

AGRARIAN MODERNIZATION, LAND CONFLICTS, AND PEASANT MOBILIZATION IN RUSSIA AND ARGENTINA

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Editorial note. This joint conclusion is based on the papers by Visser and Bidaseca published in this issue of Laboratorium. See these papers for authors' contact information.

The current neoliberal agrarian policies in Russia and Argentina (and the former Soviet Union and Latin America at large) have been strongly influenced by the Western agribusiness model of the agrarian economy.¹ Following periods of state-led agrarian development (a planned economy until 1991 in Russia and a state-led market economy in Argentina until 1990), the rural sector in these countries is now characterized by free prices and relatively free import and export policies. In both countries, actors (governments, agribusinesses, or academics) in search of international models or partners predominantly looked to the highly productive agriculture in the West. In Russia, for example, Western advisors from the World Bank were involved in the design of privatization and liberalization policies in Russia in the early 1990s. In addition, as international farm consultancy and farm exchange programs originate in the West, and, furthermore, Russian agrarian academics have mainly used Western agriculture as a yardstick for comparison.

Interestingly, Michel Orloff, a former director of the Moscow office of the U.S. Agribusiness Carlyle Group and scion of a Russian noble family, said a visit to Argentina in the early 2000s inspired him to invest in Russian agriculture. He saw large landowners making profits without government subsidies and envisaged a similar model for Russia that would hark back to the noble estates of his family history, but lubricated by modern finance (Kramer 2008).

1 As described in Visser (2010), in Russia in the early 1990s, private family farms were promoted by Western advisors based on an ideal type of Western agriculture, while in reality in the U.S. corporate farms owned by agribusinesses were becoming increasingly dominant in e.g. hog and poultry production, at the expense of family farms. Since the mid-1990s, Russian policy and Western consultancy have focused on large-scale farms.

In fact, the rural economies of Russia and Argentina (and some of the other large former Soviet and Latin American countries) are, in many ways, more similar to each other than to the West. Economically, as mentioned above, both countries have drastically liberalized economies, following extended periods of state intervention. Geographically, they have vast tracts of scarcely populated land whose production potential is as yet unrealized. Institutionally, they are characterized by insecure property rights and weak institutions, in contrast with the West. Further, both countries have a very heterogeneous sector with, on the one hand, huge agribusinesses operating large tracts of lands (exceeding the size of large businesses in the U.S.), and, on the other hand, very small (semi-)subsistence peasant smallholdings.

There are two main differences between the agricultural lives of the two countries, namely the role of the state and the degree of urbanization. The most important of these factors is the role of the state, which is larger in Russia. An important means of state influence in Russia is the subsidization of investment projects, which enables the state to set formal or informal requirements regarding the type of investments permitted. Further, the state can put pressure on farm enterprises through controlling agencies, such as those in charge of overseeing hygiene and environmental protection, for example. Argentina is more urbanized than Russia. In Russia, 27 percent of the population lives in the countryside (with roughly one-tenth of the working-age population employed in agriculture, whose share of the GDP is 4 percent).² In Argentina, on the other hand, only 11 percent of the population is rural.³

Despite the similarities mentioned above, to our knowledge there has been virtually no comparison of agrarian developments in Russia and Argentina, certainly not from a social scientific, ethnographically-informed perspective. In this brief concluding article drawing on the separate articles on Argentina (by Bidaseca) and Russia (by Visser) in this issue, we will discuss some remarkable similarities, and also some interesting differences, between agrarian developments in both countries. In doing so, we will focus on the development of the “agribusiness” model in both countries and the related process of land accumulation, as well as their effects upon conflicts over land and social mobilization.

CONCENTRATION OF LAND AND DEVELOPMENT OF THE AGRIBUSINESS MODEL

Both Russia and Argentina are vast, relatively sparsely populated countries, with a huge potential for further agrarian growth, which will become increasingly attractive for foreign and domestic investors.

2 The share of agriculture in GDP in Russia was 4.1% in 2008 (Russian Ministry of Agriculture: www.mcx.ru/documents/document/show_print/10553.204.htm), down from 16.4% in 1990.

3 Over the past 10 years, the share of agriculture (farming sector and agroindustry) in Argentina represented in average 11.2 percent of GDP and 54.5 percent of exports. From 2002 to 2005, Argentinean agriculture grew by 21%, representing an average annual growth rate of 5% (www.sagpya.mecon.gov.ar).

According to the National Institute for Agricultural Technology (Valente 2008), Argentina is estimated to have the potential to produce food for 380 million people, nearly 10 times its population. In Russia, roughly one-sixth or 35 million hectares are laying fallow, and according to former Minister of Agriculture Gordeev speaking at the "Green Week" in Berlin in early 2009, Russia could potentially provide food for 450 million people, or three times its current population. With the prospects of increasing demand for food worldwide and soaring food prices, agriculture in these countries has increasingly attracted the gaze of domestic (and foreign) investors.

In both countries large privately operated farms have concentrated increasing amounts of land in their hands, a process which accelerated in the 2000s through the involvement of agrohholdings. More generally, concentration of land ownership has been a feature of the countryside for at least a few decades, but the speed and the kind of actors involved differ.

In Argentina, a strong process of land concentration took place as early as the 1970s. As shown in Bidaseca's article (this volume), based on the 1988 and 2002 censuses, the number of farms decreased by nearly a quarter, while their average size increased by 28 percent to 538 hectares. Moreover, 1.3 percent of the proprietors own 43 percent of all land, although it should be noted that (as in Russia) it is difficult to get precise data about the accumulation of land by agrohholdings.

In Russia, land accumulation by *private* actors is a new phenomenon, but since the collectivization of the late 1920s the average size of farm enterprises has continuously risen, reaching approximately 8,000 hectares in the 1980s. Once agriculture had been collectivized by the middle of the 1930s, this concentration took place *within* the large-scale collective sector, not at the expense of small-scale farming as in Argentina. In Russia, most of the agricultural land was already occupied by the large-scale (collective) farms. The size of private (subsidiary) household plots was very small from the start of collectivization (at about a tenth to a quarter of a hectare) and remained more or less stable until the end of the Soviet system. With the introduction of privatization policies in the early 1990s, the average size of agricultural producers in terms of acreage fell due to the emergence of private family farms and occasional splits of collective farms into two or three smaller farm enterprises. Nevertheless, the farm enterprises (the former collective and state farms) remained very large in size (nearly 6,000 hectares on average in 2002). Furthermore, since the early 2000s agrohholdings have emerged and a renewed process of land concentration is taking place, now through the private sector.

The accumulation of land by large farm enterprises which are privately operated instead of collective- or state-operated is a more recent phenomenon in Russia (Visser, this issue), but in both countries the acceleration of land accumulation by agrohholdings (together with growing investments) started mainly in the 2000s. Again, the development in Argentina was more gradual, with the entry of heavily capitalized agrohholdings following and reinforcing, much earlier processes of accumulation and modernization by large commercial farm enterprises. Land accumulation and investments by agrohholdings in Russia form much more of a watershed in agrarian development, and occur at a high speed. While large agrohholdings controlled 4 percent

of Russia's farmland in 2003, by 2008 they had some 10 percent of land in lease or ownership, according to the institute for Agricultural Market Studies in Moscow (Bush 2008). Moreover, in the most productive regions they occupy more than a quarter of the land.

In both countries, the involvement of agribusiness has gone hand in hand with a shift from livestock (mainly dairy) farming to crop farming. While in Russia agroholdings tend to focus on grain production or pig or poultry farming, in various regions they continue (less profitable) dairy farming due to pressure from local authorities to keep up employment. In Argentina, agroholdings are more strongly associated with monoculture (soy) production, with negative effects for the sustainability of agriculture.

There are a few important differences in the development of the agribusiness model in Russia and Argentina. As suggested above, in Argentina the modernization of agriculture through improvements in technology and production has been a more gradual development, than in Russia where it is a relatively recent phenomenon that (re)started in about the early 2000s. In Russia the sharp overall economic decline and lack of capital led to a widespread de-mechanization and decrease of production in the 1990s. The earlier start of mechanization in agribusinesses in Argentina enabled an increase in production for various crops and an expansion of export agriculture. This, in combination with the incentive to acquire mortgages, led to an overvaluation of land, whereas in Russia land prices were extremely low in the 1990s, and only started to rise significantly in the mid-2000s.

The longer process of liberalization of the (agrarian) economy in Argentina has created an agrarian sector which is more international in various respects, albeit generally to the detriment of the prospects of the small-scale farming sector. In Argentina, foreign investors are strongly involved in the agribusinesses, and Argentinean agroholdings also rent land in neighboring countries, mainly Paraguay (Gras 2008:7). As Bidaseca notes in her paper, 17 million hectares of land (roughly one-tenth of all agricultural land) is owned by foreign companies. *El Tejar*, for example, owns 180,000 hectares of land in Argentina, Bolivia, Brazil, and Uruguay. The agroholding *Adecoagro* operates 220,000 hectares in Argentina, Brazil, and Uruguay.

In Russia, foreign companies and persons can lease, but not own, land. Nevertheless, since the mid-2000s, foreign companies are becoming more involved in agriculture through lease of land or via shares in Russian companies (Bush 2008; Visser and Spoor 2010).

CONFLICTS OVER LAND AND SOCIAL MOBILIZATION

In both countries, in a context of insecure property rights and difficult legal enforcement of rights for peasants, the accumulation of land by agribusinesses often conflicts with the rights and prospects of the peasant farming sector. (For a brief discussion of the term "peasant" and further references to studies that discuss the connotations of the term in Russia in greater detail, see Visser, this issue.)

In the Santiago del Estero region in Argentina where Bidaseca did her fieldwork, this conflict is very pronounced. Historically this North-Western Argentine region was agriculturally and economically poor, with a predominance of small subsistence farms and very few large estates, which have been characteristic of the Pampas for many generations.

In recent decades, agribusinesses in their appetite for more land are expanding in the Santiago region. Bidaseca (this volume) pointed out that over half of the territory worked by peasants in the Santiago region concerns precarious land tenure (the highest percentage in Argentina), with land distributed by accidental contract, occupation or other informal regimes. Farm land which for generations has been worked communally, is insufficiently recognized as communal property, as private (or state) ownership of land is the sole form of ownership that is recognized by law. The expansion of agribusinesses in this environment of insecurity of land titles held by peasants led to an increase and intensification of conflicts over land.

In Russia, the intensification of conflicts over land is an even more recent phenomenon, though less pronounced than in Argentina. In the early 1990s, when the former collective and state farms were privatized, sometimes conflicts occurred between farm employees who wanted to take out their shares to start their own private family farm and management, which as a rule tried to keep the large farm enterprises intact. Management for instance tried to obstruct such partitions by giving new farmers the worst parts of the land. However, as the number of employees willing to start a private farm was very limited (mostly just one or two in a farm enterprise with several hundreds of workers), this did not lead to widespread protest. The average farm worker had little knowledge about the privatization process, and in most cases the workers' assembly voted unanimously for the privatization variant proposed by their management. At the end of the 1990s, years after privatization was formally concluded, about half of the shares were used by farm enterprises without any formalities covering leases or investments. Many of the shares officially recorded as issued to the employees never left the safes of the farm enterprise management (Uzun 1999).

In the 1990s farm enterprises continued to operate in largely the same way as before privatization. Farm employees were treated as workers and not as shareholders (with the crucial difference that wages were often very low and payment significantly delayed). The workers received social services and products for their household plots as before. The farm employees did not care too much about their rights regarding the shares; they kept their job at the farm enterprise (and continued working their small private plots), and land was practically worthless (or even a burden, as some tax had to be paid for the land).

In the course of the 2000s this began to change. With the increased profitability of agriculture, an increasing number of agrohholdings started leasing or buying up large tracts of land, and the value of land has increased (from 2006 to 2008 the value doubled in the well-endowed agricultural areas, although the financial crisis has slowed down this rise in prices). As a result, the precise entitlements to land and assets have become more important. This is especially true since investments by

agroholdings entail mechanization, increased productivity, and layoffs, forcing more rural dwellers to fall back on subsistence farming.

The actors and mechanisms in this process of accumulation are somewhat different. In Argentina, accumulation by large agribusinesses basically occurs at the cost of the family farming sector (Bidaseca, this issue). Agribusinesses get land from indebted family farms, which have their land auctioned off by banks or their creditors. In Russia this is hardly ever the case. Land is predominantly held by farm enterprises. Investors therefore accumulate land by buying or renting it from the shareholders of these enterprises. The acreage of land held by private family farms is too small to attract the attention of investors. Moreover, as the value of land is rather low in Russia, private family farms have difficulty obtaining loans. Consequently, bankruptcies and auctions of private farm land by banks are less common.

The difference in the intensity and duration of land accumulation by agribusinesses, as well as differences in the socio-economic structure of rural society (see below) lead to a different articulation of conflicts over land in both countries. In particular, one can observe crucial differences in the scale and way in which competing claims over land lead to peasant resistance and mobilization.

Firstly, in Argentina there is considerable collective peasant resistance compared with Russia. In the current democratic context, protest takes the form of legal action, but also, as in the case of El Ceibal for example, the use of petitions or road blocks. Considered in a broader Latin American context, Argentina appears to be a country with limited peasant mobilization. However, if one takes into account that Argentina is not a peasant country (unlike Mexico or Bolivia), mobilization is actually very substantial. In the 1970s, the Agrarian League was a very important movement for peasants and farmers, with 20,000 member families and 54,000 youth members (Bidaseca 2009). Here, as in Russia, the short lifespan of the current, more or less democratic system (since 1983 in Argentina and 1991 in Russia), with civil liberties allowing functioning grassroots movements, plays an important role. During the Argentinean dictatorship, infringements on peasant land rights by large farm enterprises took place in Santiago de Estero as early as the end of the 1960s. However, in the context of a repressive regime they triggered little open protest and took the form of "silent evictions." Currently, although countrywide protest movements are limited in Argentina, compared with Brazil with its well-developed Landless Rural Workers' Movement (MST), on the regional level there are strongly developed movements such as the Santiago del Estero Peasant Movement (MOCASE), which has approximately 10,000 member families.

In Russia, the countrywide private family farmers association AKKOR, which was active from the start of privatization in the beginning of the 1990s, lost much of its influence, already very limited in any case, when the emergence of private family farms stagnated in the mid 1990s. The more recent *Krest'ianskii Front* (which can be translated as Peasant or Farmers' Front), which was established in 2003 and currently has over 15,000 members in 20 regions, seems to have broader appeal, as it targets a wider constituency of not only private farmers, but also farm workers and all kinds of

small land owners. However, the impact of this new movement, both countrywide and regionally, still remains very limited.

Secondly, apart from the scale of collective protests and the size of peasant movements, it is also relevant to note differences in the networks and alliances of the peasant movements. In Argentina, the longer established peasant movements have made alliances with other peasant organizations, NGOs, and organizations in urban areas. In the case of El Ceibal, the peasants cooperated not only with other peasant organizations and local NGOs, but also built an alliance with migrants from their area living in Buenos Aires, who supported them financially in their legal struggle to keep their land. Furthermore, Argentinean peasant movements (such as MOCASE) have also established international links, for instance within the large international peasant association *Via Campesina* (Borras 2008).⁴ In Russia, by contrast, the peasant movement's links with other organizations and urban actors are weak, although it should be noted that the Farmers' Front also includes *dacha* (urban garden plot) owners among its members. The peasant movement predominantly focused on increasing its foothold in Russia itself. *Via Campesina* does not include Russian organizations, and indeed has hardly any member organizations from postsocialist Eastern Europe and the former Soviet Union. So far there is no sign of international alliances established by the Farmers' Front. It should be noted that AKKOR and the German farmer association *Deutscher Bauernverband* recently came to an official agreement on cooperation. AKKOR has also organized visits to the US. These forms of cooperation are mostly focused on technical aspects of agriculture and not so much on issues such as land rights, capacity building, or mobilization. The only party directly representing the countryside is the Russian Agrarian Party, which did not obtain enough votes to pass the 7% barrier in the 2007 parliamentary elections. Moreover, it is not an opposition movement, having merged with the governing *United Russia* party in 2008.

In his article, Visser discusses several factors that explain the limited collective protest by peasants in Russia as compared to Argentina. A general factor is the legacy of 70 years of communism, which has left the population unaccustomed to open forms of protest and mobilization, although it should be noted that the dictatorship which was in place in Argentina from 1976 to 1983 also had a negative effect on mobilization. The demographic situation in Russia, with an older rural population than in Argentina, also works against peasant mobilization, which is often driven by young or middle-aged people. In Russia in the 1990s, the number of young people declined sharply. The share of people below working age went down from 24 percent in 1990 to 16 percent in 2006, with 20 percent above working age and 63 percent of working age (Rosstat 2007:66–71). In most of the Russian countryside, the population is even older. In Argentina, by contrast, the share of young people in the general population is 40 percent, and the share of old people is around 10 percent. Finally,

4 The MOCASE has split into two organizations: *MOCASE Via Campesina* (which has an alliance with *Via Campesina*) and MOCASE (which has no such alliance). Both organizations dispute the name of MOCASE.

the Russian press hardly pays any attention to peasant protests, which hinders the growth of such movements.

With regard to other factors, we have to make a distinction between two types of Russian peasants: private family farmers and household plot holders (the latter are often employed by farm enterprises). The virtual absence of protest by private farmers can be attributed to a large extent to the small number of such private farmers per region/district, which makes collective action difficult. The low degree of collective protest by farm workers has to do with the paternalistic role of farm enterprise managers, who provide supports for the household plots of the villagers and often offer a range of social services to the community. Such dependent relationships hinder the emergence of open protest. Finally, the fact that rural dwellers normally have their small household plots in addition to their land shares in the farm enterprises means that they can get by even when they lose their land shares. This fallback option has the benefit of giving them more security in the short term (in comparison with Argentinean peasants, who may become completely landless), but at the same time lessens the impetus to protest and obscures any vision of permanent positive change in their position.

In sum, the process of land accumulation and increasing influence by agribusinesses has led to low levels of collective protest in Russia compared to Argentina, which is a result of the duration of the process, the specific demographic context, and the socio-economic legacy, including the specific (informal) property relations.

With the ongoing process of globalization, and agribusinesses that become larger and more international, it is to be expected that peasant movements will also become more international if they want to offer an alternative to, or mold to their local needs, the ongoing growth of the agribusiness model in the agricultural sector. Over time, not only might an occasional Russian manager visit Argentina (or vice versa), but connections between Russian and Argentinean peasant movements (whether digital or face-to-face) might become a new feature of the agricultural landscape.

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