

posted by Tanya Golash-Boza from Ingenio Peru, 2.2.04

Felipe Yo creo que la esclavitud quizás todavía continúe.

Tanya Ah si, ¿Por qué?.

Felipe Porque, ... gente del campo, siembra su producto y ... mayores beneficios tiene el intermediario, el comerciante, el acaparador. Entonces pues uno está prácticamente como esclavo de ellos. Uno siembra pero no vende y si lo vende, lo vende barato para que ellos se ganen la mejor parte.

Felipe: I think that slavery perhaps still exists.

Tanya: Really, why?

Felipe: Because, ... people in the countryside, plant their products, and ... the intermediary, the businessman, the profiteer, are the ones who profit. Therefore, we are practically their slaves. We plant but don't sell, and if we sell, we sell at low prices so that they make most of the profits.

Felipe is a small farm owner in Ingenio, a village in the north of Peru where the primary economic activity is the production of rice for the national market. After the Agrarian Reform, agricultural workers in Peru became owners of the land they and their ancestors had worked on for centuries. However, Felipe's comments explain how, although farmers in Ingenio are no longer slaves or peons, they continue to be exploited by the capitalist market.

In Ingenio, people remember fondly the years of the Hacienda Buenos Aires, when everyone had work, and when one's salary was enough to buy food for all of the children. Señora Olivia, who makes tamales for a living, told me that life was better when the hacienda still existed, and that the town was much prettier and full of life. On Sundays, there was a market in the center where one could buy

food and even clothes and shoes. These days, in the center, there is a large soccer field and a cement plaza, but no market.



Children in Ingenio showing off their Christmas gifts, December 2003.

During the years of the Hacienda Buenos Aires, approximately 1908 to 1971, the descendants of African slaves worked in the

fields near Ingenio, picking cotton and harvesting rice and sugar cane. Although slavery had been legally abolished since 1865, their life was not very different from that of their enslaved ancestors. Workers who did not show up for work or who drank too much on Sundays were beaten and forced to hang for days in a mantrap in the center of town. And, if a worker committed one offense too many, the hacienda owner would have him and his family removed from the town.

Despite the mistreatment and low pay, it is true that there was little or no unemployment during the years of the hacienda. After all, if you didn't work for or in conjunction with the hacienda, the hacienda owner would not permit you to live in Ingenio. While the hacienda was in existence, there was electricity in the center of town, a sewage system for the hacienda owner and his employees, and the canal always had water. There were two harvests most years and economic prosperity in the town, at least for the hacienda owner. Today, in Ingenio, there is no electricity, no sewage system, and the canal has clean and abundant water only from January to July.



A girl washing clothes in the canal in Ingenio, January 2004.

The Hacienda Buenos Aires is now defunct, and the former workers are owners of the land they worked on. In 1971, after a series of worker uprisings, the workers threw the

owners of the hacienda out of the town and took over the hacienda. The workers formed a cooperative, called the 2nd of January, named after the date that the workers took over. The cooperative barely lasted ten years. Due to mismanagement and the changing global and national scene, the cooperative failed, and the worker-owners decided to distribute the land evenly among the workers. Each worker received 3.5 hectares of land.

Finally, after nearly 400 years of slavery or slavery-like conditions and a decade of a badly-run cooperative, the agricultural workers of Ingenio became owners of the land they had worked on. They were transformed from workers into small farm owners. And, 3.5 hectares of land should be more than enough to support a family, even one with several children.

Paradoxically, the repartition of the land in Ingenio led to the end of the economic prosperity of the region. Despite the fact that the farmers are skilled in farming and the fact that the hacienda owner had been prosperous, the rice farmers in Ingenio today live in poverty. There are several reasons for this. One very important reason is control over the water in the region.

The hacienda owners built a canal from the river to Ingenio, which assured an abundant supply of water year round to Ingenio, and which provided water for irrigation for two harvests annually. Since the hacienda owners were owners of most of the land up to the source of the river, they had control over all of the canals and could appropriately distribute the water. Now that the land is owned by individual rice farmers up to the source of the river, the water goes first to the farmers farther upstream, and what is left over gets to Ingenio. This means that during the rainy season when there is more than enough water for everyone, the canal is full of water

in Ingenio, and the rice fields can be irrigated. However, during the dry season when the river carries substantially less water, most of the water is diverted upstream by farmers who use canals to irrigate their rice fields. As such, in Ingenio, the vast majority of farmers can only get one rice harvest from their land. From July to December each year, most farmers have no work and thus no income.

Another reason for the lack of economic prosperity in Ingenio is the low price of rice in the national and global market. When the hacienda owners controlled rice production in Peru, they were powerful enough to assure high prices for the rice they produced. And, before global capitalism took over national markets, the Peruvian government controlled the price of rice by buying the rice from the farmers and re-selling it to the public. Now that global capitalism prevents any such socialistic measures, the price of rice is left up to the laws of supply and demand. These days, rice buyers come to Ingenio knowing that the farmers are indebted and in need of selling their rice fast in order to feed their families. Under these conditions, they offer rock bottom prices and the farmers are forced to sell their rice. Workers often sell their harvested rice for as little as 0.50 soles a kilo. The retail price of this rice is about 3 soles a kilo in Lima. As such, most of the profits go to the intermediaries while the small farmers struggle to feed their families.

The third major reason for the poverty of the farmers is the lack of an agricultural bank that lends money to farmers at reasonable rates. In Ingenio, farmers borrow money in January that they repay in June or July. In just six months, the interest on the money they borrow is often as high as 90 percent. The interest rates from the bank are about 7 percent per month, or 84 percent annually, and those from a usurer can be as high as 15 percent, or 180 percent annually. The other

option that farmers have for borrowing money for planting rice is to sell their rice in seed. In this setup, the farmer sells his rice in January, before he plants it, for 40 soles for a load of rice. This load of rice turns into 200 kilos of unpeeled rice, or 140 kilos of shelled rice in June. The minimum price for a load of rice in June is 80 soles, twice what farmers sell it for in January. By August, the going price is about 120 soles, three times as much as what the farmers have to sell the rice for in January. The retail value of this load of rice in Lima can be as much as 520 soles, 13 times as much as the farmer sells it for in January.

In sum, due to the lack of power of the workers to control the natural resources, the prices of rice and the interest rates, the small farmers in Ingenio barely scrape by with 3.5 hectares of land. Thus, despite the fact that the farmers of Ingenio won the battle against the hacienda owners in 1971, they are currently losing the war against poverty engendered by global capitalism.



A young man playing his guitar in his home in Ingenio, January 2004.

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