I have traced many of these transfers directly to California, where agriculture thrives and continues to play an important role in Chile today.

A *Memorandum of Understanding M.O.U.* (1981) set into motion the agreement of cooperation in agricultural research and development to further advance the technology of both countries. Under this agreement Chilean agronomists were able to transfer the most advanced fruit and vegetable production technology to Chile. In addition, programs linking the University of California and *Universidad de Chile* contributed to the improved agricultural production and advance plant genetics. Also a link between the University of Chicago and the *Universidad Católica de Chile* has enabled the training of agricultural economists and trade experts that helped
create a new managerial strategy for Chilean agrarian firms to enter the global market. In addition, there is the cooperation with Israel that aided in modernizing Chile’s desert agriculture with drip irrigation technology (*El Mercurio* 1999). It was experts on irrigation systems from Israel that helped Chile place the northern desert regions into production (Rivera 1991). A comparison is seen with the desert valleys in California that were not expanded until a state irrigation system was installed as Reisner’s study *Cadillac Desert* (1986) described. These same events are beginning to be documented in the case of the newly established desert corporate "plantations" in Chile’s northern desert valleys. The desert regions that were said to have no agricultural value in Chile during the 1960s (Thiesenhusen 1966:8) are now producing a fair share of the table grapes for export, primarily to the United States. The combination of irrigation technology from Israel and California have actualized a new agricultural zone that was historically barren. The production of these new export commodities has created a need for more and more seasonal laborers. The fact that Chile has dedicated so much energy to the incorporation of agricultural technology and marketing while ignoring the reality of who will harvest all the new crops is not unusual. This phenomenon has been occurring throughout California’s agricultural history. However, California has been fortunate to have had an adequate “cheap” labor supply available by tapping into immigrant labor. Chile had to try to do something different to supply its growing agricultural industry with cost-effective labor. Chile’s four options stated at the beginning are; the use of transnational migrant labor from neighboring Peru and Bolivia, the incorporation of women as laborers, the connection with the peasant communities surrounding the growing corporate farms, and the use of a domestic workforce that migrates from southern to northern Chile are all solutions to there labor demands. The rising importance of capitalist agriculture had been concentrated in a few regions in Chile. Of the twelve regions that comprise the nation with the first bordering Peru too the twelfth region that reaches Antarctica, the primary capitalist regions are in central and northern Chile. The most recent incorporation of the northern desert regions as agricultural powerhouses directs me to investigate their development.

**The 21st Centuries New Agriculture & the Forces that Drive It: Chile's New Working Classes**

In this following section it is my intent to discuss the case of Chile's new working class or "*nuevos campesinos*" in agriculture created by the influx of the California agricultural model. However, before discussing the new agriculture I will describe the transition and transformation that Chile has undergone economically as well as politically that has driven Chile's current state. It is these changes that have caused the creation of Chile's new working classes. As noted above, the forces of capitalist accumulation require the expansion of agricultural markets. In other words, the process of globalising food (see Goodman & Watts 1997, Bonanno et al. 1994, McMicheal 1994) that has transformed Chile into the principal exporter of Southern Hemisphere summer crops to Northern Hemisphere winter markets.

7 This concept comes from Juan-Vicente Palerm's new book *Los nuevos campesinos* (1997).

8 Chile has always been an agrarian nation, however, recently within the last 20 years its agriculture has been transformed from traditional self subsistence farms owned by peasants to modern industrial farms owned by corporations following the economic plans laid out by the Chicago Boys free-market plans for the nation.
Agriculture moves with people who bring their knowledge with them. Industrial agriculture is spreading beyond its origins in the U.S. and Europe and is coming to have an impact across the globe (Barlett 1989). As many nations move to free trade in goods and services, domestic industry is afforded less and less protection from international competition. Corporations want farmers to produce cheap commodities for industrial processing facilities. Thus, supplying an emerging global food system while small holders seek to provide high value, high information-content products for direct marketing (Nigh 1998). This requires that businesses produce at the lowest possible cost, take advantage of economies of scale, or find specialized products and niche markets where they are less subject to competition. Those that are competitive in this arena thrive and find expanding markets, those that are not fall by the wayside. This process is what many including myself understand as globalization. Therefore, I anticipate that within the next decade or two, globalization will transform the traditional, national economic and scientific structures of Chile. How these changes will affect farm workers, world development, and especially development in the Third World is still unclear. However, there is reason to be concerned that some states and nations will be unable to maximize the opportunities presented by the new global marketplace.

The historical social system of the capitalist world economy is gathering momentum. The fact that under capitalism, ownership of the means of production is vested in one set of individuals while the work is performed by another is of particular significance. In other words, historical capitalism, that concrete, time-bonded, space-bonded integrated locus of productive activities within which the endless accumulation of capital has been the economic objective or ‘law’ that has governed or prevailed in fundamental economic activity (Wallerstein 1983) will determine the future for Chile's new working classes. In agricultural systems preceding historical capitalism such as in Chile’s past, most work forces were fixed. In some cases such as in the case of family farms, the producer’s workforce was only himself and/or his family, hence fixed by definition of kinship. Moreover in other cases a particular producer through various means such as debt peonage obtained a non-familial workforce in the case of the hacienda system in Latin America (see Wolf & Mintz 1957). The hacienda system appeared in those areas that were not appropriate for intensive production of export crops (de Janvry 1981). In contrast to the encomienda system the hacienda system allowed elite's or as they were called Caciques, a more direct form of labor control. The plantation system of the Caribbean (see Steward 1956, Mintz 1974, 1985) and other areas was yet another form of indigenous labor control. This fixed workforce posed problems for all producers who wanted to expand capitalism, since some producers could only expand their agriculture to the extent that there was available, non-fixed laborers. These dilemmas formed the basis of the rise of institutional wage-labor, where producers obtained laborers by paying them a wage for their labor. This is evidenced in the process from peasant to proletarian (see Goodman

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9 The family farm is the classic example of American small business enterprise. It is family owned and operated. The source of labor for the farm is drawn from its immediate family. Also see Pisani 1984.

10 This form indigenous labor bondage was know as yanacconaje in Peru, inquilinaje in Chile, and huasipungaje in Ecuador.

11 A system established through colonization by Spain in the Americas that granted full control of the indigenous people of the specific area designated within the encomienda to elites who have chosen to settle in the area. This system forced the indigenous inhabitants to pay tribute in the form of their labor to the elites.
& Redclift 1982, J.V. Palerm 1997). However, this discussion will have anthropologists among others debating for years to come. Nevertheless, according to J.V. Palerm,

La proletarización del campesinado ocurre por medio de dos fuerzas y procesos elementales. Primero, mediante la industrialización en combinación con el proceso de migración campo-ciudad que convierte a la población rural desplazada del campo en obreros industriales. Segundo, mediante la capitalización de la agricultura en combinación con el proceso de despojo del pequeño productor campesino quién se convierte en obrero rural o emigrante. Ambos implican la enagenación del trabajador de la tierra y, según el paradigma Marxiano, la inevitable destrucción de economías y sociedades no capitalistas del campo (Palerm, J.V. 1997:14)\textsuperscript{12}.

Developing countries must be aware of the direction of these changes in order to position themselves to maximize the positive economic effects and minimize the negative social effects, and political effects. Capitalism is based on the constant absorption of economic loss by political entities, while economic gain is distributed to ‘private’ hands (Wallerstein 1974). It has been able to flourish precisely because the world-economy has had within its bounds not one but a multiplicity of political systems. Issues of globalization may at first seem at odds with the nature of agricultural research. After all, agricultural production is a uniquely location-specific undertaking. Varied natural resource endowments, economic conditions, indigenous knowledge, and the different adoption characteristics of farm communities are just a few reasons for this. Nevertheless, agriculture has always had a significant global component. The very nature of capitalist agriculture demands the search for bigger and more profitable markets, be it nationally or internationally. All major crops have migrated around the globe. Coffee, for example, originated in Africa but traveled to Latin America (Roseberry 1983). Conversely, cassava and cocoa migrated to Africa from Latin America, and the potato migrated from Latin America to Europe. Moreover, Mintz contends in his book \textit{Sweetness and Power} (1985) that the heightened use of tea, sugar, tobacco, and a few other commodities that came to typify the spending habits of eighteenth century British working class probably provide us with the first instance in history of the mass consumption of imported food staples. The use of crop specific or commodity specific research in order to address specific problems is advantageous on many levels. For example Roseberry’s studies in coffee production shed light into a plethora of information that can be applied to answer different problems. Roseberry notes,

For example, if one were trying to analyze the impact of coffee production on agrarian class formation in nineteenth-century Latin America, one would first have to come to grips with coffee \textit{production and consumption} as world-historical facts, analyzing developing international marketing and distributional networks and changing \textit{consumption} patterns as coffee moved from coffee houses into the home. But one would also have to explain the remarkable diversity of \textit{production}

\textsuperscript{12} Translation by Manolo González-Estay; “The proletarization of the peasantry occurs by means of two forces and elementary processes. First, by means of the industrialization in combination with the process of rural-urban migration that transforms the displaced rural population of the countryside into industrial workers. Second, by means of the capitalization of the agriculture in combination with the elimination process of the small rural producer who becomes a rural worker or migrant. Both imply the enagenación of the worker of the earth and, according to the Marxist paradigm, the unavoidable destruction of non capitalist economies and societies in the countryside” (Palerm, J.V. 1997:14).
arrangements and class relations that resulted from the production of this world historical product - from capital-intensive plantations in Brazil to haciendas and dependent (as well as independent) small farmers in Venezuela, Colombia, and Costa Rica, to large estates with resident and nonresident laborers in El Salvador, to large estates with migratory indigenous laborers in Guatemala (Roseberry 1989:168-169, emphasis added).

Reading the following passage by Roseberry one realizes the importance of researching the production of consumption. In addition, Mintz also suggests the study of the production of consumption in his studies (Mintz 1985, 1996). In other words what is occurring, is Third World commodity production for First World consumption. Another way to understand and explain this process is through a mode of analysis known as "fetishism of commodities" that was brought up in Marx's *Capital*. Wolf notes that,

> It is this phrasing that appeared in the context of the notion of things produced for the market - commodities - embodied human labor deployed and allocated under the auspices of capitalist social relations. In this mode of production, human labor power, purchased by the capitalist in labor 'markets', is incorporated into commodities... Thus animate human labor, which is a physical and cognitive attribute of people, and inanimate commodities produced by that labor are treated as if they belong to the same category...The merging of these qualitatively different entities, according to Marx, masks the real social relations that govern the way people are harnessed to the production process (Wolf 1999:33).

The prime example of this agricultural fetishism of commodities is demonstrated in the United States (Marx 1906) and in particular in California. Industrial agriculture in California has demonstrated a growing demand for a low cost labor supply as it shifted from traditional field crops (such as alfalfa, sugar beets, wheat, and pasture land) to specialty crops (such as strawberries, grapes, lettuce, broccoli) the first being highly mechanized and the second highly labor intensive (Palerm 1991). I hypothesize that any nation importing the extremely profitable industrial agricultural model of California will also import its labor problems (see Fuller 1940, Galarza 1964, Dunne 1967, Engelbert & Scheuring 1984, Chan 1986, Wright 1990, Palerm 1991, Sandmeyer 1991, Chavez 1992, Wells 1996). Hence, preliminary evidence in Chile reveals that it has begun to shift its methods of labor acquisition and management to those of California's.

The political changes that Chile has undergone over the past decades have made its export agriculture thrive. It is evident that both regimes (military regime to an elected civilian regime) had plans of integration into the world economy. Three transitions have been instrumental in

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13 see Section 10 "Modern Industry and Agriculture in Marx's *Capital*.
14 Following a coup in 1973, Chile was ruled by a military regime headed by General Augusto Pinochet until 1990. The first years of the regime were marked by serious human rights violations, that is currently being ruled by a British court to decide on Sept. 27, 1999 if he is extradited to Spain to pay for his violations or not. In contrast to its authoritarian political rule, the military government pursued decidedly free-market economic policies. During its 16 years in power, Chile moved away from economic statism toward a largely free-market economy that fostered an increase in domestic and foreign private investment. General Pinochet was denied a second eight-year term as President in a national plebiscite in 1988. In December 1989, Christian Democrat Patricio Aylwin,
producing Chile’s current economic status. First, the transition from a democratic socialist economy into a free-market economy, in other words neoliberalism. Second the transformation from an authoritarian military regime to an elected civilian regime. Third, a shift in exports, primarily agricultural, from traditional forms of domestic consumption to capitalist farms dedicated to export production. Many scholars believe that economists such as those from the University of Chicago triumphantly point to Chile’s fruit boom as a “miracle” that justifies faith in the free market (Collins and Lear 1995).

Therefore, rather than Third World nationalism and robust protectionism, the 1990s are an era of unprecedented deregulation of agriculture. That is, a shift from aid to trade is predominating around the world. The hegemony of export oriented neoliberal development strategies, and the recognition that globalization of world agro-food economy is thriving. The giant food companies and the large retailers are aggressively transforming the world agro-food economy, offering what H. Friedmann (1993) refers to as the ‘private global regulation’, in other words the predominance of "Transnational Corporations," such as Dole, Chiquita, Del Monte, Mission Produce and others. Transnational corporations are the major agents attempting to regulate, control, and manipulate agro-food conditions (Heffernan & Constance 1994). They are accomplishing this by organizing stable conditions of production and consumption that will permit them to plan investments, distribute agricultural materials, and most importantly, control marketing on a global scale (Friedmann 1993). The building of cooperation accords with nations such as the U.S. and Chile become vital to their futures (M.O.U 1981). The examination of Chile’s agricultural development from a largely subsistence based method of farming to the emergence of industrial agribusiness is now needed in order to comprehend this new working class that is the basis of the whole process. Now the problem of how a empirical study of such a process will be accomplished is raised.
The New Desert Corporate "Plantations": The Limarí Valley

With a population of around 14.6 million as of 1997, Chile has become the world’s leading exporter of winter fruit for the Northern Hemisphere, 52 percent of which is shipped and flown to the United States (AEF 1995). Currently Chile’s fruit growing area has expanded from 116,000 acres in 1965 to nearly 400,000 acres in 1991 (Goldfrank 1991) and 460,928 acres by 1996 (CIREN 1996). Today there are 450 fruit exporting companies and 12,000 growers producing fruit (Decofrut 1998) not to mention vegetables. Through a series of cooperation agreements (noted below) Chile has been able to increase its agricultural fields as well as yields. Previously areas such as Chile's Northern desert valleys, much like California's San Joaquin, Imperial, and Coachella Valley were barren due to lack of water (Reisner 1986, Palerm 1994). Nevertheless, today both the U.S. agricultural valleys and Chilean agricultural valleys are producing crops for export markets. Evidence indicates that this export agriculture is primarily (however not solely) the result of introducing and adopting California agricultural methods. The diversification that has transformed Chile's countryside demonstrates a case of the new supplanting the old. There is little to no presence of small peasant farms in many areas. It has become more cost effective for the destruction of the old farms with the replacement of new industrial farms.

As I mentioned above, the newly transformed developed area that is serving, as my research area is the Limarí valley in Chile’s semi-arid Norte Chico. This area is located in the IV Region approximately 29°-32° south parallel and 70°-72° west meridians. It is the beginning of the Desert Zone as one travels north from central Chile where the capital Santiago is located. The IV Region has a surface area of 3,964,700 hectares, which represents 5.24 percent of the total area of Chile. The principal export economic activities in the region are mining, agriculture, and fishing. Documented in the 1992 Chilean Census, the region has an estimated population of 420,000 inhabitants of which sixty percent are urban and forty percent are rural. Urban centers, such as the region’s capital of La Serena, are home for sixty percent of the population, whereas communities on the peripheries of the larger cities are predominantly rural. The region is divided administratively into three provinces (Elqui, Limarí, and Choapa) which have 15 townships. Today the main economic activities in the agricultural sector are grape production, both table and pisco grapes (Pisco is an alcoholic beverage made by the distillation of grape rinds). With Chilean macroeconomic neoliberal policy favoring exports, the regional comparative advantage of producing early table grapes in Chile’s Limarí Valley could operate on the scale of global economic markets. Therefore, today fruit production for export dominates the region.

Both ethnographic and statistical data demonstrate that table grapes in the IV Region and other fruit producing regions have grown exponentially. In particular if current production data is compared to data from the 1975 Chilean Agricultural Census. This data reveals that grape production has increased 18 times in hectares and today represents 67 percent of the fruit

19 Based on visual field observations of several valleys in the IV & V Regions of Chile I have seen the demise of small peasant farmland overtaken by cash crops such as table grapes, plums, apples, and avocado production. This has been possible for several reasons as described throughout my paper but also by the low cost of irrigation technification. In an article in El Mercurio (5-30-99) “Riego tecnificado cuesta menos que en California” suggests that the lower cost of irrigation tech. has enabled the valleys of La Ligua and Cabildo to expand export crops.

20 I say today, because in the past this area thrived in the area of mining for domestic and international markets. However as the global market for minerals (such as copper) were being produced in other ways, Chile was forced to transform its economy in the IV Region as well as throughout the nation.
production surface area. Furthermore, grapes have a regional production level of 68,000 tons, based on estimates of the 1988-89 data. Table grapes are some of the most important crops for the IV Region. During the 1989-90 season the port of Coquimbo exported 12,100,000 cases to the Northern Hemisphere of which 8,000,000 came from the IV Region and the rest from the III Region, also within the desert zone.

Conclusions:

In conclusion I am of the opinion that the “Californization” of Chilean farms is relevant to the globalization of capital, commodities, and the creation of a new classes of laborers. Furthermore, neoliberalism has aided in the establishment of transnational corporations that have created a level of conflict whereby a mode of production has been cause to conflicts between classes, unionization efforts, and the dependence of an external new labor force constructed by primarily undocumented transnational workers. Therefore, with the increased influence of multinational and transnational corporations, traditional state powers have eroded and polarization between citizens has increased in Chile. In addition, as these state powers weaken so have supportive state services, giving rise to an increase in the level of poverty and a decrease in the social well being of citizens. With the neoliberal policies that Chile was undergoing the wealthy became more wealthy at the expense of many. According to Collins and Lear (1995), "between 1978 and 1988 the richest 10 percent increased their share of national income from 37 to 47 percent, while the next 30 percent saw their share shrink from 23 to 18 percent. Poverty widened dramatically: from 17 percent of Chileans in 1973 to 45 percent in 1990" (Collins & Lear 1995:243). I hypothesize that the social tensions witnessed in California (see Palerm 1991, Garcia 1992, and Griffith and Kissam 1995) will be re-created in Chile. The economic transition/transformation that Chile is undergoing and the United States’ dependence on Chilean agricultural commodities has created a sense of prosperity for a few and pain for many (Petras & Leiva 1994).

The focus of my project has been based on researching the social consequences of the mode of production of a new working class of farm workers within Chile's globalising industrial agriculture. I have been documenting that the use of ‘cheap’ transnational labor (see Palerm 1991, Kearney 1995), women within the labor pool in large numbers (see Boserup 1970, Nash & Fernandez-Kelly 1983, Nash & Safa 1985, Venegas 1987), a proletarization of the peasantry (see Cruz & Rivera 1983, Goodman & Redclift 1982), and domestic migration of laborers is occurring in Chile as seen in California's history. Studies upon the impact of industrial agriculture on peasants have a long history (Kautsky 1899, Lenin 1946, Marx 1906: 553, 1911:302, Wallerstein 1974). Debates over the cost effectiveness of peasant proletarization (see Palerm, A. 1980, Palerm, J.V. 1997, Goodman & Redclift 1981) have broad ramification on their existence and growth in numbers in underdeveloped countries. What Eric R. Wolf refers to as the new working classes need to be further investigated today. The fact that, "Within an ever more integrated world, we witness the growth of ever more diverse proletarian diasporas" (Wolf 1982:383), should be incentive for anthropologists of today to continue to seek a more comprehensive discernment of the fate of these individuals.
The process of globalising agro-food activity becomes integrated into social process and thus the understanding of the social consequences of this increasing phenomenon is essential. An ethnography of this process would allow both its farm workers and agribusiness to consider the social, economic, and political realities of its actions in Chile today for better tomorrow. As Collins and Lear close their book by stating, "The challenge for Chilean society - and our own - is to distribute power democratically so that the results of market mechanisms are, not less, but more equitable and more sustainable" (Collins and Lear 1995:257).

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