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Coffee and Socialism in the Venezuelan Andes

Aaron Kappeler

Abstract

Based on ethnographic fieldwork in the highlands of Barinas, this article investigates the impact of “twenty-first century socialist” policies on the Andean peasantry and the relationships established as part of Venezuela’s ongoing agrarian reform. The analysis explores the historical and material-cultural factors surrounding the production of coffee in the Andes and the dynamics, which have shaped a small group of growers. It also examines the recent efforts of the Bolivarian Government to increase domestic coffee production and support internal growers, suggesting that attempts to insert the state into the rentier structure of the coffee economy have somewhat inadvertently reinforced a working class consciousness. The ethnographic vignette illustrates the present relationship of state functionaries to coffee growers and narrates their analysis of the conditions, showing the contradictory effect these relations have on growers. The rest of the analysis locates the sources of this social awareness and its potential effect on state formation. The article concludes with a discussion of the role of class in history and a few observations about the future of peasant politics in the twenty-first century.

Keywords: capitalism, labor, livelihood, peasant consciousness, the state, uneven development, Venezuela

“...an insignificant minority of small producers wax rich, “get on in the world,” turn into bourgeois, while the overwhelming majority are either utterly ruined and become wage-workers or paupers, or eternally eke out an almost proletarian existence.”

—Vladimir Lenin, *The Development of Capitalism in Russia*

In this article, I advance an analysis that is ambivalent with regard to the peasantry in the Venezuelan Andes, suggesting these actors are the precipitates of the process of modern state formation and uneven capitalist development (Roseberry 1985; Yarrington 1997), but that they have an awkward relationship to capital and the state. In what follows, I explore the interactions of a group of coffee growers with the Venezuelan state as part of official efforts to build “a socialism for the twenty-first century” and the consciousness or social awareness that emerges from these interactions. Formed against the backdrop of a transition from a mostly rural society based on the export of coffee to a largely urban society based on the export of oil, I argue the consciousness of the Andean peasantry is contingent upon the regimes of growth that have emerged in the course of national development as well as the relations of coffee growers with a variety of surplus-takers.

This analysis was inspired by the often-perceptive observations of my informants and their insights into the conditions shaping the agency of coffee growers in the Andes. Drawing on ethnographic fieldwork in 2009-2010, I present a series of illustrative encounters, which troubled my working assumptions about the peasantry and peasant consciousness. Returning to the approaches that inspired an earlier generation of agrarian

studies, I strive to restore the ambivalence that was always a central feature of the peasant category. As Henry Bernstein (2001) has argued, “the peasant” is often portrayed as “an absence of class,” rather than one specific outcome of the process of class formation (ibid: 30). As a result, the peasant is often regarded as an intrinsically egalitarian actor seeking to preserve or restore “a natural economy,” when in fact most peasants are petty-commodity producers engaged in capitalist relations of production and exchange (see also Bernstein 1979; Lem 1988; Smith 1985). What are presented as essential features of the peasant livelihood or “culture” are in fact responses to an historical conjuncture marked by the decline of subsidies, less generous credit policies, and the general retreat of the state from rural areas. Weak prices for agricultural commodities and competition from larger monopolistic enterprises have also contributed to a rise in militancy among these actors, as they seek to regain the stability associated with previous regimes of growth and accumulation (see Martinez-Torres and Rosset 2010; Woolford 2010; Petras and Veltmeyer 2001). The influence of this activism has not been limited to rural areas, however.

The resurgence of global agrarian movements has encouraged scholars to reevaluate the political potential of the peasantry as well as their models for social change (e.g., Desmarais 2007; Edelman 1999; Edelman and Borras 2016). A leading force in the countermovement against neoliberal globalization, peasant organizations in the global south have been offered as models for the reconstruction of the world economy and politics (Holt-Gimenez 2006; McMichael 2006; Shiva 2008). Yet, the image of classless peasants striving to restore sovereignty over land and surpluses can be one-sided, and indeed, I argue, other images might be available to orient action.ⁱ In this article, I seek to illustrate how coffee growers in Venezuela were caught up with the rise of global

capitalist markets in the nineteenth century and how shifting regimes of growth over the course of the twentieth and twenty-first centuries have tended to push the consciousness of peasants in the direction of one of two poles—either capitalist or proletarian.

This analysis eschews romantic images of peasants as “precapitalist residues” or intrinsic “non-capitalists” in favor of an analysis that recognizes the dual character of peasants as *owners of means of production* and *exploited laborers*.ⁱⁱ While not objectively occupying the position of “free and right-less” proletarians, I argue the combination of the economic outlets and labor regimes available to coffee growers gives them a consciousness not unlike the proletariat and that contract relations with the Venezuelan state tend to reinforce this specific awareness. In this analysis, I identify the forces that have allowed this form of consciousness to surface at this specific historical conjuncture and the factors that make a working class identity a convincing representation of the lived reality of peasants. Finally, I discuss the interactions of coffee growers with technical experts and how these interactions shape peasants’ reading of their social position.ⁱⁱⁱ

The rise of a coffee republic and peripheral capitalism

The cultivation of coffee in Venezuela began in the eighteenth century under Spanish colonial rule. Raised in areas where the trees could be shaded from the heat of the tropical sun, coffee did not readily compete with other crops for arable land or impose a specific set of labor relations. With few strict requirements, the crop could be grown in virtually any allotment size and be worked by slaves, smallholders, or wage laborers (Pendergast 2010; Roseberry 2001; Williams 1994). In Venezuela, the crop was largely the work of a free peasantry formed after the Federal War (1859-1863)(Ardao 1984). In

the nineteenth century, Venezuelan agriculture was based on bonded labor on large estates. These estates were typically commercial ventures that raised cash crops for regional and global markets. Slaves and tenants on these estates were usually given a subsistence plot as a condition of servitude, but such allocations seldom lessened the desire for land or their susceptibility to unrest.

In the aftermath of the contested elections of 1849, rural subalterns rose up against conservative landowners under the leadership of the Liberal Party. The ensuing conflict witnessed the destruction of estates in the western plains and the redistribution of hacienda lands. But the more radical aspects of this proto-agrarian reform were defeated in a series of elite compromises that restored the status quo (Figueroa 1974). The Federal War can be regarded—at least provisionally—as an instance of “original accumulation.” Yet unlike the classic case of “original accumulation” in England where peasants were driven from the land and integrated into urban areas as a class of free wage laborers (see Marx [1867] 1967), the destruction of the *haciendas* in the western plains of Venezuela did not lead to the formation of a landless proletariat. Instead, it resulted in a mass exodus of former slaves and tenants to the Andean frontier, where they succeeded in reacquiring access to land (Farias 1966; Roseberry 1985).^{iv}

With precipitous slopes that could accommodate few crops except for coffee, the Andes formed a natural border zone that gave its residents relative autonomy from the central government. Serving as a safety valve for the tensions that might otherwise have erupted in Venezuelan society, the colonization of public lands gave displaced peasants free access to means of production and a chance to improve their livelihoods through labor investment. This “sweat equity” gave peasants a relatively strong position from which to enter into relations with elites. Mixing with recent European immigrants and

new arrivals from the coast, these erstwhile slaves formed a free peasantry—in the legal rather than Marxist sense—and the region grew rapidly as “new forests” cropped up and the nation was converted into “a coffee republic” (Price 1994; Roseberry 2001).^v A relatively small portion of the colonial economy, prior to the nineteenth century, coffee had not occupied a large part of the active labor force. Yet with the rise of global markets, cultivation of the crop would take on a role, which owing the peculiarities of Venezuela’s development, not only led to the consolidation of the modern nation-state, but also to the genesis of capitalism.^{vi}

Embodying the principle of comparative advantage, the cultivation of a high-value crop within a limited geographic area gave coffee growers a degree of leverage over elites and the wider social formation. By the end of the nineteenth century, coffee accounted for more than half of Venezuela’s exports and it was also a key source of political power (Roseberry 1985). Largely responsible for the growth of port cities like Maracaibo and Puerto Cabello, the trade was also an impetus for investment in transportation infrastructure and the foundation of the modern banking system (Cardozo Galue 2013; Machado et al. 2001). Altering the structural and territorial organization of society, the trade encouraged the growth of new forms of social intercourse and consciousness. The Venezuelan historian Alberto Domingo Rangel (1969) argues Andean coffee growers were “able to feel like entrepreneurs” and that they enjoyed the prestige associated with ties to urban merchants.^{vii} Likewise, the historian Doug Yarrington (1997) has suggested coffee growers in Venezuela were able to affect regional and national politics through these ties. But such ties also had a dual character.^{viii}

Realizing a profit by transporting the commodity from a point of high concentration to a point of low concentration, merchant capitalists indirectly controlled

all the phases of production and exchange in the trade by extending credit to growers and monopolizing the transportation of the crop to its point of sale. This form of dependency gave merchants a degree of control over the rate of return based on the interest charged to peasants in advance of the sale of crops.^{ix} Yet whereas peasants in other parts of the world reacted defensively against the exactions of mercantile elites (e.g., Scott 1976; Wolf 1969), in Venezuela, coffee growers accepted and benefited from these ties (Roseberry 1989).^x While peasants in other parts of Venezuela languished in poverty, Andean peasants enjoyed a relatively prosperous existence and were able to take advantage of expanding markets to turn themselves into a burgeoning capitalist class. The alliance with merchant traders—although never one of total equality—seemed to benefit coffee growers as long as markets were expanding and they were able to employ new arrivals to the Andes as wagers. This pattern of growth was not to last, however.

Roseberry (1989) notes that in many ways petroleum simply replaced coffee in the rentier structure of the Venezuelan economy and that the extraction of oil by foreign companies was not radically different than the dynamics of the coffee trade. Yet in other ways, petroleum represented a heightening or aggravation of the contradictions of rentier capitalism. Based on the extraction of surplus from primary producers by way of credit and debt relations, this mercantile form of accumulation in agriculture was progressively subordinated to the exigencies of the petroleum industry over the course of the twentieth century, and the Venezuelan government sealed the fate of coffee by revaluing the currency to facilitate the import of capital goods for the energy sector (Coronil 1997; Karl 1997). At the height of the coffee boom, Venezuela had been the third largest exporter in the world, shipping to the metropolitan capitals of Europe and North America (Roseberry 1985). Yet by the mid-twentieth century, the sector was a shadow of its former self.

The large agrarian capitalist enterprises, which formed during the peak years, fell apart and small-scale growers returned to their formerly marginal status. The decline of coffee also led to the decline of the Andes, as the region took a backseat to the urban coastal centers and extraction zones. Spurred by the growth of petroleum and a regime of accumulation in which productive capital was rewarded at rates far below the average rate of return on investment in the energy sector, in the 1960s, Venezuela underwent a “resource enclosure” that encouraged peasants to migrate to urban centers where their labor could be absorbed in the informal economy of petty-trading and services. The use of a strong national currency to redistribute rent from the oil industry also made Venezuelan coffee more expensive than its foreign competitors and unfavorable export conditions increased pressure on growers, turning the Andes into a zone of unrest.

In the 1960s, the region became a center of guerilla insurgency, as the Venezuelan government lost control of rural areas. However, Venezuelan elites were able to preserve power because the engine of economic growth had shifted. Already severely weakened by the decline of coffee, the guerillas failed to attract a large portion of their target social base, the peasantry, as the use of oil money to fund official agrarian reform efforts took steam out of the insurgency (see Ciccariello-Maher 2013; Powell 1971).

In the 1970s, the Venezuelan government sought to revive the coffee trade with a state regulatory board. Governing multiple aspects of the economy, including labor in warehouses, toasters, and transportation services, the board was also designed to regulate credit and prices with a quota system that could prevent gluts on the market (Henao Jaramillo 1982: 19). In this period, state-led industrial capital replaced merchant capital as the major means by which the value of harvests was realized (ibid). But economic

restructuring associated with the Third World debt crisis and the end of the International Coffee Agreement undermined these efforts (see West 2012; Wilson 2013).^{xi}

In the 1980s, the Venezuelan coffee economy experienced a severe crisis, as prices fell and the total number of hectares under cultivation declined (ibid). Responding to pressure from international lenders and costs of production that exceeded returns, the Venezuelan government adopted a more flexible approach, ending subsidies and abolishing the state board. Effectively decoupled from the global markets and reintegrated into the national market on a narrower, more unequal basis, growers lost most of the leverage they had enjoyed over the twentieth century and underwent a process of re-peasantization. Not surprisingly, the Andes have been relatively quiet since the mid-twentieth century, but in recent years, the region has seen new struggles emerge.

“Made in socialism”—coffee and the productivist state

In 1998, the Bolivarian Government came to power pledging to redistribute the nation’s energy wealth and transform the role of agriculture in the Venezuelan economy. Aided by high oil prices and support from a variety of mass constituencies, one of the first policy moves of the new government was to enact an agrarian reform that challenged traditional landholding patterns and offered land to impoverished rural people (see Enriquez 2013; Enriquez and Newman 2015; Lavelle 2015; Page 2010). In the Andes, where much of the land was already in the hands of peasants, however, the key reform measure was *El Plan Nacional Endógeno de Café*.

Started in 2003, *Plan Café*, as it was popularly known, sought to increase the total number of hectares under cultivation by setting up state contracts, reverting to policies

similar to the 1970s. Yet whereas the coffee board in the 1970s was chiefly tasked with regulating prices, the new leadership was taking control of commercialization and cultivation in a bid to create an even stronger form of state corporatism. In the past, merchant capitalists had introduced the imperative to maximize output, but they did not control the labor process on farms and for the most part, saw no real interest in it. By contrast, the Ministry of Agriculture was concerned with increasing output for an internal market with a limited quantity of growers and hence with efficiency. Nationalizing large swaths of the processing industry as part of building a state-run system, the Ministry also began to increase the number of technical experts deployed to supervise contractees.

In contrast to stereotypical portrayals of bureaucrats as isolated from the communities they serve, the interactions of coffee growers with technical experts in Venezuela were considerably more intimate and complex than such images would allow. Instead of a force coming from “outside” the community (cf. Scott 1998), technical experts in the Andes were often drawn from the local area and most were quite familiar with the issues coffee growers faced. Against images of “the state” as a foreign agency impinging on the peasant community “from without,” in this case, the state was just as likely to appear in the guise of a relative with knowledge of the inner workings of public institutions and an ability to fill-gaps in knowledge of the bureaucracy and its practices. It is this mediating role and its centrality to the self-awareness of peasants that became apparent in my fieldwork and that is the focus of my analysis.

In 2009, I met Jose, a technical expert working for the National Institute of Lands in Barinas. Divided between highland and lowland areas, Barinas was one of five Andean states in western Venezuela where the bulk of the nation’s coffee cultivation was concentrated. Originally from a small town known as Calderas, Jose had moved to the

state capital to attend university and after graduation began working for *Plan Café*. His duties were now in the lowlands, but Jose still had ties with coffee growers in the Andes and he offered to take me to his hometown where the crop is still a key source income, although nowhere near as lucrative as in the past.^{xii} Involving a multi-hour bus ride, the trip from the state capital to his hometown took us along precipitous slopes and curves that were so sharp the bus had to reverse itself several times to pass them. Nearly 1000 meters above sea level, the climate of the region was temperate and its forests were dense, making it favorable for coffee planting.

Almost entirely bereft of the large estates found in other parts of Venezuela, the region was dotted with villages that were among the nation's oldest colonial settlements. Long under the sway of Andean elites, the fate of these settlements had shifted with the fortune of caudillos and other military leaders and the region still bore marks of the violent political struggles of the past. Graffiti on the walls of buildings in the area depicted heroes of the guerilla insurgency of the 1960s and the slogans of leftist organizations like the Communist Party were visible. On the way Jose drew my attention to the reception depots, warehouses, and toasters taken over by the Venezuelan as part of "the socialist transition" that was shifting the coffee economy from private industry to state-run systems (Janicke 2009).

On the road into town, a large sign proclaimed the status of Calderas as "a pilot center" for *Plan Café*.^{xiii} The bulk of growers in Calderas had titled plots of no more than five hectares, which in a good year yielded 80 sacks of beans—enough to buy the basic necessities of life. But in a bad year, this yield's return might only be enough to cover the costs of cultivation, compelling growers to seek out loans to survive until the next season. In the 1980s, more successful growers had employed seasonal wage labor drawn from the

local area or migrants fleeing the civil war in Colombia. More recently, however, it had become difficult for growers to find labor, as young people often left the town for work in the city and growers were forced to band together using family networks for labor exchange. Jose recalled how when he was younger he used to help his uncle with the harvest, but how the practice had stopped when he went to college. During our trip, Jose hoped to visit his uncle, which would also give me a chance to learn more about the coffee trade and its transformations in recent decades.

Jose's uncle lived in a *caserío* known as *La Sabana* several miles up a steep serpentine road that wound its way up from the valley where Calderas was located. The walk to reach his house lasted several hours and along the way Jose grew bored and began to sing a song by the Venezuelan folk singer Alí Primera celebrating the Cuban Revolution. Crossing paths with a coffee grower doubled over from the weight of the sack of beans he was carrying on his back, the man called out to us, "Look here's Fidel Castro," referring to the lyrics of the song, Jose's long beard, and the history of guerilla movement in the region. Walking along a river that flowed out of the mountains, Jose told me how growers had been hurt in recent years and debts were starting to pile-up. After several hours of walking, we reached a cluster of trees that sheltered houses noticeably shabbier than the dwellings in the valley below. These were the houses of the coffee growers.

When Jose called out, his uncle came out of one of the houses and greeted us warmly. Neighboring growers who had already been hard at work for several hours, noticed the three of us sitting on large rock outside Jose's uncle's house, they used our presence as an excuse to take a break. Laying down their machetes and taking off their tool belts, a small group gathered around us, and Jose introduced me to the men, most of

whom he had known since childhood. Over the course of the dialog, the growers revealed feelings of frustration with merchants who advanced credit and profited from the sale of their crops, but also with officials who promised to liberate them from exploitation. The Ministry of Agriculture had pledged to alleviate their situation by stepping into the traditional role played by merchants as part of a system of contract cultivation. One of the growers seated near us, Julian, exemplified the growers targeted by the plan.

>>Figure 1, “Proletarians” in the Venezuelan Andes, Barinas. Photo by author.<<

A lifelong friend of Jose’s, Julian lived in a small house with just enough land to eek out a living raising coffee. But we learned his situation in recent years had become even more precarious. Unlike other growers, Julian was fortunate enough to have a cousin who marketed his harvest in the state’s two largest cities—Barinas and Barinitas—which reduced the rate of exploitation he would have otherwise endured. But because his crop was hit with a blight known as *la broca*, Julian could only expect to receive fifty percent of the going rate on the open market. Julian confessed that if he could have secured work in a factory, he would have left Calderas a long time ago, but he stayed since there were few such jobs available.^{xiv} The one saving grace of the situation was the fact that *Plan Café* did not pay based on the quality of beans, only the yield.

Thus, while contracted growers did not reap any rewards from higher quality harvests, *Plan Café* was attractive to marginal growers like Julian whose crops were damaged and who found it difficult to expand cultivation beyond their meager acreage. Julian also found it difficult to obtain fertilizer, which the plan offered at subsidized rates. For these reasons, it offered a better chance than the open market and even though it

placed him under the supervision of state experts, Julian signed up. However, when it came time to buy the harvest, the Ministry of Agriculture failed to deliver on its promises of a stable market.

The Department of Transportation from the nearby state enterprise never arrived and a great deal of the harvest was sold to the usual suspects. As Julian described, “When they don’t come, you start to get nervous, and then one day you suddenly just sell it.” Frustrated with the results, the coffee growers turned to Jose to offer an account of what transpired. Having previously worked with INTI, Jose knew the expert in question and faulted him for the failure. Angrily stating, “Everything he touches turns to shit. He’s a good for nothing [*no sirve pa’ nada*],” Jose explained the expert had been twice demoted for poor performance, but had kept his job due to *amigismo* or ties with superiors. Invoking the historical precedent of the Liberator, Simon Bolivar, and his execution of General Manuel Carlos Piar during the War for Independence following an act of insubordination, Jose stated, “Bolivar was radical in his methods” and “he knew how to deal with problems.”

Suggesting—only half-jokingly—that the expert meet the same fate for “betraying the revolution,” Jose decried the fact that the Ministry of Agriculture was not doing more to help growers. Jose then gestured to the men seated around us saying, “Look at these people. Look at how they live. These are the poor—the working class [*la clase obrera*]. This is the proletariat [*el proletariado*]. These are the people socialism should help.” The men seated around us did not contest his evaluation and nodded in silent agreement. Engaged in arduous physical labor to create a commodity whose value they did not control—and for which they were scarcely remunerated—growers could no longer be regarded as successful entrepreneurs—instead, they were “a *working class*.”

Peasants as proletarians—the Janus face of petty-commodity production

My first reaction to this interpellation of coffee growers as “the proletariat” was to dismiss it as a mistake. These people farmed, owned land, and rarely if ever engaged in wage labor. Plainly, they were peasants. Yet, the more I reflected on his evaluation, the more I realized it grasped an essential feature of the conditions. It was not that Jose was poorly trained or did not grasp the concept; rather, his evaluation drew a parallel between growers and actors whose livelihoods although derived from different sources nevertheless seemed to mirror the experiences of his friends and relatives and whose struggles might therefore coincide. Seeing past the superficial ownership of land to grasp a deeper, more ambivalent aspect of the livelihoods of growers, Jose was able to make an analysis of the predicament that has often eluded formal intellectuals.

In his classic study of rural proletarian consciousness, Sidney Mintz (1974) offered a critique of a certain school of Marxists who were unable to grasp the desire of Cuban *campesinos* for land or work. Visiting Cuba shortly after the Revolution in 1959, these writers imagined peasants would desire land titles as part of an agrarian reform. Yet they were surprised to discover that these “peasants” showed little interest in land ownership and instead desired stable wages and work. Suggesting the inability of these writers to account for the aspirations of a large swath of the rural populace reflected a basic issue with their conceptualization of class and class-consciousness, Mintz argued these members of the peasant community were in fact “rural proletarians” and that they had been rendered inscrutable by the biases of urban observers and a misreading of the dialectic of class formation as a material *and* cultural process.

Residing in rural areas with ties of kinship and affinity to smallholders, Mintz argued the consciousness of the rural proletariat did not just come from its relationship to the means of production, but also from the struggle to reproduce a household. Deriving its awareness from the direct experience of wage labor and interaction with other social groups, Mintz argued the consciousness of the rural proletariat was Janus-faced and that wage labor could actually reinforce a peasant lifestyle. Rural wage earners with relatives who owned land often contributed income to peasant households and these relations of dependence meant the consciousness of the rural proletariat was ambivalent and that it could have a culture that was not radically different from peasants (see also Roseberry 1982; 1983; 1993; cf. Friedman 1980). This begs the question whether the opposite might also be true: that is, if the struggle to reproduce the peasant household could contribute to the growth of a set of relations that are analogous to wage labor and if the dual nature of petty-commodity production could give peasants a social awareness like that of wage workers.

In his Chayanovian interpretation of agrarian political economy, Michael Watts (1994) has taken this reading a step further suggesting contract farmers are “hidden proletarians” paid “hidden wages.” Subject to both market and buyer dictates, these laborers have little control over the production process or the terms of exchange and thus function in relation to capital in much the same way as waged workers. Concealed by a rural location and formal control of land, these actors have all of the trappings of ownership and none of the autonomy. In this arrangement, land is essentially a vehicle for peasant labor and capital is able to extract a surplus from the producer by way of a contract. If the terms of the contract are relatively generous, the peasant may enjoy a degree of freedom and ability to reinvest a portion of the surplus. But if the terms of the

contract become more extractive, the owner can begin to regard the situation as not much different than a wage laborer working for someone else.

Somewhat counter-intuitively, Watts argues “the state” is the major vehicle for this form of proletarianization in the global south. At first glance, this is an odd assertion as much of the work of contract farming in the global south is the work of private corporations. But the veracity of this claim is readily apparent in Venezuela where the state has long played a central role in the regulation of agricultural production and has functioned as a “collective capitalist.” Repeating much of what transpired over the twentieth century, the Venezuelan government was leading a takeover of the coffee sector and processing industries. The integration of growers into the state system was conceived to alleviate “the simple reproduction squeeze” (Bernstein 2010; see Wilson 2010) growers faced and to create a stable market that ran according to the logic of internal demand. But the integration of growers into these systems also made the state a potential antagonist.

Efforts to provide both growers and consumers with stable prices involved a delicate balancing act that was only successful insofar as the system was lubricated with oil money. Any effort to erase subsidies or defray costs of production with an increase in the sale price of the state brand would only transfer “the squeeze” from one group to another. And there was already evidence of the likely consequences of such a policy. In 2006, weak prices for coffee growers sparked protests and strikes across the country, leading to shortages (Baribeau 2006). Four years later, the Ministry of Agriculture was striving to avoid a replay of events, paying higher prices to growers, while taking advantage of the frictions to displace intermediaries. In spite of the tensions involved in the state’s operating as *de facto* capitalist and monopolizer of the terms of the sale of the

crop, growers in Calderas actively sought integration into the new system. In this regard, the consciousness of the average grower seemed as much like a worker seeking a stable job as an entrepreneur searching for a business opportunity.

The logic of capital and the peasant household

It is now somewhat of a convention to argue that peasants resist the commodification of land and labor as well as integration into state projects (e.g., Bunker 1991; Scott 1998). Yet as scholars like Jim Glassman (2006) and Guy Standing (2011) have argued, laboring peoples have often fought *for* the commodification of labor power and the regularization of its terms of sale (see Roseberry 1976, 1982). What coffee growers in Calderas seemed to desire most was a stable price and buyer for their crops, which encouraged integration into systems of production and exchange that were more “classically capitalist” in form. The desire of growers to have *Plan Café* purchase their harvests and ensure the realization of value went hand-in-hand with the regularization of credit, processing, and commercial relations, which together with the technical, organizational, and occasional political, advice of experts like Jose, was bringing them closer to total commodification and further down the road of proletarianization into new conflicts with the state *qua* capital.^{xv}

With few chances to achieve their previous historic successes, growers were attracted to the stability associated with a regulated market. A contract with the Venezuelan government was a chance to stabilize incomes and reduce risk. However, since the state had assumed the structural position occupied by merchants the frictions of rentier capitalism were effectively preserved.^{xvi} Functioning in relation to capital in much

the same fashion as wage laborers, growers were formally subsumed by the logic of petty-commodity production, but they were also partially protected from the vicissitudes of the market, encouraging them to increase yields and forgo the autonomy associated with land ownership (cf. Chayanov 1966; Kautsky 1988 [1899]; Lenin 1964 [1899]). Though the state advanced credit and monopolized harvests, it was far less usurious than the average merchant and its loans were often forgiven, making it the more attractive partner.

From the standpoint of the peasant, the circulation of merchant capital could be read as the extraction of surplus value, calling forth feelings of dependency and exploitation, or it could be grasped as a pattern of circulation giving rise to their own cycle of accumulation leading to prosperity (Roseberry 1978b).^{xvii} Which aspect of the petty-commodity relation prevailed in the consciousness of the peasant—*owner of means of production* or *exploited laborer*—largely depended on the size of the market, whether the market was expanding, and the character of relations with surplus-takers. The comparative drudgery ratio identified by Chayanov as the logic of the peasant enterprise is just that—*comparative* (cf. Shanin 1986: xvi).^{xviii}

In the nineteenth century, the return on labor and capital invested in a cash crop like coffee offered a real chance to improve one's lot and escape poverty. In the late twentieth century, such investment was a risky endeavor that only likely offered a path to foreclosure. Thus, I argue the divergence in the social awareness of the Andean peasantry from the nineteenth to the twenty-first centuries is based on the relatively restrictive terms for the realization of the value of harvests and the experience of previous generations. In the nineteenth century, peasants escaped the *haciendas* and set up their own enterprises, enjoying new freedoms as a result. Growers were the engines of the

Venezuelan economy and they were able to exercise a degree of leverage over urban elites. In the mid-twentieth century, they had still employed wage labor drawn from marginal sources such as the refugees fleeing the civil war in Colombia or the children of friends and neighbors. By the late twentieth century, all this had changed.

At the start of the twenty-first century, coffee growers were among the most marginal actors in Venezuelan society and they were much less affluent than their predecessors. From the standpoint of urban Venezuelans, coffee growers were a standard of social backwardness and the image of a poverty-stricken farmer was far more likely to be attached to the Andean peasantry than that of a successful entrepreneur. This “structure of feeling” (Williams 1975) was also exacerbated by the fact that much of the rest of the population was engaged in non-productive labor designed to capture a portion of the oil rent in circulation, which although it did not *create* value, was often easier than swinging a machete all day. Beyond its relative ease, such activities could also still afford a feeling of autonomy and proprietorship. By contrast, the labor of coffee growers could only be regarded as onerous and it was difficult to regard oneself as an independent entrepreneur, when experts were removing the last vestiges of control over the cultivation process.

Forming an impoverished stratum, growers led lives of relative and at times absolute deprivation that offered few comforts aside from masculinist pride at their tenuous independence and disparagement of feminized labor. When I asked coffee growers in 2009 if they supported state cultivation contracts that would take the place of relations with merchants, most responded positively, intrigued by the prospect of a greater return. Merchants were no longer viewed as intermediaries facilitating access to lucrative markets, but rather as exploiters taking most of the value of harvests. With such

exactions mounting, growers were willing to accept supervision by technical experts and a sense they were working for the state as long as the terms of the contract were more favorable (cf. Ortiz 1999).^{xix}

Conclusion

In 2011, bad weather and speculation drove global coffee prices up to a 34-year high. The going rate for a pound of high quality Venezuelan beans was around 15 US dollars, which encouraged the Venezuelan government to seek out new export outlets (Boothroyd 2012). As part of a plan called *El Fondo Bicentenario*, the Ministry of Agriculture began to subsidize export cultivation in several states, following a pattern of trade and investment not wholly unlike the mid-twentieth century. Seeking to increase non-petroleum income, the Venezuelan government targeted Middle Eastern and European markets with the slogan, “To speak of Venezuelan coffee is to speak of quality.” As a result of these efforts, the Ministry of Agriculture claimed to have increased total coffee production to 981 tonnes in 2012, a 145 percent increase from 2010 (Prensa Café 2012.) Yet in spite of these successes, Venezuela’s geopolitical commitments were creating difficulties for small-scale growers.

The Bolivarian Alliance for the Peoples of Our America pact signed by several states in the region forced Venezuela to open up its markets to foreign suppliers, introducing an element of competition into the equation. In many parts of Venezuela, the coffee consumed by the average person was as likely to come from Brazil or Nicaragua as local growers and issues with state-run processing facilities were also adding to the strain on the system.^{xx} In 2010, widespread complaints about the quality of the state

brand and tensions with retailers led the Ministry of Agriculture to create *El Consejo Nacional del Café* to oversee the sector and the seizure of several outlets integrated into *La Corporación Venezolana del Café* (Tal Cual 2015). The creation of these institutions did not ease tensions, however.

In 2012, workers in plants in Barinas and other states publicized the loss of large usable harvests due to corruption and malfeasance (Tribuna Popular 2012). Tensions with contracted growers were also mounting meanwhile. A byproduct of the process of petroleum extraction, the nitrate fertilizer that is crucial to the success of non-organic harvests was increasingly difficult to obtain in the wake of falling oil prices. These shortages, coupled with a lack of state funds and weak wages, sent shockwaves through the system, as a wave of strikes spread to the lowlands.

Growers who had previously greeted *Plan Café* as a way to stabilize their livelihoods and incomes were now openly talking of its failure. Feeling caught between the state and private market, growers sought ways to avoid government price controls by selling harvests in Colombia or engaging in kickback schemes in which technical experts wrote off contracted harvests as a loss and then received payments from the sale. Under these pressures, the state brand of coffee began to disappear from store shelves and when available, it was often of such poor quality that my informants described it as “undrinkable.”

Like the merchant capitalists they sought to replace, the Ministry of Agriculture was advancing credit and buying harvests, which growers regarded favorably so long as they could not access more lucrative outlets. But when such outlets emerged and the state system was no longer lubricated with oil, the official market began to break down. The “squeeze,” which would have been transferred to consumers was instead transferred to

contracted growers and there was a marked shift in their attitudes as a result. Growers complained that the state was not much different than traditional intermediaries and that the purchase of the harvest was never truly guaranteed. Yet whereas most growers had little leverage over merchants, withdrawal from cultivation contracts affected state food security programs—a key source of support for the ruling party. The plan that sought to increase domestic production and create stable internal markets also sought to harness the labor of the peasantry under the supervision of experts in a specific configuration of labor and capital that also offered the grist for a working-class consciousness.

If classes only exist in relation to one another and they derive their awareness from shared interaction (e.g., Lukács 1972; Poulantzas 1978; Roseberry 1985; Wolf 1999), the interactions of coffee growers with technical experts and merchants in Venezuela gave them an awareness of their status as “a class of labor” (Bernstein 2010) whose surplus product was taken away and whose ties with other such “workers” might not only be the key to more stable livelihoods, but also to greater leverage in politics. Growers did not have to respond to the pressures they faced with self-exploitation or alliance with merchant elites. There was another path available.

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ⁱ Henry Bernstein (2010) calls this image of solidarity among the fellaheen peoples of the world, “peasant internationalism.” He argues this image is not based on conditions prevailing across the global south, but rather what he calls “emblematic instances” or examples treated as the natural state of these actors.

ⁱⁱ The distinction between “capitalist” and “non-capitalist” is not especially useful when discussing petty-commodity production. There are instances where petty-commodity producers can outcompete wage labor and more fully capitalized systems of production. Yet scholars rarely refer to proletarian wage laborers as “non-capitalists” in either an historical or sociological sense simply because they do not own means of production. The equation seems to change, however, when observers discuss peasants. Although peasants can be “non-capitalists” in the sense that they do not always employ wage labor or own means of production, they can also accumulate capital via commodity production. To avoid such ambiguities, I avoid using terms that suggest epochal transitions or universal classifications, instead focusing on specific relations of production and exchange.

ⁱⁱⁱ Writers have recently generated sophisticated analyses of the strategies adopted by agrarian social movements, but the theme of “collective consciousness” has tended to drop out of research. For a notable exception, see the debate between Brass (2000, 2002a, 2002b) and Beverley (1999, 2004).

^{iv} In *The Development of Capitalism in Russia*, Lenin (1899) linked the growth of capitalist relations to a home market for agricultural and industrial products. The dissolution of non-capitalist forms of labor mobilization and surplus extraction released the supply and ultimately the demand capable of feeding modern industry.

Roseberry (1978a) argues Lenin's model cannot be taken as a universal and that capitalist relations can equally arise on the basis of export markets, leading to distinct historical trajectories. One path leads to unbalanced growth glossed as "underdevelopment," while the other leads to "a capital revolution" and class differentiation among the peasantry. In contrast to the Russian case, the Andean peasantry in Venezuela arose with the world market and coffee production based on wage labor was never fully or even primarily directed at domestic consumption; thus, the home market cannot be *the key* diagnostic for capitalist production. This is not to find fault with either Lenin or Roseberry, but simply to say that Russia and Venezuela are different cases.

^v Price (1994) argues European migration to the region was largely unsuccessful from the standpoint of setting up new agricultural enterprises and that the bulk of migrants became merchants.

^{vi} This argument represents a challenge to Modernization and Dependency theory, both of which long held that Latin American agriculture was "backward" or "underdeveloped."

^{vii} The mercantile bourgeoisie in Venezuela had a relatively high level of class-consciousness likely due in part to its ethnic segmentation, with many prominent trading families coming from Italian, German, and British backgrounds.

^{viii} The dual character of the peasant as capitalist and worker has been established elsewhere. Marx (1988 [1863]) observed that as owner of means of production, the simple commodity producing peasant is a capitalist, but as a manual laborer, a potential wage slave to "himself" and others. Lenin (1965 [1919]) also recognized that "As a profiteer he is...hostile to the proletarian state; he is inclined with the bourgeoisie...But as *a working man* [sic], the peasant is a friend of the proletarian state, a most loyal ally of the worker in

the struggle against the landowner and the capitalist” (original emphasis, 488). The peasant, thus, can be seen to be both a *capitalist* who owns means of production and takes profit from the sale of commodities on the market and a *worker* who may have few options apart from self-exploiting labor.

^{ix} In contrast to Roseberry (1978b), I see nothing specifically “capitalist” about merchant capital. Roseberry writes, “[w]here interest is the primary method for extracting surplus value from the direct producers, the usurer has imperfect control over production” (9). If ‘production’ here includes the labor process, the usurer has *no control* over it. When accumulation takes place in the sphere of circulation, the merchant can seize hold of the means of production through debt and foreclosure such that peasant property is turned into a classic capitalist enterprise employing wage labor (often of the former owner), or debt can “squeeze” the peasant, narrowing the range of options in terms of crops, sale outlets, etc. But this dynamic is not consistent real subsumption or capital in the sphere of production, and hence, not *capitalism*. The usurer’s control of the *labor process* is not “imperfect”; it is non-existent. The usurer controls the process of *exchange* and *realization of value*, but cannot specify all the relations of production on the farm because the penetration of capital is incomplete. By contrast, technical experts were empowered to direct the actual labor process on the farm, including the application of fertilizer, planting of trees, weeding, etc. In spite of superficial similarities between the two forms, this supervisory role was distinct from relations with merchants and contributed to a stronger “proletarianization effect.”

^x While Venezuelan anthropologists have rightly pointed to the persistence of indigenous cultural influences on the Andean peasantry (e.g., Clarac de Briceño [1970] 2016), these

actors are largely of recent historical origin and typically regard themselves as *mestizos* or descendants of European settlers. Moreover, Roseberry (1989) argues these peasants never enjoyed subsistence guarantees from aristocratic elites and that they arose with, not against, the world market.

^x These authors suggest that fair trade did not solve the problem of the intermediary for most coffee growers; it simply globalized it.

^{xii} Most residents live in or near the state capital. In spite of this divide, mobility between the two geographic zones is a regular feature of the economic life of the region.

^{xiii} Europeans began to arrive in Calderas in the seventeenth century, but the population of the town was relatively small until the coffee boom two hundred years later. Originally an indigenous settlement, prior to 1870, Calderas was not listed as a district in the state cadaster, and the 1877 census lists the area as only having a population of “236 residents in 55 houses.” By 1891, the population had nearly tripled to 686 with the town and surrounding area now being listed as “a municipality” (Del Real Montilla 1973: 112). At the end of the boom, a wave of migrants from the neighboring state of Trujillo came to the area in search of new lands to colonize. The more extensive cultivation associated with falling prices at the end of the century led to a consolidation of landholding in Trujillo, forcing out smaller, indebted growers. The migrants who made their way to Calderas, thus, were likely to have been people adventurous enough—or desperate enough—to strike out on their own and set up new enterprises. Today, Calderas has more than 5000 people, most of whom are involved in some aspect of the trade.

^{xiv} Although growers farmed subsistence plots called *conucos*, it was difficult to convert the bulk of their acreage to other uses. The living “infrastructure” built up by coffee trees

encouraged growers to expand cultivation in the face of falling prices, rather than switch crops.

^{xv} I agree with Chayanov (1966) that categories like “wages” and “profit” cannot be easily applied to the peasant household, but Watts likely introduces the vocabulary of “hidden wages” and “hidden proletarians” to grasp the phenomenology of life under contract.

^{xvi} The irony of Venezuelan history is that coffee growers seem to have a social awareness and modes of action closer to that of the proletariat, i.e. seeking stable employment, striking, etc. when they are de-linked from global markets than when integrated into them. I attribute this “anomaly” to the unevenness of capitalist development and the peripheral status of the nation in the world system.

^{xvii} Capital circulation (M-C-M) can feel like capitalist production (M-C-C-M) from the standpoint of the laborer if the conditions under which the former is taking place are deteriorating or when the rate of return is less than favorable when compared to extant historical standards or the prevailing images in society. Roseberry (1978) writes, “...the merchant purchases...labour power, with the initial outlay of money, and receives another commodity (e. g. corn, coffee) in the final transaction (C-M’). Between the two transactions is a production process (C-C’), which creates value. In other words, merchant/usurers’ capital initiates a movement (M-C-C’-M’) similar in formula to the movement (M-C-C’-M’) of industrial capital (10).

^{xviii} In the third volume of *Capital*, Marx introduces the concept of an “historical standard for the reproduction of labor power” in relation to “specific configurations of capital” as the basis for grasping “the everyday consciousness of the agents of production” (1992

[1894]: 118). According to Marx, this standard is calculated based on a variety of material and subjective factors, which only take on their full meaning in a specific conjunction. Rather than an objective quantity of surplus, Marx tells us this standard is judged according to “the habits and expectations” of the laborer. In a given historical period, the rate of return for a specific form of labor can be taken as favorable when judged against existing standards; while in another period, the same pattern of labor relations and surplus distribution can be read as intolerable and likely to provoke resistance. In a related discussion, Marx tells us that “English workers need beer and French workers need wine” and that this historically variable level is a key point of struggle. By the same token, we can say that Venezuelans “must have coffee” and that this gives growers the ability to exact concessions from the state. In this sense, one can find certain convergences between the classical Marxist and Chayanovian models.

^{xix} Growers can respond to this “squeeze” in a number of ways, including doubling-down on self-exploitation and the labor of kin and neighbors or reducing consumption and hiring wage labor, while taking on debt in hopes of reaping a harvest that will make up for the shortfall. If successful, a grower can pay off liens and restart the process of capital accumulation. More often than not, however, this response signals the start of a cycle leading to foreclosure. But the creditor in this case, the Venezuelan state, preferred not to seize the land, but instead to buy consent, hence the unevenness of proletarianization.

^{xx} Venezuela imported more than 50 percent of its green coffee to cover demand in the wake of shortages induced by price regulations in 2003. By 2018, that figure had risen to over 70 percent.