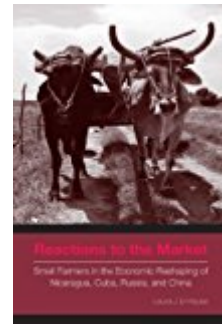


Laura J. Enríquez. *Reactions to the Market: Small Farmers in the Economic Reshaping of Nicaragua, Cuba, Russia, and China*. University Park: Pennsylvania State University Press, 2010. xi + 241 pp. \$55.00 (cloth), ISBN 978-0-271-03619-9.

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Neoliberalism and the Reconfiguration of Agriculture in Socialist and Former Socialist Countries

Laura J. Enríquez, associate professor of sociology at UC-Berkeley, continues to explore issues raised in her previous works (*Harvesting Change: Labor and Agrarian Reform in Nicaragua, 1979-1990* [1991], *The Question of Food Security in Cuban Socialism* [1994], and *Agrarian Reform and Class Consciousness in Nicaragua* [1997]) that addressed the transition from peasant production to state-directed socialist development in Cuba and Nicaragua, which ended with the Soviet era. In her latest work, *Reactions to the Market*, Enríquez examines the subsequent reversal of these policies and compares the impact it had on small farmers and peasants of Nicaragua, Cuba, Russia, and China, as they made their transitions to a market economy and were integrated into a global capitalist system to a greater or lesser extent. In doing so, she asks two related questions: “What is the relationship between the expansion of markets and inequality?” And “as capitalist relations spread into those formerly redistributive economies, has equality increased or diminished?” (p. 4).

As in her other work, Enríquez makes explicit her theoretical underpinning. Here she blends structural Marxist analysis with the substantive cultural economics of Karl Polanyi’s *The Great Transformation* (1944), specifically his “double movement” theory (that is, that reform movements accompany each advance of the market economy), and to which she adds a dash of Ivan Szelenyi

and Eric Kostello.[1] From this, Enríquez concludes that “market (or capitalist) penetration” of the economy and society may take three forms: “(1) local markets in otherwise redistributively integrated economies, (2) socialist mixed economies, or (3) capitalist-oriented economies” (pp. 15-16, fig. 1). She tests her model in the four specific cases and concludes that in the end, whether or not there was in China and Cuba a “retreat from socialism” and embrace of neoliberal capitalism as in Russia and Nicaragua, the result was the same—greater market penetration of the economy; the difference was one of degree (p. 31).

While Enríquez aspires to fashion a comparative global framework, she gives Russia and China a rather short shrift—just one brief chapter, “Small Farmers in Contrasting Light,” which she summarizes in her conclusion. For reasons unclear to me, Enríquez chose to begin with Russia and Mikhail Gorbachev’s reforms of glasnost and perestroika rather than with Deng Xiaoping’s reforms of post-Mao Zedong China that inspired them. Indeed, she opens by noting that had Gorbachev been able to carry out “a reconfiguring of socialism” similar to Deng’s, the Soviet system might have survived. But following Gorbachev’s loss of power, Boris Yeltsin initiated a rapid “retreat from socialism.” Shock therapy, as it was then known, favored rapid privatization and industrialization that “led to the siphoning of resources from agriculture. This impoverished the peasantry,” already

adversely affected by the reorganization of state and collective farms as joint stock companies, dubbed “new agricultural operations” (NAOs) (pp. 35-36, 44). Meanwhile, deteriorating terms of trade due to cheap imports of subsidized foreign grain and a lack of credit undermined small producers. Food production on private plots, which had supplied vegetables, milk, meat, and eggs since Soviet times, grew by about one-third overall, which Enríquez says reflected a general contraction of the economy, increasing reliance on subsistence agriculture, and “deepening impoverishment” that accompanied Russia’s Structural Adjustment (SA). Overall, then, Russian neoliberal capitalism increased social inequality, “severely weakened the position of the majority of the agricultural producers,” and led to an increase in subsistence production (p. 47).

In contrast to Russia, Enríquez describes China under Deng as seeking to “reconfigure socialism” by permitting “local markets in the context of a redistributive economy.” This had the effect of raising peasant incomes and reducing inequality at first, but these small producers lost these benefits when China shifted to a “socialist-mixed economy,” which increased inequalities at local, regional, and national levels (p. 59). Foreign Enterprise Zones were created where joint venture firms were established to manufacture for export. According to Enríquez, this did not result in the export of profits, or in the creation of foreign enclaves, but rather in the creation of “channels through which information about the international marketplace would flow” (p. 49). Under Mao, China had pursued an ill-considered Soviet-style collectivization of agriculture as part of the misnamed Great Leap Forward, which led to famine and millions of deaths (which Enríquez ignores). As in Soviet Russia, however, peasants were permitted small personal plots, and, as in Russia, these plots produced the bulk of vegetables and meat while inefficient collectives produced grain. After Mao, Deng oversaw the return of private plots held as usufructs—that is, while individual plots were private, “the village community retained ownership” (p. 51). (Here Enríquez might have noted that usufruct landholding has ancient roots in China dating back to the seventh century CE and the Tang Dynasty’s Equal Field System or to the Ming land reform of the fourteenth century CE.) As in Soviet Russia, with the reopening of farm markets, private plot production soared, although Enríquez points to scholarly “disagreement about the extent to which decollectivization led to the expansion of production” (p. 53). That notwithstanding, peasant incomes rose by over 98 percent between 1978 and 1983. Eventually usufructs be-

came de facto private property, as what had been short-term contracts were extended to thirty years, followed in 2008 by granting farmers permission to lease and sell their usufruct rights. Nevertheless, I find untenable Enríquez’s conclusion that this thoroughgoing transformation of the Chinese economy constituted a mere reconfiguration of socialism.

Enríquez finds that Nicaragua’s neoliberal turn mirrored that of post-Soviet Russia. The fall of the Sandinista regime ended Nicaragua’s transition to socialism. The new U.S.-backed president, Violeta Barrios de Chamorro, initiated a “rapid retreat from socialism, a comprehensive program of economic stabilization and structural adjustment (SA),” which effectively cut off small farmers from crucial resources (pp. 1, 63-65). Trade liberalization and the “reduction of tariff protections ... opened the way for the importation of goods that had formerly been produced locally (p. 75). Simultaneously the Chamorro regime ended the state grain trading monopoly with its price supports, forcing small producers to sell on an open market dominated by “a newly established oligopolistic trading structure with a completely non-transparent pricing structure” (p. 77). Enríquez expresses surprise that these reforms were accompanied by increased small farmer production, but attributes it to demobilized CONTRA fighters reentering the workforce. Chamorro’s currency devaluation and privatization of state-owned enterprises “forced small farmers to bear the consequences of SA,” which by 2001 gave Nicaragua the “second highest level of inequality in Latin America, the most unequal region in the world” (pp. 85, 87). Chapter 4, “The Economic Strategy’s Varying Impact on Nicaragua’s Small Farmers,” merely restates the finding of the previous chapter, in specific instances drawn from the departments of Matagalpa and León, where, as before, the differences were ones of degree but negative overall.

After the collapse of the Soviet Union’s Council of Mutual Economic Assistance (COMECON), around which Cuba’s economy had been restructured, the island suffered a severe economic crisis. State farms, which controlled 82 percent of Cuban farmland, lost their biggest customer and source of foreign exchange. Structural factors prevented the dissolution of state farms in 1993. Instead, halfway measures were instituted. Some state farms were subdivided to create “something of a hybrid ... collectively owned and operated cooperatives”—Agricultural Production Cooperatives (CPAs)—but food production continued to lag (p. 129). State limitations on imported goods caused a slow-down in manufacturing. When “state enterprises could no longer ensure full

employment,” a range of “self employment options were legalized,” and one year later Mercados Agropecuarios were established where farmers could sell their surpluses with profits subject to a new tax system (pp. 133, 140). The results of Cuba’s reconfiguration of socialism were mixed: subsidies were cut, state enterprises and administrative structures were streamlined, and the deficit was cut. Even so, privatization was “only partial and the state remained a major actor in planning production and distribution” (p. 151).

Here, as before, Enríquez merely restates the findings of the previous chapter, in specific instances drawing examples from Cuba’s municipalities of Guira, San Antonio, Palma Soriano, and Santiago, where, as before, the differences were ones of degree but negative overall. Also, as before, Enríquez finds “an accentuation of regional inequalities,” but concludes that, while “regional differences contributed to peasantization ... they were not entirely responsible for it” (pp. 175, 176). Rather, “intervention by Cuba’s government, in the form of a controlled opening to the market, resulted in favorable circumstances for the country’s small farmers as did its “decision to reconfigure socialism, thereby leaving intact some elements of the ... redistributive hegemony.” Thus, while the partial opening of Cuba’s economy did increase

inequality overall, the effects were buffered for “those who played a key role in ensuring the survival of that redistributed hegemony (or reconfigured socialism)” (p. 182).

Overall, I found Enríquez’s book pedantic, redundant, and jargon laden. Its content, sufficient for an article, was inflated to book length. Her attempt to provide a global context for what was basically a discussion of Nicaraguan and Cuban post-Cold War structural adjustment was, in my opinion, a failure. The misrepresentations and omissions in the coverage of Mao-era China were particularly egregious. Throughout the piece, SA policy failures are duly noted, while successes are downplayed or explained away. Similarly, policies said to constitute a reconfiguration of socialism are presented as successes, while failures are explained away. In short, for a number of reasons, I am unable to recommend this work.

Note

[1]. Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 1944), 130; and Ivan Szelenyi and Eric Kostello, “The Market Transition Debate: Toward a Synthesis?” *American Journal of Sociology* 101 (1996): 1082-1096.

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