

STRUCTURAL CHANGES IN THIRD WORLD AGRICULTURE AS A RESULT OF NEO- CAPITALISTIC DEVELOPMENTS

ERICH H. JACOBY

I. CHANGES IN THE MAN-LAND RELATIONSHIP

AMONG THE MOST important problems in the history of mankind are the gradual, or often revolutionary, changes in the man-land relationship. At every stage of development, these changes should have to be re-examined and reformulated by society; unfortunately, however, there has always been a tendency to accept existing conditions simply because they do exist. This laissez-faire attitude has pushed into the background the so important socioeconomic analysis of structural changes, of the success or failure of new agrarian systems and of the rise and decline of civilizations.

During the past decades, however, we have become increasingly aware of the forces which affect the man-land relationship. We have been struck by the damage to environment, caused by the one-sided emphasis on economic growth, which has upset the ecological equilibrium and reduced or depleted natural resources.

An analysis of agrarian structures and related aspects must be based on qualitative rather than on quantitative evidence for two fundamental reasons: firstly, because the statistical services of underdeveloped countries pay but little attention to the institutional factors since the ruling groups and powerful vested interests seek to avoid that the effects of the actual power structure on the economy are reflected in the statistics; and secondly, because the available data are lacking in precision due to the vagueness of conception and the absence of reliable information, particularly regarding recent neo-capitalistic developments and the operations of transnational corporations.¹

The peasant in the Third World finds himself in the midst of turbulent changes which he cannot understand. Although for centuries, he did not participate in the economic life of his country and merely was a victim of changing trends in economic policy, his hopes and aspirations had always been guided by a dynamic force still with him today: the Agrarian Creed. This is not a definable doctrine but a universally valid sentiment that reflects the yearning of countless peasant generations for

This paper was originally submitted to the Eighth World Conference of Sociology held in Toronto from August 19 to 24, 1974.

¹ We prefer to use the term "transnational" since it clearly reflects the trend of the corporations while the connotation "multinational" may erroneously indicate a kind of multinational ownership.

the time, when land will be as free as air, when it will belong to nobody and, therefore, to anybody who is tilling it. In the words of an old Nigerian chief: "I conceive that land belongs to a vast family of which many are dead, few are living and countless members are still unborn."

In the course of history the desire for land found turbulent expression in peasant uprisings and revolts. In our century, the claim for land has been an essential element in the struggle for national freedom or economic independence in the countries of Asia, Africa, and Latin America. There is little doubt that the Agrarian Creed alone sustained the moral of the peasants when they were gradually degraded from a factor of production to a simple tool for the exploitation of the soil. It is a frightening prospect that the peasants may be deprived of this innate source of strength by neo-capitalistic developments.

After a long period of stagnation, the economic system and societies of the Third World are exposed to the attack of two equally powerful forces: *population expansion* and *technological progress* which reshape society and have now reached proportions which constitute a most formidable challenge to the present generation. Compared to the dynamism of these forces, other factors, partly resulting from their interaction, such as industrialization, urbanization, and economic growth, are of but secondary importance, significant as they may be.

Although this paper will deal mainly with technological progress as basis for the neo-capitalistic development and its effect upon agriculture and upon the position of the man on the land, it ought to be mentioned in this connection that the population expansion accentuates the crucial economic and social effects of technological advance.

In my view, it is erroneous to assume that the attempts to check the speed of population expansion will substantially reduce the polarization and marginalization of millions of unemployed people or bring about a change in the rural population pattern during the next two decisive decades. The numbers of people who will constitute the inflated labor force of 1990 are already with us today; in the short time left, even a declining birth rate cannot avert the economic and social consequences of population increase. The isolated emphasis on birth control only diverts attention from the urgently needed structural and institutional transformation of Third World agriculture and from the long overdue changes in the system of international trade which functions to the sole advantage of the industrialized countries. In China, birth control is meaningful since it is an integral part of a new institutional system that increases the people's responsibilities and standards of living. But the Western approach to birth control, widely advertised by international organizations and bilateral technical assistance, will inevitably attain but meager results under existing institutional conditions, the mere reduction of population growth (if at all attainable) cannot counterbalance the detrimental influence of technological progress and the concomitant neo-capitalistic developments.

Until the industrial revolution, the impact of technological inventions radically repeat the economical and social patterns throughout the world. Like all phenomena that are clearly visible and tangible, and, therefore, seem easy to appraise, technological progress in agriculture is frequently judged quantitatively only in terms

such as yields per unit area, or volume of fertilizers. Economically it is analyzed in terms of return to scale, capital or labor input, and the substitution of capital for labor.

Such an approach, important as it may be, will necessarily mislead public opinion with regard to the real effects of new technologies upon the weak economic system of underdeveloped countries. Technological advance produces effects on the structure of society that are not easily measurable. They can only in fact be judged by the extent to which they change the employment situation, the man-land relationship and the social stratification of the rural community. In this context it is important to investigate who introduces the new technology, who finances it, and who will eventually reap the benefits.

In many underdeveloped countries it is rather difficult to unmake the disguise of new technological developments. The rural elite and leading politicians may act behind the scene as intermediaries of foreign interests, and apparent short-term effects may frequently convey an impression of social improvement. A larger supply of consumer goods, however, does not necessarily increase the effective demand on the domestic market; more often than not, it will decline commensurate with the introduction of labor-saving machinery, while an increased surplus production of prime commodities depresses export prices and impairs the terms of trade. To use an expression coined as early as 1894, technological progress may cause a "damnifying growth" that will in the end contribute to the continued destitution of the underdeveloped world.

The transfer of Western technology and research would benefit the underdeveloped countries only if it were introduced for *their* benefit and adapted to *their* particular circumstances. Unfortunately this is not the case; for the transnational corporations, the commercial instrument of neo-capitalism, the Third World is merely a source of prime commodities, cheap labor, and ready markets. Within their framework there is no place for the true interests of the peasants and it is unrealistic and romantic to expect anything else. To be more precise: while, at the present stage, underdeveloped countries need a highly labor-intensive agricultural technology, the transnational corporations are only interested in transferring capital-intensive techniques and labor-saving equipment, irrespective of the fact that the majority of the peasants do not have either the resources or the skill to make proper use of the modern gadgets; and while local research would be highly important for underdeveloped countries, the United Nations agencies actually act as agents for the transfer of Western research results.

Under the prevailing structural and institutional setup in most underdeveloped countries, advanced technology is almost bound to impede economic and social progress. This is not the fault of technology as such but is the natural consequence of the present economic system. Just as fertilizers without sufficient water result in serious crop failures, and irrigation without drainage leads to salinization of the soil, the application of modern technology in the Third World on purely Western capitalistic terms will lead to failure and to a disintegration of the rural societies.

The present process of political and social disintegration is not limited to the rural areas. The exodus of displaced peasants to the slum districts and shanty

towns of large cities like Lima, Mexico City, Nairobi, and Calcutta, represents the formidable social price which underdeveloped countries have to pay in return for accepting the uncontrolled transfer and application of advanced technology and for preserving at any cost a distorted agrarian and social structure. It is safe to predict that only countries which have reached a certain degree of structural maturity will be able to absorb the shock effects of advanced technology presented on neo-capitalistic conditions. Although, in theory, it should be feasible to harmonize technological advance with adequate institutional changes, it cannot be carried out in practice since the very fact of such a harmonization is contrary to the objectives and business calculations of the transnational corporations.

II. OPERATIONS IN AGRICULTURE

Since it would be beyond the scope of this paper to analyze in detail all the effects of neo-capitalistic operations in underdeveloped countries, I will confine this presentation to an indication of trends and observations in the agricultural sector. I do believe, however, that it would be essential if interdisciplinary research on this subject could be conducted with the participation of economists, agricultural scientists, and sociologists. We already know something about the economic mechanism that is largely responsible for the economic anarchy of our time. We also know the extent to which the free market forces have contributed to the exploitation of the Third World, to the deterioration of environment, and to the waste of natural resources. But very little is still known about the ways and means by which the neo-capitalistic forces accelerate and intensify current trends in agriculture. It does not suffice merely to recognize the effects of the indiscriminate introduction of new technologies. The actual process taking place is unique of its kind; it is engendered by a network of corporations which enjoy a status of extra-territoriality with regard to both capital and management in environments where no countervailing power exists to check their expansion. The larger of them can quite easily infiltrate the United Nations system, circumvent eventual national controls, while they have nothing to fear from the side of the labor movements which lack international orientation.

The transnational corporations which emerged with the neo-capitalist period following World War II, affect to an increasing extent the economy and society in both developed and underdeveloped countries. The magnitude, weight, efficiency, and the world-wide importance of their operations have been subject to much admiration but only to limited research. In the following, therefore, we will attempt to analyze their effects on the agricultural and agrarian systems of those countries in the Third World which produce prime commodities by traditional, rudimentary technology and which have no capital assets but only an abundance of manpower. Generally, they display pathological economic systems and defective agrarian structures. With the possible exception of the oil-producing nations, their bargaining capacity is too weak to alter any economic and political resistance against pressures by the transnational corporations. They live from harvest to harvest and, during the last two decades, their national economy has gone from

bad to worse, due to the combined effects of population increase, deteriorating terms of trade and actual trade restrictions. They generally serve as the source of prime commodities and cheap labor for, and on the conditions of, the transnational corporations. Considering the detrimental economic effects of free trade in the past, the assumption lies near at hand that the overwhelming strength of the transnational corporations, entrenched in the very heart of the countries' economy, must finally destroy their economic, political, and social machinery.

Transnational corporations penetrate the agriculture of an underdeveloped country by the vertical integration of the process of agricultural production. They start off by combining the production of food with the processing of agricultural produce and will generally end by controlling the retail trade through chain stores and tourism through hotels and restaurants. This process of integration may even comprise the transfer of the more labor-intensive production phases of their own industries.

Contrary to the large colonial enterprises of the past, transnational corporations are interested in the control of activities and not in the control of property. The real basis for their powerful position is neither the ownership of land or mineral deposits, nor their extraterritoriality, but the "ownership" of the technological process which it is difficult to attack by the normal procedures of expropriation and nationalization. In the rare cases when this has been done, the actual damage in terms of capital assets is negligible.

The control of the domestic and international markets through a system of processing industries, chain stores, warehouses, and usually also means of transportation combined with contractual agreements with other transnational corporations, provide additional strength. On an island in the Caribbean area I learned that transnational corporations do not compete with one another in buying bananas and that, consequently, one corporation determines the price arbitrarily on the basis of its market monopoly.

Underdeveloped countries can only participate in the "ownership" of the technological process by buying the ready-made equipment or the licenses at monopoly prices. The manipulation of the technological process secures control of the society and economy as a whole because technology is not neutral in its relation to the different social and political groups in the countries. Commercialized technology increases inequality: it favors only those who have the economic resources and political influence, and thus establishes an alliance with the elites. This is clearly evident from the way in which the Green Revolution is gradually changing agriculture into a capital-intensive industry that employs more workers per hectare but fewer per ton of grain produced and thereby makes the elite less dependent on labor.

From an economic point of view, the Green Revolution is a real revolution, but it has certainly not improved the conditions of the people on the land. On the contrary, capital has become the main factor because it provides effective water control, improved seeds, fertilizers, and machinery. Capital-intensive development of agriculture proceeds at the expense both of the labor force, which is gradually being replaced by labor-saving machinery, and of the farm area which is being concentrated to the most fertile and irrigated land.

The changed relationship between land, labor, and capital, affects by necessity the agrarian structure, the rural society, and the political organization of the country. The added strength of capital favors the privileged groups who have access to cooperation with the transnational corporations and their bank associations at home and abroad. They are becoming capitalist farmers who apply modern management methods and machinery instead of traditional farming and labor relations. The ownership of land is losing its economic meaning for the process of production without the capital resources necessary for the modernization of agriculture. The transnational corporations, on the other hand, are not interested in owning land; it is sufficient, and even more attractive, for them to extract the surplus of agricultural production by their contractual agreements with local landowners. The old patriarchal relationship between landlord and tenant, brutal as it may have been, is withering away since the price of good land increases; the tenants, with their limited financial resources, are unable to manage their holdings effectively and are gradually being replaced by modern machinery and seasonal workers. The change in agricultural production is accompanied by corresponding changes on the levels of management and labor which will, of course, have decisive effects on the entire economic, social, and political pattern of society.

In large areas of the underdeveloped world the transnational corporations are changing the prevailing land utilization pattern to the production of primarily industrial crops and luxury food for the rich countries, which of course detracts land and labor from the production of domestic food. This is the case, for instance, in the Awash Valley in Ethiopia, where cotton and coffee cultivation is expanding at the expense of nomadic pasture, and in the Sahelian region in West Africa, where transnational corporations today use thousands of hectares for truck farming, cotton growing, and cattle ranching, while grain production is declining. The simultaneous reduction of the area originally under domestic crops and the monopolization of the scarce water resources for intensive capitalistic farming multiplies, of course, the effects of droughts. In many underdeveloped countries, a close relation is apparent between the agricultural operations of transnational corporations and the imminent danger of famines.

A critical examination of this development has been delayed for many years, partly because of a general misunderstanding of the concept of economic growth and partly because of the repressive influence of vested interests on both research and information. Large corporations are not interested in publicity: after all, they are only responsible to their shareholders, and the governments of the countries concerned are anyway declining to the status of clients.

III. THE DISRUPTION OF THE ECONOMIC SYSTEMS

The transnational corporations initiated their attack on the less developed economies by introducing new techniques in the fields of engineering and plant genetics. Since commercialized technology discriminates against farmers with poor resources, imbalanced social and environmental developments are the natural consequences in both rural and urban areas. Concentration of the new technologies on fertile

lands with effective water control leads necessarily to absolute as well as relative changes in land values, while, in a highly capitalized agriculture, the importance of land as a production factor is gradually declining.

Although first-rate agricultural land in a good locality will increase the wealth of its owners, their relative position within the agricultural production is weakened and consequently also their influence within and outside their national environment.

The transfer of capital in the form of technology has become the dominant factor in the rural areas of the Third World, while the landlord class gradually has to give up an essential part of its traditional functions of controlling land and local labor. The balance of power is changing in favor of the transnational corporations which form a united front on the basis of their monopoly position against the underdeveloped countries in which they operate. In other words, their real strength is due to their intimate collaboration and their massive concentration of modern means of technology, even though it seems as if they compete to some extent in marginal fields. Together they have a kind of structural monopoly which strengthens the position of each of them because the development of the country in which one operates is already tied and restricted by the others.

The battle between the transnational corporations and the local government for the acquisition of the agricultural surplus is almost decided before it has begun. As long as their economic growth depends upon the practically uncontrolled application of foreign technology, the underdeveloped countries will need increasing amounts of foreign exchange. In order to pay for the desired growth, they incur serious balance-of-payments problems, which they can only ameliorate by selling their natural resources and licensing foreign exploitation. But economic growth can never satisfy the demand for foreign exchange; the faster it accelerates, the greater the amounts needed. The devaluation of national currencies, emphatically recommended by the International Monetary Fund and the World Bank, is very much in the interest of the transnational corporations; it will lower the real price which they have to pay for the exploitation, at the same time as it intensifies the national economic and social crises. Any such country that would still have the courage and capacity to resist the grip of the transnational corporations would easily be defeated; by definition the corporations are able to transfer their activities while the resources of those which dare to fight back will become useless when deprived of the imported technology. Transnational corporations, however, do not only sell technology and process agricultural products but are also buyers of prime commodities in the course of vertical integration; this powerful combination of activities will finally defeat any attempt at escape.

Moreover, the only real outlet of underdeveloped countries to the world market goes via the transnational corporations which dominate it by their mutual agreements. Their combined control of production, commerce, and world market makes them the true masters of Third World agriculture. The still fashionable theories on world trade originating from the entirely different situation during the eighteenth and nineteenth centuries confuse the actual policy issues of the 1970s. A substantial proportion of the imports and exports reported by national governments and United

Nations agencies is actually nothing but the internal transactions between the components of transnational firms. When dealing with the serious problem of food production in the Third World, the industrialized countries and even international agencies easily forget that agriculture in underdeveloped countries has become an integral part of the world economic system which is controlled and directed by transnational corporations.

It is impossible in this brief overview to deal extensively with all aspects of this fateful development. But it can certainly be claimed that it is leading to a continued decapitalization in the Third World countries, reflected in their chronic balance-of-payment crises and debt servicing problems which are largely due to the fact that the transfer of profits exceeds the imports of investment capital. In the following we will concentrate on a few aspects of sociological relevance. Thus the highly advertised Green Revolution must be considered a concerted attack by various transnational corporations against traditional agriculture, the nucleus of economy and society in almost all underdeveloped countries. The contents of the famous "green revolution package," the result of research financed by the Rockefeller and Ford foundations, actually symbolizes the intimate collaboration between transnational corporations in the fields of seed production, engineering, fertilizer, and other chemical industries. Agribusiness has become the great promise of this economic invasion, started by the Agrarian Business Council in the United States, which represents the transnational interests in the petrochemical, engineering, and food industries. A report of the President's Science Advisory Committee formulated the importance for development of American agribusiness in the following statement:

The private enterprise community and, in particular, the agribusiness group of companies which includes fertilizers, agricultural chemicals, implements, seeds, irrigation equipment, food processing, and food marketing companies, have shown a responsible interest in participating in the war on hunger. To take advantage of this reservoir of interest and purpose, the Federal Government must accelerate its already considerable efforts to work with the private sector in the developing countries. Beyond the present measures of liberalized loan policy, investment guarantees and other facilitation of investment, bolder measures should be taken for partnership with the private sector of industrialized nations. [1, p. 101]

This was the signal for a new stage of exploitation: *the process of alienation of Third World agriculture*. Its ultimate objective is to replace, by contractual agreements, traditional farming systems by agricultural enterprises associated with transnational corporations. The scope of this policy is much broader and more far-reaching than that of former colonial enterprises which were, after all, satisfied to pursue exploitations within a system of plural economy, leaving the indigenous society at a vegetative stage; the alienation of Third World agriculture, on the other hand, will mean the final destruction of economic and social systems.

The immediate consequence of the large-scale introduction of expensive new technologies and the injections of increasing amounts of foreign capital into local agriculture initiated the decline of feudal or semifeudal agricultural systems with the gradual dissolution of tenancy and of small and medium peasant farming. The

landlords are becoming agricultural entrepreneurs and the traditional patron-client relationship, an integrating factor in the feudal society, has almost reached the stage of liquidation. True, some sentimental suggestions and vain attempts are still made today to rescue the old system by symptomatic relief to peasant farming. Their relative weight is, however, not nearly strong enough to counteract the strength of the aggressive energies unleashed by the transnational corporations. Since only half-hearted government support is given to even modest reform programs, the peasant communities in large parts of Asia, Latin America, and Africa, are definitely the losers and an accelerated exodus from the agricultural areas is crowding the slum districts and shanty towns of the large cities.

IV. THE FATE OF THE RURAL ELITE

The rural elites try to adjust to the changing economic climate in their countries. Those who fully understand this process are accepted as junior partners in the internationally organized agribusiness, where they will function as intermediaries of the transnational corporations. Even if they were to retain relatively small land bases for agricultural production, their real income will depend on the degree to which they participate in the widespread capital and trade transactions of the transnational corporations. In their capacity as agents for the application of advanced technology, they have turned into a commercial elite which is quite different from the rural elite of their fathers, who used to act as patrons to their peasant clients. The emergence of this rural or urban-based new elite is most welcome to the international corporations because it helps them to disguise the international character of their many-sided activities. In reality, however, the actual participation of the new elite is of marginal importance only for the smooth functioning of the transnational mechanism. It may even be claimed that the once powerful elite has been politically expropriated and that its former economic functions have been transferred to transnational corporations which are strong enough to act arbitrarily and no longer need to enter into expensive agreements in order to exercise control by a kind of indirect rule.

The members of the new elite divide their attention between the establishment of highly modernized farm units in key areas of irrigation and the exercise of commercial and administrative functions in the cities, where they act to an increasing extent as agents for the transnational corporations. Gradually, they turn into an urban elite which clearly reflects the progressing commercialization of agriculture. No wonder, that the time-honored interests and values of the old rural elites are withering away. It has become meaningless to defend the position of the landlords when tenancy as an institution is disappearing in the economically important agricultural areas and when the structural problems of the countryside become a mere matter of protecting the capitalist farms by police and military forces. Such a development, of course, makes a rural elite almost superfluous and will inevitably strengthen the already discernible trend to dictatorships in the name of "restoring peace and order" in countries such as the Philippines, South Korea, and Chile, once so pathetically pledged to the principle of formal democracy.

The possibility is very remote that the remnants of the rural elite will rebel against the pressure of the transnational corporations. Due to their reduced political influence, and particularly to the mechanization of agriculture and the consequent depopulation of the countryside, they have lost their capacity for populist leadership. They become more and more isolated and are actually living in a political vacuum, where they are forced to act on terms designed abroad. In the large majority of underdeveloped countries, in fact, they would be incapable to operate without foreign assistance. It is significant that they no longer invest their private financial resources in extensive purchases of land in their own countries but hide them in the bank deposits of the Western world. In the ultimate analysis, therefore, they have resigned as an active factor in the political and economic life of their nations. In plain words one could call this development the *desertion of the rural elite*.

V. THE FATE OF THE PEASANTS

As already indicated, the new technologies and improvements have generally labor-saving effects. The Green Revolution, and all that goes with it, has reduced agricultural employment and accelerated the exodus of the peasants to urban centers, so that the agricultural labor remaining in the countryside is utterly changing its composition. The permanent labor force on the highly mechanized farms will largely be composed of technicians employed in offices and repair shops, of tractor drivers, and of other skilled workers. Frequently, any additional labor needed for seasonal work is, for security reasons, no longer hired on the spot but from amongst the migrant workers from poor, remote areas. Tenants and small owner cultivators who once provided the bulk of the labor force in the countryside are being "displaced" socially and, to an increasing extent, also locally. The people leaving the land are rarely integrated into the economy and society of the urban areas but remain displaced peasants in the slum districts, untrained, undernourished, and mostly unfit for work in urban industries. They are becoming a disintegrating factor in the cities and thus contribute to the economic and political weakness and instability in underdeveloped countries.

In the final analysis the underdeveloped countries themselves will have to carry a large part of the burden connected with the "modernization process"; they must not only assume the social costs of the migration of landless and unqualified labor but also cope with the permanent social and political unrest in their metropolitan areas. The peasants who remain in the countryside are likely to constitute a negative selection with regard to age, initiative, and mobility. They have but little chance of finding employment in agriculture since small-scale farming is no longer competitive and areas vacated by peasant farmers will generally be taken over by commercialized farming.

The actual fate of agricultural labor is further aggravated by the transfer of the larger part of the employment potential in agriculture to the industries of the Western world which produce fertilizers, chemicals, tractors, and other machinery. In other words, the workers of the industrialized countries produce the very equip-

ment that substantially reduces the employment of agricultural labor in underdeveloped countries. The alienation of agriculture, which includes the alienation of the rural elite, finds its parallel in the substitution of foreign industrial labor for indigenous peasants.

The center of direction for Third World agriculture is thus gradually transferred to the industrialized countries, where transnational corporations encourage and finance advanced technological research for their own exclusive benefits. With their well-established control of production and markets through monopolies and restrictive business praxises, the transnational corporations further a process of social disintegration whose detrimental effects invite specific sociological research.

VI. THE FATE OF THE NATIONAL STATE

It is not easy for the state to survive the desertion of the rural elite which was once the backbone of its power structure and the legitimate heirs to the colonial authorities, when political independence demanded a change of guards. The infiltration by transnational corporations into the national economy has gradually softened the framework of the state and established a new form of dependence by the transfer of the power of decisions. The gradual expropriation and displacement of the peasants has weakened the very foundation of state authority since the great majority of them have lost not only their modest means of livelihood but even their local roots. With its increasing dependence on foreign exchange and the inability to make its own productive investment, the state has been deprived of its capacity for independent economic planning; national planning is being replaced by corporation planning. This leads automatically to corruption within the state machinery, where an increasing number of officials find themselves in the ambiguous position of having to identify state interests with the profits of transnational corporations. With the almost complete loss of economic independence, political sovereignty has become an empty phrase. This ultimate consequence of a long process has brought about a national situation in many underdeveloped countries where even the formal appearance of democracy can no longer be maintained.

CONCLUSIONS

The long-term effects of recent neo-capitalistic developments are difficult to envisage. One thing seems certain; land reform, in the classical sense of the word, has lost its meaning in countries where peasants are forced to leave the land because of technological developments directed from abroad. The possibility exists, of course, to establish large collective farm enterprises, like in China and USSR, which allow the application of new technologies without affecting the employment situation. Structural changes of this dimension are, however, hardly possible under the prevailing political circumstances in the Third World.

There is neither much hope for any intervention in favor of the peasants on the part of the United Nations, since transnational corporations have in recent years penetrated FAO and other agencies. Project planning in FAO is largely conducted

with the advice and assistance of the Industrial Cooperative Committee, on which ninety transnational corporations are represented and whose activities are extended to the entire United Nations Development Programme through Inter-Agency Agreements; the World Bank functions as coordinator for transnational corporations, and its very loan policy promotes their activities. It could justly be maintained that the alienation process in Third World agriculture advances side by side with the alienation of FAO from one of the most important priorities of its charter: to increase the welfare of the peasants. Present FAO policy is almost exclusively focused on the modernization of agriculture and on the increase of agricultural production, while the problems of rural development and the welfare of the peasants receive but little attention, if any. It is hardly an understatement to call this the *desertion of FAO*.

It is difficult to predict future developments. There is a justifiable apprehension, however, that underdeveloped countries will continue to lose ground. The industrialized countries which control technology will continue to produce the requisites for its application and eventually also assume the control of management and labor in Third World agriculture. In order to secure foreign exchange and a minimum level of employment, the governments of underdeveloped countries have to offer cheap labor at bottom wages to the transnational corporations for certain labor-intensive phases of their production. For the peasants this entails a level of living between subsistence and starvation, while the expanding bureaucracy will "survive" on their Western living standards.

There is still the hope that some countervailing power may emerge in the form of an internationally oriented trade union movement which is conducted on a world-wide scale, just like the transnational corporations. A certain awareness of the need for such a trade union strategy can be observed in the United States, and some promising developments seem to be taking place in the International Transport Workers Federation and also in the International Factory Workers Federation.

Even the powerful system of transnational corporations has, however, its own inherent contradictions and limitations: the time may not be far off when they will be forced to compete with one another for raw materials and cheap labor. Even conflicts may be envisaged between the transnational corporations and their "home" governments in the Western world. But whether or not such developments will occur soon enough to save the peasants in the underdeveloped countries, is quite another question.

The proceeding disintegration of the Third World countries necessarily leads to a dangerous accumulation of distorted economic and social developments. Nobody can foresee how long our present economic and political system can continue to avert a final breakdown by piecemeal and partial solutions, weakened as it is by own contradictions and mounting difficulties in its resource and environment policies.

To my mind it is high time that interdisciplinary development research, based on cooperation between sociologists, economists, and agricultural scientists, takes up the complex problems of neo-capitalism and its effects on Third World agriculture. In the final analysis, research of this kind may accelerate the emergence

of countervailing power and encourage the forces of resistance. Perhaps it may still be possible to avoid the horrifying prospect of *land without man*—a dismal paradox in an overpopulated world.

REFERENCE

1. United States. *The World Food Problem, A Report of the President's Science Advisory Committee*, Vol. 1 (The White House, 1967).