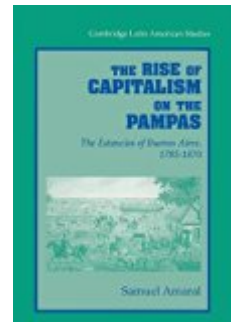


Samuel Amaral. *The Rise of Capitalism on the Pampas: The Estancias of Buenos Aires, 1785-1870.* Cambridge: Cambridge University Press, 1998. xviii + 290 pp. \$64.95, cloth, ISBN 978-0-521-57248-4.



Reviewed by Edward Beatty

Published on EH.Net (June, 2000)

The large rural estates of Latin America have long attracted the attention of historians, placed at the center of debates concerning social inequities, political influence, and economic growth and development. Whether labeled haciendas, fazendas, latifundia, or estancias, the large estate has often been identified with social inequity, coerced labor, productive autarchy and inefficiency, and technological backwardness. In short, the landed estate of the eighteenth and nineteenth centuries has been seen as one locus of feudal persistence in Latin America. Although many studies over the past two decades have offered a more nuanced and largely revisionist view, only a handful have provided systematic examinations of the internal dynamics of estate operation.

Samuel Amaral, who teaches history at Northern Illinois University and has published extensively on Argentine rural and economic history, offers a long overdue contribution to this subject. *The Rise of Capitalism* examines the estancia, the large livestock ranch of the Argentine plains, during the era of its critical reorientation toward the demand for cattle products generated in the

North Atlantic, circa 1780-1860. The importance of this contribution is not so much the subject as the approach. Using detailed local sources, including probate records, estate inventories, managers' reports, travelers' accounts, and agricultural surveys, Amaral presents an intensive and compelling portrait of the internal operation of the Argentine estancia. His conclusions -- and the importance of this work -- lie on two levels. First, Amaral shows that the internal operations of the estancia were market oriented and profit motivated. Owners and managers responded to market conditions and in their daily behavior sought consistently to maximize efficiency and profit. Second, Amaral shows that the estancia developed within an environment where competitive pressures mattered more than political protection and social privilege. This is not to say that the political environment did not matter, for estancias evolved within a particular framework of formal law and informal custom (and themselves helped alter that institutional context), but that market-based allocation of the factors of production within the estancia "firm" mattered more.

While the golden age of economic expansion in the Argentine pampas would not come until the late nineteenth century, Amaral shows that extensive growth and profitability were well underway in the first half of the century. The economic foundations of the estancia lay in their use of land, capital, and labor, and Amaral presents a systematic examination of each. Land was open and abundant (chapters 2 & 3), estancias were capitalized largely in the cattle stock (chapters 3 & 5), and labor consisted of relatively small numbers of slaves (until after independence) and itinerant temporary free workers -- the Argentine gaucho (chapters 2 & 8). This last issue -- labor instability in the form of large numbers of temporary workers -- receives careful treatment. Neither labor scarcity nor cultural traits explain instability, he argues, but rather the seasonal pattern of labor demand, patterns created by biological, climatic, and environmental factors. Amaral is convincing here, although doubt remains as we are given no view of the broader labor market, of gaucho society, or of changes in labor's price. Indeed, Amaral's narrow focus on quantifiable data and the dearth of reference to the broader political, social, and cultural context throughout the book weakens and isolates the contributions that are made here.

Perhaps the most interesting and important chapters of this work are those which treat the environment (chapter 6), institutions (chapter 7), and management (chapter 9). Moving beyond the more conventional issues like factors of production and market conditions, Amaral shows convincingly that competitive pressures and market signals mattered greatly, but mattered within a set of environmental and institutional contexts that largely shaped their evolution. The physical attributes of the Argentine pampas are well known. Fertile soil, a broad frontier, and vast expanses of rolling grasslands provided an ideal environment for grazing Old World cattle, with growing investment activity in grain agriculture and, later, in sheep. Beyond this context, Amaral focuses on the

thistle, which grew prolifically after cattle disturbed the landscape, providing a haven for rustlers and a constant aggravation for herders. Vast "thistleries," higher than a man's head, spread across the pampas and shaped the seasonal rhythm of estancia operations until the expansion of sheep grazing and agriculture later in the century reduced their scope.

Like thistles, political institutions could also impinge on estancia operations and productive growth. Both estancieros and the state had an interest in the specification of property rights on the pampas, including survey and titling provisions, herding conventions, stocking limits, brand management, the depredations of wandering cattle, and law enforcement. Amaral shows that estancieros lobbied for minimum restrictions on the full use of their property rights (p. 150), but that they also sought increased regulation (or at least enforcement) of their property rights (p. 147). The combination of wandering cattle, game hunters, and unfenced lands created externalities against which estancieros sought to rally protection. The outcome was largely a function of estanciero's demands, the physical environment of the pampas, and the limits imposed on political institutions by the costliness of their enforcement in the countryside. On most issues, all these worked in the same direction and favored a competitive environment of private properties. Although this discussion could use a more systematic comparison of pre-growth (circa 1780) institutional conditions (including land grants, informal use, title legalization, and emphyteusis) with the reforms considered in the 1850s and 60s, Amaral provides an effective model for further work along these lines.

Management decisions were crucial to the estancia's profitability. Allocating the factors of production and adjusting to uncertainty required constant vigilance and some expertise. An estancia's success, Amaral writes, "was guaranteed neither by vast tracts of land and large herds nor by the right political connections. All those ele-

ments were necessary, but it was up to the individual entrepreneur to combine them to make a profit" (p. 208). Indeed, estancia management explains a central paradox of estancia expansion before 1860: that expansion occurred while the cost of inputs (principally land) was rising and the price of outputs (principally cattle) was falling. Amaral argues that estancieros succeeded in using resources more efficiently, allowing survival, expansion, and profitability in the face of deteriorating relative prices.

Although this book offers important evidence and insights into the formative stages of the nineteenth century Argentine estancia, it comes at the price of wading through pages of detailed evidence --often fascinating in itself but also often tedious. Each chapter takes a narrative approach to the evidence, and we get a step-by-step, at times disorderly, account of the author's exploration of historical minutia. It takes some effort to locate the conclusions amidst the details (including over 120 tables and figures!), although each chapter ends with a nice summation. The style is neither concise nor always direct, and the historical evidence often stands alone. For instance, Amaral's extensive evidence on the relative costs and investments on owned and non-owned lands (or, better put, on lands characterized by formal and informal property rights) suggests that property right security affected investment decisions, yet this important topic receives little direct comment here (pp. 92ff and elsewhere).

For this reader, however, the price was well worth the effort. *The Rise of Capitalism on the Pampas* is the result of intensive research, compelling detail, sophisticated method, and convincing (if restrained) arguments and insights. It makes a profound contribution to our understanding of this topic, although it will not end historians' debates on most of the subtopics. While the book should appeal most to economic and Argentine historians, it should also appeal to those

interested in comparative agrarian history and in the role of institutions in economic history.

Copyright (c) 2000 by H-Net, all rights reserved. This work may be copied for non-profit educational use if proper credit is given to the author and the list. For other permission, please contact H-Net@h-net.msu.edu.

If there is additional discussion of this review, you may access it through the network, at <http://eh.net/>

Citation: Edward Beatty. Review of Amaral, Samuel. *The Rise of Capitalism on the Pampas: The Estancias of Buenos Aires, 1785-1870*. EH.Net, H-Net Reviews. June, 2000.

URL: <https://www.h-net.org/reviews/showrev.php?id=4234>



This work is licensed under a Creative Commons Attribution-Noncommercial-No Derivative Works 3.0 United States License.