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DEVELOPMENT, CULTURE AND CATTLE (RE)PRODUCTION IN THE CONTEXT OF NEOLIBERALISM: A CASE STUDY FROM GUANACASTE PROVINCE, COSTA RICA

by

Brian Hilbers

A Thesis
Submitted to the Faculty of Graduate Studies and Research Through the Department of Sociology and Anthropology in Partial Fulfillment of the Requirements for the degree of Master of Arts at the University of Windsor

Windsor, Ontario, Canada
1993
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Abstract

In this thesis I examine household (re)production within the framework of the neoliberal economic and political policies as they have been, and continue to be experienced by small and medium sized cattle ranchers within the Guanacaste province of Costa Rica. In so doing, this analysis moves away from purely macro, structural and economic analysis of development, which have long been held as the principle unit of discourse within the various attempts to come to grips with theories of development. To do this I argue that by placing an analysis of culture and hegemony within the wider framework of development theory one will be better able to grasp the creative responses of rural peoples based upon their individual and group experiences with the processes of 'development' and 'modernization'.
Dedication

I would like to dedicate this thesis to Susan Hilbers without whose constant support, understanding and prodding this thesis would not have been possible.
Acknowledgements

I would like to thank my thesis committee of Dr. Lynne Phillips, Dr. Max Hedley, Dr. Tayna Basok and Dr. Howard Pawley for the time and effort that they have dedicated to this work to make it what it is today. Particular accolades should be passed to Dr. Phillips and Dr. Hedley whose hours upon hours of work with me and this thesis clearly went beyond the call of duty. For this I will be eternally grateful.

I would also like to thank the various professors of the Department of Sociology who I have come into contact with throughout my stay at the University of Windsor. The Department has continually offered an intellectually stimulating location in which to carry out my studies and research. Particular thanks is offered to Dr. Barry Adam whose office hours and courses have unknowingly set the tone for much of my theoretical understandings.

Special thanks should be given to the people of Costa Rica who opened their hearts and lives to me for this work. I hope that one day I will be able to repay the confidence and hospitality which has been offered to me by these people. Special thanks goes to Benjamin Acevedo Alvarez whose interest in this thesis and consistent assistance was invaluable throughout my stay in Costa Rica.

Last but not least, I must thank my family whose continual support kept me focused and working throughout those difficult times associated with a project of this scope. I also must offer Susan Hilbers the ‘purple heart’ for her assistance with this field research.

Although this work would not have been possible without the aforementioned people, as with any work of this sort, I am entirely responsibility for the information which is to follow.
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**Development, Culture and Cattle (Re)Production**  
*In the Context of Neoliberalism:  
A Case Study From Guanacaste Province, Costa Rica*

**Introduction**

The language of development has been long perceived to be a universalistic one in which primary concern was given to structural changes, economic growth and national production. Although there have been a few notable exceptions (Nash 1979; Ong 1987; Rasnake 1988; Sider 1977; 1989; Taussig 1980), scholars have failed to shift to an idiom of development which concerns itself with the interrelationship between development, culture and hegemony and its concurrent effects upon household formations, organizations and (re)production. In this thesis I examine household (re)production within the framework of the neoliberal economic and political policies as they have been, and continue to be, experienced by medium and small sized cattle ranchers within the Guanacaste province of Costa Rica. In so doing, this analysis will attempt to move away from the purely macro, structural and economic analysis of development, which have long been held as the principle unit of discourse within the various attempts to come to grips with theories of development. To do this I will argue that by placing an analysis of culture and hegemony within the wider framework of development theory one will be better able to grasp the creative responses of rural peoples based upon their individual and group

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1 The term '(re)production' will be utilized throughout this thesis in an attempt to illustrate that if one is to examine the unit of production one can not solely concern themselves with the forces of production and consumption but of equal importance are the social relations of production which has allowed people to produce and reproduce social formations throughout history (Fedy 1993;14; Smith 1979:138-140)

2 Here I utilize Rodriguez's (1989) categorization of Guanacaste's land holdings based upon farm production size: minifundia (less than ten hectares), small holding (ten to fifty hectares), medium holding (fifty to 500 hectares), large holding (500 to 1000 hectares), and latifundia (greater than 1000 hectares). Although these categories have been used to bracket my research, the examples which are drawn forth below were chosen on the basis of the reproductive ability of the unit of production rather than size constraints of the ranch.
experiences with the processes of 'development' and 'modernization'. A sociological analysis of development must move beyond a strictly economic determinist perspective to bring forth alternative interpretations and forms of "local knowledge" (Geertz 1983) as they are seen through the "prism of personal and local experiences, identities and expectations" (Edelman 1990).

The arguments which are to follow are all couched within a larger concern that the conceptions inherent within neoliberalism tend to trivialize the notions of culture and hegemony. I will argue that when one gives due accord to these notions one is able to look beyond those policies which affect the economy at the state level and begin to examine the results of neoliberal policies upon production, reproduction, social participation and the living conditions of those who are located at the micro-economic level of the household. To ground this research empirically I have conducted ten weeks of field research among small and medium sized cattle ranchers in Guanacaste province, Costa Rica from December through March, 1993. I conducted eight formal and numerous informal interviews and utilized participant observation as I resided with a cattle ranching family throughout my stay. In addition to these interviews, while in Costa Rica I was able to utilize numerous published materials which are not available in North America. Without this opportunity the completion of chapter three would have been impossible.

During this field research I concerned myself with the internal and external orientations of the household, the linkages of the household to the world market and the ability of the cattle ranching households to persist over time. Likewise an attempt was made to discern if there existed any sort of alternative discourse or cultural critique among the small and medium sized cattle ranchers of the Guanacaste province which either overtly or covertly challenged the dogmatic conceptions of Costa Rican development.

In this thesis I intend to show not only how the household is affected by the internal relations of production and reproduction but how changes at the local level,

3 This research is in addition to a ten month stay in Costa Rica in 1986.
nation-state, and within the world market can affect the internal orientation and the reproductive strategies of this primary unit of production. In so doing, I will follow Deere's (1990) lead and examine the household as a site of multiple class relations in which multiple income-generating activities of the household are utilized by members to (re)produce this unit of production in the midst of social differentiation in the Guanacaste province of Costa Rica. To examine household (re)production and the construction of a cultural critique among cattle ranchers in the Guanacaste province of Costa Rica, as will be done in the final chapter of this thesis, we must place our analysis within the larger confines of political-economy. Thus in chapter two I summarize the Costa Rican development model. In chapter three I will consider the historical and contemporary niche which the cattle ranchers have carved for themselves within this model. In the following chapter, however, I first identify the theoretical foundations for this thesis by examining the interrelationships between development, culture and hegemony.
CHAPTER 1

The Ghostly Figures of Political Economy and the (Re)Construction of Domination and Resistance

"Political economy ... does not recognize ... the working man so far as he is outside the (wage) relationship. Thieves, tricksters, beggars, the unemployed, the starving, wretched and criminal working man, are figures which do not exist for political economy, but are only for other eyes; for doctors, judges, gravediggers, beadles etc. They are ghostly figures outside the domain of political economy". Karl Marx, Economic and Philosophical Manuscripts.

Since its inception as a systematic discipline, anthropology has concerned itself with the understanding of various forms of elite domination and the cultural responses brought forth among subordinated peoples at both the pragmatic and discursive levels. While attempting to accomplish this, many methodological and theoretical practices have emerged in response to the search for a superior form of cultural analysis. These reformulated analyses have ultimately proven beneficial for a clearer understanding of the linkages between macro political economy and micro socio-economic responses. By blurring the genres between the social scientific paradigms, and particularly by borrowing a reformulated cultural analysis from anthropology, we should, within the sociological discipline, be able to better our understanding of the processes of construction and reconstruction of domination and cultural resistance at both the ideological and pragmatic levels.

Clifford Geertz (1973:5) made a significant break from contemporary social theory and methodology when he urged that culture was to be grasped in terms of "webs of significance", consisting of shared meanings, symbols and practices which ultimately were to be interpreted from the "native's point of view" (1979). But Geertz was less interested in the questions of power in production, definition and maintenance of dominant cultural
patterns than was Eric Wolf (1982), who called for an examination of culture within its specific historical context. Wolf emphasized that one must relate alternative symbol systems and practices to the “wider field of force” (ibid:387) which was generated by the predominating mode of production. For Wolf, the task at hand was for one to decode and comprehend the changing cultural meanings and their making in relation to domination and resistance.

Wolf's assertion thus leaves us with a challenge as we attempt to achieve just such a theoretical and methodological innovation within a social scientific paradigm. In venturing to respond to Wolf's invitation, an attempt will be made in this thesis to examine the impact of capitalist development on peripheral populations as well as the behavioural alterations this 'development' process brings to the fore. More specifically, an attempt will be made to examine how cattle ranchers within one cantón\(^4\) in Guanacaste province, Costa Rica, construct and reconstruct an alternative discourse and a cultural critique through pragmatic alterations in their ways of life. These alterations serve as critiques of the dominant cultural patterns in that they occur within the breaks of societal acculturation. This is so insofar as the processes of acculturation, which are brought forth within the dominant hegemonic field of force, are never completely internalized by the actors in question (Habermas 1975). This will be accomplished through an analysis of Costa Rica's model of development, the role which the cattle ranchers have played in this process and the pragmatic and discursive responses and critiques offered by these same ranchers at the micro socio-economic level of the household. In order to accomplish these aforementioned objectives we must first commence with a theoretical understanding of the process of construction and reconstruction of an elite hegemonic world-view, which itself “cannot be comprehended without recognition of the mechanism of hegemonic constraint” (Adam 1978:31).

\(^4\) A cantón is the smallest geo-political subdivision within Costa Rica.
Power Relations and the Discourse of Development

It has been argued that it is through a massive unidirectional system of communication that most countries in the modern world have been introduced to an interpretation of ‘development’ or ‘modernization’ which can locate its foundations within Western discourses of democracy and development (Dahl and Hjort 1984:175). Thus, the vast majority of developing countries now have in place official development policies which can trace their origins to Parsonian functionalism as it has been found within the modernization theories of the 1950s and 1960s (Worsley 1984:18). Within this developmental discourse the roots of ‘underdevelopment’ were perceived to be located within the ‘backward’ or ‘traditional’ rural locales. Here underdevelopment is simply presumed to be an “extension of the inadequacies of the people in question” (Hedley 1979:281).

Modernization theory and its pragmatic offshoots are articulated around a fictitious construct (i.e. underdevelopment) which, as a discourse, has produced a need in all countries to pursue a goal of ‘modernization’ or, more precisely, capitalist development. This was accomplished through the diffusion of the necessary conceptual categories and technologies by the Western powers to the Third World periphery (Escobar 1988:429). In an attempt to ameliorate the lives of those who are located within the Third World, a diffusion of knowledge from the center to the peripheral zones has become the all encompassing requisite for the modernization process (Dahl and Hjort 1984:171; Lehmann 1986; Worsley 1984:18). But by following this school of thought, analysts tend to blur larger structural and historical issues which underlie the contemporary social configuration. This is an extremely important point in that it will be argued that

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5 Oscar Lewis’ (1966) notion of a “culture of poverty” fits within this school of thought in that Lewis argued that there was only one generalized culture of the poor which not only helped the poor to survive but also prevented them from succeeding. Here, Lewis lacks a consideration of larger political-economic forces or any form of hegemonic cultural analysis (i.e. see Worsley 1984) which would have painted a much clearer image of the “impediments to development” experienced among these same Puerto Rican families.
‘impediments to development’ which are thought by modernization theorists to be created by the same processes which transform rural life are those which, from a different point of view, create the conditions for underdevelopment.

By evolving beyond modernization theorists’ attempts to examine capitalist development, we begin to picture the development process not in terms of natural exploitation and measurements of value, but in terms of the deeper and more perplexing issues concerning the relations between models of power, which are themselves historical and cultural constructs (Edelman 1985a:154; Escobar 1988:436; Gudeman 1986:26; Lehmann 1982; Wolf 1982:386; Worsley 1984). By examining the system of change which is normally couched within the idiom of development, and by being cognizant of the relationship between this notion and the structure of ideas surrounding it, as well as the context in which it is utilized, we begin to become aware of the fact that capitalist ‘development’ is not itself an economic category but a social one in which issues of control over the productive process come to the fore (Dahl and Hjort 1984:165; Escobar 1984; Worsley 1984:26).

It can thus be argued that those who are powerful and dominant tend to share an interconnecting and centralized system of communication through which a determination is made concerning which new knowledge shall be created. This is so insofar as the ability to name things or to bestow meaning cannot be seen as the working of some sort of cultural logic, but as a source of power which allows the “managers of ideology to lay down the categories through which reality is perceived” (Wolf 1982:388). Wolf (ibid) argues that these ideology-makers must be able to deny the existence of alternative categories by assigning them “to the realm of disorder and chaos (and) to render them socially and symbolically invisible”. This hegemonic pattern must then be visualized as the result of continuous repetition, in diverse instrumental domains, of the same basic propositions regarding the nature of constructed reality (Adam 1978; Lourraim 1983:85; Wolf 1982:388).
In this regard, one must utilize caution to ensure that knowledge is not visualized as flowing “only downwards from those who are strong, educated and enlightened, towards those who are weak, ignorant and in darkness” (Chambers 1983:76). This notion, in which the production of ideas are postulated to be in the hands of those who are in control of the primary means of production, is quite similar to those found within *The German Ideology*, in which Marx and Engels transformed the notion of hegemony from one which concerned itself with the relations between states to one in which class conflicts came to the fore. In their famous dictum, Marx and Engels stated that “the ruling ideas are nothing more than the ideal expressions of the dominant material relations; the dominant material relations grasped as ideas”. Although Marx and Engels’ work must be seen as a significant break from their contemporaries, a significant dilemma is raised by their having postulated a unidirectional ideational flow from the dominator to the dominated. Thus for the purpose of this work, Gramsci’s notion of hegemony, in which an interactive relationship of force and consensus between the bipolar classes is incorporated, will prove more valuable for understanding the local ‘reality’ of a group of Costa Rican cattle ranchers from the ‘bottom up’.

For Gramsci (1971:104), hegemony is not to be characterized through a situation in which the powerful classes dominate on the basis of pure class interests alone. Thus ideology-making is not formulated by the dominating class in isolation from other groups in society, but rather a relation in which “the ‘leader’ presupposes the ‘led’”. Power is not an entity which the dominant classes "automatically have by virtue of their economic role" (Arat-Koc 1991:28); it is something that must be continually created and recreated by selecting, reformulating and prioritizing the interests of the subaltern groups according to their compatibility with the group wielding the hegemonic control (Arat-Koc 1991:28; Palma 1989:133). However one’s analysis cannot slip in the opposite direction in that one must keep in mind that the notion of people defining and shaping their whole lives, as is
purported to be the case by many theorists\textsuperscript{6}, is true only in abstraction, since "in any actual society there are specific inequalities in means"\textsuperscript{7} and thus inequalities in the capacity to realize these same processes (Williams 1977:108).

The above implies that it is important to understand any model of development as a mirror image of existing social relations, and not simply as a "transcription or representations of an already given reality" (Gudeman 1986:28). In other words, all knowledge which claims to be objective in character contains within it a claim to legitimate domination (Bourdieu 1990:28). However, this does not negate the existence of important areas of cultural meanings and practices which, as yet, have not fallen completely under the sway of Western capitalist disciplinary and normalizing processes. By bringing forth alternative constructions of reality which deviate from that purported within the hegemonic discourse we are able to move away from those concepts which, although rooted in particular historical discourses have become, in the present social configuration, ideal-typical standards through which social reality is measured (Llambi 1990:176; Gudeman and Penn 1982).

**The Social Construction of Reality**

Institutions play a heavy hand in controlling human conduct. Through the elaboration and germination of institutions there arises a point at which institutions can become crystallized as an all encompassing reality. As such they become elevated to a stratum in which they are thought to exist above and beyond the individuals who, through their interaction, play a seminal role in creating such a system. In other words, the institutions are now seen to possessing a reality of their own which confronts the actor as an external and coercive force (Adam 1978:78-84; Berger and Luckmann 1966:55-60; Spurling 1977:87).

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\textsuperscript{6} Here I am referring to many of the theorists who concern themselves with micro social analysis and fail to link this to larger structural features (i.e. symbolic interactionists).  
\textsuperscript{7} For similar arguments see also Wolf (1982).
The construction of reality is characterized by a dialectical process which is somewhat similar to the dialectical process within Marx's theory of alienation, though for Berger and Luckmann (1966) the individual plays a larger role in societal outcomes than that which Marx has so attributed. By engaging in role playing the individual participates in the social sphere and it is through this same sphere that the social world becomes subjectively real to him or her. In this sense social structure "does not exist above and beyond the individuals and their personal praxis but is constructed by, and realized in, the social interrelations and social praxis". Roles are linked to the conception of institutions, hence they likewise originate in a fundamental process of objectification. These roles are also representative of the traditional order; It is through these roles that the creation of institutions are made possible.

In accepting this argument, one must reason that society is an inter-subjective reality (Spurling 1977:86-87). Thus the externalization and objectification of a phenomenon are moments in a continual dialectical process which is subjectively internalized by the actors. Knowledge thus can be constituted as socially objectivated knowledge, that is, as a body of "generally valid truths about reality". Henceforth, any deviation from this institutional order will be deemed a departure from reality. These deviations are reasoned by the elite to be the result of some sort of moral depravity, mental disease or just plain ignorance on the part of the subordinated populace (Adam 1978; Berger and Luckmann 1966:62-74).

This process of objectification incorporates the ultimate reification of the processes of social reality. This 'thingified' world is a dehumanized world in which the actor grapples with the notion that he or she has no control over their life-world. In other words, this is a stage of development whereby the world is deprived of all semblance of comprehensibility as a human enterprise, and as such, becomes constructed as a non-human phenomenon. But even if actors hold the world as a reified element they do continue to produce the world in the final analysis. The result is a paradoxical situation in
the sense that humanity is producing a world which ultimately denies them (Wolf 1982). This element introduces a tension into the social system.

Legitimation of institutions is what Berger and Luckmann (1966) have called a "second order" objectification of meaning. "The function of legitimation is to make objectively available, and subjectively plausible, the 'first order' objectivation which has been institutionalized" (ibid:92). A dilemma evolves in terms of legitimation when the institutional order is transmitted to a new generation, since the process must be "explained and justified" to the new generation (ibid:90-93). As this body of knowledge is transmitted to the next generation it is learned as objective truth through the process of socialization and as such, is internalized as subjective reality. The rise of this problematic situation is due to the fact that "socialization is never completely successful", therefore, "every symbolic world is incipiently problematic" (Berger and Luckmann 1966:106). In an attempt to eliminate these inherent dilemmas there are a number of "conceptual machineries" such as "mythology, theology, philosophy and science" which are designed to defend the status quo against any deviant challenges from below (Berger and Luckmann 1966:107-110).

To ground their theoretical arguments, Berger and Luckmann argue that with the rise of contemporary capitalist society, which is characterized by its plurality within the relations and means of production, there tends to be an encouragement of skepticism and innovation among the masses. Hence an inherent subversion of the "taken-for-granted reality of the traditional status quo" begins to become overtly manifest (Berger and Luckmann 1966:125). Thus one may argue that as a new mode of production is introduced within a society, and as the polemical control over the means of production widens, there is a movement away from total institutions as the institutional order is segmented and broken down; conflictive and competing ideational constructs come to proliferate within the system.
Although Berger and Luckmann tend to blur the hegemonic relations which proliferate within the system as reality is constructed, their analysis is useful in that it demonstrates that reality is a social construct which is not completely internalized by the actor. It can be argued that there are breaks within the hegemonic field of force as various alternative notions of reality come to proliferate within the social system. Drawing upon this work, I will now examine various ethnographic attempts to come to grips with socially constructed alternative realities and cultures of resistance. This analysis will prove beneficial in that it is at this micro-level that one can locate the pragmatic effects and alternative understandings of development models as they are experienced among those who are subordinated by these same models.

**The (Re)Construction of Alternative Realities and Cultures of Resistance**

James Scott (1985) has postulated that the subordinated classes are far less interested in bringing about larger structural changes in the state apparatus and legal system than they are with “working the system ... to (its) minimum disadvantage” (Hobsbawn in Scott (1985:xvi)). In this manner the peasantry uses “everyday forms of resistance” such as “noncompliance, foot dragging and deception” (Scott 1985:xvii) which stop short of collective outright defiance as a form of “defensive action” or a “safety-first principle” in an attempt to protect their livelihood (Scott 1976:5). This type of resistance normally avoids any direct symbolic confrontation with authority or with the elites' dominating norms and value system (Scott 1985:29), but behind the “facade of behavioural conformity” imposed by the elite classes, one may locate numerous acts of resistance, be they manifested in symbolic, ideological or ritual forms (Scott 1985:304).

Although Scott has made a significant contribution to the analysis of non-revolutionary social change, his analysis is seriously flawed in that it does not link the structural determinants of social relations to the kind of conscious acts of resistance Scott is focusing upon. Nor for that matter does he attempt to link resistance to any sort of class or cultural analysis. By separating the motivations of individual subordinated people
from the wide variety of social relations in which he or she is embedded. Scott's postulates can be reduced to the notion that individual acts performed in self interest have equally important implications for resistance as those performed by the group itself (Arat-Koc 1991:9; Smith 1989:233). Thus what Scott fails to consider is the process which Gramsci has referred to as "the cultural aspect" of political struggles. Gramsci has stated that "an historical act can only be performed by 'collective man', and this presupposes the attainment of a 'cultural-social' unity through which a multiplicity of dispersed wills, with heterogeneous aims, are welded together with a single aim, on the basis of an equal and common conception of the world" (1971:348). But this 'cultural-social' unity, or "community" as Sabean (1971) puts it, is not solely held together by shared values or common understanding, but also by "the fact that members of the community are engaged in the same argument, the same raisonement, the same Rede, the same discourse, in which alternative strategies, misunderstandings, conflicting goals and values are threshed out" (1984:29-30). In this regard, community must be seen as a form of social discourse.

The remainder of this chapter examines various ethnographic attempts to come to grips with the experiences of subordinated peoples. Here the construction and reconstruction of the social discourse of community, which deviates from those purported within elite hegemonic discourse, are viewed as forms of resistance which do not overtly confront the hegemonic power structure in the Andes, Malaysia and Newfoundland.

**Andean Cultural Resistance**

By utilizing an hegemonic cultural analysis, Rasnake (1988), in his analysis of the Yura of central Bolivia, found (counter to popular rhetoric) that the history of the Andean people did not come to an end with the Spanish invasion and conquest, but that the Andean culture continues to proliferate within the contemporary social configuration through the construction and reconstruction of a ‘traditional’\(^8\) group consciousness. This

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\(^8\) Here tradition is not seen, as is usually the case, as a mere sterile constant but as a resource which is utilized by a group to define their internal and external relation to the changing context of power (cf. Hobshawn and Ranger 1983).
cultural retention of symbolic codifications and complementary modes of production, which are grounded within the particular Andean world-view, cannot be seen to be the result of some sort of cultural and ideological ‘backwardness’ or lack of contact with the outside world, but as a form of cultural resistance to the hegemonic forces within the Yura’s purview.

Thus a paradoxical situation exists within Yura society in that, on the one hand, Andean peoples have accepted the burdens brought down upon them by a sometimes repressive state apparatus, hence rarely directly challenging its legitimacy and domination, while on the other hand they have not accepted the hispanicized “symbolic universe” which has been thrust upon them (Rasnake 1988:8). It is through symbolic communication that the Yura are able to define and redefine their reality insofar as these rituals serve to legitimate the various social roles in the community as well as the broader institutional framework of the Yura ethnic grouping and its relation to the encompassing society (cf. Berger and Luckmann 1966)

Michael Taussig (1980), expanding upon the notion of commodity fetishism as it is expounded by Marx in Das Kapital, attempts to integrate an interpretive social analysis within the wider political economy as he examines the social significance of the devil in the folklore of contemporary sugar plantation workers in Colombia and tin miners in Bolivia. Taussig’s main thesis is that the devil is a symbolic representation of the alienation experienced by the peasants as they enter into the dreary toil which so well characterizes the advent of proletarianization. The social history of this notion of the devil is also thought to be inseparable from the symbolic codification of the history which creates the symbol, inasmuch as there is a continual cultural construction and reconstruction of divergent meanings and actions which are embodied within the specific distributions of each new formulation of political economy.

Elaborating upon Geertz’ notion of “experience near” and “experience far”, Taussig (1980:10-11) postulates that certain human realities become clearer at the
periphery of the capitalist system. According to Taussig, the meaning of capitalism, in many cases, will be subject to precapitalist ideologies while concurrently the conflict expressed in a confrontation between precapitalist and capitalist modes of production will be one in which the worker loses control over the means of production and ultimately becomes alienated from it, while becoming controlled by it. This confrontation can be visualized as a clash between use value and the ideology which permeates within exchange value, which dominates economic and social relations with the emergence of the capitalist mode of production (Taussig 1980:21).

In many parts of Bolivia and Colombia, the proletariat was drawn heavily from the surrounding peasantry whose experiences and notions of commoditization and whose interpretations of proletarianization are heavily grounded in precapitalist ideologies based upon their experience with indigenous social and economic systems. With the process of proletarianization the notion of the devil emerges as a powerful and complex figure, who mediates the dialectical ways of objectifying the human condition (Taussig 1980:xii).

In a similar vein, June Nash (1979), whose analysis of Bolivian tin miners forms the basis for Taussig's work, has argued that it is through rituals and celebrations, which are grounded within pre-conquest concepts and mythic animals, post-conquest catholic saints and deities, that the workers arrive at an understanding of their being and destiny which enables them to “transcend the definition of themselves as meaningless cogs in an industrial enterprise” (ibid :121). Thus by utilizing Spanish colonial and post-independence Catholicism with a deeper structuring of pre-conquest agricultural rites which are concerned with the preservation of fertility of the land and maintaining harmony with the supernatural, the indigenous peoples are able to entertain co-existent and seemingly contradictory world-views.

By retaining elements of their ‘traditional’ indigenous culture, workers are better equipped to resist some of the alienating effects of the industrial situation. Instead of confronting those firmly entrenched in the power structure who were responsible for the
conditions myths were invoked which justified the polarized distribution of wealth in Bolivian society. But on the other hand, this cultural critique is also the milieu in which the workers became conscious of their class position and identity through a common understanding of the dilemmas which they find themselves confronted with. Here we can argue that the workers have, for the most part, managed to resist alienation to a certain degree in both the political and religious realms in Bolivian society (Nash 1979:319).

**Malaysian Spirit Possession**

According to Ong (1987), spirit possession among proletarianized Malaysian women ultimately speaks to the contemporary situation in Malaysia as women and their families make the often painful transition from peasant society to industrial production. These changes that were experienced by the peasant household, the village and the transnational corporations mediated the divergent attitudes towards work and sexuality among the Malaysians and within the wider society. While being caught between the non-capitalist morality and the characteristic capitalist discipline, some factory women alternate between states of self control and spirit possession during which the women become hysterically destructive within the factory setting.

As the Malaysian women were thrust into the capitalist mode of production which was characterized by the introduction of transnational corporations, of which the majority were Japanese microcomputer companies, the relations of domination and subordination operated not only through overt control of the worker's bodies but also in the ways in which the young females came to picture themselves. As was the case in Taussig's examples from Bolivia and Colombia, the Malaysian workers devised counter tactics for resisting images imposed upon them while concurrently constructing their own realities. But unlike Taussig, who visualizes changes in displaced Afro-American and indigenous cultures as a noncapitalist critique of abstract exchange values, Ong argues that class formation is not the only process whereby new consciousness and practices emerge and are superseded. In the case of the female Malaysian workers, Ong (1987:202) contends
that spirit possession can be viewed as a statement against the loss of autonomy and humanity in the work place.

**Mummering, Scoffing and Cuffers**

In his ethno-historical analysis of Newfoundland “fisher folk”, Sider (1977; 1989) has located the type of clandestine resistance to the dominating mode of production that Scott has brought to our attention. Sider has argued that the changing structural connection of culture and social relations leaves people both with new ideologies which can be manipulated to meet basic human needs and with the ability to reorganize themselves in an attempt to deal with the new inequalities which arise in conjunction with ‘modernization’. Thus Sider has postulated that in order to examine a culture, one must investigate the “tensions, disjunctions, paradoxes and contradictions within a culture or between different elements of a culture” because it is at this point that culture does not form a “functionally integrated whole”. One can examine how these “disjunctions and contradictions are continually restructured within a culture”; how they are formed and generated by the same processes that generate and form culture and how they are connected to the social relations by the same processes that “connect culture to the material and social realities of social life” (Sider 1989:10). These are important points to consider in any attempt to reformulate a cultural analysis inasmuch as people tend to conduct themselves in manners that they themselves do not thoroughly comprehend or that they perceive in radically divergent ways; not in terms of the “relationships that they can not mold, sustain or relinquish” (ibid). This is the basis for an effort to comprehend how culture is generated and formed while concurrently generating and shaping social relations rather than to envision culture as something that is simply “participated in”.

Similar to the examples introduced above, a number of “folk cultural” traditions arose within Newfoundland society. In the case of Newfoundland outport communities these behavioural alterations can be seen to arise with the emergence and decline of the kin-based family fishery and the rise of an alternative mode of production (Sider 1977:7;
1989:86). To understand the correlation between these folk cultural traditions, one must examine the alliances which are constantly in the process of being formed and reformulated within the Newfoundland society. These traditions not only interweave but come into conflict and contradictions with each other. “They also come into conflict and contradiction with, and must adapt themselves to, the constraints imposed upon families and communities by the ‘logic’ of mercantile capitalism” (Sider 1989:80). Folk culture can be a component in the configuration of a “battleground between classes and between divergent ideologies”. It can be seen as a “locus both of appropriation and of resistance to appropriation” as well as within the dominating mode of production (ibid :157). According to Sider (ibid :120), the core of the culture concept is the “form and manner in which people perceive, define, articulate and express their mutual relations”. Sider postulates that it is within these contradictory elements of culture that the contradictions within each custom, as well as between them, provides the doorway into the inner terrain of cognizance of Newfoundland folk culture and possibly other class based societies as well (ibid :185).

Summary

Although the various ethnographies offered above examine local responses or critiques which are culturally specific, these scholarly elaborations of the concept of culture and their attempts to link macro political-economy with micro socio-economic responses serve as a useful starting point in the analysis of rural culture in Costa Rica. In following this type of analysis one finds that the rural household in Costa Rica has a certain limited autonomy for actions which are oriented towards its own reproduction and it will rarely attempt to adopt strategies for its reproduction which extend beyond the limits of the families' control. Thus, the internal division of labour, the number of children in the family, the health of the family members, the economic cooperation of the children and the economic orientation of the household must all be taken into consideration when assessing economic and social strategies for reproduction (Diaz 1987:19; Saenz and
DiPaula 1981:150). These internal orientations of the household are not the sole determining factors in shaping this unit of (re)production. The social relations and the linkages to the “wider field of force” (Wolf 1982:387) also play a key role in the shaping of the different strategies which the domestic unit could conceivably implement and the sort of cultural critiques offered by members of these units.

Adam (1978:x) has postulated that if one analyzes the ability of subordinated groups to survive domination through forms of resistance, accommodation and compliance one should be better able to garner an understanding of “how domination survives and an inequitable social order is reproduced”. Following Adam's lead, what I have attempted to do in this chapter is to show that with the changing structural connections of a culture to the wider political economic forces, subordinated peoples are left with new kinds of ideologies in which to root humanistic concerns and with which to organize themselves to contest the new kinds of inequalities which inevitably come to the fore in conjunction with ‘modernizing’ capitalist nation-states. People who find themselves subordinated to the capitalist normalizing and disciplinary process are not overtly quiescent due to some sort of ‘false consciousness’; rather they continually construct and reconstruct an ideology and community of resistance and discourse which diverges from the one purported by the hegemonic elite. As long as we use caution in our analysis and not picture all “manifestations of cultural specificity (as an) expression of real or potential opposition to the homogenizing effects of a dominant hegemony” (Smith 1989:235-236)

9 This is an oblique reference to the problematic aspects of Scott's (1976; 1985) analysis.

The importance of discourse as an element of social dynamics has been greatly underestimated by contemporary social theorists who have instead focused their attention
upon macro-level mobilizations which are expected to rise with the advent of capitalist development (i.e. Paige 1975). In blurring the social and cultural aspects of political economy, scholars have divorced the structural or macro forms of production from the “immediate reproduction of livelihood” (Smith 1989:158) which occurs at the level of the household. Thus the analysis of the political and ideological factors which condition the reproduction of these units are lost. According to Bowles and Gintis (1987:155) this underestimation of discursive practices is due to a “fundamental misunderstanding of the categorical position of communication in relation to consciousness and culture”. It is important to remain cognizant of the fact that any sort of political action by a subordinated group requires a basic formulation of an “us” and a “them”. In the “process of creating and transforming the ‘us’ and ‘them’ of politics, words, gestures, monuments, banners, dress, and even architectural design play parts no less important than one’s status as the owner of the means of production, worker, or a mother” (Bowles and Gintis 1987:154). This ability to distinguish a common location in the social structure, to bring forth alternative visions of a common cause or opposition, is itself a product of prior social conflict which will continue to be constructed and reconstructed with changes in the social and economic oscillations which occur within the larger political economy.

What I have attempted to do in this introductory chapter is to set the stage for arguing that there exists many ideological and pragmatic forms of resistance to the dominating mode of production and that these forms of resistance can be used as a critique of capitalist development, or a more refined form of capitalism, neoliberalism. In the next chapter I lay the ground work for an analysis of household reproduction and alternative discourses of development by examining the structural changes in the larger Costa Rican political-economy which have arisen concurrently with the state sponsored development models. In chapter three I examine the niche which cattle ranchers in the province of Guanacaste have carved for themselves in this developmental process and the effects which various macro-structural alterations in the Costa Rican and world beef
markets have had upon these producers. Finally, in chapter four I weave together our macro analysis with the pragmatic and ideological responses and critiques to the Costa Rican development model as they are among a group of cattle ranchers in the *Pacífico Seco* region of Costa Rica.
CHAPTER 2

The Costa Rican Development Model: From Rural Democracy to Rural Hypocrisy

"No one form of knowledge is adequate by itself. Instead each requires other forms of knowledge for completeness." Robert Brown A Poetic for Sociology (1977:6).

As stated, Eric Wolf (1982:387) has emphasized that one must relate alternative symbol systems and practices to the "wider field of force" which is generated by the predominating mode of production. Taking heed of this theoretical and methodological orientation, an attempt will be made to examine Costa Rican social and economic development through the prism of domination and resistance within their cultural context. This will be done in an attempt to bring forth the hypocrisy within a development model which has led many to call Costa Rica a "rural democracy" (Kraft 1991; Seligson 1972; 1978; 1980; Zimbalist 1988).

In this chapter I will examine the history of Costa Rican development with particular emphasis being placed upon the neoliberal based development model which has been implemented in the 1980s as an "all encompassing ideological imperative" of both the Costa Rican elite and government officials (Barry 1989:31). I will venture to account for the quiescence which has long been argued to characterize the rural populace as they face their declining social and economic position in Costa Rican society. This will be accomplished by utilizing a hegemonic cultural analysis (Worsley 1984) as I distance myself from the purely macro, structural and economic studies of Costa Rican development. In so doing, I will commence this investigation with a 'bottom up' view of the effects which current development policies have had upon the Costa Rican peasantry. This type of hegemonic cultural analysis proves beneficial to the study inasmuch as the
notion of hegemony moves beyond that of culture by its insistence on relating the "whole social process" to specific distributions of power and influence (Williams 1977:108).

Costa Rican Economic and Social Development: The Rise of Coffee Through the 1970s

Prior to the development and rise of the multinational banana industry on the Caribbean coast of Costa Rica, coffee production accounted for seventy-five to ninety-five percent of the value obtained from all of Costa Rican exports combined (Gudmundson 1986:4). The lofty position held by the coffee industry assisted the dominant growers in garnering a favourable cultural, political and economic position throughout Costa Rica's early socio-economic development. For the most part, this dominance permitted the coffee oligarchy to determine the fundamental structure of Costa Rican society. It was not until the world depression of the 1930s, and to some extent World War II and the concurrent decline in the predominance of the world coffee market, that the hegemony of the coffee oligarchy was weakened to a point where the first serious challenge to this long standing domination was made possible (Winson 1989:3-6).

Due to the relative abundance of unutilized land, the sparse population, the lack of a large indigenous population and the relatively high wages which were used to entice...

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10 Banana production must be viewed as the historical byproduct of coffee production. Although very profitable, the banana industry has historically constituted an enclave economy which can be viewed as segmented from the national economy. Thus banana production has had little effect upon Costa Rica's overall development process. This is so even though banana producing enclaves did serve an important function in that they did provide an "escape valve" for those peasant producers who were "driven from their land by the advance of coffee" production (Seligson 1980:64) by offering those same producers a means of satisfying subsistence needs. The banana plantations also served as one of the largest enclaves of overt resistance to the Costa Rican development model on the part of the peasantry (Echeverri-Gent 1992; Edelman 1990; Seligson 1980).

11 Costa Rican political opposition groups which compete in elections every four years do not represent significantly differing social sectors or political policies (Palma 1989:133) and, for that matter, in Costa Rica the elites and the government tend to be one and the same. From 1821 to 1970, thirty-three of the forty-four people who served as president were the descendants of three of the original settler families while 350 of 1300 representatives to the legislative assembly during this same time frame were direct descendants of four such families (Seligson 1980:43).

12 Although there is some debate within the Costa Rican literature concerning the size of the indigenous population in Costa Rica prior to the arrival of the Spaniards (i.e. MacLeod 1973:332, Stone 1975:55, Fernández et. al. 1976:8), it does seem that the population was rather small when juxtaposed with Costa
the smallholders and landless peasants to take part in the coffee harvests. Costa Rica's early history has been characterized by relative stability and quiescence on the part of the peasantry (Edelman 1985a; Fallas Venegas 1984; Kincaid 1987; Seligson 1977; 1980; Winson 1989). In an attempt to account for this tranquility and passivity, Seligson (1975; 1980) has postulated that the abundance of unused frontier lands was the primary agent which provided a safety valve for the political and economic tensions which, during this time frame, ran rampant elsewhere in Latin America. Although it is true that at this early stage of Costa Rican development constraints upon total land area were "almost nonexistent" (Seligson 1980) there did exist a number of landless and land poor colonists. With this in mind Seligson (ibid :153) has stated that with the rise of crop production which is geared towards an export market, an increase in the concentration of land in the hands of the non-peasant producers and the proletarianization of wide sectors of peasant producers can be expected. Thus Augelli (1987) has argued that the loss of land among smallholders in Costa Rica during the mid-nineteenth century can be attributed to the increase in land values in the Central Valley which arose with the introduction of coffee cultivation as the primary export in the Costa Rican development model. According to Augelli, once the small producers in the Central Valley lost their land to those with larger holdings they became landless peons on the large coffee estates or, if this was not the case, they attempted to escape the reach of the maturing capitalist economy by preferring "the harsh frontier conditions, including those stemming from a subsistence economy, in return

Rica's neighbors to the north. This can be attributed to the fact that the configurations for present day Costa Rica formed the southern most point of control exerted by the various Mesoamerican dynasties. This does not mean that indigenous numbers were not reduced with the arrival of the Spaniards and their subordination of the indigenous population to Spanish colonial rule, for they undoubtedly were. This is only to say that without the large indigenous population early Spaniards in Costa Rica could not orient economic development towards the encomienda system or any other early model of 'development' (i.e., exploitation) which characterized many of the neighbouring provinces of the Audiencia de Guatemala (Seligson 1980:3-6).

13 Although theoretically sound, Seligson's argument is pragmatically misplaced insofar as sparsely settled agricultural frontiers did not forestall frequent rebellion of peasant communities against the early encroachment of export agriculture in the nineteenth century nor did the open frontier of unclaimed land impede massive mobilization of Honduran peasants or social revolution in Nicaragua (Kincaid 1987; 1989).
for a measure of personal freedom, based on possession of their own land” (ibid :7). In this analysis smallholders are viewed as being displaced from areas where the process of capitalist development was gaining force and forced into areas where they could practice subsistence production.

Gudmundson (1986) takes these scholars to task by arguing that coffee production did not lead to the demise of a pristine smallholding society. Rather, it helped to sustain and reproduce the smallholders as these small producers were able to reproduce their household units by augmenting their household resources. This was accomplished by household members using “underutilized” labour outputs through the sale of their labour to the owners of larger coffee holdings for economic returns which could be used to meet the reproductive needs of this primary unit of production. Gudmundson argues that scholars who postulate that the proletarianization of Costa Rican society was caused by coffee production14 imply that “wage labor is somehow degrading to those who resort to it, part of their ‘demise’ as a group” (ibid :48). Contrary to popular perception, this cannot be seen as the only stage in a process of subordination and degradation of labour as capitalist antagonisms mature but simply as one stage in a continual process of the subordination of labour to capital.

Samper (1990) has argued that with the introduction of coffee production which is geared towards the world market it was not only the coffee producing elite who became more wealthy but the peasant producers in Costa Rica were also on the receiving end of the increased riches flowing within Costa Rican society. This was so since it was through credit, processing and trade networks that the small local producers, often relying on family labour, became integrated into the world market. In so doing they secured themselves the benefits of an expanding world coffee market. However, this new found integration between the household and the world capitalist system was not entirely the

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14 Some examples of this argument can be found in Augelli (1987), Fernández (1989), Houde (1992); Seligson (1980).
result of family producers making a conscious decision to produce for the world market. It seems that this process was attributable in part to the fact that the merchant/planters themselves, as well as the state, promoted cultivation among the small producers by “financing and buying harvests, free or low cost distribution of coffee seedlings, granting of property rights on public lands under coffee cultivation, etc.” (ibid :65). Thus, according to Samper (ibid), even though the peasant farm households continued to control much of the land and commodity production within Costa Rica, the small producers readily adapted to this “opportunity” since it was perceived by them to be a way to secure stable market ties and most probably “profit” (ibid :65). In this regard it can be argued that mere subsistence can not be viewed as the primary objective of producers during the mid-nineteenth century since the small producers studied by Samper seem to have attempted to become actively involved in commercial production as soon as possible. Although the specialized peasant producer can be viewed as receiving tangible benefits from this association, Samper qualifies his argument by stating that the small producers “also entered into a situation from which they found it difficult to disentangle themselves as it became less favorable over time” (ibid :1).

Although it is true that the small producers' situation deteriorated with their further incorporation into the world market, we must question Samper's analysis in that he couches his work within the rhetoric of the dominant discourse concerning the history of Costa Rican development. By so doing he blurs an alternative vision in which it could be argued that small producers became integrated into the world market under conditions not of their own choosing (Polanyi 1957). We must remain aware of the fact that the market or commodity economy is not a 'thing' which can create the necessary proletarianization of labour and capital or orient domestic production enterprises towards a capitalist world market. A niche has been carved for these producers by the state and the elite in both ideological and pragmatic domains which in many cases delegates the subordinated units of production to the realm of surplus producer of food, raw materials, textiles, or as the
cheap reproducers of labour for the capitalist world system (Evers et al. 1984; Lehmann 1982; Patnaik 1979; Smith et al. 1984; Wallerstein 1984; Wong 1984)\(^{15}\). Even though Samper does take heed of these aspects, he tends to relegate them to peripheral considerations in that he views the small producer throughout Costa Rica's early development as an autonomous entity working to maximize returns. This, as stated, fails to consider larger political and economic forces.

Cardoso (1977:192-193) has stated that in Costa Rica the coffee oligarchy never depended entirely, or even mainly, on the control of land to achieve a high degree of economic, social and political predominance. This privileged position lay in the elites' ability to manipulate the control of rural credit and the processing and marketing of the coffee crop which was fundamental to the coffee trade. Thus the small and medium sized owners of coffee plants depended upon the coffee oligarchy, or the *beneficiarios* as they were called, to process their coffee. This was not only due to the fact that coffee produced by the methods commonly used by the small producers were less valued on the international market but also because the *beneficiados* monopolized the coffee export business. This put them in the favourable position of deciding what would and would not be sold to the international market (Fernández 1989:32; Winson 1989:21). In Costa Rica it was not large landholdings which distinguished the elite as a group but rather a combination of the control over the market place, political positions and a diversified investment in land (Gudmundson 1986:57-69).

As land gradually became less accessible to the small producer through a combination of settlement, demographic changes as well as the allocation by the state of large tracts of land to those elites whose land had been expropriated by landless peasants, rural households were placed in a situation which, despite the variations within individual households, imposed a number of structural limitations upon the options available to household members. The outcome of the decision of the members of the household with

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\(^{15}\) These arguments will be elaborated upon in chapter four.
respect to these options which, needless to say, were not always of their own choosing, affected not only the short-term conditions for the household but also their long-term viability (Fernández 1983; Samper 1990). Part-time wage labour as well as non-agricultural activities were one of the many options open to the members of the domestic units. This was especially so due to the fact that within a society which specializes in coffee production there are strong seasonal fluctuations in the family labour-time requirements for domestic production units. But the persistence of smallholder commodity production, seasonal wage-labour, continued outmigration and the growing landless population in coffee growing regions attests to the “complexity of individual and collective peasant strategies for economic survival” from the mid-nineteenth century to the present day (Samper 1990:15). “All of these interrelated factors can only be understood as components of a specific historical situation, determined by a complex set of socio-economic, socio-political and cultural conditions” (ibid :20).

The relationship between the peasant households and the merchants became increasingly strained as time wore on but, through conciliatory mechanisms, relations were redefined in terms of less compatible objectives. Basic structural contradictions became exacerbated throughout the consolidation of power of the elites which had the effect of “skewing the social effects of short-term economic fluctuations”, with the worst effects being shouldered by the peasantry (Samper 1990:25). At the regional level, land which was once abundant became more scarce, not only due to local demographic growth but also due to socio-economic pressures. At the household level land use patterns became more intensive, primarily in terms of labour inputs and resulting yields. This higher intensity of production was closely associated with market-oriented specialization (ibid).

Although political and economic policies clearly favoured elite interests in bringing about social heterogeneity in commodity production in post-independence Costa Rica (Samper 1990:2) this polarization cannot be attributed solely to political and economic forces. Also of importance was, and is a long ideological tradition that confirms Costa
Rica as a country of small producers, a country where a problem of *latifundismo* did and does not exist. This ideological orientation played a key role in stifling popular perceptions of a need for any type of agrarian reform (Aguilar and Solis 1988:9; Barry 1989). Even in the contemporary period this view of a western style precapitalist society in transition to agrarian capitalism, although radically transformed in the past century and a half, has found its way into the collective consciousness and the world view of many Costa Ricans. It is manifest within “colloquial expressions and deeply held national values and beliefs about such a past” (Gudmundson 1986:24). Riismandel (1972) has found as late as the 1960s that those living in the nation's capital still believed that access to land was not a problem. It was a commonly held perception that anyone who wanted land had to just go out and work it, though this was far from the case (Fernández 1983; Mora Alfaro 1989; 1990; Seligson 1977; 1980).

The collapse of the coffee markets and the depression of the 1930s cleared the way for the rise of the Communist party and, after 1942, for an alliance between the communists and the Catholic reformists who were led by Calderon Guardia (Edelman 1983:168). Calderon introduced a number of progressive labour codes and an obligatory social security system which had no adverse effects upon the coffee bourgeoisie since they based production upon the use of seasonal labour. By utilizing such a system the coffee producers eschewed any form of social obligation to their workers (ibid). Costa Rican society became increasingly polarized after World War II and by 1948 a solution within the existing socio-political framework seemed unlikely (Kraft 1991:31-35; Lehoucq 1991; Winson 1989:51). A brief Civil War in 1948 brought a final blow to the hegemonic control which was wielded by the coffee bourgeoisie prior to World War II as José Figueres and the *Liberación Nacional* gained power. The power vacuum which remained after the collapse of the coffee bourgeoisie was quickly filled by the state which began what Gudmundson (1986:6) has called a “state-interventionist model”. A number of social welfare programs were implemented to address the most urgent needs of the
socially and economically subordinated populace. Although these programs were
applauded by many as a success story, no serious structural transformations of the
economy were contemplated by state officials. By not attacking the roots of social and
economic inequality in Costa Rica the “transformation put in motion by Figuerez clearly
lacked the support of the popular sectors and depended upon repression and the
noncooperation of the mass based movements in order to institute top down
modernization of society through the power of the state” (Vundernick 1990:68).

The new economic model for Costa Rica was founded within pre and postwar
ECLA (Economic Commission for Latin America)\textsuperscript{16} theory and based upon Keynesian\textsuperscript{17}
macro economics while being supplemented by a “dependency variant of neo-Ricardian
trade theory” (Irvin 1988:21). Although not implemented as such, Irvin (ibid) argues that
the ideology inherent within ECLA theory was well tailored to meet the needs of the
dominant bourgeoisie who were attempting economic and political modernization under
the highly favourable conditions of postwar restructuring. This theoretical and practical
orientation became more elaborated with the incorporation of Costa Rica into the Central
American Common Market (CACM) and the country's adherence to CACM's import-
substituting ideology (Segura Bonilla 1991:49). Although all economic indicators pointed
to the success of this model\textsuperscript{18}, which was based upon dependency critiques of Latin
American development models, as were many of the other Costa Rican development
models\textsuperscript{19}, import-substitution industrialization (ISI) was not accompanied by the key
structural changes necessary for any socially equitable form of modernization. Growth

\textsuperscript{16} This 'think-tank' was later renamed the Economic Commission for Latin America and the Caribbean
(ECLAC).

\textsuperscript{17} Keynesian economics are based upon the works of John Maynard Keynes who proposed “state
spending to off-set the decline in private investment ...” . Keynes argued that large scale state spending
would “increase employment and incomes and thereby restore 'effective demand' for the goods and
services produced by the private sector” (Bernstein 1988a:78).

\textsuperscript{18} Between 1961 and 1973 the Costa Rican economy grew seven percent with the largest growth rates
experienced by the industrial sector (10.6%). Growth rates slowed to 1.4% between 1973 and 1980 with
an annual growth rate of -0.7% between 1978 and 1980 (Fallas Venegas 1984:29,47).

\textsuperscript{19} For example, nineteenth century liberal based trade theories benefited the coffee growing elite while
further subordinating the coffee pickers and marginalized producers.
continued to be socially and regionally inequitable insofar as the "majority of the population remained economically and politically disenfranchised" (Irvin 1988:10). Thus by the late 1970s, the poorest fifty percent of the Costa Rican population received only twenty-one percent of the total income and the poorest twenty percent received only four percent of the income while the wealthiest twenty percent of the population garnered forty-nine percent of the total income (Vundernick 1990:107-108). Even though the state now held a key position in controlling the economic development of Costa Rica (Winson 1989:77-78), which allowed the state apparatus to embark upon major projects of economic modernization, development and reorganization, the large coffee interests continued to hold an important position in redefining and reinforcing the newly formed capitalist class. This has exposed an hypocrisy within the ECLA model due to the fact that it was couched within a discourse which stated as key objectives, economic redistribution and the weakening of the landed bourgeoisie. In the final analysis these objectives failed to materialize not only within Costa Rica but other Latin American countries as well.

Despite the rapid economic growth which began in the 1950s and continued throughout the mid 1970s, land polarization increased as export agriculture expanded at the expense of domestic food production (Gutiérrez Espeleta 1991). This was one of the key factors which led to the continued proliferation of poverty within Costa Rica (Paus 1988:1-2; Vundernick 1990:11). This, coupled with all the pressures of the Cuban revolution in the 1960s, forced Costa Rica into initiating a program of land reform whose objectives in theory were to improve the "socio-economic situation of the peasants, conserve natural resources, improve productivity, develop small and medium forces, avoid the creation of minifundios and promote cooperation" (Vundernick 1990:87).

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20 For example, the Gross Domestic Product (GDP) in Costa Rica accelerated from an annual average of 4.6% in the early 1950s to 6% by the late 1970s (Irvin 1988:8).
In 1961, in an attempt to forestall rural discontent, the Costa Rican government with the support of USAID developed an agrarian reform agency, the Instituto de Tierras y Colonización (ITCO)\textsuperscript{21} (Seligson 1977:224). The ITCO was doomed to failure from the very start. With the notion of private property firmly entrenched in the discourse of development and democracy among Costa Rica's elites and policy makers, and with the lack of financial resources to acquire land, the ITCO concentrated its efforts on land title and colonization programs which moved the landless peasants to the farthest corners of the country\textsuperscript{22}. Once again programs for the poor concentrated upon assistance while little effort was made to alter the environment of poverty in which an increasing number of Costa Ricans lived. Thus throughout this period, the poor majority suffered both during periods of development and during times of economic recession, but social stability remained as programs of social and economic assistance were able to mask harsher economic conditions. In the process of partially ameliorating the lives of the poor majority these assistance programs served to legitimate the very structure which caused and maintained poverty (Vundernick 1990:109-110). In other words, rather than radically altering society, the Costa Rican government took the 'productionist' or 'expansionist' solution to Costa Rica's economic woes in an attempt to alleviate the pressing agrarian problems while concurrently avoiding the alienation of the coffee bourgeoisie (Winson 1989:89, 99-105).

With most options now closed to the peasantry the peasants' response to their worsening socio-economic position has been precarismo or rural land squatting which continues to become more and more prevalent in contemporary Costa Rica (Barry 1989:36; Edelman 1985a:222-227; Fernández 1983:125-126; Gutiérrez Espeleta 1991;)

\textsuperscript{21} Today this institute has been renamed the Instituto de Desarrollo Agrario (IDA).

\textsuperscript{22} The primary reason for the failure of these 'peasant colonies' was that they were located in inaccessible areas which therefore limited the ability of the small producers to obtain seeds and fertilizer which were important for the reproduction of their production enterprises. Likewise, the isolation of these producers from the market place limited their ability to take part in an expanding commoditized economy (Seligson 1977:224; 1979:163).
Vundernick 1990:87). Villareal (1983:25) goes so far as to estimate that one in every six peasant families takes part in these squatter movements in which an attempt is made to expropriate uncultivated estates to meet subsistence needs. But Costa Rica's political and economic elite have not stood still with this move by the landless peasantry inasmuch as they have begun an ideological assault which has helped to paint the precaristas as "communist inspired". With the blessing of the United States government, the Costa Rican elite have enacted harsh repression on the squatter movement (Barry 1989; Mora Alfaro 1990). The agrarian reform, even in its limited implementation by the Costa Rican state must therefore be understood as the elite class' attempt to open an "escape valve to release and handle in an institutional manner, pressures from the landless" peasantry (Palma 1989:135).

As stated, the influence of the popular sectors prior to 1948 led to the creation of a social welfare system which served the purpose of addressing the most urgent needs of the poor. Following the Civil War, Costa Rica entered a thirty year period during which all economic indicators pointed to economic success and the subordinate classes remained relatively quiescent. The subordinated portion of the Costa Rican population's adoption of an attitude of complacency with the advent of the welfare system is quite understandable given the economic growth during this period and the "sufficient resources" which were utilized by the state to meet the basic human needs of the populace (Vundernick 1990:57-62).

Recognizing the precarious nature of the previous free market development models throughout the reformist period, the state sought to restructure Costa Rican society in an attempt to create a more independent economic model in which state intervention in economic activities was commonplace (Fallas Venegas 1984; Irvin 1988; Vundernick 1990). However during this stage of Costa Rican development any form of income distribution went primarily to the middle class while private enterprise continued to flourish. At the same time the poor continued to bare the brunt of this economic model
(Stonich 1991:728; Vundernick 1990:72). Although peasants attempted to organize against this socially irresponsible development model, they were confronted with active co-optation by the government. In regions where organizational efforts seemed to be taking hold, the government counteracted the need for independent organizations by providing state-sponsored cooperatives and colonization efforts (Anderson 1990; 1991; Palma 1989; Seligson 1980; Vundernick 1990).

**Costa Rican Economic and Social Development: Post 1978 Crisis**

The Costa Rican economic development bubble finally broke in 1980\(^{23}\) when the government declared that it was, for all intents and purposes, bankrupt and in the midst of the worst recession in their history (Barry 1989; Rosene 1990). In response to this economic crisis, which began in the late 1970s, the United States government\(^{24}\), in conjunction with the International Monetary Fund (IMF) and the World Bank, promoted a new economic growth strategy which could only be satisfied through structural adjustment. All three of these organizations promoted a neoliberal, free market growth strategy which was held by many to have the ability to rectify the economic woes experienced by Costa Rica. The initial impetus for this policy orientation was not based upon some sort of altruistic tendency on the part of the lending institutions. Rather, austerity measures were implemented with the clear understanding that with economic growth Costa Rica would be in a better position to amortize their outstanding debts, debts which were owed to all three of these dominant figures in the international lending community (Rosene 1990:368; Stonich 1991:728-735; Vundernick 1990:20). Clearly this

\(^{23}\) This economic collapse has roots in the world recession of 1974-1975 which was partially sparked by rising petroleum prices but the near four-fold increase in coffee prices between 1975 and 1977 postponed the most devastating social and economic effects which this recession would have had upon Costa Rica. Even so, the 1974-1975 recession did effect Costa Rica's ability to sustain the expansive fiscal policies which had been the basis for Costa Rica's economic and social development since 1948 (Edelman 1983:170).

\(^{24}\) The United States has historically played a heavy hand in the affairs of Costa Rica given the geopolitical importance of Costa Rica to United States' policy makers. This can be well illustrated in the contemporary period by examining aid payments from the United States to Costa Rica which increased from $8 million in 1978 to $231 million in 1985. This 1985 amount propelled Costa Rica into the position of second largest per capita recipient of U.S. aid (Rosene 1990:368).
new development model had come full circle when juxtaposed with previous development models in which state participation in the redistribution and promotion of capitalist expansion was common place (Mora Alfaro 1989:9).

The central tenets of the neoliberal economic strategy are couched within economic policies which;

"included an outward oriented development strategy, the promotion of exports as the motor of economic growth, trade liberalization, real exchange rate depreciation, an emphasis on the private sector as the source of growth, the rise of market forces and the reduction of the intervention of the government in the markets, the removal of price controls, the restructuring of the public sector, the reduction in the size of the public debt, liberalized foreign trade, the creation of better conditions for direct foreign investment, the elimination of inefficient industry, and the orientation of investment of the private sector in order to encourage a reduction in the size of the state sector" (Vundernick 1990:20-21).

The neoliberal economic strategy is guided by the notion that the economy will work to its maximum efficiency if it is based upon comparative advantages. But it must be kept in mind that "comparative advantage may not be a ‘given’ but rather the product of land tenure, investment, state policies, and institutional arrangements" (Barham et al. 1992:54). The ideological and practical orientation of neoliberal policies favour those people who control the factors of production while concurrently undermining the ability of the poor majority to claim a share of the profits which are generated by economic growth. The logic of neoliberalism has thus been used to the advantage of the superordinate classes, who in the vast majority of the cases are the owners of the factors of production, to justify the repression of any type of organizational effort on the part of the subordinated classes when it is deemed to interfere with the "free hand of the market" (Barry 1989:31; Conaghan et al. 1990; Chomsky 1991; Llambi 1990; Petras and Vieux 1990; Solidad Logo 1987; Vundernick 1990).

25 As we will see in the next chapter the key to the success of the Costa Rican cattle boom can be traced to road construction in the rural areas which was financed by international lending institutions and to the provisioning of U.S. beef importation quotas to the Costa Rican packing companies which ensured preferential access to the U.S. markets (Barham et al. 1991:54).
Neoliberal economic policies have been implemented in most of Latin America due to the popular perception that a similar development model - that of modernization - was responsible for the impressive economic growth rates experienced in Latin American countries in the two decades following World War II (Vundernick 1990:21). Although it is true that all economic indicators pointed to impressive growth rates throughout this time frame, it has been argued that there is a paucity of evidence to support the contentions that this 'economic development', even if based upon liberal contentions, is the mirror image of current liberal models (Llambi 1990). This is due to the fact that discourse such as those inherent within post-war liberal based trade models "have been transformed, inductively, as empirical generalizations" which are utilized in the contemporary configuration as "ideal-typical standards" through which development models are measured (ibid :176). This has led to confusion in the application of these models to Third World realities and has furthermore led to an Eurocentric and reductionistic model of development (ibid). Even if the contentions of the neo-liberals could be supported today as the model for the economic and social development of advanced industrialized countries\textsuperscript{26}, it would be a grave mistake to conflate this model to the point that it is viewed as the model for economic and social development of individual developing countries (Petras and Vieux 1992:25; Vundernick 1990:251). In other words, we must question whether or not economic models for Latin America which are imports from Western thought and experiences are the appropriate models for a social and equitable development process in Latin America. This is particularly the case when we examine the histories of the effects of early capitalist development in Western nations upon those who are located at the bottom rungs of the socio-economic ladder\textsuperscript{27}.

\textsuperscript{26} Even though the discourse concerning the development of advanced capitalist countries has as its basis a liberal based development model, in vertity all of these countries relied very heavily upon protectionism throughout their early stages of capitalist development (see Warnock (1987) for a more complete review of the history of development of advanced Western nations).

\textsuperscript{27} Probably the most riveting account of this sort is found within Fredrick Engel's The Condition of the Working-Class in England but also quite illuminating in this regard are any of Charles Dickens' fictional accounts of life in England throughout the industrial revolution.
Nevertheless, neoliberalism, a model of development which is based upon the experiences of Western European and North American nation-states, has become a generalized model of development for many Third World nations. In Costa Rica this externally developed economic policy has not only lead to the implementation of a program for economic development, but it has also lead to the creation of a social and political strategy which, in the final analysis, implicates the redistribution of economic, social and political power within this nation-state. As such, this model has threatened the very ideological foundations upon which Costa Rica's social-democratic model of development has rested (Edelman 1983; Fallas Venegas 1984). This has forced the state to legitimate the discourse inherent within neoliberal trade based theories to a skeptical Costa Rican populace. This is so insofar as any non-adherence by the state to neoliberal trade based ideologies and their practical orientations brings about the risk of ostracism from the coffers of the international lending institutions as was the case during the Carazo administration in the early 1980s (Segura Bonilla 1991).

In attempting just such a legitimization process the state has constructed a new ideology which today forms the basis of political discourse in Costa Rica. Rather than tying the social and economic crisis experienced by Costa Rica to its historical and economic groundings, proponents of this ideology tend to obfuscate the general causal factors for the economic stagnation experienced by this nation-state. Neoliberal proponents argue that the crisis has not been brought about due to the contradictions inherent within the prevailing relations of production which characterize the capitalist mode of production as it is experienced in Costa Rica in which there is a growing polarity between those who own the means of production and those who do not, but rather that

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28 As the state apparatus begins to be deconstructed the facade of the state is exposed as the economic elite, of whom the vast majority are tied to monopoly capital, begin to capture and wield more control within the nation-state.

29 Likewise, as stated in Costa Rica the state and the elite tend to be one and the same. Thus in adapting an ideological orientation which brings about the demise of the state apparatus, the elite are still in a position to line their pockets.
certain forms of state administration and political-economy are primary factors leading to economic decay. Followers of the neoliberal model base their economic purview upon a "new order" which is argued not to be politically based (that is, based on the concept of social classes), as previous economic models have been, but based upon the family and the individual (Alvarez Desanti 1990; Jiménez 1991). Here it is argued that the family and the individual are responsible for their socio-economic plight and that only through hard work and sacrifice will they be able to climb the socio-economic ladder. This ideological orientation has been accepted by many Latin American scholars and lay people alike due to the positive sentiments characteristic of this discourse, in that once accepted, people's "spontaneous and creative responses" to the state's incapacity to satisfy basic human needs for the majority of the population becomes the all embracing ideological and economic imperative for a new model of development (Llosa 1989:xiv). De Soto (1989), probably the foremost scholar to purport a neoliberal doctrine, argues that we must look for a "new and prosperous society in which people's intelligence and energies are used for productive purposes and to bring about beneficial political changes" (ibid :xviii). Here alienation is viewed to be the result of lack of desire or want rather than being attributable to structural factors within the capitalist system.

Many of the measures implemented within Costa Rica to meet both the ideological and pragmatic objectives of neoliberalism have been met with open arms by "government officials, journalists, academics and, of course bankers and corporate executives" (Petras and Vieux 1992:25). These policies have brought about a debilitation of the state apparatus; a reformulation of the financial sector and private exports (characterized by a high concentration within the means of production); a redistribution of revenues which operate against the working classes due to the high inflationary tendencies which inevitably arrive with the implementation of austerity measures; and a higher invasion of foreign capital (Fallas Venegas 1984:13). Neoliberal policies, which are frequently couched within IMF austerity packages, are set forth by a few economists who analyze
only certain aspects of economic reality and tend to ignore the relations between economic and social aspects of a given society. By having faith in 'trickle-down' processes, these policy makers have ignored the conditions of life of the vast majority of the inhabitants of any country under scrutiny. For these economists, economic growth is synonymous with development (ibid:103).

The free market growth strategy which has been adopted by the Costa Rican government must be seen in the larger context of the United States' support for global reductions in protectionism and the adherence of Costa Rica to the philosophy of the General Agreement on Tariffs and Trade (GATT) of which they became official members in 1989 (Hernández Ortiz 1991:52; Segura Bonilla 1991). This has become even more outwardly manifest with the reduction of tariffs promoted by the United States' sponsored Caribbean Basin Initiative (via CBI II) by which the United States has offered favourable access to their markets for a number of 'non-traditional' exports which are specified as such by the United States government (Stonich 1991; Barham et al. 1992:48). The Caribbean Basin Initiative is a plan for economic assistance to promote the growth of the private sector of the economies of Central America and the Caribbean by increasing exports from the region to the United States through a system of preferential treaties, but decisions as to which products receive this preferential treatment have been more political than technical or social on the part of the United States government30 (Hernández Ortiz 1991:49-50). Due to the external 'support' for these programs by the IMF, World Bank and the United States sponsored USAID it has become very difficult for Costa Rica to modify the dualism that is inherent within this development model (Mora Alfaro 1989:13).

Neoliberal and neoconservative thinking has set the tone for political discourse in recent years, with the right wing media playing a large role in the deepening conservatism. In the neoliberal version of Costa Rican development models, which can clearly be seen

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30 Two Latin American examples which are quite exemplary of this process are found within the United States continued embargoes of Cuba and Nicaragua.
within its offshoot, *Agricultura de Cambio* (changing agriculture)\textsuperscript{31}, the peasant household producers represent a backward and inefficient element of the economy which has no place in the modern marketplace and therefore merits no government assistance (Barry 1989; Mora Alfaro 1989; 1990; Rosene 1990). This program was implemented by the Arias government in the mid to late 1980s to appease the World Bank among other lending institutions. However, the roots of this ideological orientation can be traced back to the Monge regime of the early 1980s and possibly the mild neoliberal policies offered by Carazo who was elected president of Costa Rica in 1978. The Arias administration argued that this program was meant to improve the lives of the peasant producers but the rhetoric, which included an "extension of credit, support for the production of basic foods, (and) improvements in the agrarian reform program"\textsuperscript{32} (Vundernick 1990:162) was never outwardly undertaken. Thus by failing to meet the basic needs of the majority of the populace,

"the state actively supported agricultural exports through a variety of policy changes and incentive programs; reduction of commercial taxes; the introduction of preferential interest rates for export products; the orientation of technical assistance towards non-traditional export crops; the reduction of agricultural protection and the alignment of national prices with international prices; the elimination of subsidies to consumers and producers, the abandonment of support for internal production of their food products that the government determined were cheaper to purchase in the international market, the support for the increased use of technology; the provisioning of marketing and support services for new export crops;

\textsuperscript{31} *Agricultura de Cambio* is not entirely neoliberal in its policy orientations since there has been, and continues to be, state involvement in the production process but it is important to note that even though there has been state involvement in the production process that state support programs are most often oriented towards large enterprises. Barham et al. postulate that in international circles discourses such as those inherent within *Agricultura de Cambio* often "serves as a touchstone for a more far-reaching package of policy adjustments meant to deal with the internal structural problems that are credited with getting countries into the debt crisis in the first place" (1992: 43fn). Although it is argued that neoliberal models are implemented through hegemonic means this does not deny the contradictions which exist within this model. More specifically, even though the state is denied in neoliberal discourse the state continues to operate in those spheres of the economy which it views as profitable.

\textsuperscript{32} This political orientation must be seen as a larger trend within Central America to promote non-traditional exports as a "means of revitalizing economic growth and increasing income among the region's small producers" (Stouich 1991:725).
and a continuous devaluation of the colon to encourage exports” (Vundernick 1990:162).

With this policy firmly entrenched in the governmental apparatus the Costa Rican ministry of agriculture supported the termination of all forms of subsidies to basic grain producers due to the perception that they were inefficient producers who could not compete with their counterparts within the world market\(^\text{33}\) (Vundernick 1990:163). Even so, as the production of non-traditional products increases\(^\text{34}\), as with any other production enterprise, so does the hold which large capitalist producers have upon the means of production which is essential to the production process. As this occurs “the small producers' options become more limited and their control over resources declines” (Stonich 1991:727). Thus large capitalist firms continue to produce larger portions of the items in question and therefore gain greater access to “credits, technology and markets, while a growing number of resource-poor households are displaced” (ibid). These arguments inherent within neoliberal thinking generally, and in particular within the policy orientation of Agricultura de Cambio, quickly loses validity once we keep in mind that the goal of many of these grain producers is to obtain returns, either monetary or other forms which allow for the reproduction of the domestic unit. Thus if these are the objectives of these producers they must be deemed to be successful in their production enterprises (Mora Alfaro 1989:19-21). However, within the neoliberal discourse, these production units are viewed as inefficient and as such, expendable.

\(^{33}\) For a number of years the National Production Council in Costa Rica was buying foods which were basic to the Costa Rican diet (comida básica) at artificially high prices and then selling these same products to consumers at controlled prices with the Central Bank of Costa Rica absorbing the losses. With the implementation of IMF austerity measures the Costa Rican state has been no longer able to utilize pricing controls (Rosene 1990:368). This alteration in policy orientation can be attributed to the privatization of the Costa Rican banking system. These economic policies have lead to the elimination of many producers of basic grains and inflation among basic food items for the Costa Rican people. Even though price liberalization was implemented with intentions of increasing the returns to agriculturists this policy has served to reduce the economic returns garnered by these same producers (La República Feb. 3, 1993:2a).

\(^{34}\) Non-traditional exports generated 500 million U.S. dollars in 1992 which represented fifty percent of the total exports for Costa Rica in that year (La República, 25/01/93 :pp.4a.).
Although there has been only minimal state support to those agricultural products which are ear-marked for internal use (Mora Alfaro 1989:7). Vundernick (1990:190) argues that the majority of the peasantry in Costa Rica are not firmly against *Agricultura de Cambio* since they realize the importance of export diversification if Costa Rica is to follow a path to development. He argues "the basic goal of the peasant family was to continue to produce on land which they owned, and thus avoid becoming salaried workers for multinational corporations, even if they had to produce crops for export instead of traditional grains" (ibid :191). Producing export crops would expose these producers to the vagaries of the market insofar as there is direct intervention by capitalist (read multinational) enterprises in the organization and (re)production of the productive process of the household. The capitalist firms which purchase the products impose the conditions under which production takes place, the quantity and quality of the products that they will buy, what is to be produced and the 'adequate' price for the products. All of this has brought about a new form of subordination for small farmers by reducing the producers' possibilities of defending their own strategies for survival\(^{35}\) (Mora Alfaro 1989:21-22).

*Agricultura de Cambio* has brought with it a switch from production for internal consumption to production for the external market place. As stated, under such conditions there is a tendency to reduce the autonomy of the producers in terms of decision making within the production process. The producers are now dependent upon the external market for their livelihood, which has lead to a substantial alteration in the rationale of the peasant producers: there is now a direct intervention by the capitalist enterprise in the organization and realization of the product produced by the household. The growing impoverishment of the peasant household and the changes accompanying the increased

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\(^{35}\) Likewise, alterations in the international market place have had drastic and sometimes devastating effects upon these producers. For example, in January of 1993 European countries enacted a quota system upon non-traditional products produced in Latin American countries in an attempt to protect the markets of their former colonies. This is bound to have a devastating effect upon the small producers and is likewise counter to the GATT agreement in which European nations force Latin America to open their markets while concurrently closing their own.
integration of the peasantry into the labour market have been found to have profound
effects upon household relations and the stability of the peasant household as a unit of
production and reproduction (Deere 1990:309).

The most restrictive aspects of this type of political and economic orientation is
that there is a reduction in the standard of living of the poorest sectors of the society. In
Costa Rica spending for social programs fell from fifty-two percent of the public sector
families who were unable to satisfy their basic food requirements increased from 41.7
percent of all families in 1980 to 70.7 percent in 1982. This condition was even worse in
the rural areas where it increased from 57.7 percent in 1980 to 89.9 percent in 1982 (ibid).
Thus one of the key factors - the proliferation of the welfare state - which had been
traditionally used to pacify the peasantry was beginning to be eroded. With this removal
the superordinate classes began an ideological assault on the poorest sectors of society
with the philosophy of solidarismo.

In theory solidarismo is based upon a philosophy of worker-owner cooperation
which is designed to attenuate class confrontation, unionism and collective bargaining. In
practice solidarismo takes the form of a program which promotes financial association
between workers and businesses which contribute to a common employees savings fund
which is used to finance health, housing and educational benefits for the workers (Barry
1989:49; Bolános Rojas 1989:158). Solidarismo attempts to conceal the existence of
labour-management conflict while encouraging the workers to expect to attain a share in
the ownership of the business and its profits (Bolános Rojas 1989:159). Needless to say,
this program receives large amounts of support from transnational corporations, the
United States Embassy and USAID (Barry 1989:50) due to its ability to pacify those who
are subordinated both socially and economically\(^36\). Soto Acosta (1987:115) argues that

\(^36\) This situation has recently been altered as the United States government now views the solidaristas as
communist inspired.
this neo-conservative ideological offensive which attempts to promote family, sacrifices and private incentives attempts to bring forth a harmonious relationship between worker and owner of the means of production. These notions can clearly be seen in the following two editorials translated from the Costa Rican newspapers, La Nación and La Prensa Libre respectively.

"It is a difficult situation which nobody can hide from, which affects us all. The union organizations which represent the interests of the workers, instead of being unlawfully out of work, must work harder if the country is to move forward as it has in the past; to produce more and export more. This country cannot move forward without the workers, unions, federations and confederations, we need a strong community of owners, workers and the state - united voluntarily - this is indispensable if we are to produce more, export more, and live modestly in order to accumulate foreign exchange earnings so that we can pay for the basic products which we import" ... editorial; "La CUT y las Huelgas Ilegales" in La Nación, August 11, 1981.

"Enterprises must gain an understanding of the important elements which form a part of their configuration. The enterprise is constructed through an integration of both capital and labour. However the connection of these two important elements can exist in two different forms: If the first predominates over the second we have a grave situation in which liberalism permits forms of injustice and the creation of exploitation of people by people. If the second predominates, capital will die and misery will ensue. Instead we should put in place a harmonious union of both of these elements as one method of providing humanity with dignity while allowing for economic development. To have a harmonious relation between workers and owners who are Costa Rican nationals, we will be able to consolidate the growth of the national sector. Solidarity serves to harmonize the relations between both vital

37 Here we can readily see ideological parallels to the neoliberal discourse offered in Costa Rica's development model and therefore how both ideological and pragmatic orientations are necessary to implement a 'successful' (i.e., capitalist friendly) development model.
elements with a base of mutual respect, justice and equality between both parties.” ... editorial; “El Solidarismo” in La Prensa Libre, September 8, 1984.

Despite *solidarismo*, members of domestic groups through Costa Rica have played an active role in social movements which have sought to control prices, processing and other inegalitarian aspects of their relations with the controllers of capital (Edelman 1990; Edelman and Kenen 1989; Fernández 1989; Mora Alfaro 1989; 1990; Rodriguez 1989; Samper 1990). Peasant producers have survived in many regions of Costa Rica, in “conflictive interaction with merchants, estate owners, processing firms, money lenders, as well as governments and, in some cases with other peasants” (Samper 1990:256). Although these attempts have not fundamentally altered the rural situation, they have served to define specific limits of force which the state now has at its disposal (Anderson 1991; Samper 1990:246).

**Summary**

There has been a promoted and sustained myth within Costa Rica’s socio-economic history that this “Switzerland of the South”, where school teachers are said to outnumber army personnel, has evolved from a yeoman past where a predominantly white population has maintained a democratic government and a way of life which is in sharp contrast to that experienced by other Central American countries (Augelli 1987; Blumer-Thomas 1988; Seligson 1980). Despite the continued proliferation of such impressions within the scholarly discourse as well as through public relations efforts by the Costa Rican government, “recent evidence seems to point to the declining significance of the small farmer-entrepreneur in Costa Rica’s overarching development strategy” (Guess 1978:599). This trend is largely the result of an agricultural modernization effort which has often been couched within the language of ‘diversification’ in which disproportional accommodation has been made to the demands of the agro-exporting elite. Thus while on paper many farmers continue to produce crops with land which they themselves own, the
public policies which have been brought forth by the Costa Rican elite have promoted large scale agro-export production. This policy orientation, which has lead to an increase in production outputs, has had the concurrent effect of virtually eliminating the economic viability of small farm activities within Costa Rica (ibid :605). With this in mind it is safe to say that (as increased social and economic polarization comes to characterize this nation-state) Costa Rica's rural democracy has now become a rural hypocrisy.

Thus even though the so-called 'farmer's road' to capitalist development, in which the family farm has been held to be a prototype of a highly efficient and relatively stable form of agricultural organization, has long been a stated political, economic and ideological imperative of Latin American governments in their continual attempts to spawn economic growth in the countryside (Llambi 1988; 1990), the contemporary economic stagnation experienced not only by Costa Rica, but also by the vast majority of the remaining Latin American nations in the 1980s and 1990s, has brought with it a call for the restructuring of many of these agrarian societies. The New Right's conservative ideology, which was of central importance to the transformation of the 'world order', has become an all encompassing reality throughout Latin America. This can be seen in the movement towards a political and economic policy characterized by an export oriented,

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38 There have been very few Agricultural Censuses completed in Costa Rica with the last one being completed over a decade ago. The newest census is near completion and is due for publication during the second half of 1993 or the beginning of 1994. Thus the information gathered for this section was garnered through both formal and informal interviews with Costa Rican cattle ranchers.

39 This trend has many parallels to the one which has characterized North American agriculture. Vogeler (1981) has reasoned that there has been a massive move away from the domestic commodity production model throughout the history of American agriculture. This modification has been explained, within the dominant paradigm, to be the result of the 'inefficiency' of the smallholders who, due to their lack of competitiveness, have been eliminated by the free play of the market. Even though this alteration in productive relations is occurring, the dominant discourse continues to hold that agriculture within the United States is dominated by family producers who operate independent family businesses. Through the adoption of this discourse, which Vogeler has designated the "family farm myth", farmers themselves appear to be, and even believe themselves to be independent production units but in reality they are well within the grasp of larger structural configurations which are beyond their control. By utilizing this myth as well as several other variants, the dominant classes have been able to meet their own interests while suppressing those of the subordinated classes.
free market growth strategy which, in the contemporary period, characterizes many of the
development models of Latin America⁴⁰.

⁴⁰ With the discourse of neoliberalism becoming stronger in the United States and England, the
economic, political and ideological assault upon Latin America has reached proportions which have never
before been experienced in Latin America (Espinal 1991).
CHAPTER 3

Guanacaste Province and the Rise and Decline of the Cattle (Re)Producing Enterprise

"None of this history is to be considered theoretically accidental, having no explanation other than it just happened to be that way for 'historical' or 'cultural' reasons". Immanuel Wallerstein and Joan Smith, Creating and Transforming Households: The Constraints of the World Economy (1992:14).

The province of Guanacaste forms a part of the Pacifico Seco region which, as the nomenclature implies, is prone to an intense drought from the month of November through mid-May. This severe climatic fluctuation has historically played a key role in the formation of productive systems and social relations within the province. As such, climatic considerations have assisted in creating a principal economic activity based upon extensive cattle ranching and particularly beef production41; although the production of milk and its by-products has gained increasing importance in contemporary Guanacaste.

To begin to understand the contemporary social and economic reality of Guanacaste, one must examine the particular correlations of class, power and political organizations as well as the integration of the province's agrarian producers within the world economy. These correlations must be understood as the key elements shaping the processes of land appropriation, the concurrent land use patterns and the state policies which have had a direct impact upon the profitability and proliferation of agrarian production enterprises within the region (Edelman 1985a, 1985b; Rodriguez 1989). In

41 Part of the advantage of cattle production in Guanacaste is attributable to the rains which interspace the annual dry seasons in that with the great inundations of water, grasses, which are the principle fodder for cattle in Costa Rica, tend to become very plentiful. This advantage quickly becomes retarded given that throughout the dry season pastures bear little or no grasses. Without this fodder grazing animals lose much of their weight, decrease their milk outputs and become more susceptible to diseases (Luján 1989:27). This situation has become increasingly exacerbated as there has been a "long term trend towards decreased precipitation, probably due to the large-scale deforestation which has affected the entire region" (Edelman 1985a:364).
this regard Edelman (1985b:155) has postulated that the social and economic orientations which characterize the Guanacaste province of Costa Rica are the direct result of the limits which have been imposed through the state system of credit, the characteristics of the land-owning class and the form in which the region has become integrated into the world market.

In this chapter an attempt is made to locate the niche which the Guanacaste cattle producers have carved for themselves within Costa Rica's various development models as outlined in the previous chapter. The rise and decline in the prominence of the cattle producing enterprise from the colonial period through the contemporary one will be examined through an analysis of the linkages which the ranchers have forged within the larger political-economy of Costa Rica and to the world beef market.

The Origins of the Cattle Province

The first cattle to arrive in Costa Rica were brought from Honduras by way of Nicaragua in 1561 by Spanish settlers to the region (Luján 1989:2; Place 1981:45; Sequeria Ruiz 1985:39). These first imports, were known as criollo cattle which compared to their English, French and German counterparts were small, had a slow maturation rate and did not produce large quantities of meat or milk. Although early cattle ranchers were confronted with this disadvantage in the production of beef and milk products, it was not long before cattle production gained a predominant social, political, and economic position within the region42 (Luján 1989:7).

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42 Within this region a distinction must be made as to whether the primary unit of production (the cattle ranch) is oriented towards beef production or whether it is primarily oriented towards the production of milk products. Although capitalist developments in coffee production also played a key role in bringing about the capitalist production of milk and milk by-products in that with increased capital flowing in Costa Rican society there was a growth in the milk market, it was not until the development (in the 1950s) of the milk processing giant, Cooperativa Dos Pinos that the production of cow's milk was given as much of an impulse to develop as was earlier accorded to beef production. Thus capitalist development of milk production was possible only with the industrialization and commercialization of milk production. The capitalization of milk production served as an impetus to the development of a sector of producers who lacked control of large tracts of land, but who possessed year round access to roads which were required for the transportation of their product for processing. Presently farms of fifty to 100 hectares are seen as
Map 1, Guanacaste Physical Geography.\textsuperscript{43}

profitable for milk production while beef producers require a minimum of 100 hectares of land to attain a self-sustaining enterprise (Fernández 1983). These two production enterprises are not mutually exclusive insofar as many ranchers use cattle to produce milk for a short period of time before slaughter (called doble propósito).

\textsuperscript{43} Place (1981:7).
Map 2, Guanacaste Cities and Towns.44

44 Place (1981:8).
The growth in the prominence of the cattle producing enterprise in Guanacaste by the seventeenth century is primarily attributable to the fact that throughout the early colonial period there existed a bustling cattle exchange network in Southern Nicaragua. This eventually led to the diffusion of cattle, technology and capital from the major cattle producing regions in Nicaragua as producers sought to expand production on the 'unclaimed' virgin lands of Guanacaste (Edelman 1987:95; Place 1981:45; Sequeria Ruiz 1985:13). With the continued proliferation of cattle producing enterprises in Guanacaste, the locus of cattle production began to shift southward from the markets of Rivas, Nicaragua to the Nicoya Peninsula and ultimately to mainland Guanacaste in the eighteenth century. Although this shift did occur, land dedicated to cattle production in Guanacaste continued to be controlled by residence and absentee landowners who originated from Nicaragua. This land tenancy pattern was altered in the nineteenth century as many of the families from the Costa Rican coffee oligarchy sought to diversify their holdings by purchasing land for cattle production in the region\(^45\). The tenancy patterns were modified once again between 1880 and 1920 as a large amount of foreign capital was poured into the region in an attempt to procure profits from the expansion of cattle ranching\(^46\), sugar production and logging (Place 1981:47; Sequiria Ruiz 1988:90-102).

\(^{45}\) Much of this land was granted to the coffee oligarchy by the Costa Rican state since their lands in the coffee producing region's had been squatted upon by precaristas (Seligson 1980).

\(^{46}\) Even with the variable integration of these producers into the cattle producing sector of Guanacaste there still existed a well defined geo-political characterization of land holding patterns in Guanacaste. Thus, the Nicaragua land holders tended to occupy the Valle de Tempisque whose area was well suited to cattle production in that it contained a number of flat plains, permanent flowing rivers and abundant natural pastures while the coffee oligarchy and foreign investors tended to occupy the lands of the Valle de Bocas (Place 1981:47; Sequiria Ruiz 1988:90-102). Of equal importance at this early stage of the development of Guanacaste's cattle industry was access to water since water tended to place material limits upon the location and proliferation of the cattle production enterprise. Permanent rivers were necessary to keep the cattle alive and well throughout the dry season and likewise were necessary as a means of transportation to the market places. In this regard the Tempisque river whose source is found at the Orosi volcano and which flows into the Gulf of Nicoya served as a magnet in drawing early cattle...
Prior to the 1800s Guanacaste's cattle ranchers were required, by decree of the local Guatemalan officials, to transport cattle to the provincial capital of Cartago. These officials were attempting to supplement the availability of beef in the coffee producing regions of the Central Valley. Even though ranchers were so required, an extra-legal beef trade developed between the ranchers of Guanacaste and the more developed markets of Nicaragua, where it was possible to garner superior financial returns.

This situation was drastically altered with the liberalization of beef prices and the granting of Costa Rican independence in 1821. With the removal of state controls, the prices granted to Costa Rican beef producers began to climb to the point that, by 1850, beef which was sold in Costa Rica was fetching a higher price than that sold in the Nicaraguan markets (Sequeria Ruiz 1985:50). This had the effect of altering the economic orientation of Guanacaste's cattle ranchers as they attempted to take advantage of the high prices granted in the Central Valley of Costa Rica.

With the advantage of the high prices which were being offered in Costa Rica, coupled with the low selling price for cattle in Nicaragua, Guanacaste's ranchers began to import live calves from Nicaragua. By importing cattle from Nicaragua the ranchers of Guanacaste worked as the middle men by purchasing cheaper unfattened cattle (ganado flaco). In so doing ranchers lowered their economic risks by avoiding the breeding processes and the higher mortality rates which characterized the first year of the cattle's life. Thus a trade was forged in which Nicaraguan cattle ranchers transported cattle to the Plaza de Liberia where they would be transferred, after being fattened by the ranchers of Guanacaste to the large cattle Plazas in the Central Valley (Sequeria Ruiz 1985:50-51). This process continued to characterize Guanacaste's production process until the 1930s as the vast majority of Guanacaste's cattle production was geared towards the fattening of producers to the region (Sequiria Ruiz 1985:37-38). This situation has been altered since the 1970s as large tracts of central Guanacaste have been irrigated by the Costa Rican government (Edelman 1987).

Prior to 1821 Cartago was the provincial capital of the province of Costa Rica in the Audencia de Guatemala.
cattle obtained from Nicaragua. Thus a linkage continued to be forged between the provincial capital of Liberia in Guanacaste and many of the Nicaraguan cities.

This relation was dealt a serious blow in May of 1932 as the Costa Rican government implemented protectionist measures which taxed the cheaper unfattened cattle that were brought to Costa Rica by way of Nicaragua. The implementation of these protectionist measures was seminal to the stimulation of the cattle producing enterprise in Guanacaste: by implementing protectionist measures the Costa Rican government finally placed cattle ranchers in a competitive position with their Nicaraguan counterparts (Edelman 1985a:237-248; Place 1981:64). Prior liberal state policies which emphasized free trade had had a detrimental impact upon Guanacaste's ranching population in that Nicaragua's production process was carried out at a lower cost than was possible in Costa Rica given the lower ground rent, cattle prices and wages paid to the Nicaraguan workers. Even more important was the fact that prior to the implementation of state protectionist measures, Nicaraguan cattle ranchers would deal directly with the markets and slaughterhouses in the Central Valley of Costa Rica. This process served to alienate Guanacaste's ranchers from the entire market process (Sequieria Ruiz 1985:167). State protectionist policies served to stimulate local livestock production and ultimately led to Costa Rican self-sufficiency in beef production by 1950. More importantly for the cattle ranchers, these policies aided in the increase of beef prices and local land values in Guanacaste.

Edelman (1985a:247) has postulated that the self sufficiency experienced within Costa Rica's beef production enterprise by 1950 cannot be argued to be entirely the result of increased beef production within Costa Rica. Self sufficiency can also be attributed to

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48 This was not the first involvement by the state in the cattle producing enterprise in this region. State involvement in the cattle industry began as early as 1607 when the Audiencia de Guatemala passed a decree which forbade the slaughter of cows and calves (Luján 1989:17). By restricting the cattle slaughter to bulls and cows which were beyond the ages of reproduction, the Audiencia was attempting to increase herd sizes but, the enforcement of such laws would have been rather difficult (as in the contemporary period). In 1885 a decree was passed by the Costa Rican state by which Costa Rican ranchers were not required to pay duties for the importation of cattle which was of a superior breed when compared with the traditional criollo varieties. Not only did ranchers not have to pay duties but the government would also pay the cost of sea transport for the importation of these breeds (Luján 1989:7).
the decline in per-capita beef consumption in Costa Rica due to the steep rise in beef prices which accompanied the implementation of protectionist measures. This decline in internal beef consumption was increasingly exacerbated in the post-1950 period as beef prices continually inched higher as a result of "export competition and monopoly control over markets, as well as to the depressed level of income" among small producers (Howard Ballard 1987:53). As with the other sectors of the Costa Rican economy discussed in the previous chapter, at this early stage of Costa Rican development, the small and medium sized producers did not share equally in the increased wealth which was flowing back to the Guanacaste countryside as cattle production increased. This is partially attributable to the fact that the smaller producers were only able to sell lower grades of beef at the market place since, unlike their larger producing counterparts, small producers could not afford the importation of higher quality breeds of cattle or the selective breeding processes which where used to ameliorate herd production capabilities on larger cattle producing enterprises. Likewise, small producers tended to be alienated from the most productive lands and as such they could not take part in the fattening stage of cattle production which offered the greatest economic returns.

Shortly following the implementation of protectionist measures, the state began to allow ranchers to use cattle as collateral for loan guarantees. In response to the increased availability of credit, cattle ranchers began to invest in their properties and to intensify processes of herd management for the first time. This process played a leading role in the

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49 A study conducted in 1978 found that per capita beef consumption in Costa Rica averaged 32.8 kilograms in urban areas, 17.1 kilograms in rural towns and 10.6 kilograms in rural areas with dispersed populations (Edelman 1985a:347). By taking these numbers into consideration it was found that the protein deficiency of the lower income half of the population was the lowest of any Central American nation (ibid). Thus as beef production expanded, the benefits accrued by the Costa Rican populace were highly polarized.

50 Costa Rican cattle ranchers distinguish between three cattle rearing phases; raising (twelve to fourteen months), developing (one to three years) and fattening (four to five years) (crear, desarrollar, engordar). Normally these stages take place on different holdings although the development and fattening stage can take place on the same holding. The important point here is that in Guanacaste most of the fattening stage takes place on those holdings which have permanent access to water and those which are located in the higher altitudes of eastern Guanacaste. These sets of holdings are dominated by those who already control large tracts of land.
enclosures of the Guanacaste countryside\textsuperscript{51} and, in so doing, altered the notions of property from one in which land and its products were considered fundamentally free to one in which ownership was guarded. Gudmundson (1983:183) postulates that the enclosures of Guanacaste can be attributed to three major processes. Firstly, with the birth of the Registro Público de Propiedad para Guanacaste in 1886 many ranchers were granted their first opportunity to title their lands. This led to the eviction of many non-titled subsistence producers from land which they had long occupied. Secondly, as the price for the sale of wood increased, ranchers attempted to restrict access to this natural resource by using enclosures to mark their reserves. Finally, with the introduction of artificial pastures, superior breeds of cattle and the increased demand in the Central Valley for meat products, cattle ranchers found it in their best interests to evict campesinos from the newly titled land. This process became increasingly exacerbated during the post-World War II period as Guanacaste became increasingly tied to the world beef market (Edelman 1985a:80-83; Place 1981:64-65).

One of the major technological innovations to alter the political-economic orientation of the Pacifico Seco region was the introduction of African pasture grasses which were more drought resistant than their native counterparts\textsuperscript{52}. These grasses allowed for the grazing of approximately thirty head of cattle per manzana\textsuperscript{53} which was a significant increase when juxtaposed with the two to three head of cattle per manzana which previously characterized Guanacaste's grazing patterns. These factors, coupled with the importation of Brahman or Cebu cattle from India which were stronger than their

\textsuperscript{51} Prior cattle production systems of Guanacaste had been based upon transhumance.

\textsuperscript{52} Technological innovations within Costa Rican cattle production began as early as 1850 when many of the criollo varieties were replaced with cattle which were selected due to their ability to provide increased milk supplies. Some of the varieties of cattle which made their way into Costa Rica by way of England prior to 1880 were Durham, Holstein and Jersey cattle. Although these cattle did improve milk production in Costa Rica, Guanacaste failed to benefit from the importation of these superior varieties in that these animals were destined for the more temperate higher altitudes of the Central Valley which at the time was a very productive cattle producing region (Luján 1989:13,20).

\textsuperscript{53} A manzana is a common value of measurement used by Costa Rican agriculturists with one hectare equivalent to approximately 1.4 manzanas.
criollo counterpart and less susceptible to disease, led to a gradual replacement of prior production orientations to a “typically capitalist outlook” and a more “scientific approach” to increasing cattle production processes (Edelman 1985a:93; Gudmundson 1983:97-99). Furthermore, while it took criollo cattle approximately five years to mature while cross bred and imported varieties tended to reach the required weight for slaughter within three years (Luján 1989:24). Thus by the 1950s the average age of slaughter for a 450 kilogram bull was approximately sixty months. By the end of 1960 this average had been reduced to fifty-two months and was further reduced by the mid 1970s as the average age of slaughter oscillated between twenty-four to forty-four months depending upon the breed quality and environmental factors (Salas 1983:133). These technological alterations as well as the development of a better transportation system with the completion of the Pan American highway in the early 1950s\textsuperscript{54} led to a dramatic increase in the pace of enclosures\textsuperscript{55}.

As was the case with the implementation of Costa Rica’s pre-1980s development model, Jose Figuerez and the Liberación Nacional played a leading role in launching the cattle boom of the 1950s. Figuerez attempted to orient cattle production towards the world beef market and thus attempted to diversify an economy which had long been

\textsuperscript{54} Prior to the development of a completed road network, cattle had to be either brought by barge to Puntarenas on the Pacific Coast and then by rail, or they were driven by hoof to Barranca, near Puntarenas where they were put on a train destined to Alajuela which, at the time, was Costa Rica’s principal cattle market (Place 1981:61).

\textsuperscript{55} It is important to note that these developments were for the most part the pet projects of the international lending institutions and not the Costa Rican state, insofar as these bilateral institutions played the largest role in “financing road construction and related infrastructure, funding livestock improvement programs, providing production credit, and forcing the national government and banking systems to reorganize their operations to expedite the expansion of ranching” (Edelman 1985a:276). Place (1981:2) argues that with these changes Guanacaste was “transformed from a province with primarily an isolated isolated subsistence oriented economy to a largely commercial economy with international linkages”. The vast majority of this financial influx into the economy of Guanacaste can be best understood by the geo-political importance of the province insofar as Guanacaste occupies the southernmost border of Nicaragua. Since the 1979 Nicaraguan revolution, the United States government has held that if they were to control the tide of communism from flowing from Nicaragua into northern Costa Rica, the United States’ government would have to play a seminal role in keeping the economy of Guanacaste “healthy”. With the disposal of the Sandinistas in 1990, the aid to the province of Guanacaste was soon to disappear as the United States lost much of their political interest in the region (Barry 1989).
dependent upon coffee and banana production as the primary foreign currency earners (Place 1981:66). By utilizing a banking system which he had previously nationalized, Figuerez had readily encouraged large-scale cattle production which was geared towards the world beef market. Thus, in an attempt to increase beef outputs, the Costa Rican state (throughout the 1970s) provided cattle ranchers with several times more credit than the ten percent of Costa Rica's export earnings which were gained from beef exports (Edelman 1985a:354; Place 1981:69).

Due to the eventual prominence of Guanacaste as a cattle producing region, this province has received a disproportionate share of the nation's agricultural credit\textsuperscript{56}. In 1972 Guanacaste received 27.8 percent of all agricultural credits extended by the national banking system, although the province contained only twenty percent of the nation's territory and ten percent of the Costa Rican population. Between 1972 and 1974 Guanacaste received between fifty and fifty-five percent of all credit designated to cattle producers in Costa Rica (Place 1981:69-70). These factors, coupled with the lower than average interest rates which were offered to cattle ranchers between 1973 and 1978 by the Banco de Costa Rica, helped to stimulate cattle production enterprises in Guanacaste. The availability of low interest rates for cattle ranchers can be attributed to the implementation of state subsidies which were being used to entice cattle ranchers to increase production sizes and capabilities\textsuperscript{57}. Policies such as these served to increase the

\textsuperscript{56} The importance of the cattle producing enterprise in Guanacaste can be discerned as early as 1973 in that, at the time, thirty-seven percent of the national cattle herd resided within the provincial boundaries of Guanacaste while thirty-eight percent of all provincial lands were dedicated to cattle production. Likewise, prior to 1978 forty percent of all beef exported from Costa Rica originated from Guanacaste with the second highest output being registered by Alajuela which contributed to twenty-five percent of the beef exports (Aguilar and Solís 1988:23-25). The influence of cattle ranching to Costa Rica's development model can clearly be appreciated when one considers the fact that cattle production has consistently occupied fifty percent of all agricultural land in Costa Rica. This figure is all the more daunting when compared with the 5.3 percent of agrarian land which is dedicated to coffee production, the 2.3 percent dedicated to banana production and the 2.5 percent dedicated to sugar production (Aguilar and Solís 1988:4).

\textsuperscript{57} Throughout this time period seventy percent of all loans distributed to cattle ranchers boasted interest rates lower than eight percent while ninety-two percent of all loans contained interest rates equal to, or lower than, ten percent (Aguilar and Solís 1988:136). That these interest rates would be favourable to the proliferation of the cattle production enterprise can be seen when they are juxtaposed with the oscillating
Costa Rican herd size from 621,000 head of cattle in 1950 to the 2,046,376 head of cattle registered in the 1984 agricultural census (Censo Agropecuario 1984:134-135; Fernández 1983:113-114). Furthermore, an examination of Table One below shows that the surface area dedicated to the grazing of cattle in Costa Rica increased by 107.4 percent between 1960 and 1980. This was by far the largest increase of any Central American nation, although all of these countries oriented their development models to take advantage of large scale cattle production (Howard Ballard 1987; Williams 1986).

Table 1
Changes in Area Dedicated to Pasture 1961/65-80
(in Has. and percentage of total agricultural land change)\(^{58}\)

<table>
<thead>
<tr>
<th>Country</th>
<th>Area in Pasture (Has.) 1961/65</th>
<th>% of Area in Pasture</th>
<th>Area in Pasture (Has.) 1980</th>
<th>% of Area in Pasture</th>
<th>Percent of Change 1960-1980</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costa Rica</td>
<td>969</td>
<td>65.5</td>
<td>2010</td>
<td>76.3</td>
<td>107.4</td>
</tr>
<tr>
<td>El Salvador</td>
<td>606</td>
<td>47.4</td>
<td>610</td>
<td>42.2</td>
<td>---</td>
</tr>
<tr>
<td>Guatemala</td>
<td>1039</td>
<td>41.2</td>
<td>1334</td>
<td>42.3</td>
<td>28.4</td>
</tr>
<tr>
<td>Honduras</td>
<td>2000</td>
<td>56.2</td>
<td>3400</td>
<td>64.9</td>
<td>70.0</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>3384</td>
<td>71.4</td>
<td>4880</td>
<td>78.6</td>
<td>44.2</td>
</tr>
</tbody>
</table>

If we distinguish between loans which were used to maintain agricultural operations and those which were destined for investment purposes in Costa Rica we find that the usage of loan guarantees throughout the post-1950s differs between cattle ranching and other agricultural and industrial sectors (Aguilar and Solis 1988:129-145). In the latter two sectors more than seventy-five percent of all bank credits were utilized for the maintenance of operations while less than a quarter were utilized for investment

\(^{58}\) Howard Ballard (1987:51).
purposes. This differed from cattle production in which more than sixty percent of the agricultural credit was used for investment purposes while approximately thirty-five percent was destined for operational expenses (ibid:129-133). The vast majority of these credit and loan guarantees was utilized by ranchers to increase the financial base or to form new production enterprises. According to Aguilar and Solís (1988), much of this credit which was destined for investment purposes was offered at favourable terms with lower interest rates and better repayment schedules than those which were dedicated to operational expenses.

As we can discern from Table Two below, the prosperity of cattle ranching has quickly declined as cattle producers, as well as many of the other primary producers in Guanacaste, have been shut off from much of the agricultural credit which allowed these producers to prosper in the first place. Much of this loose of agricultural credits can be attributed to IMF and World Bank austerity measures which assume that an economy operates best when the 'free hand of the market' is in play. As discussed in the previous chapter, these policies are tied closely to the pragmatic and ideological implementation of neoliberal policies by the Costa Rican government as state subsidies for production enterprises are reduced or, removed all together. Without state protectionist measures, it has become increasingly difficult for Guanacaste's beef producers to compete in a world market characterized by subsidized beef production. Likewise, with Costa Rica's implementation of neoliberal policies and particularly the privatization of the state's financial institutions, the government claims to have little control over interest rates or loan repayment schedules which are offered to the Costa Rican cattle ranchers. Of equal importance is the United States government's interest in the promotion of non-traditional exports and Costa Rica's adherence to this policy orientation through Agricultura de

59 For example, with coffee production (which receives the largest shares of agricultural credits in the agrarian sector) the largest portion of the bank credits are diverted towards the collection of coffee beans and the marketing of the product. This would be viewed as credit which is destined for the maintenance of an operation. In terms of cattle ranching, the fattening of cattle would be designated an operational cost while the importation of better quality breeds would be distinguished as investment cost.
Cambio, which was discussed at length in the previous chapter. Non-traditional exports are viewed as the saving grace for Costa Rica's devastated economy by state policy makers. Thus agricultural credits and loan packages are being directed towards the producers of non-traditional exports which, in many cases, are not the small and medium sized producers, but rather transnational corporations (Barham et al. 1992; Stonich 1990).

Table 2

<table>
<thead>
<tr>
<th>Production Enterprise</th>
<th>Variation</th>
<th>Amount (C$millions) 1983</th>
<th>Number of Operations 1983</th>
<th>Amount (C$millions) 1989</th>
<th>Number of Operations 1989</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle</td>
<td>-75.6%</td>
<td>422.5</td>
<td>1006</td>
<td>168.6</td>
<td>246</td>
</tr>
<tr>
<td>Ricc</td>
<td>-63.6%</td>
<td>474.1</td>
<td>796</td>
<td>259.5</td>
<td>290</td>
</tr>
<tr>
<td>Cotton</td>
<td>-91.7%</td>
<td>57.8</td>
<td>140</td>
<td>1.5</td>
<td>12</td>
</tr>
<tr>
<td>Beans</td>
<td>-53.9%</td>
<td>4.3</td>
<td>371</td>
<td>8.5</td>
<td>171</td>
</tr>
<tr>
<td>Corn</td>
<td>-80.7%</td>
<td>26.4</td>
<td>817</td>
<td>8.1</td>
<td>158</td>
</tr>
<tr>
<td>Sugar</td>
<td>-11.0%</td>
<td>43.6</td>
<td>8.2</td>
<td>40.9</td>
<td>73</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1028.7</td>
<td>3212</td>
<td>487.1</td>
<td>950</td>
</tr>
</tbody>
</table>

Although bank loans have traditionally played a key role in the development of cattle production in Costa Rica, loans have not been distributed equally among cattle ranchers. Small and medium sized cattle producers were at a distinct disadvantage in the allocation of loans by the National bank even though the rules governing loans were altered by state officials so as not to take into consideration whether producers held title to their land (Edelman 1985a:232, 278; Place 1981:173). According to Place (1981) this seems to have been an "unforeseen result" of government attempts to support the small and medium sized producers insofar as the bank utilized a oscillating schedule of interest rates with the smaller producer receiving the most favourable rates. However, as with any

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60 Adapted from *La República* 19/01/93:pp. 9c.
business, state policies led the banks to funnel money to those areas from which they could garner "high profits with the lowest administrative costs and presumably the lowest risk" which, needless to say, has allowed large ranchers to obtain a disproportionate amount of the allocated credit in Costa Rica (ibid. :173). This credit "is used in many cases to buy more land [which leads] to further land concentration and which perpetuates low productivity which characterizes the large holding of Guanacaste" (Edelman 1985a:356).

**Guanacaste and the International Beef Market**

Prior to World War II, the international trade in beef was based upon a commodity flow from colonies to colonial powers as a means of supplementing the internal beef consumption of the latter. Following the War, and with the rise of the United States as an "hegemonic center of capital consumption" (Howard Ballard 1987:175-176) Western demand for beef increased rapidly.

By 1961 Americans were consuming over forty kilograms of beef annually, an one third increase over pre- World War II figures. European demand for beef arose concurrently with the increased American requirement as average consumption figures for much of the European community reached approximately twenty-three kilograms of beef a year (ibid :178-179). Much of this increased demand for beef products must be understood in terms of the favourable economic climate throughout post- War restructuring and particularly as the direct result of the rise in working class incomes in Western societies (Howard Ballard 1987; Williams 1986:84). Howard Ballard (1987:80) has postulated that several changes in the structure of the post- War work force and particularly the incorporation of women into the labour market has had a direct impact upon the creation of a new market based upon low quality industrial grade beef, more specifically 'fast food' restaurants have come to dominate every street corner in Western societies61. This alteration has had the greatest impact on the Costa Rican beef industry in

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61 Although women have long been incorporated into the United States' labour market and particularly so during war times, the point that Howard Ballard is attempting to make here is that, for the first time, women and their spouses entered the labour market concurrently. According to Howard Ballard, this
that with the increased demand for the lower quality grass-fed beef, which was so prevalent in Guanacaste, Costa Rica was able to locate a productive niche outside of the United States highly protected grain-fed beef industry.  

Costa Rica shares many aspects with the other countries of Oceania and Latin America which became major beef exporters in the post World War II period. All of these countries have had a long history of cattle ranching dating back to the colonial period, while likewise sharing a tradition of low land rent due to extensive tracts of 'underutilized' land. The existence of these large tracts of land were of primal importance in expanding beef production since grass-fed cattle requires extensive grazing tracts (Howard Ballard 1987:184). Insofar as beef suppliers were often times unreliable from Mexico, mainly due to the proliferation of aftosa (hoof and mouth disease), and due to the frequent low supplies of beef in Australia and New Zealand, United States' capital, backed by the state, attempted to foment its beef supplies by capturing additional beef sources closer to home. With the quarantine of South American beef due to aftosa and the strategic concerns of Central America to the United States policy makers, Central America was favoured for beef production on "development grounds" (Williams 1986:87). With American government support, the share of the United States market garnered by Central America increased from five percent in the early 1960s to ten percent by 1968. By 1971 this

\[\text{\footnotesize 62} \]

industrial grade beef which is the main ingredient in hamburgers and prepared beef products is not of as high a quality as corn-fed beef. Industrial grade beef is low quality beef which is produced by cattle which are grazed on extensive tracts of land or they are former dairy cattle which have passed their productive prime (Howard Ballard 1988:181).

\[\text{\footnotesize 63} \]

Beef imports from supplying countries to the United States are based upon a share of the American market. Howard Ballard (1987:196) has argued that this quota is adjusted periodically on the basis of actual imports and as such it reflects the country's ability to meet its quota (Howard Ballard 1987:196). This argument fails to take into consideration the political objectives of the United States government which plays a key role in Costa Rica due to its geo-political importance to the United States. Thus although Costa Rica's quota to the United States was approximately forty-four million kilograms of beef a year, in 1992 Costa Rica only exported twenty-two million kilograms that same year (Juan Rafael Lizano, Ministerio de Agricultura y Ganaderia, meeting with the cattle ranchers association of Liberia, January 22, 1993). The first protective legislation on the part of the United States' government came into being in the 1956 Agricultural Act. This act "set the tone for latter protectionist measures in that it took the form of voluntary export quotas" with a quota being triggered once the supplying country exported more than
share was increased to eleven percent and by 1979 it stood at its current level of fifteen percent. This 1979 figure was equivalent to ninety-three percent of the American quota allocated to less developed countries (ibid).

This American policy orientation fit very well within the notions of the Alliance of Progress for Latin America. Thus following the rise to power of Castro in Cuba, the Alliance of Progress began to promote beef exports as a viable economic development strategy which would help to diversify many of the Latin American economies which had long been dependent upon a few primary exports (Howard Ballard 1987:187; Williams 1986:86). With the increased importance of beef exports within many of Latin America's overarching development models, beef quotas began to be manipulated by the United States government to "reward the obedient and punish the wicked" (Williams 1986:86). This can be argued to be the case with the removal of Nicaragua's beef quotas to the United States as the Sandinista government rose to power in the 1980s. Although the United States government was attempting to punish Nicaragua with its trade embargo, the removal of Nicaraguan quotas also had a devastating effect upon Guanacaste's cattle ranchers since, without the linkages to the external market, Nicaraguan ranchers began to drive their cattle over the Costa Rican border where they could still earn foreign exchange (ibid:103ff). Because of the flooding of the Costa Rican market with the lower priced Nicaraguan beef, the prices garnered by Guanacaste's ranchers fell to the point at which ranchers were no longer able to recoup their operational expenses.

This is a practice which continues even today as both Costa Rican and Nicaraguan ranchers smuggle cattle over Guanacaste's northern border to take advantage of the higher

ten percent of the 'agreed' upon quota (Williams 1986:85-86). Later legislation such as the 1964 Public law number 88-481 and the "1979 Meat Import Act contained teeth that earlier laws did not have" (ibid:86). These laws must be understood in light of the profitability and proliferation of the world beef market which will be discussed in more detail below.

64 As seen in the previous chapter this policy orientation echoes contemporary rhetoric concerning the alteration of production enterprises to accommodate non-traditional exports.
prices offered in Costa Rica\textsuperscript{65}. Although illegal, many Costa Rican informants during the first few months of 1993 argued that smuggling cattle from Nicaragua, which at the time cost approximately thirty percent less than Costa Rican cattle, was the only way that they were able to survive\textsuperscript{66}. Furthermore, the authorization of the \textit{Consejo Nacional de Producción} (CNP) to import live cattle into Costa Rica in the name of increasing Costa Rican herd levels, (so as to maintain the country's high quota with the United States), has reduced the price procured by Guanacaste's cattle ranchers by approximately fifteen percent (\textit{La Nación} 3/2/93: pp. 36a)).

Juan Rafeal Lizano, the Costa Rican Minister of Agriculture and Ranching has argued that the authorized importation of live cattle from Nicaragua does not or, has not, affected Costa Rican beef prices for the simple reason that only 15,000 head of live cattle were imported into Costa Rica from October to December of 1992\textsuperscript{67}. Lizano argues that the effect that the importation of live cattle has had upon cattle ranchers in Guanacaste is a “psychological one at best”\textsuperscript{68}. Ranchers view the effects of live cattle importations in different light. They argue that if the slaughter plants are running at their full potential there is no need for the slaughter plants to buy the more expensive Costa Rican beef\textsuperscript{69}. In addition to being allowed to import thousands of head of cattle from Nicaragua at lower than local prices to be slaughtered and processed\textsuperscript{70} for exportation, “only the boneless beef is exported, the lower cost imported byproducts such as blood, bones, hides, internal parts

\textsuperscript{65} Nicaraguan beef is still not allowed access to the United States market due ostensibly to the lack of cleanliness in the slaughter houses and the lack of veterinary attention given to the animals (Juan Rafeal Lizano, \textit{Ministerio de Agricultura y Ganadería}, meeting with the cattle ranchers association of Guanacaste, January 22, 1993).

\textsuperscript{66} Many informants during the first few months of 1993 argued that this situation was beginning to change as Nicaraguans became increasingly aware of this clandestine cattle trade. These informants argued that if the purchase price for cattle in Nicaragua rose much higher it would no longer be a profitable venture to smuggle beef over the northern border of Costa Rica.

\textsuperscript{67} Juan Rafeal Lizano, \textit{Ministerio de Agricultura y Ganadería}, meeting with the cattle ranchers association of Guanacaste, January 22, 1993.

\textsuperscript{68} ibid.

\textsuperscript{69} This problem is particularly manifest in Guanacaste given its close proximity to the Nicaraguan cattle producing areas.

\textsuperscript{70} By processing I am referring to de-boning and packing of slaughter beef.
(livers, hearts, intestines, lungs, kidneys etc.) are introduced into the local market which tends to lower the already low price offered to producers” (Lacy 1993:4).

For the United States, Central America is a relatively small supplier of beef products, given that the United States produces ninety-three percent of the beef necessary for internal consumption (Howard Ballard 1987:196). Central America supplies approximately fifteen percent of the remaining seven percent of beef which is imported to the United States annually. Costa Rica is the largest of the Central American suppliers in having garnered five percent of that seven percent share of the American market (i.e. approximately one third of a percentage point). When viewed from the Central American viewpoint this relation changes drastically as approximately forty-five percent of all Central American beef is shipped to the United States or Puerto Rico (ibid).

American hegemony in the beef producing industry has had huge repercussions in major exporting countries whose prices (including internal prices) are either set directly in the United States or they are very closely tied to those set by the Chicago ‘Yellow Sheet’. The effects are felt directly in Central America where between eighty and ninety-five percent of all beef exports are purchased at prices determined, by the ‘Yellow Sheet’ (Howard Ballard 1987:191-192). Thus cattle prices are not determined by the working out of market relations but rather by a Chicago firm which compiles the ‘Yellow Sheet’ in a small office with a few employees. This firm has been accused of “recording such a small number of transactions that it would be impossible to accurately determine average trading prices in the market as a whole and allowing itself to be manipulated by a few large processors and retailers” (ibid:211). Thus unlike the stated doctrine of neoliberal policies, beef prices are not being formulated by the ‘free hand of the market’ but rather are artificial constructs used to meet the needs of American capitalists.

71 For a 500 kilogram bull the exported de-boned meat yield is approximately forty percent while the remaining sixty percent is classified as cattle byproduct. Thus for a 500 kilogram bull 300 kilograms enter the local market (Lacy 1993:4).
72 The American and Puerto Rican markets are viewed as virtually the same in the international beef trade.
GISA and Capitalist Hegemony in Guanacaste

In the Guanacaste province of Costa Rica the most important player in the production, industrialization and commercialization of beef was, and continues to be, the slaughter and packing house of *Ganadería Industrial S.A.* (GISA). GISA gained prominence in Guanacaste in 1971 as Cartago Beef Packing S.A., which was founded in 1963, packed up their operations and moved to Guanacaste so as to reduce the transportation costs for the large numbers of cattle which are necessary for a profitable operation. GISA was formed through the financing of foreign investment and investment by Costa Ricans who were not from Guanacaste. The three biggest investors are the American-European consortium of Adela Investment C.O., *Grupo Empresarial Costarricense* whose leader was Manuel Emilio Clare, (the former majority partner in Cartago Beef Packing) and *La Compañía Donald Stewart S.A.* which had large cattle interests in Guanacaste (Aguilar and Solís 1988:45).

By 1978 GISA and its subsidiaries, *Ganadería San Jerónimo Abangares Meat, Cartago Beef* and *Sociedad Anónima de Haciendas Ganaderas Costarricense* reported exporting 33,690 head of cattle which was approximately twenty percent of the total cattle population in the province (Aguilar and Solís 1988:45). GISA was not the only Costa Rican slaughter house involved in the international beef trade since with the rapid increase in demand in the United States for industrial grade beef, almost twenty meat packing plants had opened their doors in Costa Rica (between 1957 and 1978). However, by the late 1970s these figures had been altered as a number of these plants were forced out of business. This was primarily due to the fact that the national cattle stock could not be reproduced given the demand on these stocks by the numerous packing companies. This coupled with the drastic decline in beef prices in 1973 and 1974, led to competition between the packing plants and the eventual demise of many of these plants. Thus by the late 1970s only three packing plants besides GISA remained - Central America Meats (CAMSA), *La Empacadora Costarricense de Carne S.A.* (ECCSA), and *La Empacadora*
Costarricense Denesa S.A. (CODASA). All four of these companies had notable participation of foreign capital with the vast majority of the capital originating from the United States (Aguilar and Solis 1988:51). Likewise, a number of important ties were forged between the packing plants and state officials (Lacy personal communication). These four slaughter houses\textsuperscript{73} have continually controlled the prices which have been paid to the national producers and have also played a large role in influencing the nations laws concerning the slaughter of cattle\textsuperscript{74}.

GISA has not restricted its control to the packing and slaughter of cattle originating from Guanacaste in that this company owns substantial amounts of land in Guanacaste which it rents to cattle producers. GISA also controls a packing plant in Honduras which it opened in 1958 (Industria Ganadera de Honduras S.A. (IGHSA)) and also controls a large number of cattle ranches in the region. GISA also has ties to Belize and has made its presence felt in the Planta Empacadora de Belice Ganado y Carne, while likewise controlling a few cattle ranches in Nicaragua. Finally, for several years GISA owned one of the largest importation and distribution centers for beef originating from Central America in the United States, in United Beef Packing (Aguilar and Solis 1988:59).

With such diversified investments GISA views the ranchers of Guanacaste as only of minor importance. Howard Ballard (1987:55) argues that,

"the commercial and agro-industrial phases of beef production for export are monopolized by agents who are interrelated at the Central American level, and vertically integrated along the production-commercialization chain. This integration permits the manipulation of prices to producers,

\textsuperscript{73} A 1974 law passed by the Costa Rican state authorized only four Costa Rican meat exporters access to the United States beef market. In April of 1992 San Carlos fought and was successful in having these laws revoked. San Carlos has a slaughter and packing house which is now being constructed (La Nación 3/2/93 :pp.36a).

\textsuperscript{74} For example, it has been estimated that as high as fifty-four percent of all Costa Rican female cattle are slaughtered when they are pregnant (Lacy 1993). By allowing calves and cows which are of reproducing ages to be slaughtered the government and the slaughter houses are not concerning themselves with the development or future growth of the cattle industry but rather with present profitability."
guaranteeing that producers will absorb price declines and largely fail to benefit from price increases, both on the internal and external markets, reducing overall the profitability of cattle ranching and the possibilities for investments which would improve production, therefore also being partially responsible for the lack of increases in productivity and the reproduction of extensive land use patterns. The main economic benefits of the activity fall to the agro-industrial and commercial agents.75

Rather than the increases in beef production spurring economic and social development, as was envisioned by the international lending institutions, the Alliance for Progress, the state and local exporters, the export-oriented cattle producing sector in Central America has “produced a deepening of the social, economic and political contradictions incipient in the forms of capitalist development in the region” (Howard Ballard 1987:50). This is particularly clear in Costa Rica: ranchers only receive about thirty percent of the cost of cattle which is slaughtered with the remainder going to the slaughter house and the auction house (approximately four percent)76.

This situation has been altered somewhat with the introduction of cattle auction houses to rural Costa Rica. As previously stated, a decade ago the national cattle marketing center was located in the Plaza of Alejuela but by 1982 the cattle ranchers association of San Carlos initiated a small weekly cattle auction. This initiative of the San Carlos ranchers has been followed by many others. The first large cattle auction commenced in Santa Ana and was followed by three in Liberia, two in Cañas, one in Santa Cruz, one in Guapiles, a second in San Carlos, one in Barranca and one in Tilarán, with several others planning to open operations in the near future. By March of 1993, twelve such auction houses existed in Costa Rica which controlled an estimated eighty percent of the cattle movement in the country and which boasted annual sales of about twenty-two million Canadian dollars (Lacy 1993:7). This has been quite beneficial to the producers of Costa Rica in that they are now cognizant of what prices are being offered for various

75 see also Williams (1986:102-105).
76 Juan Rafael Lizano, Ministerio de Agricultura y Ganadería, meeting with the cattle ranchers association of Guanacaste, January 22, 1993.
products instead of being involved in covert business dealing with the slaughter houses, as previously was the case.

Although cattle auctions have assisted the cattle ranchers of Guanacaste, changes in the structures of the world beef market have brought about a profound crisis in the province. Beef imports have been slashed world wide and nominal wholesale prices have declined by over thirty percent since the early 1980s as real wholesale prices have dipped to pre-1970 levels (Howard Ballard 1987:218). According to Howard Ballard, these trends are “intimately related to the world economic crisis and the erosion of working-class salaries in advanced capitalist economies, and are forcing a restructuring of both” (1987:218) internal beef markets as well as international markets. With the collapse of the beef market the United States and European governments have intervened in the cattle producing sectors of their respective countries to subsidize the beef-producing sub-sectors. This has resulted in the increased net foreign exchange which was generated by the exportation of beef from Costa Rica to drop below the country's cost-price (the cost attributable to rearing cattle for slaughter) which has had a direct impact upon the volume and value of beef exports not only in Costa Rica, but in the remainder of Central America as well (Howard Ballard 1987:218-219). Thus, while in the 1950s virtually all of the beef produced in Costa Rica was consumed domestically, by the late 1970s seventy-four percent of slaughtered beef in Costa Rica was being exported (Williams 1986:105). These numbers have returned to their previous low levels as only about twenty percent of the beef slaughtered in Costa Rica was exported in 1990.77

Summary

Despite the importance of state support, technological innovations and increased external aid to Guanacaste's cattle producing region, the principal stimulus for the expansion of beef production in Guanacaste from the late 1950s onward, was the growth

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77 Juan Rafael Lizano, Ministerio de Agricultura y Ganadería, meeting with the cattle ranchers association of Guanacaste, January 22, 1993.
of the United States' beef consuming market. Howard Ballard (1987:238) has postulated that “with the opening of the U.S. beef market, the construction of export slaughter houses and the development of credit markets facilitated by banks and international lending institutions” unprecedented structural changes in the agricultural sector were set in motion throughout Central America. These changes built upon a production enterprise which was grounded in the colonial past, as prior production within the province was oriented towards cattle production. Since the mid-nineteenth century, cattle production has been the principal economic stimuli for the province of Guanacaste. As such cattle production has assisted in transforming the social, cultural and political orientations of the province.

What I have attempted to accomplish in this chapter is to show that the proliferation of the cattle (re)producing enterprise was a product of Costa Rican state intervention and the creation of the international beef market and not the ‘natural’ result of either environmental conditions or an unfettered market. It was through the introduction of a favourable system of credit, of protectionist policies implemented by state officials and the interest of United States' foreign capital that the cattle production enterprise of Guanacaste proliferated and, just as these groups have created a beef producing subsystem in Guanacaste, they have also brought about its demise.
CHAPTER 4

Household (Re)Production and the Discourse of Development

"Here we are talking of a space within which a social world is put together if not despite hegemonic definitions of reality, at least in a context where such definitions are shattered into tiny fragments ... under such circumstances the role of the local dialogue in negotiating the interpretation of these fragments is in order". Gavin Smith, Livelihood and Resistance: Peasants and the Politics of Land in Peru (1989:219).

In the first chapter it was argued that every 'victory' or concession for subaltern groups, however real it appears to those who secure it, is also generally a victory for the power structure. Gramsci (1971) has stated that society is characterised by an interactive relationship of force and consensus between the bipolar classes through which the dominant classes cement their power base by continually selecting, reformulating and prioritizing the interests of the subaltern groups according to their compatibility with the group wielding hegemonic control. However, according to Gledhill (1985:50), there are other levels of struggle including one in which those lacking access to the power structures of society act and react to the various forms of economic subordination which confront them. This level of struggle is generally characterized by the survival strategies which are continually constructed, reconstructed and acted upon by rural producers.

In an attempt to bring forth an understanding of local conceptions of development, I will now turn to an examination of how changes, which occur at the basic structural levels of society and within the process of economic reproduction, lead to alterations in inter- and intra-household relations and reproduction. This will be accomplished by analyzing the cattle ranchers household as a site of multiple class relations by which the household is reproduced as a unit of production and reproduction, both biologically and socio-economically. The task at hand is one in which we must link the various levels of
analysis, by “relating social forces to structural categories, connecting trends in technology to changes in productivity and exchange relations, (and) integrating the ‘cultural’ with the ‘political’ with the ‘economic’” (Llambi 1990:194). This will be completed by integrating the macro analysis of the previous two chapters with three case studies of Guanacaste ranchers who are coping to various degrees with the effects of Costa Rica’s neoliberal development model and to the decline in prominence of the beef producing enterprise.

**Household (Re)production within the Context of Development, Hegemony and Culture**

The survival of the ‘traditional’ family farm has historically been argued to be the result of some sort of “cultural lag” in which a “natural unit” of production is characterized by the members “inherent resistance to change (or), by their refusal or incapability of assimilating modern traditional farming practices” (Hedley 1979:281). As a number of analysts have noted, past works which envisioned the persistence of the family farm in this light postulated that peasant farms have evolved from a pristine or embryonic form, which is characterized by the traditional family farm, to a point at which inherent familial characteristics are lost, as the unit of production is subsumed within the encroaching capitalist mode of production (cf. Harris 1981; Hedley 1988:70-71; Lehmann 1986:611; Wallerstein and Smith 1992). In other words, as capitalist relations of production assume their dominant position in society, there will be a divergence within the family farm from that which Smith (1984) has coined the “moral economic component”. This will bring about a rupture in the extra-economic relations, which were characterized throughout history by the non-commodified exchange of labour, as these relations are replaced in the contemporary situation with social relations which are commodified (Hedley 1985:33; Sider 1977; 1989; Scott 1975; 1984; Smith 1985:100; Taussig 1980).

These arguments, which are based upon the notion that all relations within capitalist societies are governed by commodity relations, tend to idealize the contemporary

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78 For a similar critique see Friedmann (1986:49).
situation in that numerous forms of production exist within the capitalist world system, the reproduction of which is not entirely governed by the logic of commodification. These ‘non-capitalist’ or ‘semi-capitalist’ forms of production can be seen to take on numerous local determinants which are based upon local social relations and the links of such relations to the systems of power and domination for a given society (Gledhill 1985:33; Hedley 1988:68; Wolf 1984; Worsley 1982). Thus to be cognizant of ‘non-capitalist’ or ‘semi-capitalist’ relations is of primary importance in the analysis of domestic commodity production within agrarian structures. The reproduction of relations of domestic production within a capitalist context conditions the “particular historical development of the household, the significance of relations of kin within and between households, relations within the community and the development of rural culture generally” (Hedley 1981:74).

The arguments which explain the persistence of domestic commodity producers by equating ‘underdevelopment’ with ‘traditionalism’ must be viewed as part of the elite hegemonic discourse. This discourse has, more often than not, been couched in modernization parlance to explain the despair experienced in rural areas in terms of the inadequacies of the people in question. This must be viewed as part and parcel of contemporary neoliberal ideology which examines the rural situation by ‘blaming the victim’ and as such, shifts the focus of analysis away from the larger structural factors

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79 The term ‘domestic commodity production’ is being used here as a more generic notion than petty (or simple) commodity production on the one hand and petty (or simple) capitalist production on the other. By utilizing the notion of domestic commodity production, I am attempting to show that the household “contains some external logic separable from the context in which (it) is embedded” (Harris 1981:139). For example one finds that cattle ranching households do not always react in a typically capitalist fashion although they are clearly linked to the world capitalist market. Llambi (1988:353-354) probably does the best job in distinguishing between petty commodity and ‘petty capitalist production in that petty commodity producers base their production process upon the “owner’s (family or individual) labour and sustaining a simple reproduction process”’. Petty capitalist producers according to Llambi tend to integrate both the owners’ and workers’ labour to sustain the capital accumulation process. Thus the distinction between ‘petty’ and ‘large’ capitalist producers is a quantitative one in terms of the scale of production and the number of paid labourers attached to each production enterprise.
underlying the particular plight of the rural peoples\textsuperscript{80}. These arguments tend to be based upon a "normative dualistic" perspective, echoing previous modernization approaches, and as such, have the tendency to isolate the rural producers from the wider political, economic and cultural relations and then explain any form of cultural or economic persistence in terms of tradition (Hedley 1976; 1979). These theoretical cul de sacs can be readily avoided if one examines the relations of production which place the producer in "the productive system of society as a whole" (Hedley 1976:413) while concurrently providing "a means (for) determining the structural conditions of agricultural production" (ibid).

Once we begin to visualize capitalism as a "polymorphous structure of variable relations of production" we will be better equipped to grasp the "productive logic" of the capitalist mode of production (Chevalier 1982:92). We can no longer follow the path paved by the modernization theorists and visualize 'peripheral' orientations as backward, stagnant or simply a malady of 'pre-capitalism', but we must begin to use equally positive and precise concepts to account for these alternative paths of capitalist development whose complexities and dynamics are only recently becoming apparent (Gledhill 1985:34). In agreement with Bernstein (1988b:263), I contend that this new approach to the capitalist mode of production will finally move the focus of analysis away from those evolutionary models which argue that the destruction of petty commodity production enterprises is inevitable (Lenin 1964); from the 'articulationist' approach which reduced this production process to a 'non-capitalist' form (Vergopoulos 1978); from those 'World Systems' approaches which simply argue that the 'survival' of petty commodity production enterprises is due to its inherent function in the process of capital accumulation (Evers et al. 1984; Friedman 1984; Smith et al. 1984; Stauth 1984; Wallerstein 1984); or from those who argue that the persistence of non-capitalist modes of production are due

\textsuperscript{80} For modernization-based examples of this type of argument see Lewis (1966), Nash (1958), and Spindler (1977) and for neoliberal variants see De Soto (1989), Paus (1988) and Zimbalist (1988).
to their inherent comparative advantages which are an outgrowth of their distinct economic orientations such as a "logic of simple commodity production" (Friedmann 1978: 980) or a "peasant economy" (Chayanov 1966).

When analyzing the relationship between the capitalist and non-capitalist modes of production many scholars have failed to examine the ideological basis of domestic commodity production household producers leaving unrecognized the point that such producers "have attempted to achieve political legitimacy by distancing [themselves] from 'capitalism' at the ideological level, while fully embracing it at the economic level" (Goodman and Redclift 1985:242). By drawing upon the work of Chayanov (1966), Goodman and Redclift (1985) argue that the need for the domestic commodity producer to embrace capitalism at the economic level is attributable to the demographic cycle of the household inasmuch as wage labour is a requisite during certain phases of the cyclical generation process of the household. This analysis of the utilization of wage labour and the class relations which go hand and hand with this practice are of vital importance to our understanding of household reproduction: if wage labour is not deemed a necessity, from a purely economic standpoint, there may not be a need to produce a surplus. This will have the effect of reducing the economic pressures to expand reproduction. However, while this is an important point, Chayanovian demographic analysis generally fails to take into consideration larger structural constructs which have been argued to play a key role in the inter- and intra-household orientations and the demographic pattern itself (Lehmann 1982; 1986; Patnaik 1979).

On this latter point, Friedmann's work is important. Friedmann (1980) contends that when examining various modes of production one must place one's analysis within a framework which takes heed of the "double specification of the unit of production and the social formation" in which an analysis of the production unit, or in this case the domestic commodity production enterprise, is placed within the larger confines of the political-economic 'reality'. This 'double specification' thesis tends to combine a Chayanovian
type of "teleological explanation with a Marxist inspired structural determinism" (Llambi 1988:361). On the other hand, while Friedmann’s approach is valuable in terms of a methodological analysis, the usefulness of this formulation when applied to the real world becomes more and more shaky as one moves from Friedmann’s meta-theory to an empirical plane (Goodman and Redclift 1985:234-235).

Wallerstein and Smith (1992) have moved beyond Chayanovian-type arguments and postulated that while the boundaries of the household and their sources of income are moulded by the changing patterns of the world-economy they also serve as a defensive mechanism against the predations of capitalism. Thus unlike Goodman and Redclift’s (1985) view of the rural household in which macro-structural factors are underplayed, Wallerstein and Smith hold that actors are “determined by” the world capitalist system while concurrently “determining” this same system, “in a process of constant interaction that is so intricate that there is no prime mover” (1992:21). Wallerstein and Smith have argued that “the household is as ‘autonomous’ as the ‘state’, the ‘firm’ the ‘class’, or indeed as any other ‘actor’” (ibid :20). Here, Wallerstein and Smith’s arguments move too far in the other direction in that they equate an actor producing his or her own world to the actors “constituting” that system. The position taken in this thesis, following the approach of Gavin Smith (1989), is that we need to view the inter- and intra- household orientation as a process of the construction and negotiation of “meaning, identity and membership” which is “always incomplete” as a process in the construction of culture (1989:28). It is here that a discourse analysis aids in capturing a glimpse of local realities.

It is important to note that many individual domestic commodity production enterprises will be destroyed through competition with competing enterprises but that there can also be a movement towards the proletarianization of petty commodity producers without the complete movement of these enterprises into fully capitalist forms of production. This process forces the enterprise in both directions in that there is a formation of both capitalists and wage workers from within the ranks of domestic
producers (Bernstein 1988b; Deere 1990). The market does not operate according to some natural law that would ultimately lead to the complete proletarianization of the petty commodity producers since, as Polanyi (1957) has illustrated, the proletariat has been created almost everywhere by the violent intervention of the state. A commodity economy is not a ‘thing’ which can create the necessary proletarianization of labour and capital which produces capital. Domestic commodity producers do not exist in a vacuum; the ‘ideal-typical’ or romantic visions of an autarchic domestic commodity producer producing solely for internal consumption can quite firmly said to be a fiction. On the contrary, a niche has been carved for the household by the state which delegates this unit of production to the domain of surplus producers of food, raw materials and textiles and/or of cheap reproducers of labour for the capitalist world system (Evers et al. 1984; Lehmann 1982; Patnaik 1979:398; Smith et al. 1984; Wallerstein 1984; Wong 1984). This can also be argued to be the case in those neoliberal societies where state involvement in economic affairs is to be reduced to a minimum since the state still constantly and continually “legislate[s] on a vast gamut of matters affecting the structure and composition of the households” (Wallerstein and Smith 1992:17).

Llambi (1988) and Chevalier (1982a; 1982b) have argued that all commodity producers are guided by the principles of maximization. For Llambi, this maximization strategy incorporates an attempt to increase the productive units’ standard of living but there is a concurrent struggle to avoid eviction from the market by producers. Whether these production units attain a level of ‘simple commodity production’ or ‘extended commodity production’ is dependent upon the forms of insertion within the capitalist

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81 As with any fiction there is a grain of truth to these arguments in that households produce some of what it requires to reproduce itself (Wallerstein and Smith 1992:9).
82 Once again language is very important here in that by choosing the word ‘affecting’ Wallerstein and Smith are moving away from many of the ‘althusserian’ type arguments which have been discussed above. Thus in the quote above, Wallerstein and Smith are allowing for the implementation of human agency in conditioning social structures, although, as has been argued, Wallerstein and Smith’s arguments tend to waver on the role of human agency in the final analysis.
83 Here Llambi is referring to petty capitalist production or larger capitalist production.
market place at any given time. Chevalier, on the other hand, contends that the logic of these production units accords with the notion of "maximization without accumulation". For Chevalier, the primary concern of simple commodity producers is not to enlarge their means of "personal or productive consumption" (1982a:93), but to transform their use value into objects for market exchange which will enable the unit of production to reproduce the "means of exchange and conditions of subsistence" (ibid). Comparatively, Scott (1975; 1985), argues that we do not find a maximization strategy among those domestic units found at the lower echelons of the socio-economic ladder, moreso we find that these units of production are in a constant fight to minimize their losses through "safety‐first" principles. This minimization strategy helps to account for a large portion of the technical, social and moral arrangements of non-capitalist agrarian orders. More often than not such arrangements are based on an attempt to generate a minimal income which would allow for the production and survival at the household level, be it manifested as a "subsistence ethic" or as a "moral economy". In any case, these three positions offer viable ways of considering how forms of household reproduction may relate to inter-household relations.

Universalistic arguments assist in transforming the household unit into a 'black box'. As such the household as a unit of production and consumption becomes and abstract, ideal-typical formation, isolated from its wider social milieu. One begins to speak of the household as an undifferentiated unit by making reference to the quantitative statistical categories of "household interests" and "household decision making". Once the household is reified in this manner the importance of conflict and inequality within the household tends to be lost, and the 'Eurocentric' economic notion of the household as a collective subject dominates the analysis (Collins 1986:653; Folbre 1986; Friedman 1984:41; Gledhill 1985:52; Harris 1981:140; Hedley 1981:74; Phillips 1987:107; 1989).

We must use caution in our assumptions when analyzing the household as a unit of production. For example, we cannot take it as a given that the household head exercises
exclusive control over distribution within the household. We can also not assume a priori that the household is configured toward paternal authority, since all too often relations within the household are problematic to say the least (Deere 1990; Friedman 1984:40; Harris 1981:144; Samper 1990; Wong 1984:144). Even if we do not make this assumption, it is important to note that empirical evidence has shown that in most cases there is a significant differentiation between the economic practices of men, women and children within the household which in turn impinge upon the households processes of production and consumption (Cepeda 1971; Deere 1976; 1990; Evers et al. 1984; Fee 1976; Folbre 1986; Friedmann 1986; Harris 1981; Long 1985; Phillips 1987; 1989; 1990; Yanagisako 1979). Thus if we are to elucidate the internal orientation and logic of the household, we must place our micro-economic analysis within a larger structural analysis of gender and age-based inequalities which are themselves grounded within larger ideological and cultural constructs of the social reality. It is through "interactions with class structure and (its) national position within the world capitalist system" that household structures are conditioned\(^{84}\) (Folbre 1986:9; Harris 1981:145; Lehmann 1982:133; Phillips 1990; Samper 1990).

In this sense, the household must be viewed as a political unit which incorporates the "daily negotiations of household members" (Phillips 1989:294), as well as, its interaction with larger economic, political and cultural elements. At the economic level we concern ourselves with income pooling and shared consumption, but at the same time recognize that 'sharing' all or part of the household income or resources does not always result in the egalitarian allocation of consumption, resources or work among household members. Political practices which influence household reproduction include the

\(^{84}\) The term 'conditioned' has been chosen specifically because it continues to allow for human agency to play a role in the internal reality of the household. Economic decisions of the individual households are not always made with regard to the well being of the household and its members insofar as it can not be taken as a given that all household members have the same goals or interests (Collins 1986; Evers et al. 1984; Ong 1987). Likewise, it would be a grave mistake to conflate a particular economic system and a particular household formation (Harris 1981:145).
"manners in which the state intervenes in defining and enforcing both the rules of household constitution and dissolution and rights and responsibilities of individuals within the household to one another or among kin" (Deere 1990:16). Finally, cultural practices include "the rules and strategies governing kinship, marriage and the constitution or dissolution of households" as well as questions of individual and collective rights and their relation to gender and age specifications (ibid).

The distinction between the household and the market appears to be becoming increasingly blurred in many developing countries as at least one member of the farm household takes part in some form of wage labour. This reality has brought forth queries as to whether peasant participation in wage labour signals a process of proletarianization (Collins 1986:652; Deere 1990; Folbre 1986:15). While empirical evidence has shown that if the prices of goods which are necessary to meet basic human needs occur separately or simultaneously with an alteration in the income base, household behaviour will be substantially effected (Deere 1990; Gudeman and Rivera 1990). By analyzing the household as a site of multiple class relations one can explain income-generating activities as a way in which households attempt to persist in the midst of social differentiation. However, in order to avoid reification in our analysis, we must remain aware that it is the individuals and not the household who are the bearers of these class positions (Deere 1990:2-15).

This on-going internal alteration of the household reveals a complex interaction between households and market sectors (Folbre 1986:13). As part-time farming becomes a necessity, the wages of family members become intrinsic to the reproduction of the unit of production. This will thus lead to a continuous remodeling of the inter- and intra-household relations in an attempt by household members to permit the integration of diverse incomes (Deere 1990; Friedmann 1986:54; Gledhill 1985:35). Although the subordination of women has had a direct effect on the exacerbation of the poverty of small producers, the gender division of labour also serves to sustain household participation in
multiple income-generating activities. This plays a key role in the explanation of the persistence of the small producers as they face growing impoverishment (Deere 1990:31).

If we are to understand the spirit of the new critical approach to the capitalist mode of production within a neoliberal context, it is important to make a distinction as to whether wage labour is central or marginal to the reproduction process or, in other words, whether the wage labour of the household is utilized solely as a complementary tool for household consumption or whether the unit of production is oriented in a manner which would obtain a surplus. The question must likewise be asked as to whether a household which is supplying labour for the capitalist economy is only doing so for a few days yearly or conversely whether they do so as a "principal basis for the satisfaction of consumption requirements" of the unit of production (Lehmann 1982:138). Once these concerns have been addressed, the heterogeneity of agrarian relations emerges inasmuch as, in many cases, we can locate agrarian producers on a continuum: at one pole we find rich small-holding households which derive most of their income from land and capital which they control, while at the other end we find poorer smallholders who must sell their labour in order to meet their reproductive needs (ibid :139). This distinction between poor and rich peasants becomes increasingly distinguished in development projects as the local elites or richer smallholding households stand as a net between the poor smallholders and the outside world. These local elites catch and trap resources and benefits. "Most government para-statal or private sector programs are either designed intentionally for the local elite, or so designed and implemented that they are likely to be intercepted by them" (Chambers 1983:131).

Within this framework, if one is to achieve a greater understanding of the social relations of production within specific households in Costa Rica, one must first consider the relationship between smallholder agriculturists and the large scale more commercialized enterprises in the region. This is due to the fact that the power that the larger enterprises wield within the region plays a seminal role in the production and
reproduction of the smallholders household, as does the increased expropriation of the smallholders property in the name of modernization. Following from this point we must understand domestic commodity or capitalist producers' integration with, and their subordination to, systems of credit marketing and technical inputs. Finally, with the partial or complete movement of smallholders into the labour market, one must gage the social or cultural estimation of the value of labour in question as it is expressed by the actors involved, since this will aid in explicating those 'irrational' situations where the household is not utilizing maximization strategies in a purely capitalist sense (Long 1985:7).

**Some Ghostly Figures of Political Economy**

The Costa Rican government's response to the worsening socio-economic position of Guanacaste's cattle ranchers has been rhetorical at best in that government officials hold that there are "no magical solution" to the current beef crisis. Hence the cattle ranchers of the *Pacific Secco* have been told by government officials that they must "search out their own" solutions to the present economic downturn and not to expect the neoliberal government of President Calderon to intervene on their behalf.

In this section I will examine those solutions which are being offered both at the pragmatic and discursive levels by cattle producers located at the micro-economic level of the household. This will be accomplished through an analysis of the processes of production and reproduction of the household unit as well as the discursive responses offered by these same ranchers to their current socio-economic plight. The three households introduced below have responded in alternative ways, with varying success, to the current crisis within the world beef market and to the more pragmatic effects that this crisis has had upon the producers of Guanacaste. By examining the formations and orientations of María's, José's and Mario's households I will begin to examine some of

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85 The format and the title of this section owe themselves to the work of Gavin Smith (1989).
86 These comments were made by Juan Rafael Lizano who, at the time, was the acting Minister of Agriculture and Ranching at a meeting with the Camara de Ganaderos de Liberia on January 22, 1993.
87 These and all the names to follow are pseudonyms to protect the identity of the people involved in my research.
those ghostly figures of political-economy which, as I have argued, have long been relegated to peripheral considerations within the dominant discourse of development.

**Maria: Successful Household Reproduction in a Precarious Economy**

Maria is a sixty-one year old woman who was born into a very large and respected family in Guanacaste. This family boasts a number of very powerful political candidates and one of the oldest cattle ranching traditions in the province. She is married to Fransisco, a fifty-five year old man, who also was born into one of Guanacaste's numerous cattle ranching families. Together, María and Fransisco, have had two daughters who are currently in their early twenties and thirties respectively. The oldest of the two daughters has found a well paying job as a secretary in a nearby village and therefore no longer resides at the ranch, while the youngest of the two is currently studying education in San José and only returns to the ranch on weekends and holidays.

Maria currently controls 118 hectares of land which, unlike most of the holdings in Guanacaste, has been titled in her name rather than that of her husband's. The property which Maria now controls originally formed a fraction of her father's property and has historically been utilized for extensive cattle production. This land has not always formed a part of the family's holdings. Maria's father had previously sold this land to a nearby rancher in the late 1960s as part of a larger sale of excess land in an attempt to take advantage of the escalating land values. However, María states that this land was so special to her, representing so much of her childhood, that almost twenty years ago she was compelled to purchase her current holding from the second owner with money which she had saved from her job as a school teacher.

Maria and Fransisco's cattle ranch has a working stock of cattle whose numbers range in the vicinity of 110 head. When I first met Maria in February of 1993, her ranch contained a working stock of 111 head of cattle, of which sixty-one were dedicated to

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88 As stated, throughout the 1960s land values climbed as Guanacaste became integrated within the world beef market.
milk production while the remaining fifty were dedicated to breeding and the raising of calves which were aged one year or less (crean)\(^9\). These younger calves would eventually be sold at the cattle auction in Liberia to larger producers from the region. These producers control access to the most productive pastures which are necessary for the more profitable fattening stages of cattle production.

Although Maria has dedicated almost sixty-one head of cattle to milk production, these animals have not been bred specifically for this purpose. Unlike Holstein and Jersey varieties which are distinguished as milk producing breeds, in Guanacaste much of the cattle has been bred for the dual function of milk and meat production (*doble proposito*). When incorporating these animals into the production process the focus of household production is determined by market conditions, environmental conditions, financial consideration and the quality and stock of the individual head of cattle. Thus when the selling price of milk rises, as is the case in the contemporary period, production is geared towards garnering the greater economic returns offered by the milk market. Conversely when beef prices rise (or rose, as they had in the post- World War II period) the focus of the production process shifts accordingly\(^9\). Nevertheless, by incorporating milk

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\(^9\) At the time of fieldwork, Costa Rica was the only Latin American nation which exported milk and milk by-products and was only one of three (Uruguay and Argentina) Latin American nations to be self-sufficient in milk production (*La Nación* 11/01/93: pp. 5a). Much of this self sufficiency can be attributed to state protectionist measures implemented by the Costa Rican government which slaps tariffs upon countries whose milk producers are subsidized by state officials. This process of state involvement parallels that which I have argued characterises the rise in extensive beef production four decades earlier. As such, increased milk production and profitability can not be argued to be the result of some sort of ‘comparative advantage’ but the result of state involvement. Popular discourse in Costa Rica holds that Costa Rican milk producers must be protected from the predations of the world milk market since milk subsidized by various governments claim a selling price of 1700 to 1800 American dollars per metric ton while the real cost of production in Costa Rica approaches 3000 American dollars per metric ton (ibid). With state protectionist measures Costa Rica now claims thirty consecutive years of growth in milk outputs (Juan Rafael Lizano personal communication) with most of this increase attributable to those cattle earmarked as *doble proposito* (i.e. in the 1988 census 277,028 cows were dedicated exclusively to milk production while 369,295 were *doble proposito* or, in other words, they were used to produce milk at an early age and would later be slaughtered for meat production prior to having reached a non-productive stage in milk production).

\(^9\) However, milk production and beef production are rarely mutually exclusive in that both production processes are utilized by ranchers regardless of market conditions in that, at the very least, the products are used to meet the external consumption and reproduction requirements of the household.
production within larger production processes, Maria and Fransisco are ensuring a
continuous capital flow within the household. The increased financial flow within the
household unit, such as the one offered by milk production, is difficult to achieve when
production enterprises are geared exclusively towards beef production. Within a beef
producing enterprise one must wait for the cattle to fatten and for the market conditions to
be favourable if one is to make a profit or even sustain one's enterprise. In this regard,
prices are not entirely controlled by the 'Yellow Sheet' in that the prices granted for a head
of beef tends to lower in the dry season as many ranchers are forced to sell cattle, at
reduced weights, to make ends meet through the lean times so characteristic of dry season
life among cattle ranchers in Guanacaste.

The milk which is produced at Maria's ranch is sold daily, door to door, in the
provincial capital of Liberia by her husband. This is quite arduous work for Fransisco
who must rise at four in the morning to help the peons procure the average 200 bottles\(^1\)
of milk produced daily at their ranch and likewise to collect an additional 1300 bottles of
milk from neighbouring ranches\(^2\). The milk which he purchases from his neighbours is
sold for a small profit on his rounds through Liberia. Fransisco's selling price for this
unpasteurized milk is approximately forty colones\(^3\) per bottle, which is slightly higher than
the going rate for such products on the streets of Liberia. Part of this inflated selling price
is attributable to the fact that milk produced at Maria and Fransisco's ranch is brought
right to the customers' doors by Fransisco. The milk which Fransisco is unable to sell in
Liberia is brought to another ranch near Maria's where it is processed by a family friend
into cheese and sour cream (natilla) which is consumed by the two households. The
remainder, after household consumption needs are met, is sold in Liberia where both the

\(^1\) The Costa Rican cattle ranchers discuss milk outputs in terms of bottles produced. One bottle of milk
is equivalent to 750 milliliters of milk.
\(^2\) Here Fransisco is directly involved in the process of production in that not only does he manage the
labour of the peons but he also works side-by-side with his labourers as the cows are milked.
\(^3\) At the time this field work was being completed 139 colones were required to buy one American
dollar.
cheese and the *natilla* have the reputation of being of the highest quality. The capital which is procured by Maria and Fransisco, through the sale of milk and its by-products, is used by the household to pay peons\(^ {94}\) who, within such a production enterprise, are a necessary expenditure. Capital is also necessary to purchase items from the external market which they themselves do not produce to pay for their daughter’s education at a private University in San José as well as for the general reproductive needs of the household.

Although this process is extremely demanding and time consuming, the only other available option for Maria and Fransisco would be to sell milk to the milk processing giant *Dos Pinos*, which pays milk producers approximately twenty-five *colones* per bottle of unpasturized milk. Not only is this a lower buying price than that which can be obtained by the ranchers on the streets of Liberia but, if bound to *Dos Pinos*, cattle ranchers are forced to meet quota obligations which are imposed upon them by the company and, if not met, contracts are canceled\(^ {95}\). Thus, faceless companies such as *Dos Pinos* are less understanding than are Fransisco’s clients on the streets of Liberia if milk quotas are not met. Furthermore, if Maria and Fransisco were to align themselves with *Dos Pinos*, they would have an additional expense of building an electrical generator to supply the cooling equipment which is necessary for the conservation of milk between pick-up dates.

The average milk output of 200 bottles per day for Maria and Fransisco’s ranch is not static year round; it represents the quantity of milk which is obtained during the rainy season. This season is the most productive period for milk production in Guanacaste.

### Notes

\(^{94}\) Although the term peons is a very archaic word in a neoliberal world, it is being used here, as it is by Costa Rican cattle ranchers, to denote hired labourers.

\(^{95}\) Furthermore, if one is to sell milk directly to *Dos Pinos* it is necessary to purchase a refrigeration system which, in early 1993, cost approximately one million *colones*. One must also purchase electronic milkers while maintaining very clean stable areas. If one cannot afford electronic milkers one must keep the cows’ udders especially clean which requires more peons and thus a higher output cost. Although there are bank loans for technological adaptations such as these, only the largest ranchers can afford to take part in this production process since they are the ones who control a large enough herd to meet the extensive production costs of milk production.
is necessary for successful cattle production, is difficult to come by. These factors place strict limits upon the ability of household members to reproduce the cattle ranching enterprise while at the same time serve to condition the economic orientation of the household. In other words, many of the small and medium sized cattle ranchers in the canton of Liberia must incorporate various production processes to allow for the reproduction of the household unit throughout the dry season.

Although oriented towards milk production and the breeding process, it frequently becomes necessary for María and Fransisco to sell animals for slaughter, particularly when cattle no longer provide sufficient milk returns to meet daily input requirements\textsuperscript{96}. Cattle are also sent to the slaughter house when loan payments must be amortized as well as for the simple day-to-day reproductive factors of the household which become much more difficult to meet during the dry season. In this regard, Maria and Francisco claim that 1992 was a characteristic year in that sixty-seven head of cattle were sold at the cattle auctions in Liberia\textsuperscript{97}. The vast majority of the animals which were destined for the cattle auctions were bulls. As these bulls were culled from the herd, a number of cows and female calves were purchased to stabilize previous herd levels.

As was the case with many of the other ranchers whom I interviewed, María and Fransisco talk very favourably about the inception of cattle auctions in Liberia. Cattle ranchers in the canton of Liberia acknowledge that they now have more control in the selling and purchasing prices of cattle as well as with when and under what conditions cattle will be sold. Further benefits which arose concurrently with the implementation of cattle auctions in Liberia included: lower transportation costs for the cattle ranchers, reduced weight losses among cattle (which previously had to sit for up to three days in GISA's fields before weighing and slaughter), increased prices paid per kilogram of beef (although these have stabilized in the past year and a half), and more immediate monetary

\textsuperscript{96} The vast majority of this reduction in milk production can be attributed to the age of the cattle or to illness.

\textsuperscript{97} In Maria and Fransisco's household decisions such as these are made jointly.
returns for the cattle ranchers. More importantly, the implementation of cattle auctions has reduced the number of intermediaries in the market process through which cattle ranchers had to previously deal. The vast majority of ranchers whom I interviewed stated that previously production processes were geared primarily to the vending of cattle to GISA. This was primarily due to the fact that world beef prices were higher than those offered within the internal market. Thus in order to garner superior economic returns for the cattle which was being produced, cattle ranchers shunned many of the local slaughter houses which could not compete with the prices paid by GISA and the other packing/export houses throughout Costa Rica who tied prices to the Chicago 'Yellow Sheet'.

If the monopoloy control of GISA in Guanacaste was not enough of a drain upon the financial returns of the cattle ranchers, for the small and medium sized cattle ranchers to become involved in the cattle production process they were forced to sell their cattle to the larger producers who occupied the best lands for the fattening stages of cattle production. It was only after these fattening stages were completed that GISA deemed the cattle fit for slaughter. In contemporary Guanacaste, small and medium sized cattle ranchers have more control concerning their integration within the capitalist beef market in that with the implementation of cattle auctions, ranchers can now forego the middlemen and take advantage of the prices offered by the open market.

In 1992, Maria and her family built six cabins in an attempt to cash in on part of the tourist trade which President Calderon has stated will surpass coffee, bananas and cattle as the number one foreign currency earner in Costa Rica by 1995. Maria claims

98 As stated, this situation led to the implementation of a law which required ten percent of each ranchers annual slaughter to be destined for the internal market. Presently, world beef prices have dropped so low the prices granted by the internal market are now higher than those offered by the 'Yellow Sheet'. Thus, once again, the economic orientation of the cattle ranchers of Guanacaste has been altered.

99 The importance of tourism in Costa Rica and particularly in Guanacaste has increased substantially in recent years. In 1992 tourism generated $415.8 million American dollars which was more than double 1989s $206 million (La Republica 25/01/93). Much of this increase is attributable to a number of financial incentives which have been offered by the Costa Rican government to attract entrepreneurs to the region. These incentives, many of which took the form of tax breaks and duty free importations, were
that she is a woman of few wants or needs and therefore their tourist venture has been, and will continue to be, restricted to these five cabins. Although Maria would have preferred not to have built these cabins at all, they were necessary within the current economic reality of Costa Rica as it is experienced by the cattle ranchers. The economic returns granted by the cabins facilitates the reproduction process throughout the dry season as capital resources tend to dry up with the weather. This is an important factor in that Costa Rica's dry season corresponds to the months of the largest influx of foreign tourists to Guanacaste. Thus the incorporation of tourism within the cattle producing enterprise must be seen as a pragmatic response on the part of the household unit in an attempt to secure the viability of their reproductive activities.

Given the massive state support for the tourist sector, Maria did not face any difficulty securing the bank loan which was a requisite for construction to commence on their tourist enterprise. Prior to the construction of these cabins Maria had never had to deal with loan payments and now she finds them extremely difficult to meet. Prior to linking the household to bank obligations Maria recalls a tranquil life in which the worries of a big cattle operation were few and far between. Although possibly a very nostalgic view of the past, Maria and Fransisco, by tying their household to the bank, are placing the household in a much more precarious position as they lose much of their ability to control the viability and orientation of the household. Although the cabins have increased the capital flow of the household, Maria does not want this venture to get out of hand since even at this point she claims to have to work from four in the morning to twelve at night to keep the household functioning. As such there is a constant source of conflict in the household as her children and her youngest daughter's fiancé, who has been hired as the farm's manager, are interested in building a 200 room hotel on the property overlooking a
majestic waterfall. Maria and Fransisco have no interest in such an undertaking. Rather they want to conserve the landscape for their grandchildren, hoping that at least one will want to continue with the family's cattle ranching tradition.

To make the reproduction process of the household a little more precarious, the *Pacífico Seco* region continues to be plagued by cattle rustling. In the week prior to the one in which our interview took place, three head of cattle had disappeared. These animals were stolen during the dead of night and probably brought to the local slaughter houses (*carnecerías*) in Liberia where they were processed prior to the first light of day. Thus by the time the ranchers have risen and had become aware of the fact that a head of cattle was missing there is no possibility of tracing the whereabouts of the animal. Maria asserted that she would like to control rustling but that she cannot afford to hire more people to guard the cattle at night. Regardless, the Costa Rican government is of no help in combating cattle rustling in the region.

To supplement the reproductive activities of the household, Maria and Fransisco also own thirty chickens that produce between ten to fifteen eggs daily. These, in addition to the eggs produced by the twenty swans on the ranch, are utilized primarily for household consumption requirements. The ranch also boasts a population of ten horses but rather than producing for the household, horses tend to destroy pasture since they graze for prolonged periods in a single spot. Particularly during the dry season, this reduces the fodder available for cattle. Thus, by incorporating horses within the production enterprise one is ultimately reducing milk and beef outputs necessary for the viability of the household. For an enterprise such as Maria and Fransisco's, in which tourism has been integrated with cattle production, the destruction of pasture raises the dilemma as to whether the household should invest in more horses to keep the tourists happy and from which they can obtain a little extra money by renting them out hourly (i.e.

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100 With numerous entrepreneurs interested in just such a venture, the possibilities become quite real for the construction of a hotel on this property.
approximately 1000 colones an hour) or whether the numbers which they now claim will suffice. In addition to these activities, Maria and Fransisco also earn a little extra money by charging an entrance fee to their grounds where one can enjoy horse back rides around one of the few remaining dry tropical forests in Guanacaste, while also selling meals and drinks from a very small bar which they operate on the banks of the river that runs through their property.

To assist with the processes of household reproduction, the ranch hires three peons who are paid with room and board coupled with a small monthly cash outlay. Additional labourers are hired when supplemental labour is needed for the large tasks which arise within a cattle ranching enterprise (i.e. repairing fences, clearing underbrush). Although Maria and Fransisco hire numerous labourers to bolster productive processes, Maria has not been able to locate someone who would help her with the household's cooking requirements and the cleaning of the cabins. Maria says that women\textsuperscript{101} do not want to live out on the farm since it is isolated from all the excitement of village life which serves as a magnet for the young people in present day Guanacaste.

Although the prospects for cattle ranching in contemporary Guanacaste are rather grim to say the least, Maria has no interest in selling her cattle ranch. As Maria puts it, farming is the defining feature of life for those who are located in her household (\textit{esta es la vida de nosotros}). Although this may be true, it is important to note that Maria and Fransisco's farm continues to be profitable particularly given the incorporation of tourism within the production enterprise. Barring unforeseen circumstances, the factors mentioned above should allow Maria and Fransisco's household to reproduce itself for many years to come. This situation is unlike the majority of the experiences of other cattle ranchers in the province, two of which will be discussed below.

\textbf{José: Sitting on the Edge of Economic Decline}

\textsuperscript{101} In rural Costa Rica these jobs are seen as the work of women and males rarely assist in this sphere, if ever.
José is somewhat younger than Maria in having just completed his fortieth birthday at the time of our interview. José is married to Anna who was also born into a family which has traditionally been involved in the cattle producing enterprise in Guanacaste. Together, José and Anna have had two girls and a boy who are aged nine through sixteen. All three of their children continue to reside on José and Maria's cattle ranch in the canton of Liberia where they attend private catholic schools while assisting in the simple reproductive activities of the household. This assistance becomes particularly intense throughout the summer school breaks, although José and Anna's children say that they are required to work fairly hard throughout the school year as well. This conflicts with José's claim that the children are pardoned from all chores throughout the school year so that the children can focus their attention upon the demands of a private education. An emphasis such as this upon educating children for occupations other than the cattle production enterprise or in educating them for the more technical aspects of cattle production has been corroborated as a desirable goal by many of the other ranching families to whom I had spoken throughout my field stay.

José controls a total of 110 hectares of land of which the first fifty-five were obtained through inheritance from his cattle ranching father. José was granted a fifty-five hectare plot of land as his father's holding was divided between his four sons immediately following his death. José's first holding, which is located in the canton of Liberia, is currently dedicated to milk production (doble propósito). The milk produced by the forty head of cattle found at this ranch is utilized to meet the basic reproductive needs of this ranch as well as to pay the peons who care for his second ranch which José has purchased more recently. Like Maria, José claims that he obtains approximately 200 bottles of milk.

102 As one can easily discern from these figures, José's father's land was not divided equally among his four sons. This was partially due to the fact that José was taken in at an early age by the man which he now calls his father (but who is really his grandfather) since José was the illegitimate son of one of his father's daughters. Likewise, the land was divided by José's father in terms of age with the oldest son receiving the lion's share of the property with approximately 400 hectares. Within this process all of José's sisters were denied access to land through inheritance although their father did pay for their education and helped them to build their first homes.
a day which he sells in Liberia for around 30 colones per bottle of unpasturized milk. José also claims that these figures can reach upwards of 300 bottles of milk per day during the rainy season\(^3\).

Unlike Fransisco, José does not sell the milk produced at his ranch door to door in Liberia. José's older sister sells approximately half of the milk output at her general store (pulpería) in central Liberia at no extra cost to José with the remainder being sold to many other pulperías throughout the city. Although José's selling price for milk is in greater accord with those being offered by Dos Pinos than was Fransisco's, José would experience similar difficulties to the ones introduced above if he were to integrate the household enterprise within the corporation's hold. In a similar vein, José's ranch is not large enough to secure economic returns which would allow for the incorporation of a more capitalist production process which is necessary if one is to take advantage of Dos Pinos' offer.

José's second plot of land was purchased with profits which he had obtained through the first ranch's integration within the Costa Rican beef market throughout the 1970s. In other words, José was able to save enough money throughout the more profitable stages of cattle production in Guanacaste that he was able to increase his holding size through the purchase of additional property. José's second holding is located in the higher altitudes of Colonia and it is here that he grazes seventy head of cattle which are oriented towards the early stages of cattle fattening (desarrollo). Once again, paralleling the economic orientation of Maria and Fransisco's ranch, José sells these animals to the cattle auctions of Liberia where he is a regular fixture. Although José concurs with María and Fransisco by arguing that he is in a better position with the implementation of cattle auctions, he complains that the auctions of Liberia are dominated by a number of very powerful figures who can control the selling and buying prices of

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3 The 200 bottles of milk daily purported by José is probably a bit of an exaggeration in that during the dry season he was selling anywhere between ten and forty bottles of milk at his sister's corner store. Although his holding in the cantón of Liberia is not as productive as María's which is located in the higher elevations of the cantón of Liberia, this still does not explain the discrepancy in milk outputs.
cattle through practices of false bidding. José would like to see strict government regulations concerning the auction houses which, he holds, would benefit the smaller producers rather than the larger slaughter houses.

The orientation which the two production enterprises takes is not based entirely upon some arbitrary decision-making process on the part of José and Anna nor upon the working of general market conditions. Rather, the implementation of two divergent production processes on the two ranches can be best understood by distinguishing between the transportation systems available to each of the cattle ranches. The accessibility of Colonia is very difficult, particularly during the rainy season, and with José's cattle ranch in the cantón of Liberia located approximately one kilometer from the Pan American highway the ability to become integrated into daily market negotiations is much greater at his ranch in Liberia. Thus beef production at the former and milk production at the latter can be argued to be attributable to pragmatic economic orientations of the household unit which is attempting to facilitate the daily reproductive processes. This is so in the sense that milk producers require daily access to the milk market if they are to operate a successful enterprise, while for beef producers it is only necessary to transport cattle to the slaughter houses when they are fattened or for sale at the cattle auctions of Liberia which is not a regular necessity.

When José's cattle become sick there is no one to turn to, since the Costa Rican government as well as the cattle ranchers' association turns a deaf ear to the ranchers pleas for help\(^4\). The Costa Rican government will only take it upon themselves to become involved within smaller production enterprises if there is a wide outbreak of disease in the region which threatens the entire cattle population. The ranchers in the region argue that

\(^{104}\) The vast majority of cattle ranchers in the cantón of Liberia to whom I have spoken state that the cattle ranchers association (Camara de Ganaderos) is of no help to them. The cattle ranchers association is viewed, by the ranchers, as a commercial enterprise which sells items which are necessary for cattle production. Likewise the cattle ranchers association has been involved in an artificial insemination program although many ranchers have not taken part in this program given that many ranchers claim to possess superior quality of bulls. These ranchers argue that they do not have to interfere with nature to maintain high herd qualities.
it is only at this time that the government will implement any type of inoculation program. If one of José's animals becomes sick, José is forced to call for a veterinarian which is a non-budgeted household expense which must be recouped at a later date if the household is to continue to reproduce itself within such a precarious economic climate.

In addition to the added expense of a veterinarian and the medication which he or she supplies to cure the cattle's ailments there are various other factors which threaten the ability of José and Anna to reproduce their cattle ranching enterprise. By the end of the 1992 dry season José had lost ten head of cattle due to the paucity of water which is accessible to his pastures. To keep the remainder of his cattle alive José was required to purchase hay from the commercial market to supplement the dwindling natural resources of his ranch. This was an additional non-budgeted expense which cost about 3000 colones per bale (paca) with an average of six bales required daily just to keep the cattle alive and well. Thus, not only was José and Anna's household spending additional money to reproduce the household unit, they were not recouping much money given that without pasture, milk production of cattle also reduces to the point at which not enough milk is produced by the cattle for sale in Liberia. Thus the continuous capital flow of a milk producing household is diminished and at worst, nonexistent. Furthermore, without sufficient pasture the cattle experience huge weight losses which make them more susceptible to disease and reduces the selling price of the animals due to reduced weight levels.

In addition to his cattle herd, José also owns fifteen horses, an equal number of pigs and eighty chickens and roosters. José's plot also contains an abundance of fruit trees including oranges, mandarins and lemons. All of these items are utilized for the simple reproductive needs of the household with the remainder being sold on the local market. José also owns a tractor and trailer which he uses to help friends who will return the favour in kind at a later date. Throughout the rainy season José will also sell his labour and tractor to many of the other farmers in the region who need to hire labour for the
clearing of their land. The extra capital which is obtained by José through the sale of his labour to the market is used to pay for José and Anna's children's private education, to buy items from the market which they themselves do not produce as well as to send a daughter to the United States to learn English which José and Anna hope will open up many more job opportunities for that daughter.

Like Maria, José must sell his cattle when it becomes difficult to meet the reproductive needs of the household. However, for José the reasons for entering the commercial market go beyond the need to meet loan payments, costs to veterinarians, or simple market conditions. Two days prior to our interview José was at a cattle auction and became involved in a business deal for a number of cattle. José had completed many business dealings with this person in the past, and as with all business transactions at Liberia's cattle auction, this one was based upon an IOU which was to be repaid in the days following the transaction. When this man came to José's farm two days following the business dealing José thought that he had finally come to pay his outstanding debt. Before they could discuss this debt, José received a phone call and left the room. At this time the man stole a check which had been signed by José for approximately two million colones. This person cashed the check the next day at the cattle auction and bought cattle with this money. When José finally realised what had happened, José's business 'partner' had already sold the cattle to the slaughter house and disappeared without a trace. José feels that he will have to sell about twenty-five head of cattle to recoup the cost of this misfortune. This figure accords with approximately one third of this entire beef herd. It is factors such as these which can destroy the ability of the cattle producing enterprise to reproduce itself. With these factors at hand, José's household may well be on the verge of economic collapse.

To ameliorate the lives of Guanacaste's cattle ranchers José argues that the Costa Rican government must lend money to the cattle ranchers at a low interest rate as they have done in the past or with interest rates which are frozen for five years. This grace
period would allow for the breeding, fattening and sale of the animals to the market and would thus give the ranchers the money necessary to meet loan payment obligations. José argues that this is the only way that the cattle ranchers can recoup their former levels of profitability. Without some type of government support cattle ranchers such as José will perish. Throughout 1992 José was purchasing cattle at the auctions in Liberia for 145 colonés per kilogram for a 350 kilogram bull while by February of 1993 he was selling this same animal, after fattening, for 135 colonés per kilogram. If this situation does not look grim enough by examining the absolute decline in beef prices granted to Guanacaste’s ranchers, it looks even worse when we examine the relative decline in the buying power of the cattle ranchers of Guanacaste. Many ranchers told me that only fifteen years ago one needed to slaughter approximately seven head of cattle to purchase a new Toyota pick up truck while in contemporary Costa Rica one must slaughter upward of eighty head of cattle to purchase this same vehicle. Similar declines in the cattle ranchers buying power can be found for almost every item which must be purchased by the cattle ranchers from the external market.

**Mario: A Ranch Without the Cattle**

Like José and many of the other small and medium sized cattle ranchers in contemporary Guanacaste, Mario acquired his property by way of their father's inheritance. Although Mario is one of José’s oldest brothers, Mario’s inheritance was significantly larger than the fifty-five hectares endowed to José in that it included approximately 185 hectares of land and came equipped with 220 head of cattle.

Before Mario was bequeathed this land, he was introduced to Flora by a mutual acquaintance on an Eastern Weekend while visiting the beaches of Guanacaste. By the time Mario had completed his thirty-first birthday he had married Flora, who, unlike many of the small and medium sized cattle rancher’s wives in the region, had originated from the Central Valley of Costa Rica. Since their marriage, Flora has given birth to two girls who
are presently in the early twenties. Both children are currently employed in San José and no longer reside in their Liberia-based household, although at least one of the children continues to draw upon the household's resources\(^{105}\). The oldest of the two daughters has been able to find herself a well paying job as a school teacher in San José. The youngest of the two children is continually changing her employment which, on many occasions, is not of her own choosing. At the completion of this field work Mario's younger daughter was toiling at one of the many car rental companies which have commenced operations within Costa Rica to meet the rising tourist demands. Since their youngest daughter is constantly without employment, Mario and Flora are continually sending her money to meet not only her rent and food requirements but also to pay for her latest fashions and the entrance fees to the most popular dance clubs which the youngest daughter states are essential to life. This puts increasing pressure on the household to meet reproductive needs particularly given the current state of beef production in Costa Rica. Even so, there seems to be no attempt by Mario or Flora to alter this situation.

Mario states that regardless of whether he had sons of his own he would have still been required to hire peons to assist in the daily reproductive factors of the household. He argues that life in Guanacaste has been altered since he was a teenager in that in the contemporary period young people would rather not live on the rural farms nor do they want to assist their parents with the reproductive processes essential for a successful cattle operation. Rather than living such an isolated ranching life, today children prefer the livelier towns and villages of Guanacaste and the Central Valley. Thus many of Mario's fellow cattle ranchers feel that they must offer their children a number of cattle of their own which they can graze on their parents land and from which they can sell the milk and beef to garner a little extra cash in hand. The children take advantage of the natural resources on the cattle ranch and at the same time aid in the reproductive processes of the

\(^{105}\) This is an extremely important point since it highlights how households are not bound by a constructed unit but rather they contain numerous linkages to the outside world.
larger cattle operation. According to Mario, strategies such as these must be utilized by ranchers in response to the options available to them given the contemporary reality of Costa Rica in which it is difficult to entice children to remain on the cattle ranches to assist in the reproductive process.

Even so, to supplement the paucity of labour on cattle producing enterprises, ranchers are required to hire peons for the vast majority of functional cattle ranches in the region. This becomes even more evident if we keep in mind that cattle ranching is not solely the raising and selling of cattle once they have matured, but it is also clearing of underbrush, constructing fences, repairing equipment, planting grass seed, buying breeding stock, building or repairing canals, keeping the stable areas clean, milking the animals, etc.. To complete all of the functions which are required to meet the reproductive needs of a cattle ranch, it is normally required that the cattle rancher hire anywhere between two to four peones per 100 hectares of land. This is an additional expense which the household must recoup through further market integration insofar as Costa Rican law requires that peons to be paid with a room and board with a small cash outlay or a larger cash remittance which is determined by the state.

When I first met Mario in 1986, he was already flirting with the idea of selling his cattle ranch since, at the time, it was becoming increasingly difficult for Mario and Flora to meet the reproductive needs of their household through its primary orientation to the Costa Rican beef market. When I once again met up with Mario in early 1993, he had already lost his ranch. Mario told me that there is a characteristic process a household completes when its members are about to lose a cattle producing enterprise. When a cattle ranch experiences severe financial difficulties, and when the cattle ranching enterprise can no longer meet the reproductive needs of the household, the cattle rancher will first sell the cattle from his or her ranch without regard for market conditions. This places the ranching household in an even more precarious position given that they can not take advantage of upturns in the beef market. Once all of the cattle have been sold, all
that remains for a cattle producing enterprise is the land which, without the reproductive obligations which had been previously met through milk and beef production, must be sold shortly thereafter. This is precisely the process which Mario followed in 1989 as input costs began to outweigh the economic returns of the ranch. Once this occurred Mario was forced to sell his cattle ranch to one of the numerous American investors who are becoming extremely prominent in land transactions in the region.

Mario sold his ranch despite the adamant objections of both his immediate and extended family but Mario states that he was forced to sell this land because he and his wife own the house in Liberia and because their two daughters are living and working in San José. Although he misses ranching, Mario says that if he was to do it all over again he would finish dentistry college which he commenced when he was in his early twenties and hence would forego cattle production. Mario, as well as many other cattle ranchers in the region, argue that in Costa Rican society it is the dentists, doctors, lawyers and big businessmen who continue to flourish economically while for all intents and purposes the "cattle ranching enterprise is dead". This metaphor which equates the cattle production enterprise to death is a significant one which was used by many of the cattle ranchers in the *Pacífico Seco* region. By using the metaphor "dead" the cattle ranchers are referring to the production enterprise as they would their cattle or pastures. As with all living organisms, once the reproductive needs of that organism are no longer met, reproductive abilities are lost as the organism can no longer function in any significant manner. Likewise, once an organism is dead there is no bringing it back to life. Here the cattle ranchers are acknowledging the difficulty in bringing a production enterprise 'back to life' once the daily requirements for the reproductive processes can no longer be met.

Although Mario's cattle operation was primarily oriented to beef production, in a similar fashion to the two households discussed above, Mario utilized milk production to meet the daily reproductive needs of the household. Thus prior to selling his ranch, Mario would pedal approximately 120 bottles of milk per day, which at the time was selling for
twenty-two colones per bottle of unpasturized milk. The economic returns garnered from this production process were earmarked as remittances for the hired peons who were permanent residents at his ranch on the outskirts of Liberia. Unlike Fransisco and José, Mario had a permanent residence in the provincial capital of Liberia and had his wife sell the unpasturized milk from their front door. By orienting the household in such a fashion Mario was free to return to the farm to assist the peones in the daily reproductive requirements of a cattle producing enterprise. This process reduced the necessity of hiring additional peons which increased the profit margin of Mario's ranch given the 'low paid' labour of Flora. The economic returns which were garnered after paying the monthly salary of the two peones who were employed at this time were understood to be Flora's. Even so, with the money she would earn from selling milk, Flora was required to pay much of the children's educational expenses which were quite high given that both children attended private catholic high schools in the region. Thus to augment her resources, Flora also sold ice and ice cream from her front door. The profits derived from this informal enterprise were viewed as hers alone.

Unlike José and Anna, or for that matter Maria and Fransisco, decisions in Mario and Flora's household are not made jointly. It is understood that Mario controls his own money with which he can do what he pleases while Flora has her own money whose usage is much more restricted. In defending her subordinated position within the relationship, Flora argues that "Mario works very hard and therefore I have no right to tell him what to purchase and what not to purchase". Although she has little or no say in the usage of the vast majority of the households resources, Flora is quick to point out that Mario does discuss purchases with her if he intends to acquire something for the kitchen. Flora states that "here in Costa Rica men are very machista" and therefore women can not tell them what to do. Although surely true in some rural households in Costa Rica such unidirectional hegemonic relations are not the norm. This can be clearly discerned from the examples of José and Anna as well as to a certain extent Maria and Fransisco's
household, where it is Maria who controls much of the decision making power in the reproductive processes of the household. Maria's position in the household unit can be viewed as the polar extreme of Mario and Flora's household in that her position is solidified by Maria holding title to the property. Thus the decision making power wielded by Maria equates to an economic rather than a social or cultural one.

With the seven million colones which Mario had received from the sale of his cattle ranch, Mario bought another ranch of 170 hectares for which he paid 1.5 million colones. Mario claims that this holding contains decent land for cattle rearing and corn and rice production throughout the dry season although by the end of the dry season, even without cattle grazing upon it, no pasture remains. With the money that remained after Mario purchased the second ranch, Mario went to the United States and bought a four-by-four truck which he said would be used to transport tourists to the beaches of Guanacaste or other tourist sites in the region. This he felt would be a profitable endeavour in that he had a number of contacts with people at the local hotels who would put him in touch with tourists who were seeking transportation to the beaches or other sites in the region. However, by March of 1993 he had sold this truck which he said was costing him too much to maintain and operate. Now that he has sold his truck, Mario has plans to buy a minivan for tourist transportation. Mario was also planning to plant corn in May of 1993 on about two hectares of land which he and his hired help were clearing as of February of 1993. Additionally, he planned to buy a number of chickens and pigs so that in the winter he could produce chicken, eggs and pork to meet his household requirements. Mario thinks that this type of economic orientation is important since as soon as one is self sufficient in these products one can distance themselves from the market which has been rather sporadic since the neoliberal elimination of the canasta basica. If none of these ideas unfold as planned, Mario says that he would like to open a restaurant in the city of Liberia which would sell typical Costa Rican food to the tourists.
Even though Mario currently controls land, he continues to be in a precarious economic position given that without cattle for the ranch he is lacking the principle reproductive feature of such an enterprise. Presently, Mario is in such economic straights that since he cannot afford to purchase cattle on the Costa Rican market he is considering becoming involved in the robust contraband cattle trade from Nicaragua to Costa Rica. At present this is a very profitable endeavour. In February of 1993 young bulls were selling for approximately sixty-three colones a head in Nicaragua as opposed to the ninety-three colones per head characteristic of the Costa Rican market. To reduce one's risks in this covert trade one must pay the border guards at the Costa Rica-Nicaraguan boarder approximately 2000 colones per head of cattle to look the other way. In addition to this expense one must also pay the cost of transporting the cattle from Nicaragua to the Costa Rican cattle auctions which, in early 1993, was approaching 4000 colones per head if transporting directly to GISA, which is located on the outskirts of Liberia, or approximately 6000 colones per head of cattle if they are to be transported to the auctions in Cañas.

Although pragmatic reactions such as these by cattle ranchers to the larger economic reality of Guanacaste tend to undermine the prices paid per kilogram of beef in the province, this remains the only viable option for many ranchers such as Mario if they are to continue within the cattle producing enterprise. Although larger ranchers openly deplore this contraband trade, each will quietly tell you that they understand that the current crisis goes beyond contraband trade and lower-priced cattle imports. In this regard they say that they can understand the need of their smaller producing counterparts to take part in such an illicit trade.

If the government continues to purport a neoliberal policy orientation, in which all forms of economic subsidies and aid are eliminated in the cattle producing sphere, Mario, and many of the other small and medium sized cattle producers, will only be able to subsist or, for that matter, re-enter the cattle-producing sphere through involvement within the
Nicaraguan contraband trade. If the contraband cattle trade is shut down by the Costa Rican government the profitability and proliferation of small and medium sized cattle ranchers in Guanacaste will be no more.

**Summary**

From our examples drawn from the cattle ranching households in the cantón of Liberia, Costa Rica, we can readily see that the process of decision-making within the domestic unit combines a form of both solidarity and confrontation among its members. In addition to these intra-household relations, a number of extra-household relations exist as each domestic unit interacts with other productive units, participates in various markets and in a number of social relations, ultimately, in a subordinated position. In so doing the production unit devises productive and reproductive strategies to attain the most advantageous adjustment of its labour capacity. The consumption needs of the members and the material resources available to it are key factors in our understanding of the ‘productive logic’ of the household unit.

I have argued throughout this thesis that within the breaks of the hegemonic field of force there exists alternative cultural understandings and/or forms of cultural resistance which are brought forth through the social interaction of various subordinated groups. In terms of the cattle ranching households of the cantón of Liberia this cultural resistance has not directly challenged the status quo in that these cattle producers, like the majority of the cattle ranchers in Guanacaste, have attempted to ameliorate their declining socio-economic position by working within government channels rather than overtly rebelling against it (Anderson 1990, 1991). Even so there does exist overt forms of resistance as can clearly be extrapolated from the ethnographic account of Mario who could only make the cattle ranching endeavor work by smuggling cattle from Nicaragua. This act is clearly in defiance of Costa Rican state policies. Likewise it can be argued that even the basic orientation of the household unit in which the joint actions of members allow for the reproduction of this basic unit of production can be seen to eschew neoliberal dogma.
which holds the individual responsible for his or her own socio-economic plight. Although this resistance does not dominate the cattle producers' actions, there does exist numerous forms of ideologically resistance among the cattle ranchers. This alternative ideology has arisen in response to the dominating cultural patterns and discourses which have been brought to bear upon the ranchers by the Costa Rican elite and various state institutions. These ideological forms of resistance are based upon the ability of the cattle ranchers to distinguish a common location for themselves within the social structure of Costa Rica. Cultural understanding such as these are continually being constructed and reconstructed through the interaction of the various household units as the political-economic reality of Costa Rica is altered. I have argued that these ideological forms of resistance are equally important.

By interacting with other cattle ranching households in the cantón of Liberia, María, José and Mario have all come to realize the niche which they and the other cattle ranchers have carved for themselves within the larger socio-economic reality of Costa Rica. It is through this interaction that the cattle ranchers have been able to offer alternative pragmatic and ideological responses to the neoliberal economic model which dominates government discourse and decision making processes. Thus unlike neoliberal dogma, which holds the individual accountable for his or her own socio-economic position, María, José and Mario all concur that their current socio-economic position has been fomented by the lack of government support for the cattle production enterprise. These medium sized cattle producers argue that their current socio-economic plight has not been brought about due to a lack of an 'entrepreneurial spirit' on their part nor is it attributable to the working of the 'free hand of the market'. All three of these cattle ranchers realize that the cattle reproducing enterprise will not survive in Guanacaste without the state re-implementing protectionist development policies.

Through an analysis of the Costa Rican development model I have attempted to demonstrate that rural domestic commodity production units are not passive entities which
can be examined as reified elements existing at the periphery of capitalism. Their contemporary configuration and development are not defined exclusively by external power relations. Rather it has been argued that we must examine the rural household as a product of a set of interactive characteristics between micro and macro processes. A model has been developed in which the household is not only affected by the internal relations of production and reproduction but likewise by alterations at the local level, nation-state, and within the world economy. Alterations at these macro-levels can serve to condition the internal orientation and the productive stages of the primary unit of production. Likewise the primary unit of production, through its interaction with various units at the micro-level, can assist in conditioning macro-level process insofar as the superordinate class sifts through micro-level responses and incorporates those notions offered by the subordinated group which are deemed compatible with their own.

In the cantón of Liberia it was demonstrated how small and medium sized producers are subject to the vagaries of the market as they produce beef and milk products, not solely for individual subsistence, but for national and international consumption as well. Thus, in many ways, these producers are constrained by both the manipulations of various dominant classes and, the various attempts of producers to locate alternative income-generating activities. We have viewed the household as a production unit within the larger political-economy of the region or, more specifically, to the relations of the producers to systems of state and personal credit, their bargaining power with ‘middlemen’ and multinational corporations, and to fluctuations in the demand for beef and milk products. However, as it has also been demonstrated, each production enterprise reacts to political and economic changes in varying ways with equally varying successes.

By examining the discursive and pragmatic responses of three cattle ranching households in the cantón of Liberia we have been able to move beyond the surface manifestations of the Costa Rican development model and view the effects of the development model upon the reproduction and proliferation of those production units
located at the micro socio-economic level of the household. It is this type of approach which allows us to develop a more equitable and socially just development model which not only takes into consideration economic growth but analyzes the culturally specific effects and the behavioural alterations this process arouses.
Conclusion

"Knowledge exists as knowledge only in terms of some universe of discourse. some system of meaning, some institutional epistemology". Richard Brown, A Poetic for Sociology (1977:6).

Economic texts and development models have continually marginalized those voices at the periphery of capitalism. These dominant models have traditionally been viewed as “authoritative texts” based upon a sort of Popperian refutability in which the ‘scientific’ findings of economists bracket the social construction of reality. These “authoritative texts suppress the economic models of others though also drawing upon them” in that “dominant and subordinate texts are appropriated and transformed, becoming intertwined and play themselves out in long and ever-thicker conversations” (Gudeman and Rivera 1992:188,162). These notions are echoed in the works of Antonio Gramsci (1971) in that he argues that ideology is not formulated by the superordinate class in isolation from other groups in society. Rather the dominating classes must continually create and recreate their power base by selecting, reformulating and prioritizing the interests of the subaltern groups in accordance with its compatibility with the interests of the group wielding hegemonic control (Arat-Koc 1991:28; Palma 1989:133). Thus, although the dominant and subordinate classes may at times adopt similar discursive strategies there are breaks within developmental discourses where alternative forms of knowledge can be found to proliferate. It is within these conversations that we must locate local forms of knowledge if we are to begin to understand the effects that these models have upon those who are subordinated through the implementation of such development strategies.

It has been generally noted that Western models of development are continually expropriated for Third World purposes (Dahl and Hjort 1984:165). Neoliberal models of development are no exception to this rule and, as with many of the social scientific
paradigms, there remains in neoliberalism an objective conception of development (itself 'culturally specific') which is grounded within the bourgeois ideology of the nineteenth century industrial revolution. Once we realize this fact we will be better equipped to move beyond the ideological groundings of hegemonic models of development and begin to search for alternative models for development. It is here that we will see the 'real' effects of development models as they are lived in, and through, by those located at the periphery. If we are to be able to develop a more complete understanding 'of processes of change we obviously need to have access both to folk models of development and analytical exterior, models for explaining social and economic transformation' and the effects that these have upon small producers.

When we examine both the 'top down' and 'bottom up' analysis of development models we quickly find the weak links within the neoliberal doctrine as it is experienced in Costa Rica. Neoliberal discourse states that cattle production will survive in Costa Rica given that the most profitable and able production enterprises will rise to the top while the less competitive enterprises will fall by the wayside. However, if we examine the experiences of those small and medium sized cattle producers in Guanacaste province we find that they are a social and economic construct enacted through Costa Rican state involvement on the one hand and the growth of the United States beef market on the other. Without these two factors, the small and medium sized production enterprises are sure to perish. Here it becomes clear that, contrary to neoliberal dogma, the profitability and proliferation of production enterprises is not the creation of the 'free hand of the market', or due to some sort of organic 'comparative advantage' which are possessed by economic institutions as if the advantage had some sort of life of its own.

The examples of the three cattle producing households which were brought forth in the previous chapter were meant to demonstrate that there is not a strict one to one correlation between larger political-economic factors and the orientation and reproduction of various households which are located within the same system. Together their
discourses and joint orientations serve to construct a culture of resistance to the dominant development paradigm of neoliberalism which has been introduced into Costa Rica's popular parlance by the state apparatus with the direct involvement from the IMF, World Bank and United States' government. By examining local models of development we can clearly see that the interpretations, understandings and the reproduction of one's social existence is simply the conditions of and for reproduction and not an impediment to the process of change as it has been perceived in the dominant discourse of development. This thesis has not done complete justice to the lives of the cattle ranchers of the cantón of Liberia but is meant to serve as a basis for further research in the area.
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