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Green Deserts or New opportunities?

Competing and complementary views on the soybean expansion in Uruguay,

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Till nyfikenheten, tålmodet
och kärleken.

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Abbreviations and acronyms

AAD	Asociación Agropecuaria de Dolores
ACI	Average Coneat Index
ADM	Archer Daniels Midland
ADP	Agronegocios del Plata
ALUR	Alcoholes del Uruguay
ANCAP	Administración Nacional de Combustibles, Alcoholes y Portland (National Administration of Petroleum Products, Alcohol, and Cement)
ANP	Administración Nacional de Puertos (National Port Authority)
ARU	Asociación Rural de Uruguay (Rural Association of Uruguay)
BCU	Banco Central del Uruguay (Uruguayan Central Bank)
BPS	Banco de Previsión Social (Social Security Bank)
BSE	Banco de Seguros del Estado (State Insurance Bank)
CAF	Cooperativas Agrarias Federadas (Federation of Farming Cooperatives)
CADOL	Cooperativa Agropecuaria de Dolores
CADYL	Cooperativa Agropecuaria de Young Limitada
CALMER	Cooperativa Agraria Limitada Mercedes
CALPROSE	Cooperativa Agraria de Responsabilidad Suplementaria de Productores de Semillas
CAMAGRO	Cámara de Comercio de Productos Agroquímicos del Uruguay
CIEDUR	Centro Interdisciplinario de Estudios sobre el Desarrollo, Uruguay
CLAES	Centro Latino Americano de Ecología Social
CONEAT	Comisión Nacional de Estudio Agronómico de la Tierra / National Commission for the Agronomic Investigation of the Land (Law nr. 13.695)
COPAGRAN	Cooperativa Agraria Nacional
COUSA	Compañía Oleaginosa Uruguaya S.A
CNFR	Comisión Nacional de Fomento Rural (National Commission for Rural Development)
CRS	Centro Regional Sur - FAGRO - Udelar

CUS	Cámara Uruguaya de Semillas (Uruguayan Seed Chamber)
CUSA	Cámara Uruguaya de Servicios Agropecuarios
DGI	Dirección General Impositiva (Tax Office)
DIEA	Dirección de Estadísticas Agropecuarias – MGAP
ECLA	Economic Commission for Latin America (1948-1984) –CEPAL
ECLAC	Economic Commission for Latin America and the Caribbean (1994-) CEPAL
EEMAC	Estación Experimental “Dr. Mario A. Cassinoni” – FAGRO - Udelar
FA	Frente Amplio (Broad Front)
FAGRO	Facultad de Agronomía, de Udelar
FDI	Foreign Direct Investment
FoeI	Friends of the Earth International
FRU	Federación Rural de Uruguay (Rural Federation)
GCC	Global Commodity Chain
GDI	Gender Development Index
GDP	Gross Domestic Product
Ha	Hectare
HDI	Human Development Index
IAHDI	Inequality-Adjusted Human Development Index
IFI	International Financial Institution
IICA	Inter-american Institute of Cooperation on Agriculture
IMF	International Monetary Fund
INASE	Instituto Nacional de Semillas (National Seed Institute)
INC	Instituto Nacional de Colonización (National Institute of Agrarian Reform)
INE	Instituto Nacional de Estadística (National Statistics Bureau)
INIA	Instituto Nacional de Investigación Agropecuaria (National Agrarian Research Institute)
ISI	Import-Substitute Industrialisation
LATU	Laboratorio Tecnológico del Uruguay
LDC	Louis Dreyfus Commodities
MEF	Ministerio de Economía y Finanzas (Ministry of Economy and Finance)
Mercosur	Mercado Común del Sur
MGAP	Ministerio de Ganadería, Agricultura y Pesca (Ministry of Ranching, Farming and Fishing)
MIEM	Ministerio de Industria, Energía y Minería (Ministry of Industry, Energy and Mining)
MTO	Mesa Tecnológica de Oleaginosos

MTSS	Ministerio de Trabajo y Seguridad Social (Ministry of Labour and Social Security)
MVOTMA	Ministerio de Vivienda, Ordenamiento Territorial y Medio Ambiente / Department of Housing, Territorial Planning and Environment
NGO	Non-Governmental Organization
OPP	Oficina de Planeamiento y Presupuesto (Planning and Budget Office)
OPYPA	Oficina de Programación y Políticas Agropecuarias – MGAP
PIT-CNT	Plenario Intersindical de Trabajadores - Convención Nacional de Trabajadores (Inter-union Assembly of Workers - National Convention of Workers)
PPR	Programa Producción Responsable – MGAP / Responsible Production Program
PROCISUR	El Programa Cooperativo para el Desarrollo Tecnológico Agroalimentario y Agroindustrial del Cono Sur
RAP-AL	Red de Acción Plaguicidas – América Latina / Pesticide Action Network – Latin America
R&D	Research and Development
Redes	Red de Ecología Social, Amigos de la Tierra – Uruguay Social Ecology network, Friends of the Earth - Uruguay
RENARE	Dirección General de Recursos Naturales Renovables – MGAP
UCUDAL	Universidad Católica del Uruguay Dámaso Antonio Larrañaga (Catholic University of Uruguay)
UDELAR	Universidad de la República (University of the Republic)
UDE	Universidad de la Empresa
UNATRA	Unión Nacional de Trabajadores Rurales y Afines (National Union of Rural and Related Workers)
URUPOV	Asociación Civil Uruguaya para la Protección de los Obtentores Vegetales
VAT	Value-added Tax
WB	World Bank
WDR	World Development Report
WTO	World Trade Organization

1. Introduction

In just over a decade, soybean production in Uruguay emerged from almost non-existence to one million hectares of cultivation in 2012 making it the second most important export product. The expansion of soybean production has been remarkably fast since 2002 surpassing any other land use over the past century (Uruguay XXI 2013a). This shift is often referred to as representing changes that go far beyond mere substitution of one land-use activity for another, but rather to have transformed the whole agrarian sector. The Uruguayan agrarian history of the 19th and 20th centuries has often been characterized by the domination of export oriented livestock production in extensive systems¹ and only marginalized agricultural production² (Barrán and Nahum 1984). The soybean expansion is often regarded as breaking the previous stronghold of continuity in livestock domination and natural pastures (extensiveness). With this expansion, the most fertile and productive livestock land has been converted into crop production. The subsequent increase in competition for land has inflated land prices which in turn has increased the pressure to increase yields per hectare (intensification) (Jorge et al. 2012). Furthermore, soybean expansion is often regarded as an inherent part of contemporary agro-food globalization attributed to some “new” aspects such as the emergence of China as a new global geo-political actor,³ consolidation of *Mercosur*⁴ as a major player in world agricultural produc-

¹ Before 1860, the exports were dominated by hides and beef in dry salted form (tasajo). Later, the meat was exported in canned form. Uruguay has participated in the frozen meat trade since 1911. From mid-19th century onward Uruguay also exported wool. The production system was based on natural pastures, low technology use, land concentration and displacement.

² Approximately one-third of useable land in Uruguay has been estimated as suitable for cultivation (5.5 million hectares), while the rest has no alternative use other than natural grazing land. However, the cultivated area never exceeded 10 percent of productive land. Even the late 1950s price support and other measures of Import Substitution Industrialization (ISI) favoring domestic agriculture led to a peak in the area of cultivated land – something like 1.3 million hectares. Besides “cattlemania”, agricultural production has been considered as “risky” due to climate variability and erosion of thin topsoil making it unsuitable for continuous cultivation.

³ Between 2002 and 2012 some 75-80 percent of Uruguayan soybean was exported to China alone.

⁴ Mercosur is an economic and political agreement between Argentina, Brazil, Paraguay and Uruguay (and Venezuela since 2013). Bolivia, Chile, Colombia, Ecuador, and Peru currently

tion, increased concentration and vertical integration of global agribusiness,⁵ the financialization of agricultural and land markets, as well as the “gene revolution.”⁶

The soybean expansion is often referred to as having evolved into a broad societal concern. A quote from the well-known journalist, Emiliano Cotelo, in the popular weekly radio program “La Tertulia Agropecuaria” in Radio El Espectador illustrates how the soybean expansion is perceived as a truly transformative force:

“The soybean boom, driven by the international prices and the arrival of Argentinean firms, is shaking the agriculture [cultivations] of our country and the agrarian sector as a whole. It is a very strong phenomenon, which simultaneously generates excitement and fear. It has brought a very intense debate, which covers the economic, social and environmental spheres. For example, should we regulate this explosive development? Can this be done? Are we still in time for it? Moreover, and in any case, who should lead this regulation?” (Espectador 2008)

These concerns are not only expressed by journalists in the national media, but also voiced among NGO’s, within broad sectors of the state bureaucracy, firms, political parties, farmers and universities.⁷ An intensive debate over what rapid land-use change actually mean has emerged in the aftermath of the soybean expansion. Several questions have been raised in the debate – what should be done about it and by whom? Are the high international prices representing yet another cycle of boom and bust, or is it a new structural trend? Is the soybean expansion with the arrival of big Argentinean firms displacing other agrarian activities and Uruguayan producers? Or is it bringing in new capital, technology and know-how that promote competitiveness and growth for the entire agrarian sector? Is the new importance of soybeans as a major export item a step towards diversification of the export basket or a segmentation of Uruguay as a provider of raw commodity to the world markets?

have associate member status. It was founded in 1991 by the Treaty of Asunción (amended 1994). Its purpose is to promote free trade and facilitate movement of goods, people, and currency.

⁵ The soybean expansion in Uruguay has been led by a handful of big foreign firms, mainly from Argentina. A handful of even bigger firms (global traders) dominate the Uruguayan soybean trade and are increasingly participating in the other stages of the production chain (input markets, storage, transport and crushing).

⁶ All soybean produced in Uruguay are genetically modified to be herbicide tolerant (HT) that can be combined with glyphosate a total herbicide (weed-killer) and no-tillage farming. In this way the soybean expansion in Uruguay goes hand in hand with increased agro-chemical use.

⁷ The forum of these debates ranges from academic books to public seminars, to social media on the Internet, over to graffiti on city walls.

The rapid soybean expansion in Uruguay has received a lot of attention in many places.⁸ Apparently, the soybean expansion debate seems to oscillate from being a physical phenomenon of change in land use to a platform involving broader issues of societal concern. In general, the soybean expansion has generated polemic interpretations on a series of issues. As expressed by the director of CUS, the director of the commercial seed chamber (CUS):

“One person goes out [in media] and says that the soybean is a disaster, that it expelled people from the rural areas, people who now come to shanty towns in Montevideo where they starve to death. Another person goes out and says that this is actually the solution to world starvation...” (Director of CUS 2008-12-11).

This quote from the director of CUS, who represents one of the loudest voices in the debate, illustrates how the meanings given to the soybean expansion are diverging and often conflicting. In a schematic way, the meanings attributed to the soybean expansion could be seen as ranging from emphasizing new threats to new opportunities. Those who emphasize soybean expansion as a new *threat* tend to link it to increased *social exclusion* and displacement of traditional farmers, *environmental problems* linked to erosion, pesticide use and biodiversity loss, *loss of national sovereignty* due to increased dependence on global players and vulnerability to global markets, and growing “*extranjerización*” of land. On the other hand, those who emphasize soybean expansion as new *opportunities* tend to link the expansion to *economic growth* and dynamism through social inclusion and employment generation, national development with greater inflow of capital, knowledge and technology transfers leading to opportunities for *upgrading* and the diversification of the export basket, and as a response to increasing global food demand as a consequence of increasing population with purchasing power.

Despite the multiple and elastic meanings attributed to the soybean expansion, sometimes expressed in polarized and antagonistic terms in the public debate, earlier research gives limited attention to outlining, describing, situating and exploring the central positions taken within this discursive field.¹⁰

⁸ The forum of these debates ranges from academic books to social media on the Internet, over to graffiti on city walls.

⁹ This refers to the process of increasing foreign ownership and/or management of national land.

¹⁰ Discursive field is used here to denote the arena in which meaning-making processes about the soybean expansion occur through the act of articulation, where different signs (words) are related to each other in specific ways to create specific meanings (and reduce the space for alternative meanings). In line with Snow (2013) I find that: “discursive fields evolve during the course of discussion and debate, sometimes but not always contested, about relevant events and issues, and encompass cultural materials (e.g., beliefs, values, ideologies, myths)

What are agreements and disagreements about? What underlying ideals and assumptions do they reflect? The main objective of this study is to describe, situate and explore the main complementary and competing meanings attributed the soybean expansion, including the underlying ideals and assumptions they reflect.

At the most schematic and basic level, a quick look at the public debate expressed in national media about the soybean expansion, showed coexistence of several conflicting views on the soybean expansion, ranging from very optimistic and opportunity framing, to critical and threat framing. It seemed evident however, that the divergent understandings of the soybean expansion were reduced into simple lines of conflict in the press media, and (re)produced in a sensationalistic, superficial, schematic and polarized manner in accordance to some media logic.¹¹ I found thus that the mediatized claim-making in the national press restricted any deeper understanding of the ways of thinking about the soybean expansion and the meaning-creations about it. In addition, many of the actors talked about in the public debate, such as “traditional crop producers” and grain cooperatives, are only indirectly “represented” in the public debate. To capture a fuller range of complementary and competing meanings (re)constructed throughout the field, I have in this study primarily used accounts from an interview context characterized by emphatic careful listening and with intimate and longer time frames allowing for deeper, more complex, and nuanced accounts.

To access these voices, I first needed to map out the broad web of interrelated actors, activities and positions involved in the field, in which the meanings of the soybean expansion are embedded and (re)created. This outline has been guided by the following questions: Who are the main actors and positions within the debate? What are the main uncontested and contested aspects? What legitimizing elements are used to justify the positions taken? How are shared and divergent meanings attributed to the soybean expansion (re)constructed?

The analysis of the expressed meanings has been particularly inspired by the discourse theory developed by Ernesto Laclau and Chantal Mouffe. This

of potential relevance and various sets of actors (e.g., targeted authorities, social control agents, counter-movements, media) whose interests are aligned, albeit differently, with the issues or events in question, and who thus have a stake in how those events and issues are framed and/or narrated” (Snow 2013).

¹¹ According to the sociologist David Altheide, the current the media logic canon has implied a turn within journalism from primarily “information-gathering” into an aspect of entertainment, characterized by visual and dramatic action, where the interview “became a tool for quick answers, narratively induced emotion” (Altheide 2004). In line with Altheide I find that national media in Uruguay tends to select, organize and present messages about the soybean expansion in a rather simplistic and polarized way, probably linked to the assumption that this framing would be attractive for the audiences (which in a market-based system need to be willing to consume the content).

implies giving analytical primacy to the relation between different words and categories and to identify how regularities in these reduce the ambiguity and produce meaning. What people say and write about the soybean expansion have thus been scrutinized carefully, searching for regularities in the proliferation of the relations between words, to identify both shared aspects and the variance of meanings attributed to the soybean expansion. In line with Mouffe, I see the shared aspects to represent some kind of “social facts”. These express what in a given moment is accepted as common sense, reflecting a particular power configuration based on the exclusion of other possibilities (Mouffe 2013, 2-3). My focus here has not been to explain how come some elements have become “social facts”, but I have rather exclusively intended to identify what appear to be “the social facts” about the soybean expansion, since these were found to be important points of departures for the conflicting meanings.

Which kind of conflicts is expressed in these positions? An important part of the controversies, allegedly about the consequences of the soybean expansion, were found to ultimately end up reflecting much deeper conflicts about alternative development paths for Uruguay. The multiple meanings attributed to soybean expansion have in this way manifested as a discussion of the big development-related issues, reflecting, at a deeper level, discordant basic assumptions and values, materialized in different interpretations of well-being, modernization, justice, sustainability and legitimate agents of change. As such, the discussion about the soybean expansion is ultimately found to be a debate about what is good, appropriate and desirable for Uruguay, as well as different views on how to get there. I have, accordingly, in this research, in addition to identify and outline patterns over how complementing and competing meanings over the soybean expansion in Uruguay are articulated, traced basic values and assumptions reflected in the discussion about the soybean expansion in Uruguay. These have in turn been related to wider theoretical traditions of “development thinking”, of longer historical roots in Latin America and elsewhere.

This study also aims to identify, at a more aggregated level, the main structured totalities, or discourses, drawn from and (re)constructed in the discussion about the soybean expansion reflected in the manner in which it is spoken and written. While acknowledging contingency and unfixity, I have identified three main broader discourses involved in the field. These are discerned through the analysis of patterns of regularities in the articulations about the soybean expansion. The first is labelled “agro-ecology discourse”, reflecting anti-capitalist notions and centered in values of local autonomy as well as social and environmental justice. The other is labelled “pro-market discourse”, reflecting market faith and centered in values of growth, dynamism and meritocracy. The third is labelled “pro-public regulation discourse”, reflecting beliefs in development intervention and centered in values of progress and upgrading. These main discourses are engaged in strug-

gles with each other over meanings of different aspects of the soybean expansion. These have in turn also been analyzed in relation to the wider development related debates of longer historical roots within the social sciences, including their discordant basic assumptions and values. In this way, the study also contributes with knowledge about how the local discussion in Uruguay, about this new case of rapid land-based transformation, is embedded in wider historical debates of development within the social science.

1.1 Outline of the thesis

The outline of this thesis is as follows: Chapter 2 presents the research design and discusses the assumptions, methods and sources of the study. This chapter also includes reflections over choices, selections and considerations taken. Chapter 3 deals with theoretical perspectives on development. Three mains “development-views”- immanent, intentional and post-developmental - are presented and situated within a broader global political economy context. This presents a typologization of theoretical perspectives of long historical roots within the social sciences. Chapter 4 presents the national agrarian history before the current expansion, as one important context outside the particular phenomena discussed (i.e. the soybean expansion in Uruguay). This context is outlined to the reader since it is often referred to in different ways in the discussion about the current soybean expansion. In this way, both chapter three and four provides the reader with points of references needed to grasp the interplay of complementary and competing meanings given the soybean expansion. Chapter 5 is a schematic outline of the main actors, activities and assets involved in the soybean complex in Uruguay, including a brief presentation of the wider institutional structure in which the production and commercializing chain is embedded. The aim is to map out and situate both main themes discussed and main actors involved in the discussion. Chapter 6, 7 and 8, thematically present and analyse the empirical perceptions and meanings-creations in relation to the soybean expansion expressed throughout the field. Chapter 6 focuses on complementary and competing *explanations* provided for the changed social relations among producers in the wake of the soybean expansion, and examines how different explanations allow for diverging amount of legitimacy to the occurred changes. Chapter 7 deals with the complementary and competing meanings expressed about the *consequences* of concentration, with emphasis in the “poor” participation of “traditional” producers and its collateral effects. Chapter 8 deals with the complementary and competing meanings provided about the *consequences* of concentration with emphasis in *foreignization*. Chapter 9 presents an outline and analysis of the identified main competing discourses involved in the discursive field of soybean expansion and relates them to the theoretical traditions presented in chapter 3.

2 Research design, assumptions, methods and sources

The rapid soybean expansion in Uruguay, since 2002 and onwards, has received a lot of attention and provoked an intensive debate in relation to new possibilities and threats argued to be brought (potentially) by the same. I argued in the introduction that the rapid soybean expansion in Uruguay could be described as having evolved into a discursive field in which complementary and competing meanings are articulated. In conceptualizing the soybean expansion in Uruguay as a discursive field, I have not asked what the contemporary soybean expansion “is”, but rather explored the discursive dynamics of its (re)productions. Accordingly some pertinent questions were raised: What are the main complementary and competing meanings given the soybean expansion? How are they (re)produced and by who? These questions have been approached through the mapping of both the boundaries and the contents of the discursive field, including the multiple processes, actors, activities and relations expressed within it. As mentioned in the introduction, I have moved beyond the exclusive reliance on accounts expressed in the public debate and proactively sought deeper and more complex reasoning about the soybean expansion through 63 in-depth interviews.

By the systematic study of regularities in variance of what is expressed about the soybean expansion. I have searched for the differentiated meanings given to the soybean expansion in texts. I found early in the research process that the debate about soybean expansion in Uruguay has evolved into a wider arena for discussions on broader societal concerns. Subsequently, I further asked what wider visions and ideas about development are reflected in the discussion about the soybean expansion in Uruguay? Besides outlining, describing and exploring the complementary and competing meanings expressed about the soybean expansion in Uruguay, I have also explored how these relate to and reflect wider development views including visions for the future and ideas about how to get there.¹² These have been cast against the relation to broader traditions including particular assumptions and values about development that will be discussed in the next chapter. In this chapter, I provide an account of some epistemic traditions that I draw upon and then

¹² Chapter 3 outlines three global “development-perspectives” reflecting particular sets of values, assumptions, ideals and visions. These will in the empirical chapters be related to the complementary and competing meanings of the soybean expansion.

discuss the methods and tools used throughout the research process to fulfill the aims of the study. In keeping with the view of knowledge as socially constructed and impregnated in values, I have also tried to be as reflexive as possible in all steps in research. The chapter also critically reflects over my own role, particularly in relation the co-creative aspect of qualitative interview.

The chapter is organized in the following way: It starts with a brief outline of the main epistemic tradition of discourse theory which this study draws upon and some implications of the same. Section 2.2 presents the approaches and methods used in the process of mapping out the field. This includes a rather hands-on presentation of the initial steps taken using multiple sources and methods to tentatively map out the field. This includes a brief list of main sources used to address the (re)actions expressed about the soybean expansion by specific actors (both written records and interviews). Section 2.3 discusses why the interview method was selected as the main source into the meaning construction of the soybean expansion and the implications for the analysis. It also provides a critical examination of my own role in the co-construction of interviews including tentative reflections over the implications of the same for the stories told. Section 2.4 addresses how the material is analysed in order to answer the research questions posed in this study. This includes handling the drawbacks associated with the various steps of “translation” from the particular interview context via the transcription to the research report.

2.1 Conceptualizing soybean expansion as a discursive struggle

As mentioned in the introduction, the soybean expansion in Uruguay is attributed diverging and often conflicting meanings. My aim in this study is to explore the dynamics of this (re)production of meanings. Regularities in the way words and categories are used when referring to the soybean expansion are here found central for the meaning creation process. In line with most approaches of discourse analysis, my vantage point is that that the way in which words (or other signs) are put and the categories do not neutrally reflect the phenomenon (the soybean expansion), but play an active role in creating, maintaining and changing it (Bergström and Boréus 2005, 308).¹³

¹³ Laclau and Mouffe make no distinction between discursive and non-discursive practices and argue that material social relations always are discursive, as discursive structures also are material (2001, 107-108). For me, the question whether a material world exists outside the discourse is not relevant since I am explicitly interested in the discursive meaning-making process of the soybean expansion. It is nevertheless evident that in all discursive expressions about the soybean expansion in Uruguay that I came across during the research process, there

This study is influenced by the discourse theory developed by Ernesto Laclau and Chantal Mouffe in *Hegemony and Socialist Strategy* from 1985¹⁴. I have also been inspired by a later contribution by Chantal Mouffe, *Agonistics: Thinking the World Politically* (2013). I will now present some of the most central assumptions and concepts guiding this research.

Like any other social phenomena the soybean expansion, could be interpreted in vast number of ways. However, there is less ambiguity when it is part of a particular way of representing the world – i.e. part of a discourse. A discourse could be described as a relational totality creating a structure of meanings which excludes other possible meanings through simplification (Laclau and Mouffe 2001, 65; 105; 127; 130).¹⁵ Discourses result from the act of articulation that is understood to be the practice in which different signs (words, concepts) are regularly placed in particular relations to each other in an organized system of differences and relational identities. In this meaning-making process, each sign receives meaning through its specific relationship with the other signs, which reduces the space for alternative meanings and create a unity of meaning (Laclau and Mouffe 2001, 105, Mouffe 2013, 131). In this anti-essentialist approach, the meaning of signs is thus seen to be derived from how they are related to other signs, rather than from the signs themselves (Laclau and Mouffe 2001, 113; 128).

The meaning is constructed by the linking together signs, in what Laclau and Mouffe call a *signifying chain*. The signs in such a chain are made equivalent to each other in terms of their common differentiation from something else, or insofar as they are used to express something identical underlying all of them¹⁶ (Laclau and Mouffe 2001, 112). By setting up such relations of meanings equivalence, the signs in such a chain can be substituted for one another¹⁷ and thereby the number of positions which can possibly be combined are reduced (Laclau and Mouffe 2001, 127; 130). The signifying chain is described to be ordered around a discursive point that stands out as particularly important and privileged, a so-called *nodal point*, from which the oth-

is a clear distinction between the soybean expansion as a biophysical phenomenon and what “people say about it” is (re)constructed (discursively).

¹⁴ I have used the second edition from 2001.

¹⁵ Discourse analysis relies on a social constructivist understanding of the world. While material facts exist, they are seen to only gain meaning through discourse (Jørgensen & Phillips, 2002, 9) A discourse is understood as a particular perspective on the world based on a particular way of relational organization of the world (or parts of the world)

¹⁶ It is only through negativity (what it is not) that a formation (chains of equivalence) can constitute itself as a totalizing horizon (Laclau and Mouffe 2001, 165).

¹⁷ The differences can cancel out each other insofar as they are used to express something identical underlying all of them or by common reference to something external. The established substitutability among certain signs is only valid for determinate positions within a given structural context (Laclau and Mouffe 2001, 144).

er signs receive their meaning (Laclau and Mouffe 2001, 112).¹⁸ These signifiers play an important role in the stability of discursive structures and generate at least partial fixity of meaning. However, the nodal points can also be empty by themselves and can be given differentiated meanings in competing articulations. When their meanings are particularly contested they are referred to as *floating signifiers*, which often represent clear objects of struggle over meaning. In this way, they can constitute central platforms for antagonisms, which are the spaces where different discourses collide.¹⁹ Antagonisms can nevertheless be dissolved through hegemonic interventions, i.e. floating signifiers can be transformed into moments (in the same way as for the elements described above) when they become part of a particular discourse (an organized system of differences and of relational identities). This universalizes its particular meanings so that they become accepted as “truths”, naturalized and/or seen as common sense.

While some discourses are hegemonic projects that are successfully perceived as “the truth”, “the natural” or common-sense, a central argument of Laclau and Mouffe is that fixations are always partial, never complete and closure is not possible. Full totalization or fixity is impossible and that is why Laclau and Mouffe find that there is always the possibility for articulation. The core assumption here is that full objectivity can never be reached and things could always be otherwise. This is what makes re-articulations, new configurations and construction of alternative or counter-hegemonic projects always possible. In this way, Laclau and Mouffe see that articulations always involve a centripetal and centrifugal movement, both stabilizing and destabilizing. The centripetal movement is created through the above mentioned series of practices that aim to establish order in a context of contingency (2013, 1). This is made through the institution of nodal points and chains of equivalences (or signifying chains) among demands ultimately striving to fix meaning and construct hegemony. The centrifugal movement does the opposite of moving towards deceneration through the deconstruction of opposition and preventing of the fixation of the same. This is made through the dis/rearticulation of the constitutive elements of the articulations of other discourses (Mouffe 2013, 79). This process thus challenges and destabilizes the order and fixations posed by other hegemonic projects. According to Mouffe, this is called a fight against closure, a type of “politics of disturbance” (Mouffe 2013, 14). Therefore, while discourses aim to fix meanings they are inherently contingent and can easily be destabilized through interaction with other discourses posing competing organized sys-

¹⁸ In the words of Laclau and Mouffe: “Any discourse is constituted as an attempt to dominate the field of discursivity, to arrest the flow of differences, to construct a center. We will call the privileged discursive points of this partial fixation, nodal points” (2001, 112).

¹⁹ Other scholars like Potter (1996) use the terms “spaces for interpretative conflicts” or “points of incompatibility”.

tems of differences and of relational identities (Laclau and Mouffe 2001, 86).²⁰

In congruence with David A Snow and others, I refer to the terrain as the *discursive field* in which articulations with varying degrees of power to give meaning to the soybean expansion in Uruguay are expressed (Snow 2013, 368). It is within this space that the contestations of meanings occur. As mentioned in the introduction, within the discursive field of soybean expansion there is no single dominating hegemonic understanding that reigns²¹, but rather “the soybean expansion” is recurrently ascribed multiple meanings ranging over a wide spectrum of which some are conflicting or even antagonistic in relation to each other. The soybean expansion in Uruguay could thus be described as a floating signifier in the contested discursive field. The central aim of this study is to identify which complementary and competing articulations are involved in this field, and thus how the ambiguity of “soybean expansion” is reduced by making it part of particular ways of understanding and talking about the world.

My contention is that there are several competing hegemonic-seeking projects involved in the discursive field about the soybean expansion, aiming to give their respective “true” meaning to the soybean expansion. I also argue that many of the contestations over the meanings of the soybean expansion ultimately reflect deeper conflicts rooted in competing assumptions and values on what development is (what the future should be) and how it is achieved, which include discordant views on justice, nature, technology, risk and well-being. This way of conceptualizing the competing and complementary views expressed about the soybean expansion is different from how most of the voices involved in this discursive field talk about it. When comments are made on the high degree of contestation and polemic character of

²⁰ Besides articulated other discourses, Laclau and Mouffe also argue that all the other multiple possible meanings excluded from discourse pose a constant threat to the partial fixations constructed within a discourse. Laclau and Mouffe refer to this as *the field of discursivity*. A discourse is always constituted in relation to what it excludes, and these meanings form a space called the field of discursivity which threaten to destabilize the discourse by the transformation of fixed sign (moments) into open signs (elements) again. Thus, the field of discursivity is like a reservoir for the surplus of meanings. In this way, Laclau and Mouffe postulate that one can see their use of hegemony “as a theory of the decision taken in an undecidable terrain. Deeper levels of contingency require hegemonic –that is, contingent – articulations, which is another way of saying that the moment of reactivation means nothing other than retrieving an act of political institution that finds its source and motivation nowhere but in itself” (Laclau and Mouffe 2001, xi). The approach is thus deep anti-essentialist and there is nothing but contingency.

²¹ According to the discourse theory proposed by Laclau and Mouffe, hegemony in the sense of full totalization, saturation, fixity or closure does not exist, but there is an ever present possibility of antagonism. However, sometimes power relations can be such asymmetrical that a given order of created meanings can become so dominant and “naturalized” that it appears as rather stable and fixed (Laclau and Mouffe, 2001, 135; Mouffe 2013)

the discussion about the soybean expansion, most seem to reflect the position that there is a truth “out there” about the soybean expansion which should be revealed, but that “misinformation”, prejudices and ignorance stand in the way for “truth”. The agronomist at the local grain cooperative of Mercedes, Calmer, expresses this in an illustrative way:

“I think that there is a lot of people who want to understand the effects of this process [the soybean expansion] but also a lot of people who already have a lot of prejudices... and what we have to achieve is that everybody who is trying to understand should get from us [the cooperative] a view that at least approximates what is known... because this matter is so polemic. There are people hating it and people adoring it. That is not the way it should be and it will not lead anywhere. In this way, if the groups working with ecology and so on also would approach the MTO,²² then we could create something productive from all this” (Agronomist at Calmer 2008-02-16).

This quote reflects a widespread belief in the existence of neutral information and separates those who are trying to understand “how it is” from those who do not (and are guided by prejudices). It also reflects a widespread rejection of polemics as unproductive and destructive. Since the most radical critique against soybean expansion comes from “groups working with ecology” (the soybean haters), the pragmatic “solution” (to the destructive antagonism) is that these groups would integrate the oil-seeds table, MTO, consisting of private firms, researchers and public officials, which explicitly works to promote soybean production and help “improve” production, transport, logistics, trade and marketing.²³ To create “something productive”, is here probably meant to be equivalent to making consensus.

The idea behind using the above illustration is to show that while I have a constructivist approach to the complementary and competing meanings expressed about soybean expansion (which I see as ultimately reflecting deeper disagreements in assumptions and values of what is seen as just, desirable and legitimate), most actors representing different positions in the discursive field suggest rather diverging views that some voices simply got it wrong, and accordingly, the “solution” to the disagreements is more shared information and more knowledge.

²² The Uruguayan Oilseeds Technological Board is made up of all the big private actors of the soybean complex (including the cooperatives Copagran and Calmer), the Faculty of agriculture (Fagro-Udelar), the Agrarian National Research institute (INIA), and the Ministry of agriculture, livestock and forestry (MGAP).

²³ See for example:

www.mesadeoleaginosos.org.uy/infoInteres/convenio_URU_EEUU/Convenio_MTO_USSE_C_ASA_USB.pdf (Accessed in May 2014)

When this research process started I was aware of the existence of several conflicting expressions about soybean expansion, but I did not know what discourses (in the sense of structured totalities) were involved in the field. Worse still, I had no idea about the boundaries of the discursive field. Before being able to identify the main discourses drawn on and (re)constructed in the discussion about soybean expansion, I had to first identify and outline the totality of the discursive field. This involved a broad mapping process not only of articulated meanings but of the broad web of interrelated actors, activities and positions in which the meanings are embedded. The next section will deal with the steps I have taken to (re)construct the discursive field, as well as how I combined different methods and sources in this process.

2.2 Outlining the discursive field

The meanings (re)production of the soybean expansion in Uruguay is seen to occur through articulation in an arena which I refer to as the discursive field. In accordance with Snow (2013), I find discursive field to involve the following:

“[It] encompasses cultural materials (e.g., beliefs, values, ideologies, myths) of potential relevance and various sets of actors (e.g., targeted authorities, social control agents, counter-movements, media) whose interests are aligned, albeit differently, with the issues or events in question, and who thus have a stake in how those events and issues are framed and/or narrated” (Snow 2013).

The process of identifying this field, by mapping out main elements involved (actors, activities, assets, themes discussed, agreements and disagreements, relations of force, discourses) have been a central task throughout the research process. The elements and boundaries of the field are contingent and the “what” and “who” of relevance to the soybean expansion may vary depending on whom you ask²⁴ as well as when you ask. My main analytical focus has been on the meanings-creation processes, but in order to be able to situate and explore the dynamics of the divergent meaning (re)creations, I needed first to know the different contexts for this interplay, as well as what

²⁴ The individual family producer, the local grain cooperative, the local subsidiary of the transnational trader, the researcher of soils, the urban based NGO, the second grade producers' organization, the input producing firm, the meat company, the second grade organization for small farmers, the organization of service providers, the local politician, the state official, the social scientist, the agrarian journalist, the government representative, all denote slightly different cultural materials and actors as the relevant ones to be included in the field.

is more or less agreed upon, or taken for granted, about the soybean expansion. I refer to this, in accordance with the terminology of Laclau and Mouffe (2001) and Mouffe (2013) are called “social facts”. As mentioned in the introduction, Mouffe defines these to express what in a given moment is accepted as common sense, reflecting a particular power configuration based on the exclusion of other possibilities (Mouffe 2013, 2-3). Mouffe criticizes the “Durkheimian” way of using social facts as *a priory* categorization and emphasizes the power dimension and stress that “social facts” are the contingent result of power struggles and can never be taken as given.

While I agree with this anti-essentialist approach, I have not in this thesis studied the power struggles behind “social facts”. I have only inductively separated expressed views on the soybean expansion that appear as contested by other expressed views in the material, from those that have appeared as uncontested. The “shared” views are labelled “social facts”. These typically represent a rather “technocratic” narrative about the soybean expansion, centered in tons produced, hectares of land involved, pesticides used, prices paid etcetera. The meanings of these “social facts” however are highly diverging. The main analytical focus in this thesis is on these complementary and competing meanings, and the underlying ideals and assumptions they reflect, but I use the “social facts” as an important point of departure.

This section will show some of the steps taken to get more knowledge about what is involved in this field and how I approached persons to interview.

2.2.1 Early explorations and readings

I already had some previous understanding about the agrarian sector in Uruguay. Most of this background picture was acquired during a nine-month internship (2005-2006) in Montevideo at the division of rural development of the Inter-American Institute for Cooperation on Agriculture (IICA) Uruguay.²⁵ I also knew some Uruguayan small farmers’ organizations and “socio-ecological” NGOs from my years as project coordinator at the Swedish NGO “Future Earth” (2001-2005).²⁶ Furthermore, earlier research in agrarian history provided me with a tentative understanding of some of the previous land-use changes (mainly forestation and rice cultivation) and the social tensions these created, which also suggested relevant positions and actors to approach.

²⁵ IICA forms part of the Organization of the American States (OAS).

²⁶ Framtidsjorden (Future Earth) cooperated with the following Uruguayan NGOs: Redes (Friends of the Earth – Uruguay), Ceuta, Eco-Comunidad and Apodu (association of organic producers in Uruguay). I had on different occasions met and visited all these organizations before the research project started.

I have also extensively used agronomic research both from the Faculty of agronomy (FAGRO) of the University of the Republic (Udelar) and the National Agrarian Research Institute (INIA) to get clear descriptions of all the activities and products (the standard technological package and timeframes) involved in the actual cultivation. The national official statistics provided yearly figures over volumes, hectares, producers, trade flows and dollars involved and changes in the same. In general, these texts represent a rather “technocratic” approach in which the soybean expansion is described – in tons produced, technological package applied, hectares used and prices paid – and they are widely referred to as “facts”.

In addition to this, I conducted a rather extensive research on the broader public societal debate of the soybean expansion as expressed in the national press and in more specialized agrarian-related news media. I systematically read articles published between 2005 and 2008 in the national newspaper *El País*,²⁷ and followed the *Tertulia agropecuaria* of the national radio *El Espectador*.²⁸ I have also examined relevant texts from the weekly electronic newsletter *Conexión Agropecuaria* and the radio program *Tiempo de Cambio* both published by the consultant and communication firm specialized in agribusiness *Blásina y Asociados*.²⁹ I also read relevant articles from the weekly electronic newsletter from *CampoLíder*³⁰ which republishes news articles about agrarian activities from all big newspapers in Uruguay, Argentina and Paraguay. I also listed the different actors that are recurrently talked about (ranging from firms, producers’ organizations, politicians, NGOs and researchers). This tentative picture was complemented with information about the identified main groups involved, from web-sites, communiqués, reports, policy documents and magazines.

From systematically reading different texts mentioning the soybean expansion,³¹ I was able to list the most repeated themes mentioned and separated the themes characterized by conflict and contestedness from themes that appeared more or less agreed upon. These agreed upon aspects are, as mentioned, labelled “social facts”. The social facts about the soybean expansion involve a rather quantitative and “technical” narrative, resting on a handful of sources that appear as legitimate (reflected upon as rigorous, neutral and

²⁷ El País is the leading national newspaper established in 1918. It is traditionally linked to the national party (conservative), but is nowadays defined as independently centrist. I have used the search motor in the webpage of the newspaper to read all published news and debates related to the issue. www.elpais.com.uy/buscador/index.asp? (Accessed in June, 2014).

²⁸ El Espectador is one of the leading radio stations in Uruguay specialized in news, debates and analysis. I have used the search motor in the webpage of the newspaper to read all published news and debates related to the soybean expansion. <http://www.espectador.com/> (Accessed in June, 2014).

²⁹ See: <http://blasinayasociados.com/> (Accessed in June, 2014).

³⁰ See: <http://campolider.com/> (Accessed in June, 2014).

³¹ I used the search function of the electronic media archives for articles containing the word “soja” (soybeans).

de-politicized) throughout the field.³² Chapter five will present some of the most recurrently mentioned “social facts” about the soybean expansion. Both agreements and disagreements reflect particular values, ideals, interests and assumptions, although these are easier to identify when there is contestedness, than in the “technocratic” jargon of the “social facts”.

In order to get access to more complex, deep, contingent accounts, I decided, as mentioned in the introduction, to ask persons to explain their line of thinking. This necessitated the qualitative interview as the main method to capture a fuller range of complementary and competing meanings (re)constructed throughout the discursive field. I will in subsequent sections critically discuss what kind of information the interview (re)produces and discuss how discourse analysis can be combined with it, but first I will mention some additional ways I used to get to know more about the discursive field of the soybean expansion and how I found interesting persons to interview.

One important step in the early explorations was a co-organized event with FAGRO (Pedro Arbeletche) and IICA called “Round Table on Soybeans”, in December 2007. Many persons representing key actors in the soybean business, the cooperative movement, research centers and different state bodies, were invited to participate in a broad discussion about the consequences of the soybean expansion and discuss our research proposal.³³ The discussion pointed out how main differences were orally expressed “in situ” with opposing views present in the same room. This meeting also became a kick-off for the field work and has played an important role in highlighting issues that needed deeper investigation in the interviews and also facilitated in making contacts with persons for the interviews.³⁴

I also participated in other events where different actors (firms and researchers) occupying different positions in relation to the soybean complex met and engaged directly in discussion. One such event was about the future

³² Besides the narrative of “legitimate” sources, however, most actors approached in this study also had their own experiences of the soybean expansion as producers, neighbors, agronomist, researchers, etcetera, and these proper experiences tended to be the base for what was “taken for granted” about the soybean expansion.

³³ The meeting took place in the *Mercosur* building in Montevideo, on December 4, 2007. At this event, my project colleagues, Ulf Jonsson, Lisa Deutsch and myself presented our research design. The preliminary study design was discussed with the local stakeholders who gave feedback on what they found most urgent to study and provided information of what studies already existed or were in the pipeline and what aspects of the soybean expansion had not as yet been examined.

³⁴ The three hour Round Table served as a flying start in delving into the actors, themes and tensions involved in the soybean expansion. The moderated discussion about benefits, possibilities, drawbacks and threats linked to soybean expansion brought to the surface the different interpretations. The discussion also brought to light some form of agreement (or at least not openly contested understandings) over the effects of the soybean expansion among the participating actors.

of commodity prices organized by the agro-consultant firm Blásina.³⁵ Another was a workshop on the sustainability of the productive chain of soybeans in Uruguay and the region organized by the Organization of the American States (OAS).³⁶ Yet another event was a field-trial of different soybean varieties organized by the National Agrarian Research Institute (INIA).³⁷ All these public events provided me with the opportunity to observe an important part of the discussion about the soybean expansion *in situ*, with live interaction instead of “delayed” interplay (one text reacts on another text, provoking a new reaction and so on in chain over time). These events allowed me to listen to live discussions on who was opposing, breaking, rejecting or enhancing what aspect, as well as later compare the tensions articulated openly in public with those from my interviews. In addition, I could visually observe who looked at who when they were talking and who talked to who during the coffee break. In the analysis, however, I have only used expressed views from the transcribed multiple stakeholder discussion “Roundtable on Soybeans”, while the other public events “only” served to enrich my understanding of the controversies and prepare my interviews better. Not to forget that the events provided me access to future interview respondents.

To get more concrete ideas of what actually happens in different stages of the chain, I personally observed several activities involved in the production and commercialization in the soybean chain at different sites (cultivation, fumigation, harvesting, storing in silos, weight control, trucks arriving to the port, unloading of the trucks, uploading in mega silos in the port, quality control, uploading to the vessels, crushing of soybeans to meal and oil). I also interviewed many actors involved in these activities and asked them to explain all the steps involved (E.g. interviews with public entities in charge of monitoring, and registration of biotech seeds (INASE and INIA), agronomists, extension firms, researchers, individual soybean producers, agrarian service providers, grain cooperatives (selling input, buying grains providing silos and short transport), infrastructure companies, traders, shipping and port companies, the public port administration, the state owned biodiesel

³⁵ The seminar took place in November 2007 at the Ibis hotel in Montevideo, with the participation of employers from several firms in the seed, productive, commercial and logistical sector.

³⁶ The National took place in the Mercosur building in Montevideo, the 27th of February 2008. The meeting aimed to discuss a newly written report about the environmental and socio-economic changes brought by the soybean expansion, financed by OAS. This socio-economic aspects of the report was written by the agronomist and independent researcher Alfredo Blum, who has been consulted various times, in several informal talks and mails from 2006 to 2012. Around 70 persons attended the discussion, of who many were the stakeholders I had interviewed, or were about to interview.

³⁷ The trial took place in the field station La Estanzuela in Colonia, the 14th of February 2008. I participated with Dr Deutsch. At the trial seed firms, cooperatives and producer firms, researchers from INIA as well as the secretary of the Oil-seed table (MTO), participated.

company, etcetera. In the next sub-section I will present some further reflections over who I have listened to in this study and how I see these actors.

2.2.2 Reflections over main respondents approached

To be able to reach the objective of this study - to describe, situate and explore the main complementary and competing meanings attributed the soybean expansion and analyze what underlying ideals and assumptions they reflect - I have tried to approach different actors with different experiences from the soybean expansion. Besides the entry points mentioned above, I also asked respondents to mention who they identified as relevant actors involved in some way or another in the soybean expansion. Some respondents were accordingly approached as a result of a “snowball-method”, where meetings and interviews generated new contacts.³⁸ The expressed accounts from the interviews were studied to discern their ways of making sense of the soybean expansion.

All in all, I have talked to producers of different sizes and orientations, agrarian service providers, researchers, state officials and politicians. I have also approached persons engaged in the producers’ organizations and in NGOs. In addition, I have talked with people employed at big agribusiness firms involved in different stages of the soybean chain (upstream, downstream and cultivation stages). I tried, in synthesis, to interview people of different backgrounds and playing different roles in the soybean complex. The interviews have been done under three different fieldwork periods.³⁹ In general, I talked most to persons involved in the cultivations of soybeans in the beginning, and later expanded into commercialization, agroindustrial activities and public policy. See the full list of all interviewed respondents in appendix A.

To get as broad picture as possible, and grasp different perspectives, I have been inspired by the Global Commodity Chain (GCC) perspectives,⁴⁰ and particularly the work of Gary Gereffi (1994). The GCC literature has

³⁸ For example, the majority of the individual farmers interviewed were tracked through the local cooperatives. The majority of the interviews with the leaders of the local cooperatives done with the help from the project coordinator (in charge of a project dealing with the effects of the soybean expansion for the local cooperatives) at the national second grade cooperative agrarian confederation (CAF). Acquaintance with the project leader of CAF, in turn, was made at the multi-stakeholder event organized together with FAGRO and IICA.

³⁹ The fieldwork periods were: 1. December, 2007 – May, 2008; 2. December 2008- April 2009; 3. December 2010 – January 2011.

⁴⁰ Most GCC research analyzes the network of labor and production processes and the organization and governance of global reaching productive chains. There are also studies focusing on the structure of productive complexes within particular countries.

often been used within development studies to analyse the full range of activities, assets and actors involved from seed to export, or from seed to final consumption. This outline typically includes the linkages in the value-adding economic activities and the inter-related economic agents and focus is often in the possibilities for “developing” countries to “upgrade” (Gereffi 1994, 97).⁴¹ I am in this research not concerned with these questions and I do not see it possible to ever identify “the full range of activities, assets and actors” involved in the soybean complex in Uruguay. I have nevertheless been helped by these studies as a tool to identify, organize and describe different type of actors, relations and processes involved in the soybean chain in Uruguay. I have for example, in order to sort the material, made use of a division of the soybean complex in three different stages; cultivation stage, upstream stage and downstream stage.

I do not, however, pretend that my interviews and readings of already written texts “cover” the whole “soybean field”. I have tried to get many different voices, but there are still innumerable more unheard. I have considered those with some voice in the debate. There may exist positions with very low voice in the public debate. It is also possible that some actors that potentially could have a voice in the field are taking an alternative strategy and rejecting the discussion all together by remaining silent (such as Monsanto), or adopting what Hart and Negri call exodus.

It is also important to note that considering respondents that are engaged in the big firms, organizations and public policy actors, most are high ranked authorities and the experiences and perceptions on the soybean expansion would probably be very different if I had talked to for example part-time employed. I have mainly “found” respondents because they are referred to in public media, or from the event mentioned above, and through the cooperatives, which naturally have put constraint on who I have been talking with.

Some “social categories” were mentioned in the public debate, as for example “displaced producers”, who lost land in the wake of the soybean expansion. I would have liked to talk with persons that see themselves as “displaced” by the soybean expansion, but did not find them as they were no longer members of cooperatives or producers’ organizations that could facilitate the contact. In a similar way, I was interested in the perceptions and

⁴¹ The GCC approach is still quite new and more of a perspective and a methodology than a full-fledged theoretical framework. Gereffi identified three dimensions of commodity chains that could be analysed. First, an input-output structure describing the process where actors, products and services are linked together into final production. Second, a territorial or geographical configuration of the chain involving the spatial concentration or dispersion of production networks. Third, a government structure to illuminate the nature of power relations in the chain, often focusing on entry barriers and diverging effects of different organizational structures. Most agricultural chains are described as buyer-driven; in which retailers and brand-name multinationals have the most market power (Bair 2005, Bair 2009, 8, Gereffi, Korzeniewicz, and Korzeniewicz 1994).

meanings (re)creations of the soybean expansion that the rural workers could have. In this respect, I called the Central Union PIT-CNT to find someone from the rural workers' union (UNATRA) to make an interview with. I was given several names and numbers to call, but over the phone all of them claimed that they had nothing to say about the soybean expansion since none of their members worked within that sector because of the widespread use of sub-contraction of agrarian services (often unipersonal firms with no employers). I did not find an official web-site or magazine that could offer an alternative way to the opinions of UNATRA.

In general, all the people representing positions with only few and weak bonds to other positions in the field have received less voice in this research (as "nobody" talks about them and I was not able to detect them). The loudest voices in terms of many strong ties to others, presence in national media and/or strong popular support and ability of mobilization, have been the ones that I have been able to listen to and given attention in this study.

I have not made use of the more analytical approaches of the GCC or its implicit epistemological assumptions.⁴² My own position on knowledge and the world is, as mentioned, social constructivism and accordingly I see all categories (including the subjects within) as contingent and negotiable. They are in this way seen to be subjected to the same discursive mechanisms as all other signs. For example, "agribusiness firm" is recurrently used and appear as intersubjectively understood to represent a main social category in this field. However, as I will analyze in chapter nine, the meanings given to this category are diverging. Within the most critical accounts, "agribusiness" is discursively linked in a chain of equivalences to exploitation, corporate control, ecological destruction and imperialism. This identity is constructed in contrast to "family producers" created to be equivalent with inherent solidarity, local control, ecological sustainability and social justice. By contrast, within the most optimistic accounts, "agribusiness" is discursively linked in a chain of equivalences, to creation new opportunities, dynamism, modernity and well-being. This identity is constructed in contrast to the traditional big landlords and livestock producers, created to be equivalent with the opposite; stagnant, conservative and rent-seeking rather than productive.

In addition, the actors actually included in this category may also oscillate among articulations from exclusively referring to the mega firms, to including smaller capitalistic agrarian enterprises. The point I am trying to reinforce here is that many of the social identities involved in the field are floating signifiers, subjected to discursive struggle with a plethora of diverging

⁴² Most GCC studies focus analytically on the so-called "governance structure", including how the so-called chain drivers (the firms playing pivotal roles in managing and maintaining the production networks) appropriate the surplus created throughout the chain. GCC studies seem to assume that research can reveal one objective and real structure of "reality" and social categories are defined *a priori* and taken for granted.

meanings depending on how they are linked to other signs in signifying chains. In this way they are contingent and hazy. The competing and complementary constructions of some social categories are central in this field and will be analyzed in depth in chapter 7, 8 and 9. There is however, also some shared notions considering main social categories. There is also a general agreement on who can legitimately claim to represent them.⁴³ These will be presented further in chapter 5.

This section has showed some of the ways I have used to map out the discursive field and access different ways of seeing the soybean expansion, and separate conflicting views from less conflicting views. This process has involved extensive readings of the public debate in the national news media, as well as the identification of main views provided about the soybean expansion provided in reports, national research, official statistics, policy documents and communiqués and web-pages, written by identified positions in the field. I have also reflected some on who I have been able to listen to, and who not. I will in the next section present some of the main ways in which the interview as source material has been problematized by different scholars and discuss what kind of knowledge I still find can be extracted from them. I will also reflect over the particular interview context and its implications for the narratives told.

2.3 What kind of knowledge is (re)produced in the interview?

As mentioned above, I chose the qualitative interview in order to get access to more complex, deep, contingent accounts of meaning-(re)creations in relation to the soybean expansion. The qualitative interview is a well-known tool with the potential to capture a number of understandings and perceptions from a variety of persons (Kvale 1997:14). In addition, some voices that seemed central in the discursive field were absent in the written records for different reasons. For example, many family producers, local cooperatives and smaller firms, only appeared in the written records as talked about or mediated indirectly through the second grade organizations that claim to represent them. Accordingly, some of the interviews also allowed me to access the ways of (re)creating meanings to the soybean expansion by some

⁴³ All actors here mentioned appear as legitimate members of the field in the eyes of the state. A clear illustration is the state initiated process of new legislative framework for genetically modified organism (GMO), in which actors representing the seed firms, the producers, different public divisions, researchers and socio-ecological NGO alike were invited to be involved in the process. Also national media tend to address all these actors as legitimate stakeholders in one sense or another in the field. It is, nevertheless, noteworthy that not all agribusiness firms see the environmental NGO's as legitimate actors involved in the field.

who were previously unheard. The professor in contemporary history, Lynn Abrams, points out in her comprehensive book *Oral History Theory* (2010) that there is a strong tradition within oral history research to particularly listen to the previously unheard (Abrams 2010). However, not only the relatively powerless actors were silent in the written records about the soybean expansion, but also some very well-known and often talked about big firms. This is particularly true for the multinational mega traders and biotech firms that leave almost no traces in the public debate. The interviews with the staff of Dreyfus and Cargill in Uruguay allowed me to access their views on the soybean expansion, including making them reflect over their own role in this process. Besides qualitative data over respondents' perceptions and meanings creations of the soybean expansion, the interviews also allowed me to collect contextual information about the respondent which could contribute to a fuller understanding of the statements made. A total of 63 interviews were made within the scope of this study and the transcribed interviews became the most important set of material.

Interview is fundamentally different from most other sources as the researcher collaborates in creating the source by engaging in dialogue with another living person. What the respondents say is thus partly rooted in the interaction with the researcher, and accordingly the character of this relationship partly determines the stories told (Abrams 2010, Kvale 1997). This is sometimes argued to be an inherent weakness, making the interview an unreliable source for research; as the voice of the respondent is "distorted" or "contaminated" by the researcher. According to this line of reasoning, interviews should only be used when no other available sources can answer the research questions, and the researcher should try to interfere as little as possible and never ask leading questions. This notion of separating the "pure" voice of the respondent from the researcher rests on the assumption of the existence of an objective social reality independent of the researcher that can be accessed in a neutral way (positivism). The late Professor of Educational Psychology, Steinar Kvale, called this approach for naïve empiricism and argued that there is no such a thing as a reality "out there" for the researcher to reveal. Kvale stressed that the dialogic element of the qualitative interview is a major advantage of the method, as it is in dialogue that people construct both themselves and the world (Kvale 1999, 58). Kvale thus argued that the researcher always co-constructs the content, but that the important question is not about leading or not leading, it is about whether the leading yields relevant, new, interesting, fruitful and valuable knowledge (Kvale 1997, 62-73, 1999, 64).

However, criticism of qualitative interviews in research has not only been expressed by hardcore positivists searching for neutral data but also from discourse theorists, arguing that what is expressed in the interview reflects a specific interview discourse that provides information on that particular context rather than on anything else (Cruikshank 2012, 38; 47). This is linked

to the view on all subjects as representing fluid and shifting subject positions constituted in discourse rather than a static essential integrative unit. The interview can thus be argued to only be capable to grasp how the respondent constitutes herself/himself in the specific context of the interview (Cruikshank 2012, 47). Accordingly, some discourse theorists argue that the analysis should be made on documents that have been produced independently of the research process, where the answers can be clearly separated from the researcher. The problem with the interview from point of view is not about the difference between reality and its representations (as in the positivist critique), but about the difference between the discursive setting of the interview situation and the discursive setting that we want to know. Not all discourse analysts seem nevertheless to see the combination of qualitative interviews and discourse analysis as necessarily problematic, which can be witnessed in the vast amount of published studies “discourse analysis” based on an extensive use of qualitative interviews (Frost, Nolas et al. 2010; Potter, 1996).

I believe that the combination of a discursive approach with the use of interviews can yield fruitful knowledge, if the specific potential pitfalls and problems are explicitly and properly addressed. Particularly, I find it important to critically reflect upon the role of the interview contexts for the things said during the interview. Clearly, what the respondents said when interviewed was the complex result of several things: my research questions (including the words and categories used and the their assumptions); their ways of conceptualizing the soybean expansion (informed from other contexts) and the relationship established between them and myself (based on their expectations of me, their view on social sciences, on interview-based research, on my gender, class, age, ethnicity, professional position, as well as personalities, previous experiences and prejudices). Thus, the interview is seen as a co-constructed discursive event, and therefore does not represent any straight forward path into respondents’ inner perceptions. However, no source ever provides an open window into the respondents’ inner perceptions of the world and to acknowledge the co-constructive character of the interview does not imply that respondents’ statements say nothing about how they see the world. My perception is that the interview data can say something both about the specific interview situation AND something about how the respondents understand the social world (their meanings-creations of the soybean expansion).

Actually, all sources are always created within a particular context and often with a particular receiver in mind. In this way, all stories told in all sources have been influenced by a particular context and often adapted to the idea of some kind of a receiver. The main difference between the interview and already written sources in this respect is that the researcher herself forms part of that particular context and is the main receiver of the narratives. The advantage of this is that it makes it easier to speculate ways in which the

context may have influenced the stories told that is not possible to the same extent with sources emerging from contexts that one does not know so much about. In this way, I believe that by explicitly acknowledging the particularities of the interview context and reflecting over the consequences of the same for the things said, the interview could potentially contribute more to discourse analytical studies. It is, nevertheless, impossible to exactly control how the interview context is influencing what the respondents say, as the interview situation is a very complex event. The ensuing sections will critically reflect upon ways the interview situation have influenced the statements of respondents. I will start out with a reflection over the potential perceptions the respondents can have had of me and their possible implications (2.3.1). This is followed by reflections over my co-creative role for the stories told (2.3.2). I will later roughly compare the information yielded in the interviews with information from other sources in order to further raise the awareness of the particularities of the information provided from the interviews in relation to other sources (2.3.3).

2.3.1 Respondents' perceptions of me and their possible implications

This section deals with the respondents' perception of me and how that can have influenced what they said or did not say during the interviews. It is of course impossible to know exactly what their perceptions of me were and probably varied significantly among respondents.⁴⁴ However, in general terms, it is safe to say I was primarily seen as representing a Swedish research project on the global soybean chain in current agro-food globalization,⁴⁵ since most interviews started out with me sending a formal request via e-mail with our approved research proposal to FORMAS attached, and the fact that most interviews (35 out of 63) were made together with a PhD in Systems Ecology, Lisa Deutsch,⁴⁶ working within the same project. In other words, the subject position as "researcher" seems to have been the most relevant one.⁴⁷ This position seems to have yielded expectations among re-

⁴⁴ Some respondents already knew things about me before the research project (from the internship at IICA, from my previous work at the Swedish based NGO Future Earth, or through family and friends), while most respondents had never heard about me before the research project.

⁴⁵ This study has formed part of an inter-disciplinary project called "The soybean chain in contemporary agro-food globalization: challenges for a sustainable agrifood system" with funds from FORMAS.

⁴⁶ Deutsch studied the effects of the soybean expansion in Uruguay from a perspective of ecosystem services and resilience.

⁴⁷ In more detail, I can have been mainly perceived to represent the social sciences, and particularly from the assumptions believed to be inherent in the subject of "economic history" which most often seemed to be interpreted as economics.

spondents of being accurately referred to and interpreted, and that we would be able to establish “how it really is” through rigorous and neutral methods. Research in general seems to have been perceived as a laudable and legitimate activity across respondents, and has played an important role in gaining access to the respondents’ time.⁴⁸ In addition, the already mentioned multi-stakeholder Roundtable discussion at IICA Uruguay seems to have been important in establishing our research project as “serious” among the various persons that attended the event as well as other actors who later mentioned that they had heard about it.⁴⁹

Some respondents also mentioned that our research project was benefitted as “coming from the outside”. For example, one domestic researcher interviewed said that it was generally difficult to get information from the big private firms of the soybean business for fear of bad press and divulging valuable information to competitors. In his opinion if at all anybody could access that information it would be us as outsiders. This would project us as more “neutral” and without vested interest in framing the soybean expansion in Uruguay as either panacea or as bad (Researcher INIA and Procisur 2007-12-19). In the contested and sometimes polemic nature of the discursive field of the soybean expansion in Uruguay, it could be an advantage to represent a “foreign” research project rather than a domestic one.

First and foremost it seems that I represented the position of a “foreign researcher”, but this was often combined to a varying degree with the position of “fellow citizen” (albeit they may seem antagonic at first glance). Probably other identity positions also played varying roles in different interviews and situations (such as being a woman, thirty something years old, a Ph.D. student, etc.). But in general, I think that the position as some type of knowledge subject was most determining. Different subject position allows for the exercise of different amounts of power embedded in that position within a particular field. The power relations varied along the different interviews, and although the subject position as researcher is linked to privileges (not least to set the agenda and ask the questions) many of the respondents represented positions with high degrees of economic, cultural and social capital, and here approached in their roles as different types of knowledge subjects.

⁴⁸ In general, it was surprisingly easy to access respondents for interviews. Besides the legitimacy of research, according to the Uruguayan social anthropologist, Daniel Vidart, the ethos of the Uruguayan people is formed by the interrelation between geographic proximity and human fellowship (2012:141).

⁴⁹ Many of the actors that participated in the event were later approached in individual interviews. For example, the contact with the director of El Tejar; the president of Copagran, a researcher at INIA, the director of statistics at DIEA-MGAP; the dean of FAGRO- Udelar; the project coordinator of CAF. In addition, some actors approached later in the research process told us that they had heard about the event and it is possible that this played a role in their willingness to be interviewed.

There is a risk that respondents' perception of me influenced their statements so that they reinforced the aspects they believed I could appreciate. As pointed out by the oral history researcher, Abrams (2010), it is a well-known phenomenon in qualitative interviews that respondents tell stories they think researchers want to hear. It is, however, impossible for me to ascertain what the different respondents might have thought I wanted to hear. As a way to deal with eventual systematic differences the sub-section 2.3.3 compares what respondents said in the interview with what the same respondents said in other contexts. Before doing so, I will first present how I actively participated in dialogue with respondents through different types of questions, and reflect over the implications of the same for the stories told.

2.3.2 Reflections over my co-creative role during the interview

I will now reflect over my active and co-creative role in the production of one of the main primary sources of the research. In line with Kvale (1997) I find that the problem is not about the interviewer influencing the answers of the respondents, but to influence in the right direction. One of the clearest ways I interfered in the respondents' narratives was through my questions posed during the interview. So, what did I do and say during the interviews and how can it have affected statements made?

The overall philosophy of my interview guide⁵⁰ was to let the respondent in the beginning talk about his or her own role and view on the soybean expansion in an open ended way, and later leading the dialogue into areas that were not spontaneously mentioned by the respondent. Accordingly, the first questions asked for the respondent's perception of the soybean expansion and what they identified as the main changes brought by the same. This was followed by more leading questions on what they perceived as main benefits, possibilities, drawbacks and threats of the changes, as well as who they perceived as main "winners" and "losers". The interview guide also involved questions perceived as most relevant driving forces behind and possible constraints to the expansion. Apart from asking the respondents for their generic perceptions of the soybean expansion, questions were also asked to grasp their underlying argumentation for positions taken and how they dealt with the main arguments of opposing positions. Since the interview guide was constructed after I had already made the tentative map over the discursive field (based on sources created without my interference), the questions formulated departed from some already identified main dividing lines and posi-

⁵⁰ The interview guide was ventilated within the FORMAS/project group as well as in a workshop about qualitative interviews with invited guests from the department of social anthropology at the Stockholm Resilience Centre.

tions which I wanted the respondents to explain and further develop in order to grasp ways of reasoning in deeper and more complex ways. The generic interview guide is found in appendix B.

With the exception of some quantitative questions asked to firms and farmers for the purpose of getting a wider context, the interview guide was always used in a flexible and pragmatic way. It was mainly used to get an overview of focus areas and as a reminder of overall aims. But many minor choices and specific formulations were decided on the spot, depending on the specific situation. In this way, follow-up questions and side-tracks varied among interviews to best capture the respondents' understanding and meaning creation of the soybean expansion in Uruguay. In order to be able to make fruitful follow-ups, I thoroughly prepared for each interview by reading texts written by the respondent, and/or about the respondent, or about what the respondent represented. In some cases there existed a lot of texts from former interviews and websites to academic texts, while in some other cases information was scarce (see section 2.2.3).

Following the interview guide the interviews started out with very open-ended questions about perception of the soybean expansion. Most respondents are well-articulated and experienced story-tellers. In this way, most of them held rather long monologues in the beginning talking rather "freely" about what they found as the most relevant changes in the wake of the soybean expansion. It was followed by different types of follow-up questions. The most common type of follow-up question repeated in all interviews aimed to clarify what the respondent already had stated to validate a possible interpretation of what was meant and avoid misunderstandings. The dialogue below with a family producer illustrates the kind of follow up:

Producer: "All this is due to the Chinese buying more and more soybeans"

Researcher: "So, is the soybean expansion a response to increased world demand?"

Producer: "Yes, but this goes in cycles. I have already seen two."

Researcher: "So, do you believe this is just yet another cycle, or is it something more lasting?"

Producer: "I think the change is very strong... I can no longer see that we can go back and decrease the crop area. It is like everything is increasingly intensive and it would be unthinkable to go back" (Mixed producer 2008-02-12).

Many of the follow-up questions repeated what I had heard the respondent say, but in slightly different words to ensure that meanings and concepts are synonymous in my own understanding and also as perceived by the respondents. It was not unusual to test some interpretation or see if some particular framing could be validated and accepted by the respondent. One illustrative example of this procedure comes from an interview with an agronomist at the grain cooperative of Mercedes, Calmer:

Researcher: “And for Calmer, how is it to compete with price when the competitors may have direct outlets (salida directa)?”

Agronomist at CALMER: “It is harder, particularly in the soybean business, because we have to sell through another intermediary.”

Researcher: “Of course, and who also wants to maximize its margins, right?”

Agronomist at CALMER: “Of course.”

Researcher: “Do you still find it possible to offer the producers a similar price as the big exporters can offer?”

Agronomist at CALMER: “Well, sometimes yes and sometimes no. There exist in any case other factors influencing the choice of the producer.”

Researcher: “Of course, nobody is strictly economic in such a narrow sense.”

Agronomist at CALMER: “Exactly!”

Researcher: “So, what are those other factors that you see?”

Agronomist at CALMER: “One influencing factor is producers’ previous experiences and tradition. Those elements also play a role. There also exist actors that become more or less trendy” (Agronomist at Calmer 2008-02-16).

The above example shows some of the different forms used to ensure that I was grasping what the respondent meant in as accurate way while also provoking the respondent to develop own reasoning and make it clearer. Sometimes clarifying questions were asked to know if the expressed observations about the soybean expansion is grounded in the respondent’s own experience or a (re)production of someone else’s account. An example comes from an interview with the director of the local seed cooperative, Calprose:

Researcher: “What are the main social impacts of the soybean expansion?”

Director of CALPROSE: “As in all transformations there are winners and losers. The producers doing cultivations have been benefitted and other kinds of producers have been displaced. Because they had a lot of debts and they sold their land or leased it to a third party – to some Argentinean or someone coming from outside the system with money. And now, this former producer lives in Punta del Este⁵¹ all year round.”

Researcher: “Is this something you have seen a lot of here among your members?”

Director of CALPROSE: No, not here, because here the producers did not have so many problems with indebtedness, the producers of the cooperative were strong and in addition they live on the land they produce” (Director of Calprose 2007-11-29).

Not all clarifying questions departed from information provided by the respondent during the interview, but when available I also used respondent’s previous statements in written records which I wanted the respondent to develop, explain and/or validate my own interpretation of. A typical example of such a question was posed to the President of the Rural Federation (FRU):

⁵¹ An exclusive resort on the Atlantic Coast in southeastern Uruguay.

Researcher: “I read in a communiqué from the rural federation, where you dealt with the increased foreignization, that you found it to be like a...”

President of FRU: “Yes, yes, like an attack”

Researcher: “Sure...”

President of FRU: “A threat”.

Researcher: “Yes, so what is the biggest problem with an increasing amount of land managed by foreign firms, according to you?” (President of FRU 2009-03-03).

In addition, not only did I make respondents relate to their own positions taken in the public debate, but also to positions taken by others in the public debate (including researchers and statistical data). For this purpose, follow-up questions asked to induce the respondent to relate to issues or areas that were otherwise forgotten, ignored or avoided (i.e. not mentioned spontaneously by respondents). I wanted to see if the arguments stressed by others were embraced, re-formulated, de-legitimized, rejected, re-framed or counter-attacked. Below I have chosen to give some extra attention to an illustrative example from the interview with the director of Cargill in Uruguay. My questions intended to lead in the respondent to explicitly relate to positions taken by other stakeholders:

Researcher: “There exist some actors claiming that the soybean production is not very sustainable...”

Country Manager of Cargill: “I am very aware of the bad press around the soybean in general, very bad press. There was an agronomy meeting here in Paysandú and after a while the meeting started to talk about the “foreignization of land”. I said that we should not forget that the majority of our grandparents were foreigners here. Perhaps we are living a new process of immigration with characteristics of the time we are living. Because there is some xenophobia mixed in this also.”

Researcher: “One highlighted argument is that the foreigners mostly lease through short-term contracts, which leads to less preoccupation with the soils or whatever...”

Country Manager of Cargill: “Yes, but then it is a problem of the state. The state ought to take care of the soil conservation. But it does not do so properly.” (Country Manager of Cargill 2007-11-26).

I find that above quote very illustrative of how the interview can in a clearer way show the boundaries of different types of argumentations by “forcing” respondents to address claims they would not make “spontaneously”. In this particular case I mentioned the recurrently posed (by the critics) problem-framing of unsustainability. The respondent, who had not spontaneously mentioned this aspect, rather than defeating the claim, instead linked it to bad press in general, which in turn was linked to the opponents’ use of the claim “foreignization of land”. This claim was in turn rejected not by ques-

tioning the existence of the phenomena but by questioning the negative connotation of the concept (treating it as a floating signifier) by hinting that the real reason behind the problem-frame was not sustainability (a legitimate concern), but xenophobia (non-legitimate sentiments). In addition, he suggested an alternative meaning to “foreignization” by linking it to previous waves of immigration, which allows for the creation of historical continuity of the same (Uruguay is strongly identified as a settler country). When I instead offered an alternative explanation to why “foreignization” could be linked to unsustainable management practices by suggesting that the dominant pattern of leasing the land to foreign actors could create less economic incentives for the long-term sustainability (which would lead to bad soil management according to assumptions of rational actors responding), I opened up for a “legitimate” possible explanation (response to a structure of incentives rather than foreigners being more unsustainable because they are foreigners). The respondent did not reject or embrace this alternative explanation, but rather he changed the focus completely and suggested that if the management of soils was not sustainable, than it was a problem which the state ought to solve. In this way he could be seen as attempting to preclude any eventual responsibility from the private actors themselves.

The illustrative point of the above example is that my questions often aimed to induce the respondent to comment on arguments stressed by opponents in order to provide deeper and a more complex picture of the respondent’s ways of thinking and how dividing lines are drawn to legitimize a position taken, as well as de-legitimize other positions. As pointed out by a professor of discourse analysis, Jonathan Potter, by critically examining questions and follow-ups the interview can be an effective way of getting the whole wide range of interpretative repertoires that a respondent has available, as well as some of the uses to which those repertoires are put (Potter 1996).

However, the atmosphere of the interview situation would have become rather dense if too many opposing arguments would have been drafted. As stressed by Abrams (2010), respondents need to feel empathetically listened to in order to yield any narrative response at all. Particularly the agribusiness firms often referred to the strong criticisms expressed against them by some other positions in society, and they were keen to make sure that I understood them “accurately” and not tendentious or by misunderstanding on purpose. In this way, I sought to strike the right balance between being an empathic listener and critically follow up the answers provided to reach the most complex and deep results possible. In practice, this meant that the interviews most often started out with emphasis on being a careful listener and trying to comprehend the statements of the respondents in the light of their own rationalities as well as showing sensitivity to what they said. I also let the respondents lead the dialogue into new directions and posing new questions. When the moment felt right, however, I proactively nudged them to explain

their positions, for example in the light of the arguments of opponents and/or to myself critically reflect on what they were saying. In this sometimes rather dialectic spirit during the interviews, it was also quite common that the respondents asked me questions, perhaps sometimes in order to put me to test on how much I knew and sometimes to grasp my positions in polemic matters. A clarifying example of the latter comes from the interview with the director of the seed chamber (CUS) and the president of the Breeders association (URUPOV), when we were talking about genetically modified (GM) crops. The director of CUS in particular stressed that the negative attitudes towards GM among the population was primarily based on ignorance, which a survey initiated by CUS had shown:

Director of CUS: [the survey] “showed that 70 percent of the people have no idea and around 50 percent of these have prejudices against GM. Also within the academy we found interviewed persons with prejudices!! You would expect that if you interview a scientific researcher and you ask for his or her opinion on transgenes, that he or she only would say what is proved and what is not”.

Researcher: “But it can be a matter of values, or risk tolerance and feelings. Perhaps a person can be very scientific, but still say ‘well, in this I lack scientific proof, but I still think or I feel...’”

Director of URUPOV: “Do you have any formed opinion in the matter?”

Researcher: “No, I do not take any position in my research...”

Director of URUPOV: “And from a personal point of view?”

Researcher: “I don’t know. I think the consumer has the right to know and chose from that. I think that today, at least in Sweden, there is a trend towards more and more information provided in all types of food and I find it problematic to deny people information about what they consume. That is basically my opinion.” (CUS director and URUPOV director, 2008-12-18).

As the above dialogue illustrates the respondent tried to create a discursive equivalence between negative attitudes toward GM and ignorance (in implicit contrast to GM advocacy and being scientific). When I did not go along with this way of reasoning the respondents asked for my personal opinion. I tried to avoid the question but ended up drawing on the rather liberal framing “let the informed consumer decide”, which in this case would imply mandatory labeling.⁵²

⁵² This evolved into a rather long discussion. The respondents argued against my claim by leaning on other arguments leading in the opposite direction (against mandatory labelling) but also relying on liberal framings. For example, voluntary schemes were argued preferable to mandatory labelling, because then if consumers “really” cared they would chose to buy the GM-free and then the (self-regulated) market would respond to that and yield the Non-GM a higher price. This argument reflects the market as some kind of truth-teller showing if people “really” care (i.e. are willing to pay a higher price for it). Another argument stressed by the

The main point here has been to show how I indeed have been very active in creating the material analyzed in different ways and some interviews at some points could resemble more of a debate rather than a formal interview. Nevertheless, my apparent interest and respect for the respondents' particular experience, knowledge, perceptions and subjective reflections about the soybean expansion were appreciated by the respondents. Probably this also allowed me to engage in some open critical reflection without losing the narrative response. Most respondents seemed happy to talk and generously provide detailed, complex and deep subjective reflections of the implications of past agrarian changes. In this way, all of the 63 interviews lasted between 90-200 minutes. Several respondents explicitly said that the interview offered them a pleasant moment⁵³ and many were humorous and laughing.

My main interest was to grasp how the soybean expansion was interpreted and reinterpreted in different ways and the multiplied and diverse meanings surrounding soybean expansion, rather than "proving" any particular understanding of the same right or wrong. Although I do not claim myself to be a "neutral" or objective researcher in any positivist sense, I do believe I have been a relatively open-minded and emphatic researcher, always listening with respect for all respondents. The intention was to grasp their arguments in relation to their own value-systems. Systematic misunderstandings have been minimized through the use of an inductive and exploratory research design in combination with constant double checking and cautious interpretations of the extensive and thick material. In addition, most of the interviews in this study were conducted together with Lisa Deutsch, which significantly increased reflexivity (in preparation and in the posterior analysis). It also allowed for more time during the interview to think through follow-up

director of CUS was that the "excess" of "empty information" (such as the label saying that the product contains GM) would confuse consumers (arguing that too much information obscures, rather than enlighten, for consumers to make rational choices). Another argument against mandatory labels was that they would imply cost increases that ultimately would be transferred to consumers. Finally they argued that the "ugly" and "real" reason behind the EU ban of GM crops for human consumption (not feed) was hidden protectionism in Europe. In this way, a signifying chain was (re)created between mandatory labels and increased costs for consumers – EU protectionism – empty information in excess, in contrast to voluntary schemes (re)constructed as the opposite.

⁵³ One illustrative example comes from the end of the interview with vice-minister of MGAP: "I am used to tough working conditions, not to air condition... So, when they put me here I felt some guilt, and I manage guilt quite badly... self-scourge... But I work here as an act of military discipline. What I really like to do is what I did before. To be on the fields; in the woods; to work outdoors; to do some research from time to time... So, I find these matters we have talked here truly attractive and they also help me to rethink things, because processes includes back and forth... Perhaps I told you things I thought of for the first time at this moment and I probably need to adjust things... But, it is a bit of fresh air" (Vice-Minister of MGAP 2009-02-19).

questions and make adjustments besides making the work more fun and providing a greater sense of security.

As Abrams (2010) emphasized, a different interviewer would solicit different words and partly a different story. However, there is no such a thing as an unmediated narrative. The important question is where has my interference led? I believe that my ambitious preparations for the interviews led to that the overall direction of my influence was mainly towards the already identified main positions taken in relation to the soybean expansion, which the interviews aimed to shed more light on and provide deeper insights on their “ways of thinking” and the assumptions behind their positions taken. I do think that the answers provided in the interviews also yielded more information than from any other discursive arenas, and that it allowed me to move beyond schematic and manifest positions into the complex web of underlying assumptions, values and constructed dividing lines in relation to the soybean expansion. As the majority of the interviewed respondents also had a voice in the written records, I have had the possibility to systematically compare what they said in interviews with what they said in written records. The next sub-section will briefly present a comparison between stories told during the interview (as a possible consequence of my interference) and stories told about the soybean expansion in other arenas.

2.3.3 Comparing interview narratives with written records

I have so far presented and discussed some relevant aspects of the specific interview contexts (respondents’ expectations and my interference) that have partially influenced respondents’ statements. I have argued that my role during the interviews has mainly been to lead the respondents to explain their ways of thinking and relate what they said to already identified contested areas and themes (from the mapping process of written records). It is, nevertheless, possible that the particular interview context have influenced respondents’ stories in unexpected and unintentional ways. Some clues considering how the specific interview situation may have influenced what is said during the interview can be provided by a comparison of stories told in the transcribed interviews with the same in other contexts by the same actors, but “free” from my interference. Accordingly, I compared what was said in written records with my transcribed interviews for respondents with voice in the public debate,

When reading the interview transcripts and comparing the things expressed to the things expressed in other records by the same actors, I found that in general terms there is a high level of correspondence between them. Thus, the positions taken in relation to different aspects of the soybean expansion in one arena do not differ substantially with those taken by the same stakeholder in other arenas. Rather, there were considerable similarities in

ways of making sense of the soybean expansion. This was particularly true for the things said in the beginning of the interview characterized by open-ended questions and provided space for the respondents to lead the talk wherever he or she wanted. I have, however, also been able to observe overall differences between the information provided in the interviews from other sources which can stem from the particular context of the interview situation. The biggest differences concerning consistency and variation about the expressed perceptions of the soybean expansion are to be found in the answers to the more specific questions and for follow-up questions, which included asking for clarifications, checking previous interpretations, and inducing the respondents to relate to particular issues and articulations.

What were the main differences then? In general, the interviews yielded thicker, wider (as they were induced to talk about aspects that otherwise would be met by silence) more complex, detailed, informal, deeper, personal, richer, anecdotal and less consistent stories told. Thus, many respondents in interviews said things reflecting diverging assumptions and ideals and/or drawing on different and sometimes contradictory discourses. This is in striking contrast to the highly edited and impersonal pamphlets, communiqués, web-sites and policy documents in which respondents appear in the written records. It is also in stark contrast to the very superficial and simplified news articles, newsletters and transcribed “debates” in radio-programs in which some respondents also appear. Probably the answers provided in the interviews were not only “different” because of the specific questions asked, or as a result of respondents’ adapting their stories to what they thought I wanted to hear, but also a result of the “live” character of the interview situation. This urges for some spontaneity with no time for thinking through the answers too long. In addition, the respondent has no possibility to edit statements afterwards in order to make them more streamlined and thus appear as more stable, coherent and consistent. Instead, the contingency, fluidity and multiple positions taken in relation to different aspects can come to light. The interview context has this “live” element in common with the “multi-stakeholder” events, as well as with many debates that sometimes have been broadcasted in the radio. However, an important difference is that the interview provides the respondent with much more time and space to develop his or her lines of argument. I would say that the interview context is the only context which both allows for less “edited” accounts (compared to the contexts of which most written texts have been (re)constructed) and longer lines of thought allowing for deeper penetration into the themes discussed (compared to the contexts of other “live” events, such as seminars, workshops and debates).

While respondents talked about their understandings of the soybean expansion, they also provided clear information on how they constructed their identities and how they position themselves in relation to other social identities (particularly how they constructed a “we” in contrast to a “them”).

Abrams (2010, 36) notes that independently of specific subject talked respondents tend to at the same time tell stories (they like) about themselves. The construction of identity which is central in all discursive struggles is in this way often more clearly formulated in the interview than in other sources. The respondents interviewed in this study, however, are approached on the basis of particular identified subject positions in relation to the soybean expansion, which they are found to represent. I have accordingly not been interested in outlining other subject positions the respondents could represent but only the ones relevant for the discursive field of the soybean expansion. However, the respondents tend not to talk about themselves as a bundle of fluid subject positions, but rather respondents seek to produce themselves as distinctive, unique, rational, stable, autonomous, reliable, coherent and integrative entities as pointed out by Abrams (Abrams 2010, 37-59). In this way, sometimes during the interviews the respondents talked from other subject positions than the ones they were approached for and still tried to (re)construct coherent stories about the soybean expansion and about themselves (for example, respondents approached in their position as representing a particular firm could sometimes during the interview explicitly or implicitly talk from other positions such as agronomists, citizens, rural population, sons of small farmers, taxpayers, Uruguayans, grandparents, etc). A consequence of striving to appear sympathetic and coherent may be that respondents do not articulate perceptions of aspects of the soybean expansion which do not fit comfortably with their sense of self, or with the version of the self that makes them feel good about themselves (Abrams 2010, 46-59). However, as mentioned above, the “live” element with no possibilities to go back and “edit” still make the interview transcripts much richer in contingency and inconsistency than most written records.

Besides this clearer inconsistency of the subject expressed in interviews, it is also more tentative and contingent (contradictory) accounts expressed generally in relation to the soybean expansion. Particularly the approached individual producers could express shifting positions in relation to the soybean expansion depending on particular themes discussed. Respondents representing, subject positions that also had a stronger voice in the public debate were in general more “streamlined” than those who were not, but were still more contingent in the interview than in the written records. The live character and the longer time frame may have contributed to this difference. In addition, the more informal and intimate setting of the interview situation generates greater openness and more confidence shared. It was common for respondents to use humour and laughter, which is mostly absent in most other sources (although humour is quite recurrently used in public events and in some agrarian news media). The interview also provides visual clues and nuances of the spoken language that are completely missing in the written records, but that could contribute with important clues in my research about meaning-creation in relation to the soybean expansion.

Even though the interviews yielded more complex, contingent and thicker answers, the regularities in variation considering the main positions taken about the soybean expansion is overall strong between the different sources. There are thus overall considerable similarities in ways of making sense of the soybean expansion expressed in the interviews and in other previously written records. Accordingly, although respondents in the interviews appear less consistent than in written records, most respondents are used to participate and talk in different arenas and probably actively seek for consistency and coherence among the same. They are aware that the statements in one arena will be related to statements made in another. Moreover, the majority of the respondents have a lot of experience of being interviewed for different purposes and they are very skilled storytellers creating coherent narratives. Considering basic positions taken these are the same and argued for in the same way in interviews and other texts, but with greater depth in the interviews. My leading questions seem to have led to richer and fuller accounts but not essentially different from accounts found in other sources. However, the mere fact that there is high correspondence between different sources does not imply that the stories told are “true” or not adapted to an expected audience. The assumption is that all respondents in all fora try to make themselves and their claims appear as sympathetic, legitimate and knowledgeable, which reflects hegemonic norms.

The interview is a specific communicative event where my questions, expressions and silences interact with respondents, as well as with our mutual expectations of each other within a specific time and space. By comparing statements of made in interviews with other records I have thoroughly discussed similarities and differences and how the interview context has influenced in different ways. It is, however, important to remember that not only utterances made in the interview depend on the specific context, but in a corresponding way so do all other records depend on the specific context of their creation. No data source provides a highway into what people really think. However, in contrast to many discourse researchers, I have not treated everything as merely a single text category. Instead, throughout the analysis I have analyzed the statements bearing in mind their contexts and reflect upon possible systematic variance in expressions depending on context. The next section will deal with how to avoid de-contextualization of the interview situation in the many transformative steps.

2.4 Analyzing the texts

This section outlines the main ways I have worked with the material, both interview transcripts and previously written texts to identify both shared aspects and the variance of meanings attributed to the soybean expansion.

The first sub-section 2.4.1, presents the various steps taken from the interview context to the use of some of the things expressed through references and quotations into the final written dissertation. This includes reflection over the various “translation” steps involved from the specific interview context, over to the transcript, and finally as part of the (re)constructed analysis in still another context and another language. The other sub-section, 2.4.2, deals with some of the ways I have approached the texts to outline patterns of regularities and variance in expressions, as well as analysed what meanings are reflected in the same in the sense of underlying values and assumptions.

2.4.1 Lost in translation?

Besides the complex dialogic character and social embeddedness of the interview with all its implications, the interview is also characterized by many transformative steps from the particular communicative event in a given context to interpreted text in social research presentation (Abrams 2010). First, it is de-contextualized (from time, space and all visual communication present in the interview situation) as the interview becomes reduced into a recorded version of the sounds produced during the interview. The transformation continues as the recorded interview is transcribed into a written transcript.⁵⁴ The factual interview includes multiple dimensions besides the exact words spoken that are not easy to translate into text, and in this way the transcript can be a rather poor reflection of the same (Abrams 2010, 14-16). Even if the transcript is meticulously made aiming for accuracy of the spoken words, it still will not do the interview complete justice, as in the words of Abrams: “[T]he words are surface utterances embedded in a thick culture which it is virtually impossible to represent or recreate on the page” (Abrams 2010). Facial expressions and silences disappear in the written text, which also transform the meaning of the words uttered. In this way, accuracy is not the same as the ability of the transcript to convey the meaning of the speaker.

The transcription process is rewarding but also extremely time consuming. In this study priority has been given to incorporate many different stakeholders’ views in the analysis, and most of the transcription was done by graduate students. However, as these students did not participate in the actual interview situation the risk of misunderstanding and loss of meanings increase. To overcome this drawback and to make the specific context of the

⁵⁴ The interviews have been taped and transcribed. One phone interview was not recorded but notes were taken and afterwards immediately edited and written down in the computer. Non-taped interviews or meetings play no significant role in the study and the research notes from them have mainly been used as a background and sources for new questions. They can nevertheless be found in the interview list marked with an asterisk.

interview situation more present, I listened to the recordings while working with the translation of the Spanish transcriptions into English.

Besides translating spoken words in a particular interview context into written words detached from that context, this study also includes an additional translation of the transcribed interview from (Uruguayan) Spanish to (academic) English, which will be examined in a Swedish context. De los Reyes (2011) questions the common notion of words as interchangeable making everything “translatable”. Instead, she stresses that language is always embedded in specific contexts with particular meaning-creating structures and premises which partly co-create the meanings of the concepts and terms. It is thus inevitable that connotations and meanings get transformed when concepts, terms and the structure of the narrative – are translated (transported) from one context to another. In this way, translation is yet another forum of knowledge production (de los Reyes 2011).

In order to avoid getting “lost in translation” I have given primacy to regularity, frequency and totality in the analysis of the interview transcript (and other texts). I have also tried to be true to the meanings of the respondents by taking into consideration the broader contexts in which the meanings are expressed. I think that the combination of prior preparations for the interviews and my personal background have provided the necessary deep contextual knowledge - born and raised mostly in Sweden, with roots, family and friends in both countries, and recurrent longer stays in Uruguay since 1986. My bicultural background has probably contributed to continuous reflections, comparisons, and questioning of ways of thinking and acting in different contexts within the (fluid and contingent) mega-categories of Sweden and Uruguay. This has rendered an important amount of knowledge about identification with and distance from both, which I believe have been an important asset for this work. Nevertheless, many meanings have inevitably been lost and impossible to accurately recreate in this multiple translation process (considering both language and context). An additional significant weakness here is my English language limitations. Although English has become the *lingua franca* of academic production, and as hegemonic norm it has played a dominant role in my own academic formation, I do not possess the same control over shades and connotations built in the language as a native speaker would possess (de los Reyes 2011).

2.4.2 Searching for patterns of regularities in the expressed variance

What people say and write about the soybean expansion have been scrutinized carefully, searching for regularities in relations between words (signs) to identify both shared aspects and the variance of meanings attributed to the

soybean expansion. Here I try to show as concrete as possible how I have approached this task.

Following the translation of the transcript the text is regrouped, selected, shortened and interpreted before it acquires the new text form in this study. Since in-depth interviews tend to generate a vast amount of material, a continuous process of selecting, focusing, simplifying and abstracting the data into a manageable amount for the analysis has been crucial (Abrams 2010, 15-16). In the process of searching for patterns of convergence and divergence in the expressions about the soybean expansion, I organized and divided the interview transcripts and other texts in several different ways.

From systematically reading different texts mentioning the soybean expansion,⁵⁵ I was able to list the most repeated themes mentioned and separated the themes characterized by conflict and contestedness from themes that appeared more or less agreed upon. These agreed upon aspects are, as mentioned, labelled “social facts”. The social facts about the soybean expansion involve a rather quantitative and “technical” narrative, resting on a handful of sources that appear as legitimate (reflected upon as rigorous, neutral and de-politicized) throughout the field.⁵⁶ How these “social facts” should be interpreted and what they really “mean” and for whom, is nevertheless surrounded with a significant degree of disagreement. These divergent meanings can be traced from how these “social facts” are regularly related differently to other signs in different articulations, which consequently change the meaning of the same. Both agreements and disagreements reflect particular values, ideals, interests and assumptions, although these are easier to identify when there is contestedness, than in the “technocratic” jargon of the “social facts”.

Other documents were divided along main themes talked about. In still others they were organized according to the type of subject positions involved (i.e. producers, firms, NGO’s, politicians, etc). Sometimes they were organized following specific nodal points involved in different signifying chains, etc. I particularly searched for nodal signs, i.e. recurrently appearing privileged signs around which other signs are ordered and receive meaning.

In the early stage of this project I found that Uruguayanity, foreignization, displacement, concentration, rural development, depopulation, value-added, traditional producer were recurrently appearing nodal points in almost all texts, although to a varying degree of intensity. Depending on how these nodal signs were regularly related to other signs in signifying chains, their

⁵⁵ I used the search function of the electronic media archives for articles containing the word “soja” (soybeans).

⁵⁶Besides the narrative of “legitimate” sources, however, most actors approached in this study also had their own experiences of the soybean expansion as producers, neighbors, agronomist, researchers, etcetera, and these proper experiences tended to be the base for what was “taken for granted” about the soybean expansion.

meaning change and ultimately the meaning of the soybean expansion changes. From the identification of nodal signs with unfixed meanings, I thus traced the myriad of different ways these signs were related to other signs and the regularities in variation of the same. I used the digital search function of different computer programs to gather all the utterances in which these previously identified nodal signs were included, from the transcripts and other texts too. In this way, I created a document where I put everything expressed that involved a particular nodal sign. For example, one document for “foreignization” (extranjerización), another document for “concentration”, so on and so forth. Naturally, there was a lot of overlapping and various expressions were included in several documents organized around different nodal points. These documents were later ordered in accordance with how the nodal signs were linked to other signs and the frequency, proliferation and eventual degree of contestedness (from other configuration of signs) of these articulations. Some signs, particularly those related to central subject positions within the field such as, “traditional producer” appeared as recurrently used as well as frequently contested. It is thus a nodal sign which is attributed different meanings in different articulations (depending on how it is related to other signs in different signifying chains). In some articulations it is linked to risk aversion and backwardness, while in others it is linked to care for the land, patriotism and experience.

When these signs include different but incompatible meanings it is possible to talk about *antagonisms*, which is the space where discourses collide⁵⁷ (Laclau and Mouffe 2001, 135). For example, in some signifying chains “the technological package of soybeans” (centered in herbicide tolerant seeds, glyphosate and no tillage) is linked to increased productivity per hectare, less toxic agrochemicals and less erosion, while in others it is linked to no productivity increase, increased use of toxic agrochemicals and more erosion. As antagonisms clearly mark out fault lines between different discourses, they have been central tools for marking delimitation between the main discourses (re)created in this study.

Different fault lines based on different criteria provide slightly different pictures. I have nevertheless tried to maintain the whole context of the interview in mind when interpreting the meaning of each part since “the parts of the interview are most accurately understood in the light of the meaning of the whole” as pointed out by Steinar Kvale (Kvale 1997, 50-51). For this purpose, I have also kept and recurrently returned to the documents where I have the full length interviews. The same is valid for the use of quotes. These reflect in themselves extremely partial information about the whole

⁵⁷ Other scholars use other terms in what appears to be similar ways. Potter (1996) talks about “spaces of interpretative conflicts” as well as “points of incompatibility”. In “The Archeology of knowledge” (2002), Foucault uses “points of diffraction” to denote when two incompatible objects or concepts trying to occupy the same discursive space.

interview situation. Accordingly, if the totality of the interview is not kept in mind, it is possible to quote in a way that does not at all convey to the general meanings creations expressed during the interview. To avoid this, I have selected the quotes and references included in my manuscript on the basis of regularly appearing patterns of relations between signs manifested in the material (found to be illustrative and clear) bearing in mind the totality of the interview. One weakness here, is that I have mainly treated the different accounts as coming from one historical moment, although the soybean expansion is a process that is changing over time. Part of the variance expressed in relation to the expansion is thus time-bound. However, since most of the material is collected within a relative short time frame (2007-2010), I have not been able to grasp time-specific variation to any important extent.⁵⁸

In the incipient stages of the research process I did not know what main discourses were involved in the discursive field. This was what I intended to find out through research as well as how they interplayed, which ways they were drawn on and by whom). The main discourses involved were not only identified through antagonisms where conflict and difference is the clearest but also from the opposite direction; the more or less agreed upon “social facts” about the soybean expansion, which in the terminology of Laclau and Mouffe could be called hegemonic interventions (forming a shared narrative often based on sources perceived as legitimate across all discourses). These served as a common point of departure for the diverging interpretations and in the intersection, competing discourses could be identified.

In addition to the identification of main antagonisms and “shared” narratives, I have particularly considered the expressed views that illustrate and reflect underlying values and assumptions about development. The reason for this focus is that it was earlier found that the majority of the discussions about the soybean expansion in Uruguay were intimately linked to different views on “development”, and that the question “is the soybean complex increasing or decreasing the possibilities for increased national development?” seemed to be explicitly or implicitly posed in almost all articulations. It was found that “development” appeared as such a central aim that whether the soybean expansion in Uruguay is described as “developmental” or not much seemed to determine whether it is seen as mainly bringing new opportunities or threats. Inspired by a categorization of “development-discourses” since the Enlightenment onwards made by the Swedish political scientist, Björn Hettne (2008), I have outlined the main values and assumptions of three main perspectives on development, ranging from the current orthodoxy advocating “immanent” market-led approaches to a reformist challenge advocating slightly more “intentional” state-led approaches, and to a radical “counterpoint” advocating alternative forms of production and distribution

⁵⁸ I did find, however, that the financial crises in September 2008, seemed to mark an inflection point, which I reflects upon in the cases it appeared as relevant.

centered in different forms of “localisms”. These will be presented and discussed in the next chapter. The main point here is that I have recurrently related the articulations about the soybean expansion in Uruguay to wider and more abstract ideas including basic values and assumptions about development, which often appear to be at the root of the different meanings attributed to the soybean expansion. Furthermore, I found that most articulations about the soybean expansion include different ways of using national agrarian history. The centrality given in most accounts to “how it used to be” which the current expansion is created to represent either a continuity or a contrast resulted in that I have constructed (outlined in chapter four) a national agrarian history context to which the articulations of the soybean expansion are related.

At the most schematic and basic level two dichotomous views on the soybean expansion have been identified, ranging from very optimistic and opportunity oriented to highly critical and problem oriented. However, I soon found this dichotomous categorization too simple. After having mapped out competing and complementary expressed views on several identified central aspects linked to the soybean expansion, I was able to identify three main wider competing ways of understanding and talking about the soybean expansion, i.e. discourses. The boundaries of these wider structured totalities to a large extent have been drawn in accordance with a broad normative positioning of “the soybean expansion” (as an extremely open floating signifier) ranging from basically optimistic understandings of the same drawing on a free-market discourse, to a reformist stressing the need of public regulation in order to minimize costs and optimize potentialities, to a radically critical understanding of the soybean expansion drawing on an anti-capitalist agroecology discourse. These identified main discourses were later on found to coincide with the even broader, global-ranging competing theoretical perspectives on development sketched out in chapter three. Although at a very schematic level I was able to detect these discourses early on in the research project, the exact configuration of the same, including the identification of its main chains of equivalence, its nodal points, its conflicting and shared understanding with other discourses were not completed until the very end from reading and re-reading of the material in search for regularities in the variation of the relations between signs. The contingent character of all discourses has nevertheless made it hard to establish their boundaries.

3. Theoretical perspectives and discussions on development

Ideas about development have often been deployed in the debates about soybean expansion in Uruguay. The idea that Uruguay needs more “development” is a central implicit or explicit assumption underlying almost all discussions, and the question, “is the soybean complex increasing or decreasing the possibilities for increased national development?” is recurrently posed. Other development-related questions concerning the soybean expansion frequently asked are: Can development be reached through raw commodity exports (such as soybeans), or is development only possible to reach through industrialization? If industrialization is needed should public policies intentionally defy “comparative advantages” (which in Uruguay for the time being seems to be agricultural products in general and soybeans in particular) in order to change the productive structure? Will comparative advantage shift from raw commodities to more value-added products “spontaneously” as the economy “matures” if the market forces are allowed to reign? Does the soybean expansion under market conditions *per se* imply that soybean cultivation is the most development generating land-use, or are there high non-internalized opportunity costs? “Development” appears as such a hegemonic aim that whether the soybean expansion in Uruguay is described as “developmental” or not, it seems to determine whether it is seen as mainly bringing new opportunities or threats.

Despite the rhetorical power of development, there is in Uruguay as elsewhere no shared complete understanding of what development means.⁵⁹ The disagreements over the meanings of the soybean expansion partly correspond to disagreements over what development is, and how it is to be reached. These different understandings, in turn, are linked to diverging basic assumptions on how wealth, sustainability and well-being is generated, but also at a deeper level basic values of what is desirable, legitimate and just. The ambiguity of the concept of development is nevertheless not always explicitly acknowledged and sometimes “development” is used in the discussion about the soybean expansion in such a way that the deeper and more complex (dis)agreements about social values have been masked. An assump-

⁵⁹ The concept is truly ambiguous and is attributed to different and sometimes antagonistic meanings and could thus in the terminology of discourse analysis be labelled a floating signifier.

tion of this study is that there is no “neutral” meaning of “development” but that it is always bound to particular values even if these are not spelled out. In this chapter, I will present some of the main diverging basic views and dividing lines on development at the most abstract and theoretical level. I have particularly emphasized the ascribed role given the agriculturally based export-oriented activities for “developing countries”⁶⁰. By scrutinizing the underlying values and theoretical assumptions behind different approaches to “development” this chapter will provide some tools that can help to situate some of the agreements and disagreements in the discussion about the current soybean expansion in Uruguay in a wider theoretical field.

Three main perspectives on development are outlined in this chapter; immanent, intention and postdevelopment. These range from the current orthodoxy advocating “immanent” market-led approaches, to a reformist challenge arguing for more “intentional” state-led approaches, to a radical “counterpoint” advocating alternative forms of production and distribution centered in different forms of “localisms”. The categorization is inspired by the book *Vad är utveckling?* by the political scientist, Björn Hettne (2008). The distinction between intentional and immanent views on development has rather long historical roots within the social sciences. The first stresses development as reached through constructive, planned and deliberative action, often understood to be best realized by public policies within the boundaries of the nation-state (either in the forms of state-capitalism, corporatism, conservatism, socialism or different kinds of nationalisms). The other stresses that development is best reached by itself, i.e. when spontaneous and self-furthering processes are allowed to reign, often expressed in the idealization of unleashed market forces and *laissez-faire* economics. According to Hettne, the dominant development discourses since Enlightenment⁶¹ have successively moved along a continuum between the advocacy for immanence and intention (Hettne 2008, 6-7). Following Karl Polanyi, Hettne describes the subsequent dominant development views as shaped by a “double movement” in which a “first movement” of extended market expansion (immanence) creates turbulent transformations that in turn provokes responses in favor of different socially engineered regulations (intention) cre-

⁶⁰ I here use the terms “developing”, when talking about countries that within the “development” discussions are suggested to need more “development” (which is a desirable end filled with different content”).

⁶¹ The modern discussion about development including the academic field of “development studies” and official “development policies” emerged first after World War II and is linked to the de-colonization of Asia and Africa. But within the history of ideas different types of development thinking have been discussed for centuries. The “modern” discussion is often mainly preoccupied with the poor countries often referred to as the global South, developing countries or “Third World”, but draws on the earlier theories and thinking about development which were more general and “universal” in their approach, i.e. not exclusively addressing the problems of so-called developing states (Hettne 2008, 6).

ating a “second movement”⁶² (Hettne 2008, 6-7). In this way, Hettne argues that different state-market configurations with emphasis on any of the poles have like a pendulum moved back and forth throughout history.⁶³

This dichotomous categorization of development achieved through either immanence or intention may seem to cover the whole range of possible paths to development. The difference is nevertheless exclusively acknowledged on one-dimensional line (most often manifesting in the tensions between state-centered versus market-centered “solutions”). However, when elevated to a wider scope it becomes clear that most immanent and intentional perspectives share a lot of basic values and assumptions. Hettne argues that besides the subsequent shifts between immanence and intention there have also always existed voices that express radically opposing views to the dominant discourses, which he refers to as “counterpoints” (Hettne 2008, 7-8; 83). Hettne does not give the “counterpoints” any substantial space in his book since his main focus is on the shifts in the dominant development discourse over time.⁶⁴ He does mention, however, that after World War II several approaches centered in a radical critique of modern “civilization” and mainstream “development” emerged, which could be labeled “postdevelopmental” (Hettne 2008, 52). These criticized both the immanent and the intentional perspectives for presenting their development ends and means as “universal”, while they actually are rooted in a particular historical and local context - Enlightenment and Europe - and reflect particular values and assumptions - materialist, modernist and capitalist (Hettne 2008, 52, Clapp and Dauvergne 2011, 50-55, Sidaway 2007, 348). The main alternative stressed within postdevelopmentalism acknowledges diverse and locally defined models.

This study uses Hettne’s categories to outline and analytically separate different texts concerning “development” – immanence (relatively high emphasis on the role of “free” markets for development), intention (relatively high emphasis on the role of the proactive state for development), and post-development (relatively radical critique of the two others and arguing for “localist” led models). This typology of main perspectives on development is made in broad terms while some internal variance and difference is recognized. I have given priority to unity and fixity, while downplaying both mi-

⁶² Both the immanent and intentional development perspectives have long roots within the history of economic thought, often articulated in vibrant debates between advocates of different forms of mercantilism and of “free” trade (Hettne 2008, 25-26; 30; 35).

⁶³ Hettne (2008, 8) has categorized the main ways of thinking on development since 1750 into six successive dominating discourses: progress and enlightenment (1750-1815); the imperative for industrialization (1815-1914); the societal crises and interventionism (1914-1945); the geopolitics of world poverty (1945-1980); globalization and disorder (1980-2000); the idea of global development (2000-).

⁶⁴ Hettne mentions, nevertheless, the utopian socialism, anarchism, and the Russian populism, as well as other forms of peasant-populist movements as counterpoints that emerged in the late 19th century (Hettne 2008, 25-26; 30; 35).

nor disagreements and contingency. The typology is by no means exhaustive, and besides other perspectives, there may exist many different types of “hybrids” between the three presented here. I find, nonetheless that many texts within academia and public policy dealing with “development” can be categorized along the main dividing lines between these perspectives. While Hettne focused on how the dominant development “discourse” has changed over time, I look at the on-going interplay between the three perspectives based on their current articulations (which often reflects and draws on ideas of much longer historical roots).⁶⁵ While they clearly have different amounts of power, I contend that all three have a somewhat recognized voice in a global-ranging discussion.

In terms of their power differentiation, I find that the main orthodoxy in the “development” space today is a particular form of immanent view emphasizing market mechanisms as the main development tools supported by neoclassical economic theory. I find that today’s loudest and most powerful (albeit “reformist”) challenge to the orthodoxy is an intentional development perspective with emphasis on more state interventionist models supported by a wide range of heterodox economic theories – from “neoclassical lefties”, such as Dani Rodrick to heterodox scholars like Ha-Joon Chang, to more structural traditions of Ocampo and Prebisch. Finally, I find that the current clearest counterpoint with a radical rejection of both the immanent and the intentional development perspectives comes from post-developmental perspectives centered on different kinds of “localisms” as alternative ideals. A counterpoint in any given time is by definition rather powerless, but can still have an important voice in the discussion. In a Gramscian sense it can be seen as a counter-hegemonic formation which ultimately through alliances and coalitions can become the new hegemony.

These three main perspectives on development (immanence, intention and postdevelopment) will each be presented in the sub-sequent three sections of this chapter (3.1, 3.2 and 3.3). Each of these sections will in turn be divided into three subthemes. The first subtheme aims to outline in general terms how development is to be reached according to each perspective with the main theoretical underpinnings. This aims to outline values and ideals at the most abstract level. The second subtheme dwells into more detail on how each perspective conceptualizes the role of agriculture and industry in relation to development. This discussion is of particular relevance for this research since whether the soybean expansion in Uruguay can be considered “developmental” depends on the understanding of whether development can be reached on the basis on agricultural commodity exports, or if it requires industrialization. The third subtheme focuses on each perspective’s view on

⁶⁵ Hettne talks about these ideas in terms of “discourses”. I here use the term “perspective”, in order to avoid confusion with the discourse analysis that I do in this study of the discursive field of the soybean expansion in Uruguay.

how to best tackle the environmental problems caused by agrarian activities. All perspectives agree that the present day agriculture is one of the main contributors to pollution, biodiversity loss, fresh-water scarcity, environmental degradation and global warming, but the “solutions” to these problems vary substantially among the perspectives. This discussion is also of particular relevance for the discussion of the soybean expansion. The chapter ends with a section providing a spatial and historical contextualization of the theoretical perspectives and a broader discussion of the main fault lines involved (3.4). This part aims to situate the perspectives in a wider power landscape of recent history as these are not (re)created in any vacuum. The section shows how different aspects of the recent history are used strategically by all perspectives to legitimize the pledged policies and discredit other perspectives (3.4.1). The ending section also includes a short contrasting discussion of the main dividing lines and shared notions between the three development perspectives (3.4.2). The development perspectives outlined in this chapter will in the subsequent chapters be related to different expressions and articulations about the soybean expansion in Uruguay.

3.1 An immanent approach to development – current orthodoxy

Immanent perspectives on development argue that the unleashing of market forces is the most effective mechanism to achieve development. The mainstream or orthodox perspective on development today is seen to mostly rest on this immanent view on development rooted in neoclassic economic theory. I will in this section present some of the main assumptions and values of this perspective with particular emphasis on so-called “developing states” (such as Uruguay) and the role of agriculture (such as soybeans) for development. I have mainly used texts from the international financial institution and policy creator the World Bank⁶⁶ and from academic scholars within neo-classical economics.

3.1.1 Main tenets and their theoretical underpinnings

At the core of this perspective is the notion that in order to develop countries need to further integrate into the global economy under market-based conditions (Thomas 2005, 648). Increased trade is understood as a major source of efficiency gains, foreign exchange, foreign technology and economic

⁶⁶ See www.worldbank.org/ (Accessed in July, 2014)

growth. Developing countries are understood to be benefitted from more open international markets (Dollar and Kraay 2004). The “free” market recurrently appears as the main key or nodal concept within this perspective and understood as the spontaneous result of rational actors engaging in mutually consented transactions resulting in growth and optimal resource allocation (Dollar and Kraay 2004). The most often stressed advantages of market exchanges are that they are by definition voluntary (all parts believe in gaining more from participating in the transaction) and the price communicates in a transparent and “fair” way all information of relative supply and demand,⁶⁷ and therefore reflects a non-distorted, “true” or “real” value, which must be respected. The actors involved in these market transactions are assumed to be rational in maximizing benefit.⁶⁸ Rational individuals, provided with the information and incentives and institutionalized property rights will “efficiently allocate scarce resources and ultimately facilitate economic development” (Williamson 2010, 96). In this way, this perspective generally draws on the assumptions of rationality and the availability of full information.

In line with these assumptions, in order to leave poverty behind the engagement in cash transactions on the market place is seen as a fundamental condition (Thomas 2005, 647). In addition, developing countries are pledged to open up for trade under market conditions, which “naturally” would make the countries to specialize in line with their comparative advantage⁶⁹ (O'Brien and Williams 2013, 111). The theory of comparative advantage predicts that low-wage countries will export disproportionately those items which are intensive in the use of labor, and that this will lead to an increase in their wage rates and hence a reduction in poverty. This process is seen as a ‘natural’ response to factor endowments (labor, capital and

⁶⁷ Perfect information flow is the ideal, although real markets are recognized to be more or less imperfect with degrees of asymmetrical and lagging information. The “perfect market” is not seen entirely achievable but more used as a model to start the analysis.

⁶⁸ It is acknowledged that what is perceived as “benefit” can vary widely among individuals, ranging from altruism to short-term economic profit which implies that nothing is possible to predict from this assumption. It is somewhat easier with firms which are assumed to be driven by maximizing economic profit but is nevertheless still tricky to know the exact time frame. Is it immediate, short-, medium or long-term profit? .

⁶⁹ The underlying assumption of the theory of comparative advantage (which stems from classical economic theory of David Ricardo’s *Principle of Economics*, 1817) is that in a free market resources move to the most efficient areas of use. While Ricardo assumed labor productivity as the exclusive determinant of comparative advantage, modern trade theory focuses on capital and land, in addition to labor, based on the Heckscher-Ohlin theorem. Accordingly, when high costs, high wages and high savings (A) interact in a free market with low costs, low wages and low savings (B), capital and technology tends to move from A to B in order to achieve higher returns, while work tend to move from B to A. Through this mechanism free markets are perceived to allocate profits in a fair way, and thereby reduce poverty and inequality.

natural resources). In a free-trade international regime where prices and exchange rates are allowed to adjust freely, international trade is understood to automatically balance and trade deficit are understood to disappear in the long run (Siven 2012, 8). Accordingly, the developing countries that are rich in natural resources but scarce in technology and skilled labor should export raw commodities rather than add more value domestically (Dollar and Kraay 2004).

The spontaneous, self-regulating process is seen to maximize welfare and is put in contrast to politics and state intervention. It is argued that governments hinder development in several ways. One is by not opening up the economy for international trade which is seen to retard technological progress and the inflow of capital. Another is the notion that when governments instead of markets “pick the winners” (through trade barriers or subsidies) rent-seeking behavior and corruption easily appear both within well-connected firms and lobbyists seeking protection from a clientelistic state, rather than to increase productivity and competitiveness, as well as within the state apparatus in the absence of the “real” and transparent information provided in market price (Aksoy and Beghin 2005, Talbott and Roll 2001). The politicians are often characterized as powerful interest group in which self-maximizing politicians and bureaucrats use their position through various forms of corruption (Öniş and Şenses 2005, 264). Accordingly, the state has often been constructed to represent what the market is not, i.e. planned, inherently ineffective, false, distortive, potentially corrupt and unreal. Even when governments are well intentioned and not corrupt, they are argued to make a lot of mistakes as they do not have the information needed to know which firms or sectors to support. In addition, state intervention is argued to have negative effects on the rest of the economy by distorting the prices, and thus market signals, which can promote inefficient productive systems. In short, this perspective represent a strong faith in unleashed market forces and minimized government (Stiglitz 2004). In line with the supremacy attributed to the market, governments are within this perspective pledged to take their “hands off”, and development is often found to be reached by the mere emancipation from the state’s regulation of economic life (Hettne 2008, 16). The role of the state for development should be reduced to a minimal role of enforcing contracts and property rights. Thus, deregulation, privatization, financial liberalization and removal of all kinds of protectionism are the policy measures.

However, it will later be shown that by situating the perspectives in a power landscape of recent history, the immanent perspectives have moved away from the most neoliberal orthodoxy of the Washington Consensus emphasizing macroeconomic stability and liberalization of markets to a grow-

ing recognition of market failures⁷⁰ and other market imperfections⁷¹ (Hettne 2008, 58-59, Hulme 2010, 256, von Braun and Díaz-Bonilla 2008). By recognizing the existence of important market failures in some areas (for example climate change) state intervention is often legitimized without having to defy the basic neoclassical assumptions on how economic development is reached. For example in the form of environmental taxes and cap-and-trade schemes relying heavily on market forces, but where the states set the cap so that the stipulated costs of carbon emissions get internalized in the price; i.e. “getting the prices right”. At the same time there has been an upswing of so-called new institutional economics emphasizing the role of “good governance” and “good institutions” for development (Acemoglu, Johnson, and Robinson 2004). They have become important framings in both academic and policy oriented texts, and while there is no agreed definition of what good institutions are they have developed several indicators and indexes to measure the quality of institutions with variables measuring democracy, political stability, regulation, property rights, corruption, black market, etc (Talbot and Roll 2001, Boschini, Pettersson, and Roine 2013). In practice, however, the most frequently used “proxies” for “good institutions” still tends to be the “rule of law”, free markets and strong private property rights.⁷² Within this perspective a plethora of cross-country empirical studies are done with regression analyses (of per capita GDP, trade and “good institutions”) to demonstrate that that countries with “better” institutions trade more and grow faster, both in the long- and short-run (Dollar and Kraay 2003, Djankov et al. 2002, Acemoglu, Johnson, and Robinson 2004). The main role of the governments here is to establish the rules to “a fair game” and enforcement of rules while allowing the markets to generate growth (Talbot and Roll 2001). Thus, low income countries are by this perspective still recommended to strengthen property rights and liberalize trade, in order to access to state-of-the-art technologies and convergence with advanced economies.

⁷⁰ When markets fail to efficiently allocate goods and services it is often described as a “market failures” (the outcome is not Pareto optimal to talk about economic theory). These are often linked to information asymmetries and difficulties in internalizing external costs in the price such as environmental degradation.

⁷¹ A common feature of an imperfect market is that information is scarce and access is asymmetrical and with considerable time lags.

⁷² An illustrative quote: “The private sector drives the organization of value chains that bring the market to smallholders and commercial farms. The state—through enhanced capacity and new forms of governance—corrects market failures, regulates competition, and engages strategically in public-private partnerships to promote competitiveness in the agribusiness sector and support the greater inclusion of smallholders and rural workers” (World Bank 2007:8)

3.1.2 Main notions on agriculture and industry

Although agricultural markets remain more regulated and protected⁷³ than industrial markets, they have during the past decades of market-led development visions become more liberalized and de-regulated. The reduction of export taxes and import tariffs have nevertheless been more profound in developing countries, while many advanced economies continue to protect their agricultural markets (Aksoy and Beghin 2005, 37; 42).⁷⁴ While the market-led development view pledges liberalization of all markets, the first two decades of the “Washington Consensus” did not particularly emphasize agriculture as pro-development. Specialization in agriculture for developing countries rich in natural resources has been increasingly stressed as crucial for development, and agriculture in general has received renewed focus in the new millennium (World Bank 2007). One reason for this renewed interest is that agriculture represents a sector in which many developing countries have their comparative advantages and a potential source of growth for the national economy.⁷⁵ Agriculture is also found to generate investment opportunities from the private sector, able to attract foreign investment flows, access to foreign exchange and overcome trade and fiscal deficits. In addition, scholars adhering to this perspective have in empirical studies shown correlations between increased agro-food trade and economic growth in developing countries. These are used to demonstrate that countries, endowed with natural resources, that open up for trade will increase economic growth (de la Torre, Sinnott, and Nash 2010). Commodity exports for developing countries are further argued to have a favorable impact on total factor productivity (Hwa 1988), and to be a channel to new technologies and knowledge spillovers (Santos-Paulino 2010). Agricultural growth has also been argued to be a prime driver of agriculture-related industries as well as the rural non-farm economy.

⁷³ Protection here refers to different types of trade barriers. In broader terms, “protectionism” can include a wide array of public subsidies, quotas and risk coverage. The exact lines drawn between what is seen as illegitimate “market-distorting” interventions and justified public “infrastructure” (mostly including public R&D, transport systems, protection of natural resources, etc) are rather arbitrary and constantly disputed. Within the Common Agricultural Policy (CAP) of EU, public support to agriculture is categorized into different boxes, in which the direct-support (red box) is found illegitimate.

⁷⁴ The average agricultural tariff in developing countries has declined from 30 percent in 1990 to 18 percent in 2000, and these reductions were complemented by elimination of import licensing, export taxes, and the overvaluation of exchange rates.

⁷⁵ The developing countries which do not have comparative advantage in agriculture are still argued to benefit from greater participation in international markets and specialization, since it will increase income and the ability to secure enough and nutritious food by buying it in the international market (Williamson 2010, 102).

In addition, agriculture is argued to contribute proportionally more toward poverty reduction than growth in any other economic sector.⁷⁶ The pro-poor aspects of agricultural growth were particularly stressed in the influential World Bank Development Report “Agriculture for Development” (World Bank 2007, Aksoy and Beghin 2005, 3, Dethier and Effenberger 2011). The special role of agriculture in relation to poverty alleviation is often explained by the fact that the majority of poor people in the world still live in rural areas⁷⁷ and food weighs proportionally heavier in the household economy of the poor⁷⁸ (World Bank 2007, Aksoy and Beghin 2005, 3, Dethier and Effenberger 2011, 10, Pingali 2010, 3870-71). All in all, agriculture is argued to be particularly “developmental” and a uniquely powerful tool to tackle the goal of reducing poverty and hunger to half by 2015 as stipulated in the Millennium Development Goals (World Bank 2007).

In the wake of this renewed agricultural interest the World Bank stated that the previously widely adopted Import Substitute Industrialization (ISI) policies had not only been harmful because of state intervention and distortion of market signals mentioned above, but also because of its pro-urban policy bias discriminating against agriculture that hampered national economic welfare in Latin America (Dethier and Effenberger 2011, 11-12). ISI is argued to have hit hard against agricultural exports because of taxes on agricultural exports and over-valuation of the exchange rate (Dethier and Effenberger 2011, 11-12). In order to develop the agricultural sector, governments need to “free up” markets and reduce distortions from government intervention, as well as to “improve the institutions”, especially private property rights, not least to land (Pingali 2010, 3877). While the developing countries have liberalized the Doha trade-negotiations within the framework

⁷⁶ The World Bank report says that cross-country estimates show that for the poorest half of a country’s population, GDP growth originating in agriculture has an impact on household expenditure on average four times larger than growth outside agriculture. This is also valid for urbanized countries in Latin America where agriculture contributes only around 5 percent on average to economic growth, but agribusiness and the food industry account for as much as one-third of GDP (World Bank 2007).

⁷⁷ Among the poor people in rural areas most derive the major part of their income from the agricultural sector and related activities, which is found to partly explain the poverty alleviating effects of agricultural growth. Agricultural growth is argued to increase income and employment in developing rural areas (for farmers and upstream and downstream actors of service, inputs, transport, infrastructure and R&D), and thus impact on rural poverty. Many scholars within this perspective also acknowledge that agriculture under market conditions often favor big units because of economies of scale and the need for constant new technologies. In order to succeed smallholders should vertically integrate with agribusinesses or devise institutional mechanisms (such as cooperatives) for collective action (World Bank, 2007; Potter and Lobley, 2004)

⁷⁸ Agricultural growth is argued to potentially lower food prices for the urban population in the longer run. Since food represents such a large share of total expenditures for low income people this is argued to be particularly pro-poor and potentially increasing purchasing power of poor consumers

of WTO have not removed trade barriers on agriculture of the advanced economies to any great extent. This has made agricultural trade barrier as one of the most controversial issues in the negotiations.⁷⁹ Scholars leaning toward immanent views of development often argue that the remaining protectionism in global agricultural markets is a major constraint for developing countries (Hoekman and Nicita 2011). However, since the food price crisis of 2008, concerns over trade regulations have lost steam vis-à-vis concerns of food security that have become central in the international agenda⁸⁰ (FAO 2012, 35).

3.1.3 Main environmental concerns and solutions

The World Bank report on agriculture for development (2007) not only stressed that agricultural growth is key for poverty reduction, but it is has also acknowledged that it is an important provider of environmental services (besides food and fiber, coal sinks, water cleaning, pollination, climate stabilization, etc). At the same time it is recognized that agriculture has “a large environmental footprint”. For example, as the agricultural frontiers expand into forests, wetlands or marginal land, greenhouse gases are emitted,⁸¹ sensitive habitats are destroyed, biodiversity is lost, etc. In addition, agriculture causes nutrient runoff, excessive water usage and high reliance on fossil energy. These consequences are found to have high environmental costs, which are often transferred upon the society. I have found three main categories of solutions to the above posed problems emphasized within this perspective. The first is centered on clearer land entitlements and stronger private property rights to land (Pingali 2010, Williamson 2010). The second is centered on technology optimism and the belief that new technologies in the future will be able to produce more, use less of all scarce resources and generate less waste (Aerni 2011, 28). The third is centered on enhancing economic growth so that there is enough capital to invest in new technologies

⁷⁹ According to the webpage of USDA, agricultural global tariffs still average 62 percent, far above the 4 percent level for manufactured goods. There are important regional differences with Japan (50 percent) and EU (30 percent) representing the highest average tariffs. See: www.fas.usda.gov/itp/Policy/tradeFAQ.asp (Accessed in July, 2014).

⁸⁰ The consequences of high food prices are evidently differentiated and not so clear-cut in relation to poverty alleviation. On the one hand, food evidently weighs heavier in the consumption baskets of poor people (at least the poor people with no other access to food other than the market). On the other hand, poor countries specialized in agriculture as well as farmers (at least the farmers that engage in markets) are evidently benefitted by high agricultural prices.

⁸¹ Deforestation causes high emissions. In addition, the livestock production in itself contributes significantly to greenhouse gas emissions (methane and nitrous oxide). The high reliance on oil (for fuel and nutrition) also adds to agriculture as a main contributor to global warming.

and shifting consumers' preferences towards higher appreciation of ecological conservation (World Bank 2010)

“Clearer land entitlements”, represents the first type of solutions to the environmental problems caused by agriculture. The main assumptions behind this “solution” are clearly illustrated in and excerpt from World Bank report on agriculture:

“The solution is not to slow agricultural development—it is to seek more sustainable production systems. The first step in this is to get the incentives right by strengthening property rights and removing subsidies that encourage the degradation of natural resources” (World Bank 2007, 2).

The importance of strengthening property rights is quite central in this excerpt. Based on the assumption of rational actors a farmer with strong, well-defined and secure property rights to land, is assumed to manage it in environmentally sustainable ways as he/she will have to bear the costs of any excessive exploitation of the resource in the medium- or long-term. For example, need for more fertilizers or a poorer harvest because of erosion. Strong protection of private property rights to land is understood to be the best guarantee for proper soil conservation and avoid the “tragedy of the commons”.⁸² Thus, private property rights are not only understood as vital for economic prosperity, improving land tenure rights, and also for ecological sustainability. These arguments are used to justify a strong property right regime that is at the core of this perspective.⁸³

The second set of solutions often expressed within this perspective is centered on new advanced technologies. These are often described as having the potential to provide solutions to all kinds of problems, such as scarcity, stagnation, environmental degradation and inefficiency. Considering the environmental problems associated with agricultural production, biotechnology, and particularly genetically modified (GM) crops, are often pointed out as potential solution for environmental problems and more efficient use of natural resources⁸⁴ (James Clive 2011, ISAAA 2010, 2009, Brookes and

⁸² This refers to the depletion of common resources as a consequence of the actions of rational, self-interested individuals (which is the liberal assumption of all individuals) who consequently intend to maximize their use of the commons at the expense of the community at large. The concept was coined in an article in the Journal *Science* in 1968, by the ecologist Garrett Hardin.

⁸³ These property rights do not need to be imposed on a society from a formal legal system according to Williamson (2010, 102). Instead he argues that property rights can, and have, been enforced based on customary law that spontaneously arose and evolved to facilitate cooperation and exchange between members of society.

⁸⁴ For example, the world's most common GM trait is Herbicide tolerance (HT) crops (Roundup Ready 40-3-2 for soybeans patented by Monsanto), which is argued to substitute

Barfoot 2011, Moschini 2008). It has been argued that GM crops and biotechnology have the potential to raise output, improve food security and human health (Lang and Heasman 2004).⁸⁵ The new technique is further argued to be a corner stone for a new generation of rural development with the potential to alleviate direct nutritional deficiency and increase incomes for the world's poor rural majority (Moschini 2008, Brookes 2009).

But how are GM and other new technologies described to emerge? It is assumed that as natural resources become scarcer prices will rise, creating greater incentives to develop new technologies that either improve the use of the scarce resource in a more efficient way or substitute with something less scarce (Clapp and Dauvergne, 2011:96). As R&D in new "greener" technologies are found expensive and risky, the strengthening of property rights, and more specifically intellectual property rights, are assumed to be central to induce firms to take the risks. In the words of the World Intellectual Property Organization (WIPO) of the UN, there are two main reasons to protect intellectual property:

"One is to give statutory expression to the moral and economic rights of creators in their creations and the rights of the public in access to those creations. The second is to promote, as a deliberate act of Government policy, creativity and the dissemination and application of its results and to encourage fair trading which would contribute to economic and social development" (WIPO 2004, 3).

Above quote from WIPO is illustrative for several key reasons. "The moral and economic rights of creators" are addressed as a reason in itself for intellectual property rights, as if these "rights" were so fundamental, natural and given that they do not need to be explained or argued for. It is almost as if there existed a natural law, used as an implicit reference, that there is a moral right for the creators to receive the economic returns from the same. This straightforward notion is only possible if we accept the underlying assumption that behind any creation there is one (or a few) well-defined and exclusive creators (individuals or firms). Therefore, products drawing on collective goods/rights like tradition, culture, history or collective knowledge are ignored or re-interpreted as individual contributions to fit the reasoning.

toxic and expensive herbicides based on atrazines with environmentally benign and cheap glyphosate. In addition, HT crops are linked to conservation tillage (no-tillage) causing less soil erosion and less fossil use. It is in addition claimed to cause less losses. Other traits, such as insect or drought resistant varieties are argued to increasingly boost productivity in environmentally benign ways and reduce the pressure to expand cultivated areas to forest and marginal area (Trigo and Cap 2003; High Quest Partners and Soyatech 2008; ISAAA 2009; Barfoot 2011).

⁸⁵ This view fits well into the concept "Life Science Integrated Paradigm" identified by Lang and Heasman (2004).

Besides the ontological assumptions represented in WIPOs first reason for strong protection of intellectual property, the second reason rests on the notion that creators will not have sufficient incentive to engage in risky and long-term investments for new creations and disclose their work unless they are legally entitled to profit on the value of their inventions. Thus, to encourage innovation and so-called “green” technologies, there is need for strong protection of intellectual property in the form of long lasting patents and other legal mechanisms to ensure compliance in accordance with assumptions of how new innovations emerge (when profit maximizing agents have strong incentives).

In line with these values and assumptions, new technologies such as GM are argued as necessary for protection for plant varieties, granting the breeder patent rights and monopoly over new seed varieties and traits for a number of years (Adler 2008). Accordingly, the logic of the current orthodoxy has resulted in the extension and deepening of property rights wherein intellectual property rights has become more regulated under the WTO’s agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS⁸⁶). However, some voices within this immanent perspective have criticized the property right regime in biotechnology for being too strong, claiming that it has provided Monsanto (owner of Soybean RR, GTS 40-3-2) with too much market power and de facto monopoly⁸⁷ (Moss 2009). There are also some discrepancies within this perspective whether it is desirable to expand the current global property right regime to include air and water. Some scholars claim that the lack of private property rights institutions for these goods can explain the depletion and over-consumption of the same, and it would be good to enhance the terrain of private property and create new private property institutions even for water (Adler 2008, 739).⁸⁸

⁸⁶ See the WTO gateway on TRIPS: www.wto.org/english/tratop_e/trips_e/trips_e.htm (Accessed in June, 2014)

⁸⁷ According to a 2009 publication by the director (Moss) of the American Antitrust Institute, Patent law and antitrust law are at loggerheads in the transgenic seed industry and that competition will require resolving emerging tensions. In addition, some voices claim that the strong patent protection violates the established “farmer’s exemptions” which allow farmers to re-plant and reuse seed of protected varieties without paying royalties to the certificate holder (UPOV, 1991). This monopoly is nevertheless regarded by authors as leaning on more orthodox assumptions described as temporary and a result of Monsanto being an early first-mover. The royalties that farmers have to pay are also described as relatively low in relation to the gains, where for example Brookes and Barfoot (2009) estimated that the costs farmers pay for accessing GM technologies across the four main crops was equal to only 24 percent of the total technology gains.

⁸⁸ “Specifically, water management must shift toward recognition of transferable rights in water that facilitate voluntary exchanges and the market pricing of water resources [...] greater use of water markets offers the best opportunity to adapt to climate change and its impacts on water supplies” (Adler 2008, 739). Others stress however that it is tricky to establish clear

The third set of solutions proposed to environmental degradation caused by agriculture is centered on economic growth and “getting the prices right”. It falls within the framework of neoclassical economics to incorporate environmental costs by assigning a monetary value internalized into the price. This is often referred to as “Market environmentalism”. The ideal is that all activities should bear own costs. Part of the solution posed is liberalization, since governments are argued to often subsidize environmentally harmful products and activities such as agricultural pesticides and fossil-based energy, creating price distortions resulting in “economic imperfections” (Munasinghe 1999). The argument is that a market-based economy in the long-run will be able to adequately price goods and services offered by the ecosystems (Hulme 2010, 256). This “Market environmentalism” logic is characterized by the expectation that the global market will in due course recognize a monetary value to the services offered by the ecosystems (Hulme 2010, 256-257). Thus, while many scholars within political ecology and ecological economics find economic growth as the main cause for ecological depletion, scholars within the dominant mainstream market economy claim that rising incomes eventually increase the demand on environmental friendly/sustainability while also freeing more resources to improve the environment (Munasinghe 1999).

Texts within this position often refer to the Brundtland report published in 1987⁸⁹ that was established along the prevalent neoliberal orthodoxy, that economic growth and industrialization were not inherently incompatible with “sustainable development”⁹⁰ and that poverty often led to unsustainable management of natural resources (Clapp and Dauvergne 2011, 61-63). The “vicious cycle” of environmental degradation and poverty is often stressed. This relationship is often described in terms of negative feedbacks in a reinforcing downward spiral as short-term needs of food and materials outweigh the long-term benefits of conservation of the resources (Fisher and Christopher 2007, 93-94).

and well defined boundaries around resources as clean air and water, as well as difficult to make transferable, which is why they should not be incorporated.

⁸⁹ The report was based on the work of the World Commission on Environment and Development established by the General Assembly of the United Nations in 1984.

⁹⁰ “Sustainable” in the report was defined as not compromising with future generation’s ability to meet their needs, which is compatible with neoclassical economics (Clapp and Dauvergne 2011, 62-63). It also draws on the work of the economist, Robert Solow. In response to the notion that declining resources would eventually limit economic growth established in “The Limits to Growth” of the Club of Rome, Solow claimed that economic ‘output’ is a product of capital x labor x resources. Accordingly, as industry depletes resources, production could be maintained as capital could be substituted for resources. In this way, unlimited growth was possible. The view on what would compromise this ability could be argued to be inseparable from the wider view on nature and whether different species or ecosystem services are replaceable, and the potentialities attributed to new technique.

While poverty is often stressed as a major source of environmental degradation, the relationship between economic growth and environmental degradation is most often not described as a linear positive correlation, but rather in terms of an inverted U-shaped curve (often referred to as the “environmental Kuznets curve”). According to this model, environmental degradation actually gets worse as per capita income grows, but only up until a certain (turning) point when it starts to go down (Munasinghe 1999). As countries get richer, levels of pollution increase before becoming better (Clapp and Dauvergne 2011, 4). The underlying explanation is that people prioritize almost exclusively increases in material output up and to a certain income level (the turning point), when they start to focus on the environmental consequences resulting in changed patterns of consumption contributing to environmental degradation. The economic advancement is also linked to increased environmental awareness, improved internalization of environmental externalities, cleaner technologies and a shift of the economy from more extractive (pre-industrial and industrial economies) to more service-based activities (post-industrial economies). In addition, greater financial surpluses can be used to pay for a more preemptive approach, according to this argument. The environmental Kuznets curve is often referred to by orthodox scholars as yet another argument for immanence. Intentional regulations become superfluous as economic growth in the long-run will create the consumption patterns, the funds and the technology in favor of improved environmental conditions.⁹¹

While market-led economic growth with strong property rights is argued not only to enhance economic development but also as the long-term solution to environmental problems. This is ultimately based on the assumption of the individual as a rational consumer and of the market as the dominant means by which values are revealed (Hulme 2010, 113). In this kind of reasoning nature needs to be fully incorporated into the market system to be priced properly. In this way, nature needs to be commodified and properly owned so that it can be sold. In short, faith in markets and the emergence of new technologies are the keys to solve environmental problems. The existence of “market failures” are recognized, which can justify some state regulation of some economic activities, by example through laws or taxes, aiming to internalize environmental costs that otherwise are not adequately reflected in market price (such as air or water pollution). As mentioned in the

⁹¹ Some scholars also argue that the increased environmental degradation associated with rising economic growth at low income levels could be avoided, as developing countries could learn from the past experiences of the advanced economies allowing them to “tunnel through” the curve. According to this line of thinking, economic growth would not have to correlate positively with environmental degradation even at low income levels (Munasinghe Mohan, 1999).

introduction to this chapter, there is continuum of positions taken in relation to advocating the state or the market as the main vehicle to development.

I have here presented some of the core arguments and assumptions of the texts with particular emphasis on market-led development, which represents the dominant current orthodoxy. The next section will present the same for the intentional and interventionist development perspectives, putting emphasis on state-led development and representing a challenge to today's orthodoxy.

3.2 An Intentional approach to development – A reformist challenge

Intentional perspectives on development have also argued that an active interventionist state is necessary to achieve development. The idea of the “developmental state” as the main vehicle of development has been quite common among the so-called developing countries before the neoliberal turn with “Washington Consensus”. Currently, the intentional perspective continues to represent a strong voice in scholarly and policy debates challenging some of the values and underlying assumptions of the market-led perspective. It needs mention that both the advanced and developing countries committed to free trade continue to practice protectionism in some form or another (O'Brien and Williams 2013, 11). This section presents some of the main assumptions and values of the intentional perspective, with particular emphasis on “developing states” (such as Uruguay), and the role of agriculture (such as soybeans) for development. I have mainly used texts from the academic scholars who question the current market economy model and advocate greater state intervention. This includes a wide range of theoretical perspectives, from Latin American structuralism of Raúl Prebisch,⁹² to heterodox approaches of scholars such as Ha-Joon Chang⁹³ (2009; 2010; 2011),

⁹² Prebisch was very influential in the creation of a specific development framework for the “periphery” and particularly for Latin America in his role as researcher and director (1948 to 1962) of the newly founded United Nations Economic Commission for Latin America (ECLA). He is mostly associated with the Prebisch-Singer hypothesis stipulating that in the world trade system, the peripheral nations as providers of primary goods suffer from deteriorated terms of trade in relation to the advanced nations' export of industrialized goods. This meant that the peripheral nations had to export more to get the same value of industrial products. The recommendation for Latin American countries was to adopt inward-looking strategies, namely import substitution industrialization (ISI).

⁹³ Chang's research focuses on the role of the state in economic change and particularly the role of industrial policy for development. He is a faculty at the Department of Economics, University of Cambridge:

and José Antonio Ocampo⁹⁴ (2001), to the neoclassical “lefties” like Dani Rodrik⁹⁵ (Rodrik 2011).

3.2.1 Main tenets and their theoretical underpinnings

At the core of the intentional approach to development is the rejection of the immanent market-led approach which is argued to be anti-developmental. Instead, development is argued to be the result of strategy, intentional planning, and control requiring more domestic regulations and industrial policy (Lin and Chang 2009). The argument is that markets are less self-adjusting and create more externalities in form of social and environmental costs. These costs manifest themselves in the form of social exclusion, increasing inequality and ecological degradation caused by market led growth. Therefore, resource allocation based exclusively on market mechanisms is potentially less effective in generating economic growth (Chang 2011a, 479). This view can elegantly be illustrated a quote by Dani Rodrik:

“In a world where globalization can just as easily condemn you to dependence on exports of commodities as it fosters rapid growth through industrialization, the wait for development to take place on its own could take a very long time.” (Rodrik 2011, 174).

Developing countries cannot afford to sit down and wait for development. Instead they need to proactively create the long-term conditions for devel-

www.econ.cam.ac.uk/people/crsid.html?crsid=hjc1001&group=faculty (Accessed in June, 2014)

⁹⁴ Ocampo has published many books and scholarly articles on a range of issues covering macroeconomic theory and policy, international finance, economic and social development, international trade, and Latin American economic history. He was also the Executive Secretary of United Nations Economic Commission for Latin America and the Caribbean, ECLAC (former ECLA) from 1998 to 2003.

⁹⁵ Rodrik has published widely on international economics and globalization, economic growth and development, and political economy. He is currently the Albert O. Hirschman Professor of Social Science at the Institute for Advanced Study in Princeton: <http://www.sss.ias.edu/faculty/rodrik> (Accessed in June, 2014). Although coming from the neoclassical economics background Rodrik has during the past years increasingly stressed the need to acknowledge that neoclassical methods results in many blind spots (particularly the inability to see the advantages of close state-business relations), and that economists often suffer from myopia and group think. In the introduction to his book “*The Globalization Paradox*” he states that the financial crises of 2008 was not predicted because: “Economists (and those who listened to them) had become overconfident in their preferred narrative of the moment: markets are efficient; financial innovation transfer’s risk to those best able to bear it, self-regulation works best, and government intervention is ineffective and harmful” (Rodrik 2011, xii) In Rodrik’s search for an alternative narrative he argues for a more state-centered system similar to Bretton Woods monetary regime.

opment through strategic trade and industrial policies (Kurtz 2001). State intervention is potentially the most effective tool for both creation and equitable distribution of wealth, since it can defy price signals and adopt long-term strategies in favor of industrialization (Chang 2011b).

One of the theoretical foundations for this imperative is diversifying away from specialization in raw commodities. This argument draws on the works of Raúl Prebisch and other scholars linked to ECLA (see section 3.4.2), who claimed that industrialization was the main development path for countries to “obtain a share of the benefits of technological progress and of progressively raising standards of living of the masses” (Prebisch 1950b, 2)). A cornerstone in Prebisch thinking was his analysis of how global capitalism as one single process had differentiated consequences between the nations in the center and those in the periphery. International division of labor benefited the former as a whole, and in the latter case benefitted only the interests of a small elite linked to the primary exporting sector (Kay 1989, 4; 26-29). Prebisch rejected the assumption of economic orthodoxy that the benefits of technological progress will be distributed equally through international exchange. Instead, Prebisch argued that the benefits of increased productivity due to improved technology were only distributed among all social groups in the industrial countries (higher wages and profits on the savings). While in the periphery there is large surplus labor keeping wages down in combined with steadily deteriorating and the savings from productivity increases are instead transferred on to the consumers in the form of lower prices⁹⁶ (Prebisch 1950:1; Kay 1989, 5; 29-30). The most well-known contribution of Prebisch is his influential 1950 work *The Economic Development of Latin America and its principal problems*, in which he observed a consistent deterioration in the terms of trade for primary products between 1870 and 1930, thereby negatively affecting growth in Latin American countries that were, since colonial times, structurally exporters of primary products and importers of manufactures. This meant that these peripheral nations had to export more raw materials to cover their imports. On the contrary in the center exporting manufactures have been benefitted. Thus, under these conditions, the international trade was found to reproduce the disparities between the center and the periphery (Kay 1989, 30-33; Prebisch 1950, 11).

⁹⁶ In his words: “The enormous benefits that derive from increased productivity have not reached the periphery in a measure comparable to that obtained by the peoples of the great industrial countries. Hence, the outstanding differences between the standards of living of the masses of the former and the latter and the manifest discrepancies between their respective abilities to accumulate capital, since the margin of saving depends primarily on increased productivity. Thus there exists an obvious disequilibrium, a fact which whatever its explanation or justification, destroys the basic premise underlying the schema of the international division of labor” (Prebisch, 1950:1).

In order to break the vicious cycle, Prebisch and ECLA argued that countries in the periphery should engage in import-substitution industrialization (ISI) as a strategy to transform productive structures towards the manufacturing sectors and diversification of primary goods production (Prebisch 1950b, 2). The way to achieve this goal was through increased tariffs on primary exports and manufactured imports, public investment, shift in foreign investments and the establishments of regional markets (Kay 1989, 36). This model intended to replace the externally driven and specialized (raw commodities) development path in Latin America with an inward-oriented development strategy towards diversification of the productive structure and industrialization. The widespread adoption of ISI will be contextualized in 3.4.2. Here the main point was to present the theoretical underpinnings of this intentional development model.

Still today, scholars leaning on an intentional development perspective, argue that developing countries (periphery) will be better off by not following mainstream orthodoxy of specialization based on comparative advantage. Instead peripheral countries need to change their productive structures towards greater industrialization. Industrialization is often equated with higher-productivity and more technologically advanced activities, which are argued to create positive externalities in the form of the creation of proper "knowledge capital" and reducing "structural heterogeneity"⁹⁷ that will reduce dependence on center (Ocampo 2001, 253). Accordingly, long-term strategic upgrading or industrialization in the periphery is justified even in the cases when the cost of production is higher than the international prices.⁹⁸ To achieve this state intervention was necessary to protect domestic key sectors through policies like tariff barriers and subsidies⁹⁹ (Chang 2009, 481, Skarstein 2007).

⁹⁷ Ocampo here refers to the heterogeneity of many developing countries wherein, historically, "some workers were absorbed by the high-productivity sectors, [while] a generally much larger proportion was relegated to low-productivity sectors" (Ocampo, 2001:25). Labour in technologically advanced sectors are assumed to be better paid and safer.

⁹⁸ The rationale is that without industrialization some factors of production would remain underutilized or used in the raw material export sector, which according to the Latin American structuralists would imply further adverse consequences for the terms of trade (Kay 1989, 36).

⁹⁹ Thus, even though the "comparative advantage" of some developing countries may be in bulk agriculture and their technological and industrial sectors may be relatively backward, they should still not specialize only in raw materials but through state intervention provide protection for identified key sectors to upgrade. Some scholars within this discourse question the underlying assumption of comparative advantage. For example, the Norwegian professor Rune Skarstein (2007) claims that contrary to the notion of "natural adjustment" where trade deficit disappear in the long run as long as prices and exchange rate are allowed to adjust freely the trade deficits have showed to be persistently high in many developing economies, while surpluses have been persistent in most OECD countries. Instead, he claims, it is the absolute advantage that plays a decisive role in international trade. This is however most often

Striking the exact balance between market and state may differ in different texts on intentional development, ranging from more moderate and “reformist” notions to more radical neo-Marxist ideas. The Latin American structuralists of ECLA, the heterodox development scholar, Ha-Joon Chang, as well as Dani Rodrik represent the “reformist” approaches reflecting some belief in the possibilities for development within the boundaries of some type of capitalist system, but this requires reforming in an autonomous and self-centered way along based on the needs of the nations in the periphery. Thus, this development model can be in line with a strong market economy as long as it is combined with a strong state. The market principles and markets themselves are in the immanent development perspective reflected as flawed and must be buttressed with state intervention (Chang 2009; Rodrik 2011; Prebisch 1950; Kay 1989). The main arguments tend to valorize the state over the market. Consequently, the state is often praised for its capacity to work in the long-term, to be visionary, able to internalize and/or compensate for otherwise externalized costs, and a more holistic approach – it has the best national overview, reliable information, capable of taking into account also non-pecuniary values, and has the ability to over-ride individual or sectorial interests. The state is further described as strategic, proactive, effective and inclusive. The market is often contrasted in explicit, or implicit, contrast, and consequently described as inherently short-term, limited in scope and short-sighted (incapable of taking into account non-pecuniary values and to go beyond the narrow individual or sectorial self-interest). It is further described to be chaotic, reactive and excluding.

In addition, state-led development is argued to be the most legitimate, (stressing nation’s right to “self-determination” and assuming that citizens have the power to influence it through democratic elections), and more just (described as beyond narrow “interests” , representing the whole population and with compensatory capacity) (Chang 2006). In contrast, market-led development is argued to be unfair by yielding more power to those with higher purchasing power and undermines the power of the elected government. In line with the potential benefits of the state for development, states should take command and use the tools it has to fulfill its development aims. This is understood to be particularly true for developing countries, while “market rule” with maximum economic freedom and strong protection of private property rights (including intellectual property) are argued to best suit the advanced economies (Chang 2011a, 476). In the same way, Prebisch and other Latin American scholars stressed that orthodox (neoclassical) economics was not only created within the advanced nations (core) but also for their own economies and therefore has limited value for “underdeveloped” countries (periphery) (Kay 1989, 3, Prebisch 1950b).

not in the hands of the developing countries, but in the richer countries, who are more technologically advanced and have higher labor productivity.

The same capitalist system operating world-wide is thus argued to have differential consequences among countries (Kay 1989, 9, Prebisch 1950b).¹⁰⁰ In this way, the universality of the benefits ascribed “free” markets is questioned. Instead a free-market approach is argued to best serve the interest of the advanced economies, while different types of protectionism is found best suited for developing countries. The main effects for developing countries of the recent decades of minimal state and maximal market are understood to have been de-industrialization, concentration of the export baskets and concentration of gains (Rodrik 2011). In the same way, “free” capital movement is argued to better suit the advanced economies than the developing. Capital flows are argued to mainly work in a “pro-cyclical” manner for developed countries, while they are argued to have a “counter-cyclical” effect on developing nations (Ocampo 2001, 24). Hence, capital inflow in emerging economies is argued to sometimes actually aggravate problems rather than making things better (Rodrik 2011, 177). The liberalization of financial markets and increased flow of capital between countries are accordingly seen to have accentuated the basic asymmetries and uneven relations among countries in the world economy (Ocampo 2001, 24). Therefore, Chang points out that while advocates of liberalization neoclassical econometric studies often tend to argue that establishment of liberal institutions leads to development, based on empirical correlation between liberal institutions and property rights, business freedom, liberalization and economic growth, the causal mechanism can be the other way around (Chang 2011a, 482-483).

Instead of liberalization, many developing countries are argued to benefit from increased proactive role in the economy by the state. The policy space for many peripheral nations are nevertheless described as circumstanced by liberalization policies imposed by financial institutions, such as WTO, IMF and the World Bank (Ocampo 2001; Rodrik 2011, 179; Chang 2011a). The structural constraints facing developing states in today’s capitalist system are emphasized as particularly determining by the more radical structuralist traditions within the intentional development perspectives. Endogenous development policies adopted in peripheral countries are accordingly argued to have only negligible effects on development, since these countries’ position (and the way they were inserted) in the world capitalist system is what mainly determines their development prospects (Wallerstein 1988, 2021).¹⁰¹ I have here, nevertheless, given priority to the more dominant and “reformist” approaches, within the intentional development perspectives.

¹⁰⁰ Prebisch talked about the structural heterogeneity in the capitalist system, which created different consequences in the core, than in the periphery

¹⁰¹ Wallerstein argues that for reasons held intrinsic to capitalism, the ‘levelling out of the playing field’ through national policy seems an illusion (Wallerstein 1988, 2021). According to the world-systems approach, development is an issue primarily to be addressed not at the national but the international level.

3.2.2 Main notions on agriculture and industry

Scholars within intentional development tradition tend to see industrialization as indispensable for long-term economic development, partly based on the notion that the prosperity of Europe and the US is attributed to the shift from predominantly agrarian societies into predominantly industrial. The industrial sector is often described as a dynamic center of economies of scale, technological change, value-added and productivity growth. The manufacturing sector is further understood to imply many “backward and forward linkages” constituting important production externalities. Within this perspective, agriculture is often constructed in contrast to industrialization. Whilst the latter is argued to bring positive synergies for the rest of the economy, specialization in primary products is understood to primarily benefit a small group of landed elite decoupled from the rest of the domestic economy (Rodrik 2011). Many scholars have also written about different types of resource “curse” such as the *Dutch disease* where growth in the agricultural sector creates high levels of inequality and asset concentration which hamper the manufacturing sector, and thus constrain the development towards a highly industrial and diversified economy (de la Torre, Sinnott, and Nash 2010, 25, Sachs and Warner 1995). The discussion over the role of agriculture for overall transformation has long historical roots within the intentional perspectives, in which one important theoretical strand draws on Marxian thought. The emphasis is on the need for the developing societies of the global South to complete “the agrarian transition”¹⁰² following the path of Europe (Byres 1995, 566-569). ISI policies also involve the idea of moving away from primary commodities towards manufactures. This was partly based on the belief in the accuracy of the Prebisch-Singer hypothesis which postulated long-term declining terms of trade for primary commodities vis-à-vis manufactured goods, and low rates of productivity in the primary commodity producing sector.¹⁰³

Nevertheless, some other schools within the intentional development perspectives have also emphasized “modernization” of agriculture as potentially

¹⁰² This refers to the transition from primarily rural and agrarian to predominantly urbanized, industrialized and market-based societies. This transformation is also understood to include agricultural intensification and territorial expansion. An incomplete development of capitalist agriculture is argued to hamper capital accumulation and perpetuate technological backwardness marked by low levels of output, productivity, and surplus. This also constrains class formation in the countryside.

¹⁰³ Based on the analysis of a commodity price index data, Prebisch and Singer argued that resource-based growth would be frustrated by secular decline in world prices of natural resources, implying that countries specializing in commodity exports would gradually fall behind countries relying more on manufactures.

central for poverty alleviation and growth. Perhaps one of the biggest projects of social and biological engineering on a global scale was the so-called *Green Revolution*¹⁰⁴ linked to the developmentalist ideology. The main focus of this high-input agriculture is on commodity markets and mass processing for mass markets. The agricultural productivity increase in the wake of the fast diffusion of high-yielding varieties over the world since the 1950s, is often described as an intentional development success (Lang and Heasman 2004 37). Agricultural “modernization”, diversification of agricultural production, domestic food security and land reform also formed part of, the otherwise industrialization oriented, ISI strategies. The ideal was national self-sufficiency of food in order to achieve national food security. However, the critique of ISI, from market-led approaches, still finds that overall ISI was biased against agriculture.

In recent years, the differences between manufactures and agriculture have been increasingly downplayed within the intentional perspectives, as many find agriculture to have become more industrial with economies of scale, advanced technologies such as bio-engineering and precision agriculture through satellites, etc.¹⁰⁵ The new agricultural technologies are found to push the boundaries set by climate and soil constraints. Although protection of infant industries is still at the core of this perspective, agriculture is not always found to be incompatible with development. Agriculture can become a potential contributor to overall economic growth by releasing labor and capital to other sectors in the economy, supplying cheap food, and by functioning as a stepping stone for upgrading and industrialization (the ultimate development driving force).¹⁰⁶ The agricultural sector is anyhow in need of a strong state to have developmental benefits. But the market price signals are argued to contribute to much higher overall long term costs because of the externalization of many social and environmental costs, as well as long-term efficiency and productive costs (Chang 2009, 480-81, Rodrik 2011).

Specialization in agricultural exports for developing countries is however still seen to be associated with several possible pitfalls that the state may need to compensate for. This type of specialization is argued to potentially

¹⁰⁴ The Green Revolution in Latin America began in the 1940s in Mexico by Norman Borlaug with support from the Rockefeller foundation and the Mexican government. The distribution of new seed varieties, chemical pesticide controls, fertilizers, irrigation and mechanization began on a large scale between 1950s and 1960.

¹⁰⁵ In the light of this the Prebisch-Singer hypothesis has been questioned. Labour-intensive manufactures are also found to behave increasingly like agricultural commodities (general price decline, increasing use of unskilled labor, deteriorating terms of trade and fluctuating prices). The recent economic recession triggered by sub-prime housing mortgage market in the US in 2008 showed that the countries suffering the worst growth collapses were those with higher shares of manufacturing exports.

¹⁰⁶ The current general push for specialization in agricultural exports in a large number of countries is nevertheless argued to potentially lead to over-production of some commodities resulting in falling prices and even export earnings (Chang 2009:478).

increase domestic food prices and inequality by worsening the situation for the low income population.¹⁰⁷ In addition, the volatility in commodity prices is argued to create additional (externalized) social costs in a free-market regime.¹⁰⁸ In order to compensate for these flaws, only the state has the necessary tools to stabilize agricultural income – through public price controls, buffer stock management, direct income support to farmers, protection of domestic production through trade tariffs and quotas, state-subsidized agrarian insurances, and public market information services (Chang 2009, 487). The state is also vested with the ability to redirect surplus labor created by the introduction of labor saving technology in agricultural production. In this respect, the current Doha-round under the WTO with its attempts to lower agricultural tariffs will shrink the policy space and thus become profoundly anti-developmental (Rodrik 2011, 76).

The state is thus argued as necessary to compensate for the market failures and critical for growth in productivity. This can be accomplished through expansion of public services; subsidized credits; land reforms and access to credit¹⁰⁹; subsidized modern inputs (irrigation systems, fertilizers, new machinery, improved seeds); loans for land improvement, and public investment in infrastructure (roads, rails, ports and warehouse facilities) (Chang 2009:500). Another advantage of the state is argued to be its ability to over-ride individual or sectorial interests and/or re-defining property rights that would facilitate large-scale irrigation projects where the “transaction costs” of organizing such a project may be prohibitive for private sector actors (Chang 2009, 498). In this way, the withdrawal of the state is argued to negatively affect investments in agricultural research, education, credit, and infrastructure, and thereby reduced agricultural productivity (Chang 2009).

Finally, in order to add value and create more linkages to other sectors of the economy, this perspective advocates increased public R&D and quality

¹⁰⁷ The argument is that there is increased competition for land between domestic food staples and export crops subsequently increase the price of the former. In general, it is stated that where primary products are not intensive in labor but in land and/or other natural resources like water, and where ownership of that resource is unequal, the poor would end up as the losers.

¹⁰⁸ Agro-commodity markets are also characterized by fluctuations and sharp price falls with negative impacts on farm income stability. Combined with real exchange rate appreciations during commodity booms, it may also foster concentrated export baskets that can in turn heighten the adverse effects of price volatility on the economy. In conjunction with high fiscal dependence on commodity revenues, it also leads to instability in government revenues and difficulties in macroeconomic management (Chang 2009, 503).

¹⁰⁹ Land reform is not only argued as important for productivity increase, but also for a more equitable resource allocation. It is also argued that given the current land structure in many developing countries, the benefits of tariffs reductions in agricultural world trade would only give modest benefits for a concentrated group of rich farmers with low spill-over to the rest of the economy (Chang 2011).

management (including public standards and controls), and investments in both general and specialized education. In this way, states can “climb up in the value ladder” through more processed, segmented (including design, branding and special niches) and more industrialized forms of agriculture (including production of industrial upstream inputs and downstream food and feed processing). This will allow for higher skilled employment and insertion into international markets on competitive basis that bring about long-term changes in the productive structure (Chang 2009, 487-503, Kurtz 2001). A key word here is “upgrading” which is widely used in the expanding Global Commodity Chain (GCC) literature, and is seemingly used as a proxy for development (Gereffi, Humphrey, and Sturgeon 2005).¹¹⁰ In short, the state is vested with greater potential to increase agricultural productivity, quality, efficiency and agro-industrialization (upgrading), and at the same time as creating additional employment and a buffer for market failures.

3.2.3 Main environmental concerns and solutions

Until recently, the state-centered perspectives on development have not focused much on issues related to environmental sustainability. Their main focus has been on generating economic development and social equality. With regard to agriculture, the main concerns have tended to reflect “productivist” assumptions where the *Green Revolution* model with increased yields per hectare relying on a system of high external input (fertilizers, pesticides, fungicides, vaccines and antibiotics) seems to be the goal agricultural activity.¹¹¹ There has been general trend over the years towards “institutionalization”¹¹² of the environmental discourse that has generated large amounts of environmental indicators, development measures and indexes evident in for example the Millennium Development Goals (MDG)¹¹³ of the UN. The in-

¹¹⁰ The current GCC and GVC literature has deviated somewhat from its roots in the world systems analysis by making private enterprises as principle agents of change and development, whilst in the ideal type discourse presented here the main development agent is the state.

¹¹¹ In the words of Chang: “As shown throughout history, public intervention has played a critical role in the supply of better seeds. [...] It goes without saying that better seeds are critical in raising agricultural productivity. The effectiveness of some modern inputs also critically depends on the nature of seeds concerned. For example, the effectiveness of better irrigation and greater fertilizer use was enhanced during the Green revolution, as the new seeds were highly responsive to water and fertilizer” (Chang 2009, 500).

¹¹² Referring here to the process in which environmental concerns have increasingly become embedded in wider spheres of society.

¹¹³ These goals include reducing by half the proportion of people below the poverty line. They also include quantified targets for gender equality, health, environmental concerns and education. See the gateway to the UN system’s work on the MDG www.un.org/millenniumgoals/ (Accessed in May, 2014).

tentional perspectives have also come to increasingly embrace the notion of environmental sustainability as a central component of development. As in the case of immanent development school, the intentional development also acknowledges the important role of agriculture as main user, polluter and degrader of ecosystems. However, their respective solutions to environmental problems significantly differ.

The intentional perspectives of today do not question private property rights to land (central in the immanent perspectives) to land *per se* but emphasize that such rights do not by themselves lead to the adoption of most environmental friendly practices – it must nevertheless be noted that many intentional perspectives have been strong advocates of land reform and sometimes even appropriation of private lands. The management practices in agriculture that result in massive emissions of greenhouse gases, water pollution, water scarcity, soil erosion, biodiversity loss, destruction of sensitive habitats and extinction of species, all represent high societal costs. Nevertheless, rational profit-maximizing actors are involved in agricultural activity because these costs are in much “externalized” (imposed on society and/or future generations). The neoclassical assumption is that private actors are rational and thus respond to economic incentives. This logic seems to justify and encourage agribusiness firms to engage in as long as it suits profits in the short- or medium-term. The intentional perspectives find these “externalities” to be very important, a strong state is therefore necessary to regulate and constrain such practices of environmentally harmful effects (Hulme 2011, 257).

Current development orthodoxy (immanence) puts hopes in new “green” technologies to solve environmental problems. Most intentional development perspectives share this technological optimism, but are quite critical over how the new technological “solutions” emerge. While advocates of immanent development emphasize market mechanisms in combination with strong intellectual property rights as the most fundamental factors, their counterparts in intentional development argue that a strong intellectual property right regime in itself does not lead to development of the environmental friendly techniques, because of markets’ inability to price the full social costs of natural resources.¹¹⁴ This implies that the incentive structure for green technology is inherently flawed as private R&D and investment decisions do not fully internalize the “real” costs of environmental damage (Rodrik 2013). On the contrary. The state is the only actor that can take into account a more long-term holistic approach and bring about a shift towards more environmental friendly new technologies. For example, a state can accept losses from an activity for a long period if it believes that the activity will yield gains in the long-run, or if it finds the activity to create enough positive externalities that compensate for the losses (such as technological

¹¹⁴ Particularly the price of carbon and other GHG are often stressed to be greatly mispriced.

learning and other spillovers). These features can be decisive as R&D in “green” technology is argued to be highly costly and involve substantial risks of total commercial failure (Rodrik 2013). A central argument is that firms under market conditions act on short-term basis (aggravated by the discount rate), while environmental problems (and solutions) typically are built up over a long period of time. The state can act through its long-term industrial policy.

The state-led approaches reject the immanent notion that higher prices for natural resources in combination with a strong property rights regime creates the conditions for the emergence of new environment friendly technologies. On the contrary, it is the active engagement of the state that fosters green technologies e.g. investments in R&D, tariffs, grants, government procurement, subsidized loans and loan guarantees, and direct subsidies (Rodrik 2013). Needless to say, this implies additional costs for the government (and ultimately the taxpayers), but when these new technological innovations reduce environmental damage, the overall societal benefit is greater. While a strong intellectual property right regime is acknowledged to potentially increase incentives for R&D, the argument is that a too strong regime can potentially bring negative externalities. For instance, corporate concentration can curb both innovation and diffusion of new “green” technologies. This argument is often stressed in relation to biotechnology in which both TRIPS and strong patents are understood to have caused extreme corporate concentration and vertical integration, where handful of multinational firms based in the US and Europe control the whole planting system (Wield, Chataway, and Bolo 2010)¹¹⁵. This is seen to have caused lack of competition in the transgenic seed industry, which in its turn is argued to potentially slow down innovation, preventing cross-fertilization of ideas, as well as adversely affect prices, quality, and consumer choices for farmers and ultimate consumers (Chang 2011a, 481, Wield, Chataway, and Bolo 2010, Moss 2009)¹¹⁶. This strong property right regime in combination with the relative withdrawal of

¹¹⁵ The same big multinationals that own the patents on biotech traits also are the dominant actors in the seed and the market for agro-chemicals. The 6 biggest agrochemical companies in order of size: Bayer, Syngenta, BASF, Dow AgroScience, Monsanto, and DuPont, controlled 74 percent of agrochemical sales in 2007. These companies also control 49 percent of the seed sales. The top companies for seeds are: Monsanto 23 percent, DuPont 15 percent, and Syngenta 9 percent). Monsanto was the early leader in plant biotechnology. In addition, the number of firms using biotechnology to develop new varieties of plants has decreased since the 1990s, where the share of the top five firms in 1990-94 was 37 percent of biotechnology plant patents granted by the USPTO, while the same increased to 81 percent in 2000-04 (Wield, Chataway, and Bolo 2010). The special FAO report on Agricultural Biotechnology (2004) stated that all of the GM crops that have been commercialized in the world to date, with the exception of those in China, had been developed by private firms.

¹¹⁶ The American Antitrust Institute concluded in a White Paper (Moss 2009) that the market power of Monsanto genetic traits, and traited seeds for soybeans, cotton and maize, was so high that it frustrated competition.

the state¹¹⁷ is further understood to have led to a focus on high-income countries, a small number of mega traded crops (soybeans, maize and cotton) and a small number of traits (almost all commercial crops at present are ‘first generation’ GM, which are either herbicide tolerant or pesticide tolerant, or a ‘stacked’ combination of both these traits). By contrast, public funded research is argued to be able to better develop the full potential of GM technology to respond to some of the environmental problems linked to industrial agriculture as well as lower costs for small famers on marginal lands in the developing world, including prioritizing food crops rather than feed crops.

Adheres to intentional development approaches within the field of Ecological economics (which includes attributing value also to environmental goods and services that have no value in the market) often point out that the damage and loss of natural capital cannot be internalized neatly in the mainstream neoclassical models, but often represents irreversible and non-substitutable loss. All in all, authors of this vein are consequently skeptical about the capacity of the market to set the prices right and pledge instead for more direct regulation of production and consumption patterns to reduce environmental harm. However, both the immanent and the intentional perspectives reflect similar aims of increased productivity and “modernization”, as well as beliefs in new technology to overcome scarcity and environmental harm. These shared beliefs and values are radically challenged by the postdevelopmental approaches, as one of today’s “counterpoints”, which I will present in the next section.

3.3 A Postdevelopmental approach to development – a radical counterpoint

The postdevelopmental or alternative development perspectives reject the whole development project of both immanent and intentional perspectives. Instead, the postdevelopmental approaches emphasize the right for each local context to define its own goals and decide the paths to take according to its own values. Throughout history there have existed various radically critical perspectives countering prevailing “development” orthodoxy, but this section primarily focuses on a particular school of thought identified by the historical sociologist, Philip McMichael (2009, 142) as organized around

¹¹⁷ Although there still exist publicly funded investigation, not least by the Consultative Group on International Agricultural Research, CGIAR, under the UN. The share of public-sector field trials in all GM trials was 21 percent 2004-8. The global leaders in public GM R&D are China, India, Brazil and Argentina (Wield, Chataway, and Bolo 2010).

different forms of “localisms”. These include “socio-ecological approaches”, “community supported initiatives”, “social greens”, “Ecologically Integrated Paradigm” or “food sovereignty movement”. This section presents some of the main assumptions and values of these approaches, with particular emphasis “developing states” (such as Uruguay), and the role of agriculture (such as soybeans) for “development”. I have mainly used texts from both international social movements like the confederation of peasant movements, *Vía Campesina*,¹¹⁸ and the socio-ecological Friends of the Earth¹¹⁹ (FoE). I draw heavily from scholars linked to the postdevelopmental perspective, such as Philip McMichael (2009, 2012), Joan Martinez-Alier (1991, 2010), and Vandana Shiva (2009).

3.3.1 Main tenets and their theoretical underpinnings

At the core of the postdevelopmental or localist development perspective is the argument that “development” is not, has never been, and will never be anything but a context-dependent (time and space) desirable end reflecting particular culturally embedded social norms, narratives and values. The dominant set of narratives encompassing both immanent and intentional approaches is argued to be based on particularistic Western Enlightenment thinking, ideals and values. They rely upon the “development” experiences of the core regions of western capitalist economies that ignore the sociopolitical and economic experiences “elsewhere”. Postdevelopmental critic is that the advocates of “developmentalism” portray development as something absolute, value-free and desirable and universal, while ignoring the paternalistic (imperialist and /or colonial) realities of imposing this “one-size-fits-all-model” on the world-wide (Sidaway 2007, 348). The mainstream theorizing of “development” take for granted the idea of development as more or less equivalent with material well-being, mostly measured in monetary terms and assumed to be achieved through “modernization” (capitalist relations, urbanization, industrialization and Westernization¹²⁰). These economic accounts are further criticized for their limited explanatory power concerning social

¹¹⁸ *Vía Campesina*, founded 1993, represents about 150 organizations in 70 countries. Altogether, it claims to represent about 200 million farmers <http://viacampesina.org/en/> (Accessed in June, 2014).

¹¹⁹ In the words of FOEI “We campaign on today’s most urgent environmental and social issues. We challenge the current model of economic and corporate globalization, and promote solutions that will help to create environmentally sustainable and socially just societies www.foei.org/en/what-we-do (Accessed in June, 2014).

¹²⁰ It should be mentioned however, that the Latin American structuralism and dependency, which I included in the intentional development perspectives, in much also stressed that their perspectives represented an alternative to the theories emanating from the centre, and specially the Anglo-Saxon world (Kay 1989, 2).

welfare and nothing at all on the effects on environment (Eisenmenger and Giljum 2007, 289).

From an ecological and localist postdevelopmental standpoint, the mainstream materialist ideals and values of “development” are not only seen to reflect particular norms of a particular time and place, but they are also argued to be inherently incompatible with ecological sustainability and social justice. The Indian environmental activist and “anti-globalization” author, Vandana Shiva, in an essay on “how economic growth has become anti-life” writes that “[E]conomic growth hides the poverty it creates through the destruction of nature, which in turn leads to communities lacking the capacity to provide for themselves.” (Shiva 2013). The message in this quote is that economic growth implies the destruction of nature and rejects the notion of “decoupling” manifest in neoclassical economics and expressed for example in the environmental Kuznets curve. The destruction of nature is in turn said to hinder well-being, particularly of the poor, since it is found to be the most essential provider their livelihood. Thus, the entire idea of economic growth that is central in both perspectives is challenged, because it is impossible to decouple from the depletion of Nature. Although some parts of nature are acknowledged as renewable (to a varying degree and requiring varying amounts of time to “recompose”) and recycled, nature as a system is described to have clear and limited boundaries. Every transformation is transmitted into nature as degraded resources irrespective of “new” technologies. Therefore, the idea of an economic growth that could continue indefinitely is truly utopian. Shiva elegantly formulates this as “Limitless growth is the fantasy of economists, businesses and politicians” (Shiva 2013).

While this perspective has important differences with the other two, it is particularly antagonistic to the immanent market-led approach as it is understood to be the current dominant model (orthodoxy).¹²¹ McMichael (2005, 273) describes the current world order as an “institutionalization of a distinctive form of economic liberalism geared to deepening market relations via the privatization of states”, imposed by an alliance of transnational firms, neoliberal governments and international organizations (WTO, IMF and World Bank). Markets are argued to be incapable of acting as corrective agency to “solve” environmental and social damage, and capitalism is pinpointed as the primary driver of the social and environmental injustice. The current international trade regime is seen to embody blind faith in “free” markets of the dominating immanent development view. This is resulting in the most intensive, extractive and wasteful activities being increasingly displaced from the advanced economies (core) to the global South (periphery). No doubt different kinds of unequal trade patterns have long historical roots,

¹²¹ Many texts within this vein do not only find market-rule to be the dominant path, but it is often depicted currently hegemonic.

but current “free” trade regime evidently (re)produces the colonial relations of exchange between core and periphery (McMichael 2009).

Rejecting the trade theory of conventional economics and drawing on an ecological interpretation of world-systems theories, scholars within the fields of political-ecology and ecological economics often describe the current trading system as characterized by an “unequal ecological exchange”, which denotes an asymmetrical relation in which developing countries tend to export bigger quantities of resources at lower prices to be able to import small quantities of goods with higher economic value, making them net exporters in terms of biophysical resource (Eisenmenger and Giljum 2007, Muradian, Walter, and Martinez-Alier 2012, Hornborg 1998). Some scholars even refer to the second Law of Thermodynamics and its concept of entropy, drawing on the influential work of the Romanian economist, Nicholas Georgescu-Roegen (“*The Entropy Law and the Economic Process*”, 1971), to describe a biophysical metabolic drift in the world embodied by global trade. They argue that all production processes transform useful energy (low entropy) into less useful and wasteful energy (high entropy) through its own “metabolism”. Entropy is not only valid for energy, but for all material flows and is often used as a rather loose metaphor for all “socioecological disorders” involved in the production and commercialization of goods – for example waste, depletion of resources and exploitation of labor. The entropy created in a production process is seen to primarily be located in the periphery, while the order, benefit and complexity created in the same process is seen to be located in the core. This is often referred to as the societal displacement of entropy from core to periphery. See for example various contributions of the edited book “*The world system and the Earth System*” by Alf Hornborg and Carole Crumley (2007).

However, the socio-ecological disorder is argued to be obscured to the eyes of the end-consumers in advanced economies as the traded goods appear in the stores as from “nowhere” (mostly controlled by a few concentrated global retailers) and disconnected from the people and places involved in the production processes, including their connections to specific ecosystems, cultures and knowledge (McMichael 2005, 273). I will dwell deeper into the arguments against the commodity export-oriented model in the next subsection 3.3.3 dealing with the main notions of agriculture and industry. At this point it is sufficient to establish that according to this perspective specializing in the production of natural commodities following the logic of comparative advantage (for developing countries rich in natural resources) under a “free” trade regime, reproduces colonial relationship patterns between the countries supplying the raw materials and those that consume the final product. In this process the poor and the environment stand to lose, since the market logic is inherently exploitive and truly incompatible with both justice and sustainability (Vandy Howell 2009, Shiva 2009, 19, Lipton M. 2009).

The “localist” critique of current market-led model is similar to the arguments made by the intentional perspectives in emphasizing how the social and environmental costs are systematically underestimated, while the self-regulative and self-adjusting capacity of “free” markets is overestimated. The postdevelopment critique is however far more radical in defying capitalist markets and advocates a total restructuring of both current economic practices and value systems in which the former is embedded. One crucial step to bring about the change is to recognize the fact that all goods (and their inputs) are produced in specific places, within specific ecological and social boundaries, and that the products must be “re-embedded” into these localities (McMichael 2005, 273). The alternative visions postulated by these scholars are based on a more “endogenous discourse” allowing for alternative “modernizations” (Escobar 1995). Central alternative ideals of the localist perspectives involve concepts of diversity, self-determination, autonomy, decentralization, sovereignty, (re)territorialism, local knowledge, “earth democracy” and cultural relativism (Hettne, 2008:52; Escobar, 1994). These place-led “postdevelopment” models are thus open for a more post-modern and social constructivist view of development and knowledge, in contrast to the evolutionary and “modernist” projects of the immanent and intentional views (Lang and Heasman 2004; Via Campesina 2012; Shiva 2008; Altieri 2005; Pretty 1998).

At the core of this perspective is a strong ideal to increase self-determination and local sovereignty that encourages self-organized peasant communities where food is produced and redistributed in accordance with other norms than market- or state-led allocation. This perspective does not only express desirable ideals in the decision making process where the legitimate procedural form is local self-determination, but also implicitly in relation to the decisions taken. The enhanced local autonomy is assumed to lead to productive systems that are not only decided upon locally, but also socially just and ecologically sustainable. These ideals could be seen to potentially express some epistemological tensions with the more poststructuralist (re-constructivist) ideas about identity and cultural relativism within this perspective. An excerpt from Vandana Shiva’s “Earth democracy” illustrates this point:

“In Earth Democracy, solution will not come from the corporations and governments that have raped the planet and destroyed peoples’ lives. Solution are coming from those who know how to live lightly, who had never had an oil addiction, who do not define the good life as “shop till you drop”, but rather define it as looking after the living earth and their living community. Those who are treated as disposable in the dominant system, which is pushing the planet’s ecosystem to collapse and our species to extinction, carry the knowledge and values, the culture and skills, that give humanity a chance for survival [...] Earth Democracy begins and ends with

Gaias laws – the law of renewability, conservation, entropy and diversity.”
(Shiva 2009, 22).

In the above quote, the “dominant system” which is described as the primacy of material gain, invoked by both corporations and governments is constructed as synonymous to overconsumption based on “wants” instead of “needs”, oil addiction, collapse of the planet’s ecosystem (planet rape) and exclusion of people (treating them as disposable). By contrast, the disposed and non-addicted to oil (i.e. self-reliant people not participating in cash market transactions, which in the dominant nomenclature coined by the World Bank would be called “extremely poor”) are constructed as the legitimate agents of change, bearers of the (right) knowledge, value, culture and skills, which can potentially save the planet. Besides representing these essential features, decisions are also assumed to be in line with “Gaias law” stipulated as absolute rules (universal and timeless), which all point at moderation, balance, and diversity (sustainability over time). If the decision-process changes from top-down to local self-determination, this perspective seems to take for granted that the actual decisions taken would also change from materialist values to post-materialist and social equitable values (See for example Shiva, 2009). Social equity is not only interpreted as the idea of a “fair share” to all living on the planet today, but also to take into consideration the rights of future generations (Hulme 2010, 131).

In this way, at least the agroecological or peasant-based arguments of this perspective articulates not only a critique of the dominating development perspectives, but also proposes a rather clear alternative “development” vision. One aspect of this vision is procedural, linked to the actual decision-making process in which legitimate change is argued to be locally driven and community-based, in contrast to state (government) or market (corporate) driven change. Both markets and states are rejected for being top-down, materialist, anthropocentric and technocratic. “Free” markets are in addition regarded as destructive, short-sighted, narrow (unable to account for non-pecuniary values), polarizing, destabilizing, unbalanced, unequal (international trade as characterized by unequal ecological and social exchange). Another aspect of the alternative vision reflects, explicitly or implicitly, the actual ideals that change should bring. While stressing that each place need to set its own ideals and paths, it is nevertheless often taken for granted that self-determined local communities will chose (always and everywhere) balance, equity, biodiversity, resilience, democracy, regular exchange and reciprocity, cooperation, justice, food sovereignty, intra-generational solidarity, space of manure and humbleness towards the gifts of nature. This contrasts with the development goals in the other two perspectives centered on material well-fare expressed in high GDP per capita (Lang and Heasman 2004; Via Campesina 2012; Shiva 2008; Altieri 2005; Pretty 1998).

Ontologically there is a rather important divergence between the texts written within the tradition of socio-ecological world-system approach, which assumes the existence of a more or less objective world “out there” that could be captured by the researcher in a more or less neutral and accurate way (drawing on post-positivist assumptions), and the texts relying on more postcolonial and constructivist accounts, which defy the absolute, universalist and essentialist accounts of the world – for example the anthropologist Arturo Escobar (1995). Many texts seem also to combine constructivist assumptions (when defying the idea of centralist, top-down approaches, arguing that all ideals and measurements always represent specific historical and place-based particular values) with some essentialist and absolute assumptions (when local communities decide over productions and exchange patterns *always* and *everywhere*, they become more biodiverse, equal and just).

3.3.2 Main notions on agriculture and industry

Agriculture is at the heart of this perspective, and the alternative “development” visions postulated are often centered around self-reliant peasant communities producing healthy food in balance with nature and distributing it in accordance with community based norms and values (which are assumed to be inclusive). While this perspective shares with the immanent perspective the belief that agriculture is the most important and central activity for the poor, it strongly rejects the models and regulatory structure promoted¹²² (McMichael 2005, 285-286). Export-oriented agricultural growth in developing countries is mostly found to strengthen corporate agribusiness resulting in increasing exclusion, poverty and environmental degradation, and not to forget a subordinated insertion of developing countries in the international market. In contrast to the intentional development view, the problems linked to the role of raw commodity provider in the international trade system are not “solved” through industrialization or “upgrading” into more value-added production, but rather to change the entire regime of production, exchange and consumption. This section will first present the criticism espoused against the current agri-food system and end with exploring what is suggested as an alternative system.

The perceived problems of today’s agricultural model is not exclusively linked to the neoliberal trend over the past three decades, but to the whole dominant productive logic reigning since the “invention” of industrial agri-

¹²² The immanent approach is seen as materialized in current dominant “food regime”, described as corporate driven and fuelled by organizations such as the World Trade Organization (WTO), neoliberal governments and international financial organizations (IMF and World Bank).

culture,¹²³ intensification and rapid spread around the world through the *Green Revolution* (see section 3.3.3). Most texts both within the immanent and intentional development perspectives stress the *Green Revolution* as a success-story¹²⁴ that remarkably increased food supply due to technological inventions.¹²⁵ The new technologies are also argued to have led to greater interchangeability of commodities and more “efficient” supply management forms due to standardization and economies of scale. However, the “localist” approaches typically point out that the increase in food supply¹²⁶ linked to the Green Revolution was reached through enormous social and environmental degradation not internalized in prices. The increasing loss of the following nodal values are often stressed as the “real” costs of the green revolution: biodiversity, soils, global climate change¹²⁷, health¹²⁸, animal welfare, fresh water, local cultural and ecological knowledge, self-reliance, sovereignty, rural communities, ways of living, sensitive habitats and species, and long-term sustainability (Fearnside 2001; Hecht 2005; Elko 2007; Vandy Howell 2009; Lipton M. 2009). These losses are explained by the increased mechanization, intensification of land use, the reduction of seed varieties used and the simplification of rotations (a trend towards monocultures), the intensive use of irrigation, of petro-fertilizers and pesticides, as well as the top-down,

¹²³ I here refer to the gradual process (starting before the industrial revolution) of more intensified uses of the land, often referred to as a high input (selected seeds, chemical pesticides and fertilizers) high output (in terms of yielded tons per hectare) paradigm. This has been characterized by selective breeding (plant and animal varieties), increased standardization and mechanization. Industrial agriculture emerged due to many technological innovations within the chemical industry and transport industry, mainly from the 19th Century.

¹²⁴ The Green Revolution is often used within these dominant perspectives to illustrate that Malthus and neo-Malthusians got it wrong, since human ingenuity can overcome productivity constraints of nature. The difference between the intentional and immanent views here is that the first tends to emphasize the role of public R&D and state action behind both the invention and the diffusion of the new technologies, while the other tends to emphasize the role of private initiatives behind the same.

¹²⁵ New high yielding, shorter-cycle and standardized seed varieties, combined with increased use of fertilizers, chemical pest- control, irrigation and mechanization (saving labor), the yield per hectare improved

¹²⁶ The localist approaches, however, often refer to Amartya Sen and his book “Poverty and Famines” from 1981, in which he argues that the causes of most famines are not related to supply (availability) but to access (food entitlement).

¹²⁷ Industrial agriculture is sometimes called “petro-farming” because of the high demand for greenhouse gas-emitting fuels, from mechanization, as well as for chemical inputs (not least nitrous oxide from fertilizers) and the gases released from land-use changes in the wake of expansion of the agricultural frontier, as well as the green-house gases emitted by rudiment.

¹²⁸ The new standardized high yielding seeds displaced the use of thousands different traditional seed varieties with different characteristics. The history of modern agriculture and breeding is argued to have prioritized “productionist” features (stability and short cycles) and shape and form over nutritional values (such as vitamins and minerals). In addition, the chemicals used in the production are also associated with severe health implications (Lang and Heasman 2004, 7).

technocratic and universalist framework of the Green Revolution. In addition, the low labor intensity of industrial agriculture substituted capital for labor implies “export of deprivation” leading to exclusion and dispossession of farmers who get to serve as a labor reserve, thereby depressing the wages (McMichael 2005, 285). Moreover, the standardization and simplification inherent in the Green Revolution conflicts with management systems that takes into consideration the local ecosystems and social conditions. This is viewed as separating agriculture from its natural foundations.

At the same time, it has been argued that agribusiness is strengthened by economies of scale, and the food supply chains have shifted away from the farms and transnational processors, traders and retailers (Lang and Heasman 2004 15). In general the development of chemical agriculture (its “high-external input – high output”) is said to have caused a growing abstraction of agriculture as be relocated to a far greater extent to specific sites anywhere in the world. This is so because the intrinsic geographical (soil and climate) conditions matter less when chemical fertilizers, herbicides and pesticides, and modernized irrigation can compensate for what nature is not providing on its own. What may have looked like a “cheap” way of getting abundant food turn out to become very expensive for long-term sustainability as a result of loss of invaluable experiences, species, traditional varieties and knowledge. Accordingly, the green revolution can only be “successful” under the (erroneous) assumptions of cheap energy supply, limitless natural resources and externalization of all social and environmental costs, when in reality it undermines the very fragile conditions of human survival (Lang and Heasman 2004 29, Patel 2007)

Today’s agricultural technological model (including the biotechnology “revolution”) is within this perspective understood to be a mere continuation of the green revolution. The same productive logic still reigns, but with the difference that the state has retreated substantially and the food system has during the past decades been increasingly privatized, liberalized and financialized. These regulatory changes are argued to have resulted in increased agricultural trade leading to longer transport of food, greater concentration around cash-crops, as well as increased concentration and vertical integration of transnational agribusiness firms (Fearnside 2001; Hecht 2005, Jank et al. 2001; Lee R. 2007). The liberalization of agricultural markets is further seen to lead to decreased food security as land used for growing traditional staples is now diverted to grow export crops and fodder (Vandy Howell 2009; Lipton M. 2009). In addition, the management forms of agribusiness driven agriculture is based on economies of scale leading to a simplification of the cultivation systems of monocultures, which leads to biodiversity loss and heavy reliance on a few varieties of (patented) seed, chemical pesticides and (petro)fertilizers. Global agribusiness is benefited by the stronger intellectual property right regime (yielding longer price premiums for seed varieties (traits and genome) as well as agrochemical formulas). They have been

complemented by greater mobility of financial capital in the wake of political de-regulation and market liberalization. This has led to increased speculation (re-enforcing price hikes and falls) in commodity and land markets. The increased competition for land also leads to rising land prices and increased entry costs, which creates more concentration (Berry 2001). When big transnational agribusiness firms buy or lease land in the global South, it is often called “land grabbing” (McMichael 2012, Borras et al. 2011), which clearly denotes the perceived illegitimacy of these acquisitions.

Industrial agriculture in combination with “free” trade and the “technological treadmill” tends to exclude small scale farmers from agriculture. Technological treadmill refers to how farmers are pushed to adopt more intensive systems to keep up with the demands for increasing productivity (Altieri and Pengue 2006; Domínguez and Sabatino 2006; Casalis 2008; Teubal 2008). Only capitalized producers can adopt them at an early stage and receive the economic gains from increased productivity and timing from the lower unit costs of production. However, as more farmers adopt the new technique, total output increases and the price of the commodity tends to fall. In this way, the benefits of adopting the new technique disappear. More farmers are forced to adopt the technology to reduce their costs and so to stay in the business. Eventually, those farmers who cannot keep up with the pace of new innovations have to give up farming (Vergunst 2003). I will present the view on new technology in relation to environmental problems in the next sub-section, but here the main point is that the most productive farmers are understood to be able to extract value from the others simply because of their capacity adopt new technologies at an early stage, or even to create them and impose it on others, all driven by the logic of capitalist agriculture (Altieri 2009).

To avoid the technological treadmill many local family farmers are left without alternatives other than to specialize their production and integrate with the agribusiness dominated supply chains, often through different forms of contract farming (Gutman and Lavarello 2002; Gutman, Bisang et al. 2006; Deal 2012; Casalis 2008). While this can yield access to new technologies despite lack of capital, the localist criticism is that the technological packages are designed and controlled by agribusiness and have wrenched the farmers away from control over the productive process (Cáceres 2007). Accordingly, small farmers lose control, self-organization and autonomy (nodal values within this perspective) and become subsumed and dependent on the big firms who control the technology and organization of work (Milestad 2003; Cáceres 2007). In the long-run, independent farmers become “proletarianized” either as contract farmers or laborers, displaced and/or expelled from agriculture (Michael Jay Snarskis 1989; Casalis 2008; Altieri and Pengue 2006; Domínguez and Sabatino 2006; Teubal 2008). In this way, agribusiness imposes its productive logic and its technological packages upon all other actors (Altieri and Pengue 2006, Lehmann and Pengue 2000, Pengue

2005, Casalis 2008) The agribusiness is portrayed as the evil “other” with short-term profit maximizing interest in inherent conflicts with nature and small- and family agriculture. The indirect consequence of this whole process is increasing urbanization, unemployment, hunger, poverty, and wage decline (McMichael, 2005; Jay Snarskis 1989; Casalis 2008).

The alternative to the current agricultural model is to be a holistic view stressing the value of local, fresh and organic food with low external input, high diversity and self-reliance. This ideal is often framed in terms of *human rights* to culturally and nutritionally adequate food within *democratized* food systems and *food sovereignty*¹²⁹ (Wittman, Desmarais, and Wiebe 2011, Patel 2009) Particularly the concept of *food sovereignty*, arguing the right of local communities to control food production and distribution is often used to portray an alternative global moral economy based on enhanced autonomy and self-determination (McMichael 2005, 286). The concept is often used as a contrast and/or complement the concept of *food security*, since the current dominant (modernist and neoliberal) interpretation of food security¹³⁰ is seen as equated with market mechanisms and the current trade regime to specialize food production in what is demanded elsewhere (Patel 2009). The transnational peasant confederation, Via Campesina, has been one of the strongest promoters of this concept as an alternative to the neoliberal model (Wittman, Desmarais and Wiebe, 2011, 2). The ideal is to allow farmers greater control of their farming systems and independent from “outside” sources (seeds, inputs, marketing channels, contracts, extension, bureaucracy, etc). This will enable farmers to increase learning, give space for maneuver and flexibility to adapt production systems suited to their own ecological needs and cultural traditions (Cáceras 2007). It clearly highlights that the control should be in the hands of the communities living on the land where it is produced in accordance with local cultural values and traditions rather than following profit maximization (Wittman, Desmarais and Wiebe, 2011, 3; 34). Food sovereignty aims to (re)connect the control over food production to the places where it is produced. The concept implies not only empowering farmers, but its “radical egalitarianism” provides the alternative principles which strengthen democracy, community rights, gender equality as well as ecological sustainability (Wittman, Desmarais, and Wiebe 2011, 6). In short, food produced locally and organically respects ecosystems, is socio-culturally sensitive, and economically viable.

¹²⁹ Often defined as “the right of nations and peoples to control their own food systems, including their own markets, production modes, food cultures and environments”, taken by Via Campesina at its Second International Conference in 1996 (Wittman, Desmarais and Wiebe 2010:2).

¹³⁰ The concept was coined by FAO in a report of the World Food Conference in 1974.

3.3.3 Main environmental concerns and solutions

Industrial agriculture under market conditions according to the localist perspective is understood to imply both social exclusion and environmental degradation. These problems are integrally linked to the current economic model (materialist values, dis-embeddedness and primacy to profits). It is therefore impossible to “solve” the problems without radically changing the economic model involving post-materialist values, (re)-embeddedness and primacy of ethics before profits. In this sub-section I will present the main counter-arguments from this perspective on some of the main “solutions” to environmental problems presented by the dominant development perspectives. The subsection will end with a brief presentation of what this perspective considers as the “real solutions”.

The immanent development view emphasizes strong property right regimes as long-term incentive for land owners to take long-term care of the soil as well as incentive for entrepreneurs to create new technological solutions that are environmentally benign. The localist perspective strongly rejects the argument that enhanced private property rights would bring benefits for nature. It also rejects the ideas of the “tragedy of the commons” as an argument against communal management. The ecological economist, Joan Martinez-Alier, mentions historical cases of environmental degradation caused by the privatization of common lands which he terms as the “tragedy of the enclosures” (Martinez-Alier 1991, 637). Martinez-Alier acknowledges the neoclassical argument that under private property arrangements the owners bear the full costs of land degradation compelling them to adopt sustainable practices, but he claims that the time horizons for individual owners may be shorter and their implicit discount rates higher than those prevailing under some collective arrangements (Martinez-Alier 1991, 637). Therefore, the expansion of the private property right regime (to include knowledge, seeds, farm technology) is not seen to solve any environmental problem, but rather to form part of a strategy of unification of agro-food systems across the world (McMichael 2009 286-290, McMichael 2009).

The critique of genetically modified crops from this stance is also linked to its critique of the current intellectual property right regime and its theoretical underpinnings i.e. if there is no guarantee of long-term exclusive profit gains from new innovations, nobody will engage in the investments needed in R&D. In the international debate about the current global expansion of soybean production using herbicide tolerant GM seeds patented by Monsanto (Roundup Ready, HT 40-3-2), texts within the postdevelopment approach claim that the price premiums of the new technology hits less capitalized farmers and violates the principle of farmers’ right to save seeds (Altieri and Pengue 2006, Pengue 2005, Pengue 2001). The monopoly control of Monsanto of RR soybeans has resulted in extreme concentration of seed, trait, processing and trading markets. The rejection of GM technology goes be-

yond the critique of the intellectual property right regime, and biotechnology is described as a dangerous experiment that can potentially harm both humans and nature, and the adoption of GM is argued to have led to increased agrochemical use and biodiversity loss.¹³¹ Genetically modified crops are also argued to decrease farmers' autonomy since they have to be combined with particular herbicides and pesticides in integrated "packages" which determine the modes of production. The giant agribusiness firms in the North (owners of the patents) increase in this way their control over the whole production chain.¹³² The potential "boost" in productivity per hectare is a chimaera and does not reflect efficient use of natural resources (land) when considering the total amount of natural resources used including increased reliance on external inputs, according to this perspective. As these externalities are not accounted for, "late adopters" of new technologies still face deteriorating economic conditions (the technological treadmill).

Thus, while both immanent and intentional perspectives consider GM as a potential solution to environmental problems caused by industrial agriculture, the localist approaches view this "gene revolution" as a mere continuation of the Green Revolution (Lang and Heasman 2004 22). In the same way the agro-fuels projects (bio-diesel from soybean and rapeseed, and ethanol from sugar cane and corn) are also found to aggravate the tendency towards monocultures, more pesticide use, more power to the owner of seed patents, agrochemical firms and traders, and increasing competition for land (often referred to as food vs. fuel debate). In addition, biofuel is described as representing "the ultimate fetishisation of agriculture, converting a source of human life into energy input at a time of rising prices" (McMichael 2009a).

The underlying logic here seems to rest on the notion that no technology is "neutral". The technologies emerging within current profit-driven capitalist system will inevitably lead to private corporations trying to externalize all costs linked to the technology upon society, nature and future generations. "New technologies" are viewed as a "solution" only for the profit-hungry firms that precipitate problems for both the environment and small producers. Besides this view on the inherent features of technology emerging within the capitalist system, texts within this perspective also argue that no technology or machine can create the resources it transforms, and that all "productive" processes also involve depletion when diverted from their alternative uses. As mentioned in 3.3.1, some texts draw on the concept of entropy from the Second Law of Thermodynamics (Hornborg and Crumley 2007). Whenever the incorporation of new technology in agriculture is argued to improve productivity, it hides the fact that it depends heavily on hydrocar-

¹³¹ See for example texts from *Via Campesina* on the Internet www.viacampesina.org, (Accessed in June, 2014).

¹³² See for example: MST, "Transgênicos - Dez razões para ser contra os produtos transgênicos" www.mst.org.br/campanha/transgenicos/indice.html (Accessed in June, 2014).

bon energy. Therefore, if petroleum were evaluated from a longer time horizon (and a lower implicit discount rate), much of what we call “production” would be better labelled as “extraction” (Martinez-Alier 1991, 637). In this way, nature is found to pose some non-negotiable limits, which no technology in the world can escape from. Although some materials can be recycled, every transformation is argued to degrade matter. The entropic costs are in addition allocated in a differential way simply because the unequal global power relations translate into unequal spread of the environmental damage where the most toxic, extractive and waste-full activities become localized to the poorest countries. This is often referred to as the displacement of entropy (Frank 2007, 305). The analysis of the international division of labor, of the world-systems theory, is now extended to a new international division of nature where the extractive and dirty producing commodities that are consumed in the North are located in the global South (Vega 2009, 52).

The immanent belief that economic growth in the long-term would lead to improved environmental sustainability is challenged. Instead, it is clearly argued that all economic growth inevitably leads to resource depletion and other types of entropic costs (disorder). The whole notion of both immanent and environmental perspectives that the environmental “costs” can be internalized in the price is rejected. Natural capital, like energy, fresh water or species, is seen as impossible to substitute by human-made capital. Opposing the neoclassical idea of substitutability between different natural factors (providing “the same” services”), “nature” is instead treated as something sacred; where all species are invaluable in their own right and impossible to translate into monetary terms. Actually, the whole anthropogenic view of nature and technology involving concepts of resources, services and capital is challenged.

In conclusion, the “solutions” provided by the other development perspectives are seen to make things worse for the environment. In general, all market led and/or large scale, top-down, capital intensive “solutions” are rejected in favor of self-reliance, small-scale, experience-based, localized and communal systems of production and consumption guided by principles of food sovereignty and agro-ecology (Lang and Heasman 2004).

3.4 The development perspectives situated in a broader context and main fault lines

The previous sections of this chapter have presented three different main perspectives on development, with emphasis on the discussions about the development potential of commodity exports for “developing” countries and proposed solutions to environmental problems created by the agriculturally

based export-oriented activities. The categorization presented in this chapter does not pretend to be exhaustive, but as the perspectives outlined here are rather wide, I do find that they capture an important share of the debate and their underlying assumptions. I have mentioned some diverging traditions that are involved within the perspectives, but overall given priority to relative “unity” to make the fault lines clear so that the typology can serve as an analytical tool for later analysis of the discursive field of the soybean expansion. It needs mention here that the discussions in fact overlap and are more or less interrelated, but nevertheless at an analytical level it may be fruitful with a clearer distinction. The above outline has not only represented a simplification of the development discussions, but also presented the ideals and assumptions, analytically separated from the specific historical and spatial contexts in which they have been expressed, and separated from their power relations. However, there is a clear power differentiation between the perspectives. I find that today’s main orthodoxy is a particular form of immanent view (section 3.1) and the loudest and most powerful, albeit “reformist”, challenge comes from the orthodoxy is an intentional development perspective (section 3.2). Finally, the current clearest counterpoint with a radical rejection of both the immanent and the intentional development perspectives comes from postdevelopmental perspectives centered on different kinds of “localisms” as alternative ideals (section 3.3). I will in this section address the power relations between the perspectives in more depth, as well as situate them in relation to specific historical and spatial contexts. I will thus contextualize the perspectives within the broader societal shifts in the global institutional structure with specific emphasis on agro-food globalization.

As a tool for a chronological periodization of the main trends and characteristics of global agro-food globalization, I have used the food regime categorization by Harriet Friedmann and Philip McMichael (Friedmann and McMichael 1989), and later further developed by McMichael (McMichael 2009). The food regime approach provides a framework for a clear periodization and a systemic simplification of complex processes in the geopolitical history of capitalism with emphasis on agriculture and food (McMichael 2009, 140). A food regime is defined as a relatively stable institutional structure shaped by a particular global division of labor and sets of relations among states, enterprises and populations, marked by different systems for food production, commercialization and consumption (McMichael 2009; McMichael 2009). These regimes are sustained by temporary constellations and the history of global food and agricultural systems are roughly categorized into three food regimes according to McMichael (2009). The first food regime started in 1870, the second after World War II, and the third food regime of increased neoliberalism and biotechnologies since the end of the millennium (McMichael 2009). I will here use this periodization and integrate it with the dominant development discussions at each time. My

main focus is on the second and third food regimes, since the development perspectives presented in the past sections are mainly centered on the post-World War II discussions.

3.4.1. The first (1870-1930) and second food regimes (1945-1980)

The first food regime emerged out of advances in chemical, transport and agricultural technologies of the late 19th century. It increased output and reduced costs, allowing for an industrialized food supply and long-ranging commercial expansion. The imperial trade in tropical commodities that had been going on for hundreds of years merely as luxury consumption has now become every-day products. Besides the colonial imports of the tropical commodities, Europe (particularly Great Britain) started to massively import temperate agriculture products, particularly wheat and livestock from the newly independent settler states (McMichael 2009). In short, the first global food regime was centered on British hegemony in the emerging world capitalist system with a key role played by the gold standard as well as the world's largest food importer (Magnan 2012). These imports supplied the emerging urban industrial workers in Europe with cheap food to allow the costs of labor down (without too much discontent) in newly industrializing Europe. According to Hettne (2008, 25), the ideas and practices of “development” in Europe under this period were to a large extent dominated by intentional perspectives, and particularly the form of “state-capitalism”, characterized by a strong industrialization imperative in which less advanced states were eager to “catch up” with Great Britain.

While intentional perspectives were important, neoclassical theories also represented relative strength in Great Britain since the abolition of the Corn Laws in the 1840s, which implied a relatively “free” trade regime in which the new settler states became increasingly integrated. The productive systems imposed in this New World were based on monoculture and overexploitation of the soil. The “free”-trading economies in these areas (including Uruguay) fluctuated strongly along the swings of world market prices in the form of booms and busts (Friedmann and McMichael 1989, 95-96). This first regime started to fall apart after World War I, the abandonment of the gold standard, and erosion of free trade policies. It finally collapsed with the 1930s Great Depression (Friedmann and McMichael 1989).

The second food regime emerged after WWII representing a complex and contradictory set of relations of production and consumption rooted in unusually strong state protection and the organization of the world economy under US hegemony and the post-war Bretton-Woods system (Friedmann and McMichael 1989, 103). Other scholars have referred to this period as “Fordist”, developmental or productionist. Development studies appeared as

an academic discipline with modernization theory being the dominant along W.W. Rostow's stages of economic growth. The overall trend under this second food regime in the advanced/industrialized economies was to design new policies to support domestic agriculture that emerged as the Common Agricultural Policy (CAP) in Europe and different protectionist trade barriers towards agriculture in the US. These were combined with aid programs channeling surplus food from the advanced economies to the postcolonial states.¹³³ The main focus was on national food security through protectionist measures (McMichael 2009, 141).

Under this regime, there was globally (albeit uneven) soaring agricultural productivity with rapid increasing yields per hectare. This was made possible through the technological innovations of the so called "*Green Revolution*,"¹³⁴ a high input- high output fossil fuel dependent paradigm centered on new varieties of high-yielding seeds, increased use of chemical fertilizers and pesticides, allowing for standardization, mechanization, mass production and mass consumption (Friedmann and McMichael 1989, 108). Agricultural land ceased within mainstream development thought to be perceived as the scarce factor and agriculture became more like an industrial sector as food increasingly shifted from final use to manufactured (even durable) products (Friedmann and McMichael 1989, 103). The Green Revolution emerged out of the Bretton-Woods system which marked the heyday of intentional development perspectives, although transnational funding from groups like the Rockefeller Foundation and Ford Foundation also played an important role. In this way, the green revolution formed part of the overall public efforts to increase cheap food supply to the increasing urban population through industrialized mass-production of agricultural commodities. The green revolution created surplus food in the advanced economies, which according to McMichael (2009) was re-routed through aid (particularly the US food program) to the postcolonial states. This food-through-aid dramatically lowered the prices for food producers in all other countries of the world (McMichael 2009, 141). Another component of this regime is described to have been state-led land reforms in many countries to calm peasant unrest and extend market

¹³³ While the industrial trade sectors were slightly liberalized during this period, the agricultural sectors remained protected, and agriculture was for example left out the first four rounds of the General Agreement on Tariffs and Trade (GATT) and later surrounded by many exceptions, which allowed quantitative restrictions, quotas, variable levies, prohibitions, licensing requirements, and state trading.

¹³⁴ The Green revolution is described to have formed part of the overall policy efforts to increase food supply, providing the increasing urban population with cheap food through industrialized mass-produced agricultural products. There is agreement ~~on~~ that the public sphere played a central role promoting the green revolution, but some emphasize almost exclusively the role of public institutions (including public universities, international organizations of cooperation and research and states). Others stress participation of the private actors (particularly the Ford and Rockefeller foundations). There is also a heated debate on the effects of the green revolution for the environment and poor farmers.

relations (McMichael 2009, 141). While the state had been a central actor in this regime, and the intentional perspectives had a rather dominant position, agribusiness also was strengthening its position, and became increasingly transnational and vertically integrated. The big agro-food corporations started to outgrow the state-centered model in the beginning of the 1970s, according to McMichael (2009). In addition, the former models of “national developmentalism” came increasingly under attack from “neoliberal” approaches that were gaining strength. When the US unilaterally abandoned the fixed (US dollar to gold) exchange rate system in 1971, the Bretton Woods System collapsed, and following this the second food regime was dissolved.

The development perspectives under the second food regime

While this period was dominated by intentional approaches, Europe was mainly under social democratic rule and the United States under the “New Deal” initiated by Roosevelt where neoclassical (immanent) theories also had important voice (Hettne 2008, 35). Both regions relied heavily on modernist ideals. The mainstream definitions of development were consequently often formulated in terms of “a sustained upward movement”, or a “process of progress” and/or a “modernizing project for the whole society” (Myrdal 1974, Cowen and Shenton 1996). While economic growth was considered essential in these definitions, it was also argued that “development” needs to include the “movement upward of the entire social system” (Myrdal 1974, 729). The places described to have achieved relatively less “progress” than others in any given historical moment were taken for granted to be in need of “catching up” and to achieve what has already been achieved elsewhere (Gerschenkron 1962). In this way, most approaches to development reflected upon development as a rather linear path of societies moving from traditional to modern (Thomas 2005), where some scholars have emphasized the need for particular prerequisites and a given order of development through stages (Rostow). Some others have opened up for the possibility to compensate for the lack of certain prerequisites and to leapfrog certain stages (Gerschenkron, 1962). This way of perceiving development was strong in both immanent and intentional traditions, and both were very much concerned with economic growth to achieve this “progress”.

Before getting into the subsequent Washington Consensus, or the third food regime, it is important to take a closer look at the Latin American context during the Bretton Woods period. In Latin America, the interventionist development models actually started to gain strength already in the 1930s when scholars and governments emphasized the development constraints linked to the export-oriented model and the “self-regulating” economic policies (outward-looking model). Gradually, governments adopted more inward-looking and planned industrial policies (Rivarola Puntigliano,

2003, 45) (Kay 1989, 30). This shift became stronger in the late 1940s and early 1950s. It was put forward by the Latin American structuralists, Raúl Prebisch (1950a) and Celso Furtado, both linked to the newly created regional UN organ, the “Economic Commission for Latin America” (ECLA¹³⁵) (Rivarola Puntigliano, 2003, 46). The central theoretical reasoning of these scholars has been outlined in section 3.2.1. Here the main point is to note that the ISI model and other industrial policy became very popular influential in government policy in almost all Latin American countries during the 1950s and 1960s, although different governments adopted different specific policies to reach the overall aim of industrialization and “authentic independence” (Kay 1989).¹³⁶

While ISI became strongly discredited by the orthodox scholars. Chang (2011) has pointed out that the average growth rates in Latin America during state-led ISI period (1960s and 1970s) were much higher than growth rates under the “Washington Consensus (Chang, 2011). In addition, ISI managed to significantly reduce the share of industrial imports and increase the domestic industrial output. However, the Latin American structuralists themselves were among the first to recognize the limitations of ISI, stressing that the technology adopted was too capital intensive, the savings too small and the domestic markets too small to reach economies of scale, and that exports continued to heavily rely on primary products (Kay 1989, 11; 39; 45).¹³⁷ Regional integration became the answer among the Latin American structuralists to widen markets and increase the bargaining power of LA in relation to the center economies (Kay 1989, 40; 46). Agrarian reform was also stressed as necessary. Later, in the late 1960s and early 1970s, the dependency scholars¹³⁸ (*dependistas*) severely criticized ISI and blamed foreign capital for its lack of success (Kay 1989, 125).

¹³⁵ Initially it was called the Economic Commission for Latin America (ECLA), but in 1984 a resolution was passed to include the countries of the Caribbean and it became ECLAC.

¹³⁶ For example, Uruguay did not only tax commodity exports, but also supported some sectors in domestic agriculture through different agricultural subsidies, crop purchase prices, cheap credits and import duties, in order to reach self-reliance on food and increase productive diversity (Finch 1981, 118-122). As pointed out by Kay (1989, 14) anti-colonialism in the South is often linked to nationalism, which in the Latin American context involves progressive connotations. Nationalism is also often linked to anti-imperialist struggles, particularly against the dominance of the United States in the region, and is sometimes even linked to anti-capitalism.

¹³⁷ Foreign debt had continually increased. Persistent shortage of foreign exchange to import the machinery and other equipment needed to industrialize (Kay 1989, 43). This was complicated by uneven distribution of technological progress, dual development between modern and traditional sectors, no trickle down and polarization.

¹³⁸ The dependistas influenced the public throughout Latin America in the late 1960s and early 1970s. They stressed a clearer nationalist approach partly blaming foreign capital for the lack of development and industrialization in Latin America (Kay 1989, 125). As the military governments seized power in most countries in the region, many of the dependistas were

As mentioned in section 3.2, the Latin American structuralists questioned the universality of the dominant development theories at the time (both the immanent neoclassical theories and the intentional modernization theory), pointing out that they had little explanatory values for the “underdeveloped” countries (Kay 1989, 3; 6; 12, Prebisch 1950b). Instead they emphasized the need to address the particular social, historical and political features of the peripheral countries. In this way, the Latin American structuralists represented a powerful distinct theory of peripheral capitalism, which later also included the so-called *desarrollistas*¹³⁹ (Kay 1989, 20). Despite this “distinctiveness”, I still find that they basically share the same development aims (modernization, industrialization, upward movement of the entire system, and material well-being) expressed in the mainstream theories of the time. I have here classified Prebisch and the other scholars of ECLA as belonging to the intentional development perspectives, since they clearly defied the neoclassical assumptions of spontaneous development and industrialization as a “natural” consequence of free markets, and instead pledged for an actively intervening “developmentalist state” capable of transcending sectorial interests to pursue national interest (Kay 1989, 18-19). It is important to bear in mind that the Latin American structuralists did not only criticize immanent (neoclassical) perspectives on development, but also intentional (modernization theory and different forms of Keynesianism) for their Universalist claims and their “blindness” to the distinctness of Latin America. The particular historical trajectory had formed particular economic and social structures and therefore economic policies followed in advanced economies would not yield the same results in Latin America.¹⁴⁰ In short, the universal validity of Northern theories was questioned, but the universal validity of their aims was not.

The postdevelopmental approaches have criticized the Universalist pretensions of the mainstream theories in a more radical way (section 3.3). They do not only question the validity of such prescriptions for development, but the whole explicit or implicit aim of “development”. While there have been voices expressing radical civilization critique before, these voices gained strength under the second food regime as a reaction to the “modern” industrial agriculture and mass-production/consumption society that emerged.

driven into exile. Cristóbal Kay (1989) differentiates between reformist dependistas and Marxist dependistas. The former is described as mainly an extension of the ECLA structuralist school, represented by Cardoso, Faletto, Juagaribe, Sunkel, Furtado and others. For the Marxist, however, only a socialist revolution can resolve the problems of dependence and underdevelopment, represented by Dos Santos, Gunder Frank and others (Kay 1989, 127)

¹³⁹ Desarrollistas or Latin American developmentalism is described as both paralleled and complemented by Keynesianism. Both advocated a strong government and justifying governments to defy short-term market signals.

¹⁴⁰ Therefore Latin America needed its own theories and required major national control, autonomy and self-reliance.

According to these approaches “modern development” cannot be disassociated from harmful ecological and social effects (Hettne 1998, 52; Clapp and Dauvergne 2011, 50-55). “*The Limits to Growth*” from 1972 by Donella Meadows et al, drawing on the findings from a wider project of the Club of Rome¹⁴¹ became a widely read and influential text. According to this text, persistent exponential economic growth was inexorable leading to violation of essential ecological Earth boundaries. This argument was also inspired by the emerging new academic fields: ecology (emerged as a discipline in its own right in the 1960s), and “political ecology¹⁴²” (evolved in the 1970s), and later ecological economics (mainly developed during the 1980s) (Stonich and Mandell 2007, 264).

While the postdevelopmental critique of mainstream development traditions was far more radical than the Latin American structuralists, the core-periphery concept of Prebisch and ECLAC’s seems to have influenced the later world-systems approaches with focus on differential access to resources. With the upsurge of environmental concerns on the global agenda many scholars added to the world-systems analysis of unequal exchange a biophysical dimension in an ecological interpretation. In this respect, some of the texts within this perspective share some theoretical foundations with the texts within the intentional perspectives drawing on Prebisch ideas about an international division of labor and the deterioration of terms of trade for primary commodities. For example, Martinez-Alier has taken Prebisch’s theory into the field of ecological economics (drawing on the Nicholas Georgescu-Roegen and his use of the concept of entropy) to describe a biophysical metabolic rift embodied in global trade in which many Southern countries play a role as suppliers of the material and energy needs required by Northern countries for their activities, while the Southern countries disproportionately bear the ecological and social costs (Pérez-Rincón 2006).

3.4.2 The third food regime / “Washington Consensus” (1980-)

McMichael (2009) has identified a third emergent global food regime characterized by accelerated trans-nationalization and consolidation of new glob-

¹⁴¹ Other influential texts were “*Silent Spring*” from 1962 by Rachel Carson; ” and “*Small is Beautiful: Economics as if People Mattered*” from 1973, by E. F. Schumacher.

¹⁴² Political ecology emerged as an academic field in the 1970s. Political ecology covers a wide array of approaches but common to most of them is the study human – environmental relations, mostly related to change, and emphasizing the asymmetrical distribution of costs and benefits of such changes. The modern conceptual framework of ecological economics based on the material and energy flows of economic production and consumption draws much from the Romanian economist, Nicholas Georgescu-Roegen. and his view on the economy as a sub-system of the environment, and that all economic processes create Entropy

al networks of food processing, trading and retail industries. This regime, which I describe as current orthodoxy, is buttressed by neoliberal policies of liberalization, deregulation and privatization, and market economy oriented institutional and macroeconomic reforms. The creation of the World Trade Organization has further augmented this regime. (von Braun and Díaz-Bonilla 2008, McMichael 2009). This third regime coincides with what other authors have described as the “Washington Consensus paradigm” (Sumner 2006), the “New Conventional Wisdom” (Chang 2009), the “post-developmental model” (Ward 1993, Chang 2009), or the “new global food systems” (Godfray et al. 2010). Irrespective of what it is called, this period is characterized by the increased dominance and institutionalization of the market-centered immanent perspective (Stiglitz 2004).

Former models of “national developmentalism” such as the ISI and financial repression after the debt crises in 1982 were argued to have distorted market signals and contributing to inefficient allocation of resources, corruption (rent-seeking industries seeking protection from a clientelistic state) and unnecessary burdens on state finances (World Bank 2005; Öniş, Z. and Şenses, F. 2005, 264). The notion of the benign state (central in national developmentalism) was challenged by this neoliberal turn and state intervention was pinpointed as the major cause for the weak economic progress in developing countries. The role of the state was to be minimum and to enforcing contracts and private property rights.

Liberalization and increased market integration in the world during the past decades have had important implications for agriculture and agribusiness. The trade liberalization process is associated with the Doha-Round since 2001 under the auspices of the World Trade Organization (WTO),¹⁴³ but also as to preferential unilateral and multilateral trade agreements (Hoekman and Nicita 2011). It is also seen as promoted by the structural adjustments programs of the International Monetary Fund after the multiple debt crises in the 1980s and by individual governments referring to the postwar success of the export-oriented East Asian economies (Aksoy 2005).¹⁴⁴ Despite liberalization, the trade barriers on agriculture are neverthe-

¹⁴³ With the Uruguay Round, implemented in 1994 within the scope of WTO, all quantitative restrictions had to be converted to tariffs and these were not allowed to increase. Export subsidies were to be reduced and eventually eliminated. Domestic support for agriculture was permitted only if it was not trade distorting.

¹⁴⁴ The post-war success of the East Asian economies is often used as “evidence” to demonstrate the essentiality of export performance to any strategy of development (Kurtz 2001). In this way, different aspects of the recent history were used strategically to discredit the structural industrial approaches and to legitimize a neoliberal ‘counterrevolution’ with a wave of efforts to open up the economies to foreign competition through deregulation, privatization, financial liberalization and removal of protectionism.

less continuously higher than manufactures¹⁴⁵ (Aksoy 2005, 37). The reduction of tariffs has also been more pronounced in developing countries than in the advanced economies¹⁴⁶ (Aksoy 2005, 42). In addition, the use of non-tariff measures is seen to have become more widespread, particularly in the advanced economies (Hoekman and Nicita 2011).

Beyond the general trends, there exists diverging interpretations over exactly how far trade liberalization has in fact gone, how much domestic policy space has been reduced, and over the development effects of liberalization.¹⁴⁷ These differences apart, there is agreement that agricultural production and trade have after decades of neoliberal policy application has resulted in increased and accelerated inter- and transnational trade. This has been bolstered by increments in trade linked to increased global demand for food due to population growth, urbanization and changes in consumption patterns, and increased per capita consumption¹⁴⁸ (Godfray et al. 2010). The geography of food and agricultural production and consumption has also changed slightly, with incorporation of new regions as important global players. Of particular importance are China and India as import markets, associated with their strong economic growth, urbanization, environmental problems and changed dietary patterns over the past decades (OECD/FAO 2012). In the same way, Latin America has become one of the major food baskets of the world (USDA 2011a).

Recent decades are also described as accelerated trans-nationalization (in all stages of agribusiness - from food processing to inputs and machinery), concentration (with fewer actors representing a bigger share), and increased vertical integration between stages upstream and downstream (agro-chemical, biotech and seed companies, as well as traders, infrastructure and

¹⁴⁵ The persistence of trade barriers in agriculture is one of the most controversial issues in the subsequent Doha rounds. Agricultural protectionism can be manifested in many different ways. Besides lowering quotas and tariffs it is a variety of sources of trade costs in addition to import tariffs.

¹⁴⁶ The average agricultural tariff in developing countries has declined from 30 percent in 1990 to 18 percent in 2000, and these reductions were complemented by elimination of import licensing of most export taxes and the overvaluation of exchange rates.

¹⁴⁷ Scholars from the immanent development perspectives claim that the agricultural markets continue to be too regulated and with too many trade barriers, and that this distorts the market and hampers development. Scholars from the intentional perspectives often emphasize that globalization has gone too far and that organizations such as WTO and IMF have imposed their policies and violated states' sovereignty. Scholars from the postdevelopmental perspectives promote local food production and consumption patterns and strongly oppose the WTO framework.

¹⁴⁸ This is linked to nutritional transition. When poor people get more money they tend to first go through an expansion phase (more of the same food), then a substitution phase (more energy-rich foods such as meat and those with a high concentration of vegetable oils and sugar). The production of high-energy food, in turn, requires more resources (for example, instead of grain being directly consumed by humans, it is used as animal feed for livestock production). This is often referred to as Bennett's Law (Godfray, Crute et al. 2010, 2771).

crushing), while farmers are increasingly specialized in their production (von Braun and Díaz-Bonilla 2008). An increased proportion of farmers are participating in some way or another in commercialized agri-food systems, nationally and globally (von Braun and Díaz-Bonilla 2008). The changes have also brought increased competition for land as well as strong pressures for intensification of current agricultural land. At the same time, the pace of global agricultural productivity growth is understood to have slowed down (FAO and OECD 2012).¹⁴⁹

Besides trade liberalization, the state has partly withdrawn from several other areas of the agricultural scene during the 1980s and 1990s – farmer support, aid and , infrastructure (The International Bank for Reconstruction and Development 2003). According to FAO, the share of agriculture in overall government expenditures has declined in all regions of the world during the past 30 years¹⁵⁰ (FAO 2012, 22). The state in developing countries has particularly withdrawn for agricultural Research & Development (R&D), extension services, credits and other types of subsidies (Dethier and Effenberger 2011). At the same time, the intellectual private property rights regime (IPR) has been strengthened, which according to FAO has led to increased engagement in agricultural R&D by the private sector. While private agricultural R&D have grown significantly in high income countries, they remain small in the lower income countries (FAO 2012, 30). One of the most capital intensive branches of agricultural R&D is biotechnology. Genetically modified (GM) crops have become increasingly common for the most globally traded commodities, soybeans, wheat, maize, cotton and rice. Both the immanent and intentional development views reflect upon it as a potential tool for productivity (yields/ha) growth and increased environmental concern. However, even within these approaches GM is still highly contested.¹⁵¹ An often stressed difference between the current biotech advances (the gene revolution) and the green revolution of the 1950s and 60s is that the majority of agricultural biotechnology research is being carried out by

¹⁴⁹ There is a debate over how much the pace of global agricultural productivity growth has slowed down and how it should be measured. A FAO and the OECD coordinated report from 2012 suggested that the most comprehensive measure of productivity was total factor productivity (TFP), reflecting the efficiency to turn all inputs into outputs, which was argued to have grown at an average rate of around 2 percent per year since 2000 across major world regions. The same report, however, acknowledged that “other studies using partial factor productivity indicators such as land and labor productivity give a more pessimistic global picture, in particular when China’s performance is taken out of the calculation of the world average” (FAO and OECD 2012). Particularly small family farms and some developing countries are argued to show slower productivity (FAO and OECD 2012).

¹⁵⁰ In Latin America government expenditures on agriculture moved from 7 percent of total public expenditures in 1982 to 2 percent of the same in 2007.

¹⁵¹ An illustrative example is the presence of strong GM opposition within the European Union, although it seems to be changing towards higher acceptance. The agro-ecology perspective is the clearest voice in condemning this technology.

private companies based primarily in industrialized countries, whereas the public sector played a strong role in the Green Revolution (FAO 2004).

The development perspectives under the third food regime

The institutionalization of the immanent orthodoxy in the current global system of agro-food globalization has received a lot of critique from other perspectives along similar lines to that of the market-centered development approach presented in sections 3.2 and 3.3. Particularly the intentional approaches stress that today's developing countries are constrained and unable to make full use of the potential benefits of the state, because of shrinking national policy space imposed by current orthodoxy. Developing states today are argued to have much less room for designing proper domestic policies of national development than today's economically advanced states had at the time for their economic "take-off". It is argued that while all advanced economies of today have developed through active government intervention promoting industrialization (including protection of infant industries and trade protectionism in the form of for example controlled currencies, import quotas and tariffs), the same have been denied for specific tools used are described in much as taken away from the current developing countries (Chang 2011b, Skarstein 2007, Rodrik 2011).¹⁵² Scholars argue that the rules of the World Trade Organization (WTO), the practices of the World Bank and the International Monetary Fund (IMF), as well as the recommendations of Western policy advisers, all have reduced the national states' room for maneuver and restricted national sovereignty (Rodrik 2011, 179; Chang, 2010; 2011). Development can be achieved only if international financial institutions recognize the need and allow greater macroeconomic policy leeway in these countries, including restrictions international on capital mobility, so that the states can engage in and strategic public investment in key industries (Ocampo 2001, 25; Rodrik 2011, 179; Chang 2011). Accordingly, the current market-led model is sometimes portrayed as both anti-development and undemocratic (Rodrik 2011).

However, the current intentional policy advice does also appear as influenced by the general neoliberal turn in the global political-economic landscape. There is an increased focus on regionalization, macroeconomic stability, export promotion and attraction of Foreign Direct Investments, FDI

¹⁵² The changes made in the productive structure (industrialization) in today's advanced economies is understood to have brought transformations also in the social structure (urbanization, changed gender relations, welfare state, labor movement and later more open economies), and not the other way around which some institutional economics researchers suggest (Chang 2011; Rodrik 2011). Despite that it is acknowledged that the state may create inefficiencies in the short-term allocation and can potentially "pick the wrong winners", even in the long-run, that is invest in sectors or companies that never manage to become efficient and competitive. Nevertheless, the state is argued to be the actor with the biggest potential to, following strategic and long-term industrial policies, promote overall economic growth in the long run.

(Ocampo 2001, 25, Kurtz 2001, 3-5). In this way, including political traditions of long history of promoting social-engineering have over the past decades incorporated more market-based “solutions” (such as the “third way” in Europe). However, compared to the immanent perspectives, the intentional approaches stress the persistent failures of the market and the potential benefits of strong state intervention and the need to sometimes defy market signals in favor of long-term industrial policies.

While mainstream intentional traditions have come to embrace more market-based models, the mainstream immanent perspectives have come to acknowledge the persistence of market failures and other market imperfections (von Braun and Díaz-Bonilla 2008, 58-59, Hettne 2008). This has facilitated a transition from the epoch of the Washington Consensus to what some scholars term as the “post-Washington Consensus” that emphasizes “good governance” and “good institutions” (Öniş and Şenses 2005). The poor growth performance in many regions, like Latin America, after the adoption of neoliberal policy reform has strengthened the argument against “extreme” liberalization. The post-Washington consensus argues that full-scale liberalization is not always the best path to economic development, and that state interference can be justified to overcome market failures (Öniş and Şenses 2005, 275). For example, the World Bank development report on agriculture stressed that states should protect the poorest and vulnerable sectors of society, involve in long-term infrastructure investments and R&D particularly in basic research. For most optimal results this should be done in coordination and partnerships with the private sector (World Bank 2007, 8). The private sector is nevertheless still understood as the genuine generator of prosperity and new technologies and therefore public policy advice is still to ensure market freedom, encourage FDI, strengthen private property rights and not “excessively tax agriculture” or by other means “distort” market signals (World Bank 2007, Santos-Paulino 2010).

In line with market primacy, “development” has often ended up “translated” into the global improvement of economic condition measured in terms of income level of countries or peoples (Hulme 2009, 253). Countries are measured in terms of national Gross Domestic Product (GDP), while poverty of people is mostly measured by the amount of people below the World Bank stipulated poverty line; i.e. below USD 1.25/day for extreme poverty and USD 2.50/day for moderate poverty, in 2005 Purchasing Power Parity (PPP) (Olinto et al. 2013, Chen and Ravallion 2012). However, during the past decades “social goals” (poverty alleviation and inequality reduction) have been increasingly incorporated in the development concept. Although economic growth and eradication of poverty measured in these monetary terms remain the most widely used indicators, other “development indicators” have also become increasingly acknowledged within the mainstream approaches over the past decades. These include education, healthcare, gen-

der equality, “democratic institutions”, and recently inequality.¹⁵³ Since 2000, the concept of development has also been linked to the Millennium Development Goals (MDG)¹⁵⁴, which has become central point of reference within the international development agenda since all the member states of the United Nations and many international organizations have committed to achieve them by 2015.

The widening of the development concept has also included greater emphasis in “*Sustainable development*”. This concept became prominent in the development debate after the report of the Brundtland Commission “*Our Common Future*” launched in 1987. It was there defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs.¹⁵⁵ The Report also stated that one important trigger behind resource depletion was poverty. The UN Conference on the Environment and development, Earth Summit held in Rio de Janeiro in 1992, which is often described to have consolidated the current mainstream interpretation of “sustainable development” as environmental concerns reconciled with economic growth¹⁵⁶ (Clapp & Dauvergne, 2011). At the Rio+20 conference in 2012, the concept of “sustainable development” was broadened to include the concept of “green economy”, which is defined as the process for achieving the end of “sustainable development” (Schlör, Fischer, and Hake 2014, 9). In this way, while environmental concerns have increasingly been stressed on the international development agenda, the mainstream definitions of sustainability have increasingly stressed compatibility with economic growth. Sometimes further economic growth is even argued as needed in order to afford a societal transition toward more sustainable models (The World Bank 2012). The idea is to reach “sustainable development” by internalizing environmental costs in the price, so as to de-link (or decouple) environmental harm from growth.

The radical counterpoint of “postdevelopment” rejects the idea that it would be possible to decouple environmental harm from economic growth.

¹⁵³ One important step in taking wider criteria into account was the establishment of the Human Development Index (HDI) in 1990 by the United Nations Development Programme (UNDP), developed by Mahbub ul Haq and Amartya Sen. HDI is a composite statistic of life expectancy, education, and income indices <http://hdr.undp.org/en/statistics/hdi> (Accessed in May, 2014). In 1995, UNDP launched a Gender Empowerment Measure (GEM) based on HDI including indicators of gender inequality. This index was in 2010 substituted for the Gender Inequality Index (GII) which has less focus on earned income and more on reproductive health, empowerment and labor market participation. See more at <http://hdr.undp.org/en/statistics/gii> (Accessed in May, 2014). In 2010, UNDP also launched an inequality adjusted HDI <http://hdr.undp.org/en/statistics/ihdi> (Accessed in May, 2014).

¹⁵⁴ See: www.un.org/millenniumgoals/ (Accessed in May, 2014).

¹⁵⁵ See the definitions of sustainable development in the report: <http://www.un-documents.net/ocf-02.htm#I> (Accessed in May, 2014).

¹⁵⁶ See www.unep.org/Documents.Multilingual/Default.asp?documentid=52 (Accessed in May, 2014).

It is also at loggerheads with the Brundtland Report considering the role of poor people in resource depletion. As mentioned before, local and peasant-based systems are often presumed to be ecologically sustainable and socially just. Martinez-Alier in the article “Ecology of the poor” (1991, 623) suggests that poor people in their struggle for survival often can defend both access to resources and their efficient conservation. Peasant-based agriculture practiced under communal forms are argued to potentially represent longer time horizons and lower implicit discount rates, thereby giving a higher “value” to the future than market-based agriculture (Martinez-Alier 1991, 635).¹⁵⁷ On the contrary, degradation of the environment is argued to be driven by agribusiness firms doing industrial agriculture (Martinez-Alier 1991, 633, McMichael 2009, 161-162).¹⁵⁸

By definition, a counterpoint is never mainstream policy and hence the postdevelopment approaches are less powerful than the other perspectives presented here. However, under the third food regime or “Washington Consensus-paradigm” the postdevelopment critique has grown with the proliferation of “new” social movements, often organizing in new forms (networks) and using new information channels. The rejection of top-down, centralist and technocratic approaches have led to a major centrality given to what is often described as more direct “grassroots” voices (occupying a very legitimate subject-position within this perspective). Different kinds of “green” environmentalists, social justice, alternative-globalization, eco-feminist and peasant organizations participate in this alternative development movement. According to the website of the international peasant movement, *Vía Campesina*, it reaches out to some 200 million peasants, small and medium-size farmers, landless people, women farmers, indigenous people, migrants and agricultural workers from around the world.¹⁵⁹ It has become a repository of information both as creator of own texts and recur-

¹⁵⁷ Based on historical pre-Columbian agricultural systems in Peru, Martinez-Alier argues: “Perhaps peasants have a longer-term vision of investments like terracing and irrigation works than the state administration or international banks for development aid, whose cost-benefit analysis use high discount rates which undervalue future benefits. After all, in the Andes, many peasants still have communal institutions which permit coordination of individual efforts necessary for making such improvements” (1991, 635). Martinez-Alier contrasts the system of the Peruvian highlands where they continue to grow subsistence crops using traditional technology with the “modern” system of coffee production, which he describes as a speculative activity creating soil erosion.

¹⁵⁸ According to McMichael, small scale farming use 6–10 times less energy than industrial agriculture, restore soils, and reduce emissions up to 15 percent, not to mention sustaining small-scale producer livelihoods (2009, 162).

¹⁵⁹ *Vía Campesina* is further described as united in the defence of “small-scale sustainable agriculture as a way to promote social justice and dignity” and it “strongly opposes corporate driven agriculture and transnational companies that are destroying people and nature <http://viacampesina.org/en/index.php/organisation-mainmenu-44/what-is-la-via-campesina-mainmenu-45> (Accessed in May, 2014)

rently referred to by others.¹⁶⁰ While the peasant is the central figure within this movement, it has made wide alliances beyond small scale rural activity and evolved into a global people's movement sustained by a diversity of social sectors such as the urban poor, environmental and consumer groups, women associations, and many others. Vía Campesina is also increasingly recognized by several mainstream development institutions and governments.¹⁶¹

The critique of the mainstream development perspectives has within the postdevelopment perspective taken a strong epistemological turn. With a stronger influence of poststructuralist accounts “development” is no longer criticized for its neglect of earth system boundaries and inter- and intra-generational social injustice, but it is increasingly deconstructed as a particular discourse rooted in assumptions of western superiority and a particular regime of knowledge, truth, modernity and power (Sidaway 2007, 348). Sidaway (2007, 348) claims that mainstream development institutions such as the World Bank to some degree has adopted or co-opted elements from post-developmentalism like emphasizing the need for non-essentialist and non-materialist categorizations of poverty. In this way, postdevelopment can be seen to leave important traces of influence in the dominant perspectives. I certainly find it possible to argue that at least some of the basic assumptions of postdevelopment can be seen as increasingly incorporated in some of the recent policy documents of the World Bank. This goes particularly for the increased trend to stress people’s own perceptions and identifications for defining “poverty” and “gender”, rather than using criteria set *a priori*.¹⁶² The adoption of postdevelopmentalist ideas within mainstream development institutions may nevertheless be seen as superficial and incomplete, as they retain most of their modernist assumptions (Sidaway 2007, 348). It may still represent an interesting influence that also can be observed in the strong

¹⁶⁰ Browsing “Vía Campesina” in Google scholar yields 50,600 hits 2014-02-03, [http://scholar.google.se/scholar?hl=sv&q=V percentC3 percentADa+campesina&btnG=](http://scholar.google.se/scholar?hl=sv&q=V+percentC3+percentADa+campesina&btnG=)

¹⁶¹ Vía Campesina is involved in several UN-associated organs and institutes. Since 2013 it is engaged in strategic cooperation with FAO. See

<http://viacampesina.org/en/index.php/organisation-mainmenu-44/what-is-la-via-campesina-mainmenu-45> www.fao.org/news/story/en/item/201824/icode/ (Accessed in May, 2014).

¹⁶² This shift can be illustrated in the World Bank publication “Voices of the poor”, from 2000. This was based on collected “voices” from more than 60,000 persons from 60 countries, in an effort “to understand poverty from the perspective of the poor themselves”.

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/0..contentMDK:20622514~menuPK:336998~pagePK:148956~piPK:216618~theSitePK:336992,00.html> (Accessed in July, 2014). This was followed by a similar approach in the World Bank report on gender: “On Norms and Agency: Conversations about Gender Equality with Women and Men in 20 countries” launched in December 2012. This was based on 4000 interviews about perceived difference based on gender. See: <http://siteresources.worldbank.org/EXTSOCIALDEVELOPMENT/Resources/244362-1164107274725/On-Norms-Agency-Book.pdf> (Accessed in July, 2014).

emphasis on concepts such as “bottom-up”, “local stakeholders” and “participatory approaches” within international cooperation agenda during the past decades. It could be argued that some of the post-structuralist and post-materialist framings actually fit quite well with the individualistic narrative of neoliberalism. It downplays the role of economic absolute criteria making it harder to reject economic inequality and provides Northern cooperation agencies and grassroots NGOs with a legitimate argument to circumvent national governments in “development-projects” by claiming “local” accountability instead. While the anti-essential and post-structural views on identity can be made to fit with the dominant immanent development approach, other aspects of the postdevelopment perspective, like deep ecology and anti-capitalism, are irreconcilable with the basic assumptions and values of neoclassical economics.

In addition, as mentioned in section 3.3.1, there is an ontological divergence within the postdevelopmentalist perspectives between the approaches that rely on poststructuralist, post-materialist, culturally relativist and constructivist assumptions about the world (represented by Escobar) and those that assume the existence of a more or less objective world “out there” that could be captured by the researcher in a neutral and accurate way (represented by Georgescu-Roegen and Hornborg). This second vein of thought can be seen to represent an ecological interpretation of the world-systems approaches, which in some senses comes closer to the Latin American structuralist Prebisch (intention) than constructivists. It is also possible to discern a third vein in the “peasant-based” approaches that seems to combine assumptions from positivism and constructivism (represented by McMichael and Patel). These texts stress that all ideals and measurements always represent specific historical and place-based particular values, and they defy the centralist, technocratic and top-down approaches of mainstream “development” initiatives. However, the enhanced local autonomy of this alternative place-led “development” model is described to lead to a productive system that is diverse, respectful of local ecosystems, built on traditional knowledge, culturally sensitive, socially just and economically viable in the long-term. Considering that these texts seem to suggest that locally driven changes *always and everywhere* have these effects, they end up reflecting essentialist assumptions on local peasants (small produces and campesinos)¹⁶³. Overall, peasants are reflected upon as a homogenous group in a benign and almost symbiotic relationship (in balance) with the local environment. In this way,

¹⁶³ The alternative localist development perspective is silent about potential conflicts between environmental sustainability and local farmers’ right to determine objectives and modes of production. It is also silent about the potential conflicts and power imbalances that can emerge within the community, including how disagreements should be handled. I understand that this silence reflects an underlying essentialist view on peasants and local communities as inherently in harmony with ecological needs and cultural tradition, and therefore conflicts will not rise.

peasants seem to be constructed as if they “naturally” feel for land, the ecology and the people of a specific place, and accordingly always do what is best for it. In an opposed way, agribusiness is reflected as agents that are exclusively driven by profit and domination.¹⁶⁴ In this way, it is possible to argue that essentialist and absolute assumptions are here combined with constructivist and post-modern arguments.

The current soybean expansion in Uruguay is recurrently stressed in the domestic debate as marked by, and even as a symbol of, the particular features of contemporary wave of agro-food globalization, here outlined as “the third food regime”, or “Washington Consensus” I will present how the soybean expansion in the Uruguayan discussions is situated within these global trends in 5.3. I will now conclude the chapter with a short contrasting discussion of the main dividing lines and shared notions between the three development perspectives.

3.4.3 The main basic fault lines

This chapter has presented the ideals and assumptions of three main development perspectives: immanence, intention and postdevelopment. They were first presented as abstract set of values and assumptions analytically separated from the particular contexts in which they have been (re)constructed. The preceding section aimed to situate them within particular historical, place-bound, contexts characterized by changing power relations. The food regime approach was used as a framework of periodization to outline the influences of the three theoretical perspectives on policy and regulation at global and regional level for each “regime”. Notwithstanding the complex and contradictory “development” policies promoted and adopted in different arenas throughout the periods, some general patterns can be discerned. We can conclude that different forms of intentional development perspectives dominated during the second food regime (the Bretton-Woods era), while immanence has dominated the current third food regime.¹⁶⁵

Today’s main orthodoxy is thus seen to be a particular form of immanent view (section 3.1), while the loudest, most powerful, albeit “reformist”, challenge to the orthodoxy comes from the intentional development perspective (section 3.2). Finally, the clearest counterpoint is a radical rejection of both the immanent and the intentional development perspectives from post-developmental perspectives centered on different kinds of “localisms” as al-

¹⁶⁴ The view on peasant’s essence as a guarantee for inclusion, anti-capitalism, trust and sustainability can be seen as an analogy to the liberal view that all farmers and firms who own their land will take care of it has long intellectual roots in Europe and Russia.

¹⁶⁵ It is nevertheless possible to see how mainstream policy advice during this period has moved from the “neoliberal” Washington Consensus in early 1980s to increasingly “bringing the state back in” in the aftermath of the recent 2008 financial crises.

ternative ideals (section 3.3). It is also clear that there are important regional differences where most Latin American governments shifted in the 1970s from ISI to neoliberalism and then turned back to increased state-centrism in the beginning of the new millennia, but giving priority to macroeconomic stability and export orientation.

While there is clearly an important power differentiation between the perspectives, I argue that all of them have important amount of voice in today's development discussions. This concluding section focuses once again on the basic values and assumptions of these perspectives to highlight the main fault lines between them. I will here thematically present what I have found to be the most basic divergent views on: aims of development; legitimate knowledge; economic growth; environmental problems and solutions; legitimate agents of change.

Basic aims of development

While the immanent and intentional perspectives differed in their perception on where to strike the exact balance between state-centered versus market-centered "solutions", both seemed to take for granted the question "What is development". In this taken for granted ideal, development is made equivalent to increased material well-being intimately linked to the notion of "modernization". This has in turn been constructed as equivalent with mass production and consumption, standardization, urbanization, technification, professionalization, progress and monetization. The aim of "development" (explicit or implicit) is thus normatively loaded, drawing on absolute, linear (evolutionary) positivist values and assumptions. It is also deployed as a universally desirable goal for all people, places and times. Thus, if only considering what development as an ultimate goal is, or should be, there is pretty much agreement between the immanent and intentional perspectives in relation to the potential multitude of dividing lines and analytical tracks which could be drawn.¹⁶⁶

Even the Latin American structuralists that I here have classified as forming part of the intentional perspectives and who explicitly argued that Latin America and other peripheral regions needed their own development theories, still basically share the ideals of the other mainstream theories while claiming that the paths to get there necessarily had to differ because of their particular historically formed economic and social structures.

The radical counterpoint of the postdevelopmental perspective, however, dramatically contrast the mainstream approaches in this respect. The postde-

¹⁶⁶ Other dividing lines can be drawn on the basis of for example: exogenous versus endogenous factors, endless growth believers versus (neo)Malthusians, optimist versus pessimist views, geographical versus cultural/institutional determinants, actor-driven versus structure-driven changes, top-down versus bottom-up approaches, linear versus non-linear paths of change, big push versus smooth gradual progression; absolute versus relative standards.

developmental approaches strongly reject constant material “progress” as the ultimate goal for all peoples, places and times.¹⁶⁷ One of the main arguments against the “modernist” development notion is that it fosters production and consumption patterns far beyond the biophysical limits of the planet¹⁶⁸ (Clapp and Dauvergne 2011, 50-51; Hulme 2009, 254; 258-264). Apart from “the limits to growth” imposed by the natural systems, increased material well-being does not create “real” well-being. Instead, well-being is linked to an “alternative” development model based on localism, autonomy, sovereignty, social and environmental justice and other non-materialist values.

In this way, one of the clearest and most basic fault lines in the “development” debate go between the materialist and “modern” views on development dominating immanent and intentional perspectives and the post-material and postmodern views on development in Postdevelopmentalism.

Basic views on legitimate knowledge

Associated to these polarized basic views on what the aim of development is, and should be, there are different ways of diagnosing and measuring development. The mainstream development thinking (both immanent and intentional) most often use GDP per capita as the main “proxy” for development (including the wide use of poverty lines stipulated by the World Bank and expressed in PPP dollars per capita). The widespread use of GDP per capita rests on the assumption that people use markets to fulfill needs since self-reliance, direct exchange and other non-market transaction are not measured in GDP. During the past years other indicators such as health, life expectancy and education (which generally correlate with GDP) have been incorporated into mainstream development policy and discourse. In general, the modernist development perspective is linked to a particular view on legitimate knowledge characterized by positivist values and assumptions wherein “facts” are seen as separable from “values” and the aim of development policy is to provide objective, neutral facts measured in systematic, transparent and reliable ways (possible to replicate and falsify).

Besides above mentioned shared basic views on knowledge between immanent and intentional development perspectives, there are also some minor differences. Texts about international “development” within the immanent tradition often rely on neoclassical economics and tend to produce vast

¹⁶⁷ Material needs are acknowledged at a basic level. Texts here often argue from a “rights”-based approach that all people should be entitled to basic material needs (food, shelter, security). But “real” well-being is argued to have nothing to do with increased material “progress” above that basic level.

¹⁶⁸ The current lifestyle of the rich population in the world is already seen as biophysically impossible to generalize to the entire world’s population. This is often referred to as above the earth system’s “carrying capacity”, or beyond the “planetary boundaries”.

amounts of quantitative studies based on “big” panel data and sophisticated multiple regression analysis. The idea is to “prove” correlations between “development” (often measured in GDP per capita and some additional indicators) and openness to trade, “rules of law” and other indicators of “good governance” – based on assumed causality where “development” is set to be the dependent variable. Texts written within the intentional development tradition often rely on heterodox economic theory, with insights from neo-classical theory, structuralism and historical approaches. Some of these texts are also built around arguments supported by quantitative data, but other texts within this perspective claim that a lot of knowledge and information get lost in the attempt to quantify everything, and that there exist incommensurable entities requiring historical insights to be carefully contextualized and interpreted.

The postdevelopment perspective goes much further in the critique against the dominating “knowledge-paradigm” by emphasizing peoples’ experience, perception, interpretation and context as the central to what is “valid” or legitimate knowledge. The local communities of each place have the most relevant knowledge (including values and norms) about how that particular place can change for the better (develop). Loss of species, decision space, autonomy, identity and participation are seen as impossible to quantify and to substitute. In this way, the postdevelopment approaches often reflect a more postmodern view on knowledge as always situated in a particular place-bound and historical context. However, even within this broad perspective there are other lines of reasoning that reflect essentialist and absolute values on both nature and social categories.

Basic views on economic growth

The immanent development perspectives claim that economic growth under market principles and strong property rights in the long-run will improve environmental sustainability (the Environmental Kuznets curve), reduce poverty (trickle-down effect), improve education (skill premiums), and improve technology. In this way, economic growth is also argued to be a good proxy for the “soft” indicators of development. The intentional perspectives are more skeptical of economic growth under market rule “by itself” leading to poverty alleviation, technological improvement and environmental sustainability. Markets are argued to be plagued with flaws and not capable of “internalizing” social and ecological “costs” correctly. They are in addition described as inherently volatile, polarizing and destabilizing and therefore require a developmental state for redistribution of wealth and industrial upgrading. Some texts also highlight the role of the state in mitigating the environmental damage caused by the market economy.

Both these mainstream perspectives are however preoccupied with improving material well-being, and see economic growth as vital for develop-

ment, since large amounts of capital accumulated are assumed needed to solve emerging social and environmental problems. This is in stark contrast to the postdevelopment perspectives that view economic growth as impossible to decouple from both environmental degradation and social exploitation. The postdevelopment perspectives thus criticize the ideals and paths of both the market-driven approaches and the “developmental state” for their assumption of unlimited access of “natural resources” and their overlooking of social and ecological damage. In specific response to the immanent argument relying on the “Environmental Kuznets curve”, it is stressed that the empirical studies that have shown support for this pattern, have not addressed the consequences “elsewhere” of economic growth in richer countries. Increases in preservation in the North are argued made possible only through importation of commodities from elsewhere, that for example trigger deforestation, erosion and pollution in poorer countries (Mills Busa 2013). The more radical accounts aim to move away completely from the economic and political framework of existing capitalist system into an alternative model of the environmental sustainability and a social justice approach (Holt Giménez and Shattuck 2011, 115).

Basic views on environmental problems and solutions

None of the perspectives denies that current industrial agriculture is an important contributor to different forms of environmental degradation. Since *The Millennium Assessment* (2005), there is a general consensus that agriculture is responsible for land degradation, biodiversity loss¹⁶⁹ and water scarcity¹⁷⁰ in several places over the world (FAO and OECD 2012, 10). Agriculture is also a major source of water contamination through pollution from nutrients, pesticides, soils,¹⁷¹ and a major contributor to the greenhouse gas emissions causing global warming.¹⁷² All perspectives also agree that the agricultural sector has been an important contributor to environmental problems. However they have diverging views on the solutions of these “problems”.

¹⁶⁹ Biodiversity loss is caused both by the use of fewer commercial crop seed varieties and habitat destruction.

¹⁷⁰ Agriculture is the largest water user worldwide, representing about 70 percent of total water use.

¹⁷¹ In intensive farming systems, up to 50 percent of available inorganic and organic nutrient inputs are not always utilized by crops or pastures leading to significant pollution from nutrient run-off. In contrast, the opposite is the case among poor crop farmers who do not add nutrients to the soils, leading to a net extraction of nutrients from the soil.

¹⁷² According to the International Panel of Climate Change (IPCC), agriculture (including deforestation) accounts for about one-third of greenhouse gas emissions. Climate changes are understood to increase climate variability and extreme weather shocks exponentially (though not uniformly) with negative impacts on yield growth and food security (Royal Society, 2009).

The immanent and the intentional development perspectives are generally optimistic of the potential of new technologies in solving environmental problems. The immanent approach recognizes that scarcity of a natural resource (land or fresh water) translating into market determined higher prices¹⁷³ that in combination with strong intellectual property rights regime creates the conditions for new environmental friendly technologies to emerge. The intentional perspectives on the contrary argue that markets are incapable of fully “internalizing” the “real” environmental and social costs and benefits¹⁷⁴. Therefore the state is central in bringing about a shift towards more environmental friendly new technologies, and in controlling them to serve long-term development strategies; suggesting that technology in itself is a neutral tool that can be mastered. Barring these differences on markets and states, the two perspectives share a belief that new technology can expand the natural boundaries and provide solutions to environmental problems.

This is in stark contrast with the postdevelopment perspectives’ claims that all “techno-fixes” to be doomed and create the next generation of problems since they ignore the fundamental problems inherent in capitalism. New technology under capitalism will inevitably be driven by a narrow profit interest, which is incompatible with long-term consideration for the environment. Therefore, the long-term viable solutions need to be anti-capitalist and locally based. The postdevelopment critique often reflect neo-Malthusian assumptions, in which the carrying capacity of the earth is seen as more or less fixed so that sustainability through technological innovation has limits at some point. In addition, it is argued that no technology or machine can create the resources it transforms, and that all “productive” processes also involve depletion when diverted from their alternative uses. As mentioned in 3.3.1, some texts draw on the concept of entropy from the Second Law of Thermodynamics (Hornborg and Crumley 2007)

Whereas both current immanent and intentional approaches seem to mostly reflect the neoclassical belief of the factors of production to a great extent being substitutable for one another. This implies that if one resource is depleted or degraded alternatives will either be found or invented. The postde-

¹⁷³ In line with the basic assumptions about what the market is and how markets work, the main message of the immanent perspective is that the market will in due time recognize the monetary value of ecosystems and therefore all environmental costs will be internalized in the price. Through this “market environmentalism”, marked by commodification and extended privatization of natural resources, the environmentally harmful production practices will gradually and new benign technologies will emerge.

¹⁷⁴ Even if one accepts that farmers respond to economic incentives, and that land owners have higher economic incentives to keep land productive, this does not necessarily mean adoption of environmentally benign practices considering all activities, since some of the environmental damages caused by agriculture do not cause any direct productivity or value loss for the land owner, but on other sectors of society (i.e. global warming, bee death, water scarcity, extinction of species, etc). For the producer there are greater possibilities to externalize environmental costs.

velopment perspectives do not accept the assumption of living beings as substitutable, translatable (into monetary terms) or exchangeable¹⁷⁵. The idea that environmental costs can ever be internalized in the price is vehemently rejected since it is impossible (as well as morally wrong) to estimate costs and benefits of particular environmental “services” and convert them into monetary units. Some texts emphasize the scientific uncertainty of the exact role of every single part of the environment in the wider ecosystems, the difficulties pricing, and the moral hazard of using a discount rate in most cost-benefit analysis¹⁷⁶ as main arguments against the price estimations of environmental harm. Others stress that nature is sacred and therefore invaluable and incommensurable to monetary value. Thus, monetary value as some universal metric measure is rejected as no price is argued to be able to compensate for wildlife and biodiversity loss. In this way, there are deep philosophical divisions on what nature is, and consequently how “environmental problems” can be “solved”.

Basic views on who is the legitimate agent of change

Another important difference between the perspectives concerns what/who is defined as the main legitimate agent of change. The immanent view emphasizes the market and market mechanisms allocate resources in the most fair and efficient way. This is also seen to be based on the notion of mutual consent among rational individuals choosing to engage in market transactions. The Intentional approach stresses the primacy of the state represented by the government as the most efficient and just agent to promote development. The state is also argued to be the most legitimate actor for the future since it is elected (in democracies) and therefore represents the will of the people on the basis one person-one vote, in contrast to the will of “consumers”, which by definition provides most power to those with the highest purchasing power. In this way, further fomentation of “free” global markets is argued within the intentional perspective to represent an important inherent tension with democracy, as it reduces states’ self-determination, autonomy, national sovereignty and “policy space” (Rodrik 2011, Chang 2006).

The postdevelopment approaches place the local community as the legitimate driver of change. Each local community is the only agent that has the know-how to be able to construct systems that consider the specific local ecosystems, local traditions and values that constitute the necessary prerequisites for environmentally sound and socially just decisions (Patel 2009).¹⁷⁷

¹⁷⁵ This commodification of nature is discursively expressed in the wide usage of terms such as “natural resources”, “natural capital”, “ecosystem services” and “utilities”.

¹⁷⁶ Through the discount rate as future generations are given less weight than the present.

¹⁷⁷ Whereas the local community is stressed as the most legitimate agent, it has within this perspective also been recognized that it represents an ambiguous concept. In some texts local seem to be equivalent with a small village, sometimes with a region and sometimes it seems

Autonomy and sovereignty appear as important values recurrently mentioned within both intentional and postdevelopment perspectives, but with slightly diverging meanings. For the former, autonomy and sovereignty most often refer to increasing the decision space for the nation state (vis-à-vis “globalization” and the rules driven by WTO, IMF and strong governments in the North). Whereas the same concepts in postdevelopment are mostly used to denote the need for increased decision space for local communities (vis-à-vis both private corporations and the nation state).

However, as mentioned in 3.4.2, the majority of current intentional approaches increasingly assume a strong private sector and that the state should cooperate with it and regulate it. In the same way, most immanent strategies also see an important role of the state, not only in establishing law and order but also in providing infrastructure, education and compensate for market failures. Both the immanent and intentional perspectives often tend to pose the market and the state in antagonistic relation to each other, but beyond these pamphletarian constructs, both traditions reflect complementary rather than competing roles.

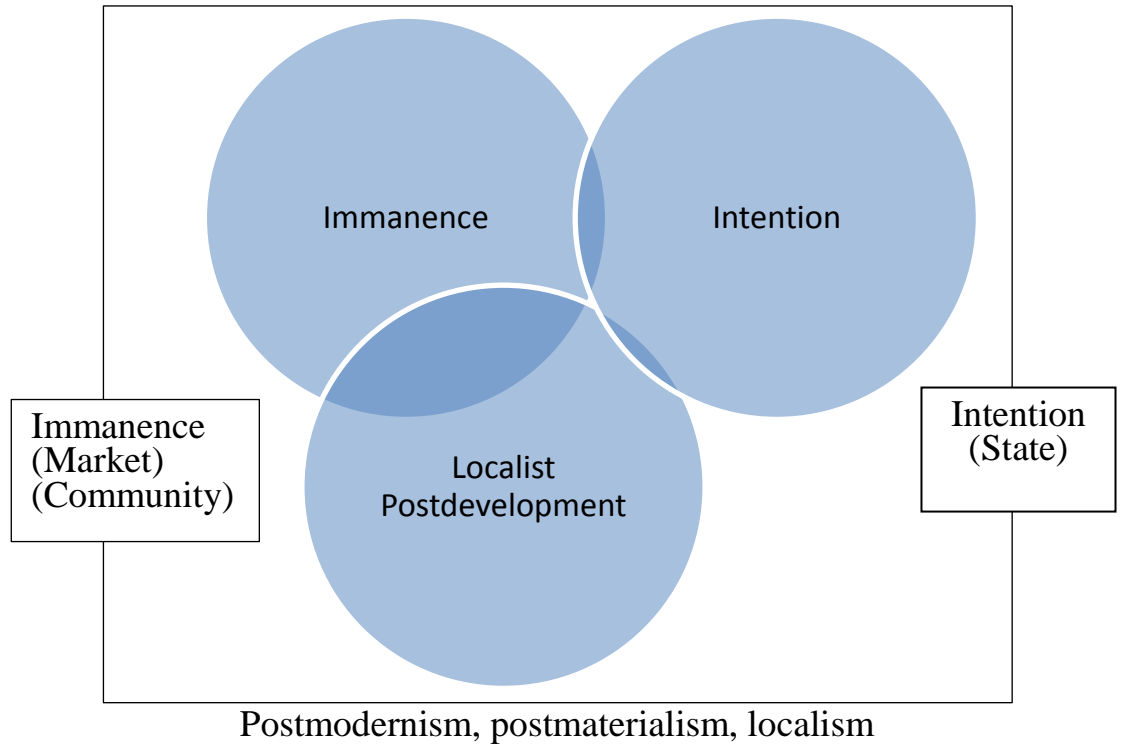
Concluding remarks,

The chapter has outlined what I have found to be the most relevant broad sets of values and assumptions about “development” categorized into three main perspectives on development. The aim of the chapter has been to reveal how the discordant conversations about development, at a deeper level, reflect divergent views on the current main problems, how the desirable future should look like, and the roadmap to get there. These can in turn be linked to different ways of seeing nature, markets, well-being, justice, technology and knowledge.

The figure below can in a schematic way show how these perspectives can be situated in a space which along the vertical axis goes from values of modernism, materialism and universalism (up) to values of postmodernism, postmaterialism and localism (down), and along the horizontal axis goes from immanence; either market or community led change (left) to intention; state-led change (right). The model does not cover all dimensions dealt with in this chapter, but I still find that this simplified visualization of how the perspectives can be related to each other in a given space can yield a fruitful overview for the reader.

to coincide with “domestic”. Raj Patel who is a clear advocate of this perspective also highlights the ambiguity of both the concepts of food sovereignty and “local” (Patel 2009).

Modernism, materialism, universalism



The localist postdevelopment perspective is not easy to place along the horizontal axis of Immanence and Intention. It is, on the one hand, reflecting the need for intentional and political struggle against the current “neoliberal” model and it often antagonizes the market-oriented immanent perspective. However, I find that it also reflects a belief that when increased local (place/community) autonomy is reached, then the need for planned and deliberative action is vanished. Instead, the best decisions and practices will spontaneously emerge from locally driven changes. So, even though unleashed market forces are defied as legitimate “change-bringers”, I still find this perspective could be seen to reflect some kind of immanent “development” ideal, rather than an ideal which always require intention”.

This chapter started by noting that an important part of the discussion about the soybean expansion in Uruguay represents diverging views on whether or not this change is “developmental”. While the debate often reflects a wide-ranging pledge for “development”, it is seldom explicitly defined beyond some taken-for-granted desirable aim. Instead, it is, as stressed by for example Escobar (1995), often used mechanically as a “catch-all” concept, a diffuse loadstar that “everybody” can agree upon – since it is pos-

sible to fill with whatever desirable meaning linked loosely to future, well-being, progression, evolution and change. In this way, “development” has sometimes served to “de-politicize” the discussion about the soybean expansion in Uruguay by masking deep underlying disagreements about social values and casual assumptions. My intention is, nevertheless, to “de-mask” and “re-politicize” the discussion about the soybean expansion in Uruguay by searching for the underlying values and assumptions involved in the account expressed. An important instrument for this work has been the scrutiny of underlying values and theoretical assumptions of three main perspectives on development, which I have outlined in this chapter.

The aim of this chapter is thus to provide me with some tools to identify values and assumptions in the articulation in the discursive field about soybean expansion in Uruguay, even when these are not expressed explicitly. I will, in this way, further in the empirical analysis of this study, relate the divergent views expressed about the soybean expansion in Uruguay to these three development perspectives. In addition, as I will present further in 5.3 (*The (re)creation of the soybean expansion in relation to “how it used to be” and to “current wave of agrifood globalization”*), the current soybean expansion in Uruguay is recurrently stressed in the domestic debate as marked by, and even as a symbol of, the particular features of contemporary wave of agro-food globalization (the third food regime, or “Washington Consensus”). Before going any further in this study, it is important to take a necessary detour into national agrarian history in order to understand and situate the precise context of the discussions.

4. The national agrarian history context

The main aim of this study is to describe, situate and explore the main complementary and competing meanings attributed the soybean expansion and analyze what underlying ideals and assumptions they reflect. I have argued that the discussion about the soybean expansion in Uruguay reflects competing and complementary views of broader societal concerns, and ultimately different visions “development”. The previous chapter presented the main assumptions and ideals within of three broad theoretical “development” perspectives into which the expressed views on the soybean expansion in Uruguay will later be situated. However, the discussions about the soybean expansion not only reflect and (re)construct competing basic views (ideals and assumptions) on development, but such views clearly draw on historical narratives from which the soybean expansion is constructed in relation to “how it used to be”. Evidently, aspects of national agrarian history are referred to in different ways within the discursive field of the current soybean expansion; sometimes used as a contrast, sometimes as an explanatory framework, and sometimes as a mirror to reflect current process.

Almost all interviews made within the scope of this study include reflections by the respondents relating aspects of the current soybean expansion to “how it used to be” when commenting on either change or continuity. When changes are stressed, aspects of “history” are used to contrast with the current soybean expansion that is constructed as breaking with tradition – presented either as a case of unprecedented progress or as degradation/retardation). When continuities are emphasized, aspects of “history” are used to illustrate path dependency and/or inertia, presented either as a case of the natural order of things or as an illustration over the inherent conservatism and backwardness of Uruguay. I have also found that what is seen to represent previous agrarian models, partly sets is expected from soybean expansion – i.e. a new crop following the same old path in global markets as agricultural raw commodity provider. To be able to understand how the respondents relate to the Uruguayan “history” when they talk about the soybean expansion, and what role “the past” is given for the meanings (re)constructed “today”, I find it important and necessary to know something about the temporal and spatial context that most respondents seem to take for granted.

This chapter constructs a national agrarian history context based on influential national research within the fields of agronomy, rural sociology, history, economic history and political science. The importance of agrarian activities in the national economy and identity of the country has generated important research throughout the years tackling different aspects of the agrarian history from different angles.¹⁷⁸ I have here focused on the broadest trends outlined by researchers who have been widely referred and cited. What is (re)constructed here is a kind of mainstream narrative¹⁷⁹ of the national agrarian history. While it is used in a differentiated way, the main elements presented here do not appear contested in any of the articulations drawing on “agrarian history” within the discursive field of the soybean expansion. In the current discussion about the soybean expansion in Uruguay the part of the agrarian history that is recurrently used as reference starts with the consolidation of the modern Uruguayan state in the late 19th Century which accordingly becomes the starting point. I have divided the text into two time periods, “the prosperous livestock model” between 1870 and 1930, and “the stagnation” period 1930-1973. For each time period includes a discussion on the most central contemporaneous agrarian policy debates.

4.1 The prosperous livestock model until 1930

Uruguay is often referred to as a cattle-society par excellence. Cattle was first introduced in an *ad hoc* manner by Hernandarias¹⁸⁰ in the beginning of the seventeenth century and rapidly expanded because of favorable conditions of pasture land and no natural enemies (Fernández 2007; Vidart 2012, 25-27). The abundance of cattle attracted people who made business on the hides which at the time was the only part of the cattle that had any economic value¹⁸¹. Apparently, trade in hides preceded settlement¹⁸² (Vidart, Daniel

¹⁷⁸ Many researchers have been trying to explain how the country that started with prosperity and democracy ended up in stagnation and authoritarian rule in the 20th century.

¹⁷⁹ Besides the widely cited and diffused works of the historians Barrán and Nahum in Uruguay, I have also looked at the literature in the course syllabus of agrarian history from the department of social science, the Faculty of Agriculture (FAGRO) of Udelar.

¹⁸⁰ His real name was Hernando Arias de Saavedra (1561–1634). He was governor of the Río de la Plata province (1597-1599, 1602–1609, and 1615-1617). He was the first American born person to become a governor of an European colony in the Americas (Fernández 2007). The expeditions of Hernandarias to “Banda Oriental” (present Uruguayan territory) are documented in the letters he wrote to the Spanish king about the extraordinary rate of reproduction of the cattle in this territory (Vidart 2012, 25-27).

¹⁸¹ The Uruguayan historian, Alberto Zum Felde (1887-1976), wrote in his well-known book *Proceso histórico del Uruguay: esquema de una sociología nacional* (1919), that the 17th and 18th century could metaphorically be labeled as “the leather age” due to its central role in all economic activity.

2012, 31; Zum Felde, Alberto 1919). In 1780, the first meat salting industry was established replacing leather as the principal commercialized product with incipient forms of agriculture directed towards the internal market. The main narrative of the Uruguayan pre-independence agrarian history describes the agrarian structure as predominately characterized by land concentration. Most of the land was controlled by big ranchers through *de facto* use of it for cattle, which preceded any *de jure* title to it. In addition, the Spanish Crown had given away some land to loyal supporters. The main productive unit became the *Latifundio* characterized by vast amounts of land with enormous herds of native cattle on natural pastures and ill-defined borders (up until the fencing in the late 19th century).¹⁸³ Crop production was marginalized in small plots spatially concentrated in the vicinity of Montevideo in so-called *Minifundios*¹⁸⁴ (Barrán and Nahum 1981, 103).

When the first independent constitution was established in 1830, the *Latifundio* was already strong and the newly formed state is described to have lacked the strength to challenge its foundation (Alonso 1981). The extensive private ownership of land was further consolidated by the development of capitalism in the countryside and the diffusion of technological innovations in the late 19th century, such as iron fencing, new meat-related technology (new breeding techniques and canning), railroad lines and telegraph networks¹⁸⁵ (Finch 1981; Pérez Arrarte 1984, 72). The iron fencing is also described to have allowed for genetic improvement of the cattle and the intro-

¹⁸² Naturally the territory was not entirely empty of inhabitants before European settlement. The nomadic Charrúas (representing the groups of yaros, bohanes, guenoas, and minuanes) periodically lived in present day Uruguayan territory since 1500 B.C, according to the Uruguayan anthropologist, Daniel Vidart. However, he remarks that these nomadic groups were small in numbers, and that most of them lived on the Western side of the Uruguay River (present day Argentine territory). According to Vidart, indigenous people (Guananíes) started to enter “La Banda Oriental” on a massive scale first in 18th century as a consequence of the expansive Spanish offensive that expelled them from other territories (Vidart 2012, 31).

¹⁸³ The *latifundio* functioned as self-governing political and social systems until the beginning of the 20th century when the state consolidated power in rural areas through communications, rural schools and rural police

¹⁸⁴ Characterized by mostly subsistence farming combined with surplus sales on the small domestic market. The reduced size and the lack of investments and technological backwardness of the *minifundio* did not allow for any capital accumulation. In general the *latifundio* was livestock oriented and the *minifundio* was crop oriented.

¹⁸⁵ Up until then, beef was preserved only in a dry, salted form (tasajo), which appealed to a narrow export market, principally Brazil and Cuba, where it was fed to slave laborers, and the hides and leathers were exported to still, in many respects, preindustrial Europe, particularly Great Britain, but with the canning technology new markets were opened up (Barrán and Nahum 1984:655-656). The big ranchers were also benefited the high external demand due to the liberalization in Europe (particularly Great Britain) and fuelled by the steam ship revolution, which critically reduced the price spread between Europe and America

duction of sheep.¹⁸⁶ The new law *Código Rural*¹⁸⁷ from 1879 sanctioned private property and forbid vagrancy. The combination of strengthened power of the state including sanctions for enforcement with the fencing facilitated the precise marking of landholding boundaries that consolidated private property rights to land and livestock (Naubrigades 2000, Finch 1981).

In this process, a lot of public lands¹⁸⁸ became appropriated by private actors of which a substantial part became incorporated under the dominance of the *Latifundio* regime (Scanniello et al. 2008, Fernández 2007). The agrarian frontier was already exhausted by 1880 (Scanniello, Bilancini et al. 2008). This implied that almost all territory was economically utilized with no land available for the massive influx of new settlers from Europe at the turn of the century. They mostly ended up in Montevideo (Finch 1981, 22-29). In addition, fencing was also accompanied by a massive displacement of the rural labor force in the livestock economy, since it dramatically reduced the amount of labor required in production or safeguarding the stock (Finch 1981, 7). The lack of land for arriving settlers and the expulsion of labor from the *Latifundio* implied that Montevideo received both rural migration (*Latifundio*-induced migration) and retained a disproportionately large number of the new arrivals leading to a high degree of urbanization¹⁸⁹ (Finch 1981, 22-29). Among the remaining rural population the ranchers chose single men as the primarily work force tied to day labor, *peonazgo*, while the families lived alienated in small rural towns or migrated to the cities or abroad (Rossi 2010, Fernández 2007).

The technological improvements (fencing, breeding and canning) and new institutional arrangements (rural police, the rural Law complex and new

¹⁸⁶ The wool cycle from 1870 to 1914, however, seems to have enriched some medium farmers, which diversified the group of landowners, but the large estate owners continued to control at least half of the usable land Barrán and Nahum 1984:658).

¹⁸⁷ Already the first constitution of 1830 had declared private property sacred and inviolable, but this was for decades more of an aspiration, than a reality (Jacob et al. 1984, 14) The *Código Rural* was redacted by the ARU leader and lawyer José Irureta Goyena, with the good eye of the military government of Latorre also forbid vagrancy. It can be read at: www.parlamento.gub.uy/Codigos/CodigoRural/1993/Cod_Rural.htm (Accessed in August, 2014)

¹⁸⁸ The public lands had represented as much as 80 percent of the territory in 1830, but since farmers (mostly big) has started to use the land, and since the state did not succeed in determining neither precisely their extension nor their localization in the national territory, it lost control over them. Several attempts were later made by different governments to get back the land, but only small areas were found and retransferred to the state, and of these an important part was sold to raise money to the state, between 1830 to 1870, in order to mitigate the financial crises (Álvarez et al 2008).

¹⁸⁹ By 1908, around half of the nation's population lived in cities with the majority in Montevideo that provided the main part of services, civil servants and the weak and handicraft-dominated manufacturing sector (Barrán and Nahum 1979). Already in the census of 1963, 71.7 percent were defined as urban population (those living in cities with more than 5000 inhabitants). 46.3 percent of the total population lived in Montevideo.

domestic transport infrastructure) allowed the meat sector in Uruguay to respond rapidly to the increased international demand for meat. This first wave of agro-food globalization, or “first food regime” was characterized by combined colonial tropical imports into Europe with basic grains and livestock imports from “new” settler countries, rapid technological advances in transport, storage, selection and breeding and the liberalization of the agricultural markets (particularly in Great Britain which was the hegemonic center of capitalist development). Great Britain was important not only on the demand side for Uruguayan meat, but in domestic transport infrastructure (owners of the Uruguayan railway), breeding, packaging, canning and shipping. Between 1870 and 1913, the livestock product annually grew by 3 percent, followed by a total factor productivity growth around 2 percent for livestock during the same period (Moraes 2008, 85). Uruguay had a positive balance of trade for the first time in 1876, and over the next decade its exports more than doubled.¹⁹⁰ The reliance on the livestock sector in the national economy was high representing some 55 percent of national GDP by the year 1900 (Bertino 2001 5). In 1905, the first shipment of chilled and frozen beef was exported to London in a refrigerated ship (Critchell and Raymond 1912). Giant meatpacking industries *frigoríficos* (refrigeration plant) were established, financed by British and North American capital and dominated by the Chicago Trust (including Liebig’s plant in Fray Bentos) companies. The significant change in meat processing added to Uruguayan export earnings and further raised the importance of cattle production (Hudson and Meditz 1990). The agrarian Census of 1908 showed that Uruguay had reached the highest proportion in the world of bovine and ovine animals per inhabitant (Jacob 1988, 7). The port of Montevideo was expanded and modernized in 1909 to meet the increased world demand.

The technological shifts in the meat industry and the rapid increase in exports did not imply any major shifts in the land structure, which is described to stand out as extraordinary stable over time. Since the agrarian census in 1908, and for a period of around hundred years, the national statistical figures on landholders showed that the biggest 10 percent of all productive units have constantly controlled around 65 percent of the productive land (Finch 1981, 342; Pérez Arrarte 1984, 81-81; Fernández 2007). Crop production and horticulture played a marginal role, restricted to mostly small plots (Minifundios) in the vicinity of Montevideo and catering exclusively to the domestic market. The most common crops were wheat, maize and flax. Crops remained subordinated to the livestock sector throughout the 20th century. This has within agrarian history research been partially explained by the land structure with no available land for newly arrived European farmers to cultivate, and partly by the “cattle-mania” of the big ranchers. According to Barrán and Nahum most ranchers were hostile to dirt farming (Barrán and

¹⁹⁰ The value of exports doubled between 1900 and the outbreak of the First World War.

Nahum 1984, 663-664). However, the geographical conditions of unreliable climate and limited soil erosion made it impossible to compete with the “Pampa humeda” region in Argentina. This fact is one of the given explanations to the crop aversion (Barrán and Nahum 1984, 663-664; 672-673, Finch 1981).¹⁹¹ According to the historians Barrán and Nahum, this rendered a conservative productive view led by the notion of tradition (livestock) as wise and reliance on the gifts of nature, i.e. natural pastures (Barrán and Nahum 1984, 666).

This period yielded vast amounts of wealth for both ranchers and urban merchants, although unevenly distributed. The exports based on a few primary products generated the high GDP per capita levels in relative terms. Great Britain remained dominant during this period, both as investor and end-market, although some new meat markets also emerged (Barrán and Nahum 1984). The economic historian, Henry Finch, describes the historical pattern of Uruguay as a type of “dependent development” in which foreign capital played an important role for the export sector, but in contrast to more extreme types of dependent development based on enclave export development the domestic groups were described as able to retain control of the productive system (Finch 1981, 3). According to Finch (1981, 4), this resulted in an important process of capital accumulation since a domestic (land-owning) bourgeoisie was at the center of the growth sector. Also Barrán and Nahum underlined the fact that the land remained in national hands, which implied that part of the profits also stayed and strengthened the country in contrast to the role of imperial capital in more extractive activities (Barrán and Nahum 1984, 662). However, despite the dynamism in the export sector the state was relatively poor and struggled with high public foreign debts caused by the conflicts, civil wars and invasions (Barrán and Nahum 1981, 96-97). The spread of benefits from the export economy to the rest of society was partial, but Finch nevertheless concludes that it stimulated the diversification of the economy and gave rise to urban and rural groups producing mainly for the domestic market, a strong merchant class, and an expanding administrative public sector. The interests of these groups diverged from and competed with those of the export sector (Barrán and Nahum 1981, 4). The next sub-section addresses the partially diverging interests for the nation expressed in the political sphere during this period.

¹⁹¹ Despite the fact that the country is entirely within the temperate zone and that the average rainfall is good, yearly and seasonal variations are pronounced, which have often resulted in too much rain at sowing or harvest time. Floods and droughts alternate every five years which were discouraging. In addition, the soils are easily eroded with plough farming.

Agrarian and development policy, 1830-1930

Needless to say, the Uruguayan land structure was characterized by high concentration. There were several attempts of the subsequent Uruguayan governments and legislators to promote subdivision of land and allow for the settlement and/or establishment of newly arrived immigrants and rural workers.¹⁹² Already before independence in the beginning of the 19th century there was an attempt to put an end to *Latifundio* through agrarian reform driven by ‘the father of independence’, Gervasio Artigas.¹⁹³ The implementation of the reform was partly stopped by the Portuguese invasion in 1816. When the first independent constitution was ratified in 1830 the state was weak and the lawyers only honored and recognized land titles granted by the Spanish Crown, the United Provinces, the Portuguese and Brazilian rulers, but not the land titles issued under Artigas’ agrarian reform. It was not perceived to be in line with the private property rights regime that the new constitution aimed to establish (Barrán and Nahum 1981,104-107). In addition, the state was unsuccessful in reclaiming the vast amounts of fiscal land that had been appropriated by the ranchers (Alvarez 2006).

All of the early independent governments were weakened by constant external threats of invasion and civil war. Much of the conflicts were centered in power struggles between *caudillos*¹⁹⁴ linked to both the *Colorado* and the *Blanco* (or National) Party. These parties were both founded in 1836¹⁹⁵ and have dominated Uruguayan political history up until the 21st Century (Zum-Felde 1987). Both are described as broad “catch all” parties with important internal factions having own leaders, followers and policies. In general, however, the Colorado Party is traditionally associated more with the urban,

¹⁹² See The history of attempts to agrarian reform at the website of the National Institute of Agrarian Reform INC: www.colonizacion.com.uy/content/view/13/269/ (Accessed in December, 2013)

¹⁹³ Artigas (1764-1850) struggled for independence and for republican, federal and democratic ideas against the monarchists (the Spanish Empire and Portugal, Brazil and Algarve) as well as against the Unitarians installed in Buenos Aires and Montevideo. In 1814, he formed the Federal League. In 1815, Artigas introduced an agrarian reform, distributing vast stretches of land confiscated from his enemies - ‘the bad Europeans and even worse Americans’ - to the poor sectors of freed African slaves, indigenous people, poor *criollos* (born in the territory) and widows, based on the principle that “the most unfortunate should be the most benefited” (Fernández 2007).

¹⁹⁴ This is referring to strong charismatic leaders with many loyal followers willing to fight in their name.

¹⁹⁵ The formation of the parties stems from the rivalry between the caudillos Fructoso Rivera and Manuel Oribe leading up to Guerra Grande. The followers of Oribe wore white hat bands of Battle against those of Rivera who were distinguished by their red bands. Oribe was linked to the ‘federalists’ in Argentina led by the great caudillo Juan-Manuel de Rosas (whose long-term interest was to re-incorporate Uruguay into the Argentinean confederation). Rivera had support from the Unitarians ‘Partido Unitario’, from the French and all other enemies of Rosas {Zum-Felde, 1987 #81@151-156; 172}.

labor unions, and secularist middle-class population, whereas the Blanco Party is more associated with the “rural interest” (Finch, 1981). The Colorado party was the main elected party during the 20th century, but it a system of 'coparticipacion' that has characterized Uruguayan politics since 1872, in which power was shared and the opposition was entitled to important positions in the government.

Outside the party politics, the ranchers created the Rural Association of Uruguay ARU in 1871. The leaders of ARU had in general intimate connections with important groups within both the traditional parties having influence over agrarian policy (Finch 1981, 254-265). The lawyer and ARU leader, Irureta Goyena, was highly influential as the main initiator and author of the great rural law complex *Código Rural* (Vassallo 2007, 148).¹⁹⁶ The direct influence from the ranchers in national politics was nevertheless broken in 1903 with the election of José Batlle y Ordoñez (1903-1907 and 1911-1915, with the handpicked successor Claudio Williman in between) who represented an urban social-liberal flank of the Colorado party later referred to as *Batllismo* (Martin 1930).¹⁹⁷ Batllismo goes well beyond Batlle himself and is described to have dominated the Uruguayan public life from early 1903 until the conservative coup in 1933.¹⁹⁸ The conservatives, in alliance with rural interests, were nevertheless unable to maintain control of the state and the neo-batllistas came to power under the new constitution of 1942 and ruled until the economic crises and the democratic breakdown (with gradual stagnation of production and declining real income since the mid -50's) (Finch 1981,18-22). In this way, Batllismo can be described as having reigned until the end of the 1960s and the democratic breakdown, with only a brief interruption in the 1930s.¹⁹⁹

Batllismo is often described as an ideology of development centered on state interventionism, reformism, social consensus and political compromise. Outspoken ideals of Batllismo were diversification of the economy, national

¹⁹⁶ The Código Rural of 1875-9 can be read at: www.parlamento.gub.uy/Codigos/CodigoRural/1993/Cod_Rural.htm (Accessed in May, 2014).

¹⁹⁷ The Colorado party had already been in power for decades but Batlle y Ordoñez represented a radical minority branch of the party. Sometimes this line of thought is labeled as 'reformismo'.

¹⁹⁸ The coup of 31 March, 1933, was led by the conservative and traditionalist elements within the traditional parties: Gabriel Terra (Colorado) and Luis Alberto de Herrera (Blanco). They strengthened the landowners' wealth through reduced land tax, suspension on mortgage payments on rural property, devaluation of exchange rates, and bonus payments to livestock producers (Finch 1981, 16).

¹⁹⁹ Many present political leaders of the center-left coalition in government, Frente Amplio, describe themselves as “Batllistas”, while most leaders of the present Colorado party do not identify themselves with Batllismo anymore.

sovereignty²⁰⁰ with emphasis on industrialization, increased individual rights, liberty and general welfare.²⁰¹ When applying the categorization of theoretical perspectives on development outlined in chapter 3, Batllismo could be described as a clear case of intentional policy with strong faith in the potential benefits of the developmentalist state as the main vehicle in promoting development and in distributing wealth. Accordingly, the state increased its intervention in commerce, industry and social services in order to increase capital formation and explicitly substitute the absent large-scale urban bourgeoisie. State interventionism was nevertheless combined with an outward-oriented growth strategy with liberal trade policies (Bértola 2000).

The social benefits almost exclusively reached the urban population. The rural population was excluded from the provisions of eight-hour law and unemployment compensation and rural labor was the last major occupational group to be covered by a retirement pension scheme (Finch 1981, 43). The economic historian, Henry Finch, described Batllismo as “essentially a doctrine of equilibrium between social classes, rooted in the aspirations and interests of the urban middle class” (Finch 1981, 38). The Batllismo governments made some attempts to change the agrarian structure. One important concern was rural depopulation, which was argued to be the result of *Lati-fundio*. An illustrative example, for how the main problems of the agrarian model at the time were interpreted, comes from the opening speech of the President Claudio Williman in 1907:

“We will seek harmony and balance of the social forces for the benefits of all and to obviate the threats of the future [which implies] to solve the prob-

²⁰⁰ National Sovereignty was posed in contrast to the important penetration of British companies with monopoly control over the railway system, the water service and the gas. These companies were understood as exporting capital to London and its golden aristocracy. Real independence demanded state investments in improved communications and infrastructure and public control over the most strategically important companies, according to Batllismo. The government nationalized the electricity company (UTE) in 1912; the petroleum, Portland and alcohol (ANCAP) in 1931; the cold house (refrigerator) in 1928. (Barrán and Nahum 1981, 131). Batllismo also fomented the creation of a State Insurance bank and The Uruguayan Mortgage bank in 1912 (Banco Hipotecario) and nationalized the bank of the Republic, BROU (Barrán and Nahum 1981, 124; 193-195; 217-218). Due to lack of enough resources, however, many foreign companies, particularly British, remained as de facto monopoly owners of railways and water service for a long time. Paradoxically the British monopoly over the railway system was strengthened under Batlle allowing a new contract for the British ‘Central Uruguay railway’, since Batlle wanted a rapid modernization of the transport and the state lacked the resources to do it (Barrán and Nahum 1981, 165-166)

²⁰¹ The right to divorce with “reason” (1907); the right to divorce without any particular reason if initiated by the wife (1912); the abolishment of death penalty (1908); the ending of religious learning in public schools (1909); unemployment compensation (1914); eight-hour workdays (1915); the separation of the Roman Catholic Church from the state and all public spheres (1917); public health insurance (1920); universal pension system (1928); universal suffrage including women (1917 in constitution, but not in practice until 1927); decriminalization of homosexual relationships between consenting adults (1934).

lem of rural depopulation, which is making the countryside almost deserted in the midst of rising prosperity, because it is not the existence of a few large fortunes which constitutes the wealth of a country”.²⁰²

As suggested in above quote, the prosperity generated by the meat exports was seen to stay in the hands of a few, whilst the countryside was depopulated. The solution to depopulation was argued to be crop production since it was more labor intensive than cattle raising and thought to lead to a subdivision of land²⁰³ (Benvenuto 1969, 146). The Batllista governments implemented some reforms in accordance with this view in favor of small and medium properties for more diversified systems and intensive use of land and labor, and away from extensive cattle-raising and *Latifundio*. One example is the modification of the law of rural land contribution.²⁰⁴ In addition, extra taxes and fees were imposed on some imports such as on Argentinean forage to benefit domestic crop production. Tax exemptions were also made to the dairy sector and to cropland. Credit subsidies were extended to small farmer, free seeds and extension services. Furthermore, with explicit aim to help the transformation of the rural model and to move beyond the cattle raising the government created the faculties of agriculture and of veterinary sciences within the State University, UDELAR, in 1907 and 1905, and also promoted technological upgrading of the agricultural department in 1908. In addition, the National Commission of Rural Development (CNFR) was created by law in 1915.

The Batllista branch of the Colorado party was in minority and several law proposals did not achieve majority support in the chamber (Naubrigades 2000).²⁰⁵ The political power of the landowners were also considerable, first mainly through their “traditional” organization *Asociación Rural Uruguaya*

²⁰² Willieman 1907. The speech can be retrieved under “Discursos Presidenciales de la cámara de Representantes” at www.parlamento.gub.uy (Accessed in June, 2014)

²⁰³ The agrarian Census of 1908 was often referred to, and it showed that the value of cattle raising per utilized hectare was six times inferior to cultivations and what was argued to be worse, was that the former employed twelve times less people per hectare. Thus, the Batllista discourse made depopulation equivalent with the *latifundio* and declared the latter to be the main contributor to the first. In the same way, smaller plots were linked to crop agriculture and equivalent to population increase (Barrán and Nahum 1981, 85)

²⁰⁴ The new law of rural land tax, *Contribución Inmobiliaria*, played an important part in the fiscal reformations of 1905-06. The law meant increase in the contribution from 0.65 percent of land value to 0.7 percent. Although the change in percentage was not dramatic the actual absolute increase was much higher since the state at the same time made a new much higher estimation of land value (Finch 1981, 212-213).

²⁰⁵ For example, one bill from 1909 suggested that all land owners with more than 300 hectares had to use at least 5 percent of the land for crops. The government later came up with variations of this bill in 1920, 1922 and 1928, but it was never approved (Barrán and Nahum 1981, 113-114; 219).

(ARU), but later after 1915 also through the Federación Rural (FR²⁰⁶), which was created in explicit response to the reformism of Batlle by the most combative ranchers. The ranchers were during this period also strengthened by excellent prices in the world market and by making conservative alliances with the British investors and the Catholic Church. In addition, the rural population was small and dispersed, which is described to have implied that the internal pressures for change were weak (Jacob et al. 1984, 17, Barrán and Nahum 1981). Accordingly, the agrarian politics of the Batllista government did not imply an end to *Latifundio* nor alter the agrarian structure in any dramatic way (Fernández 2007, 50, Irigoyen 1991, 67).²⁰⁷

Considering the dependence of the national economy on both British companies and extensive livestock production and the unpopularity of Batlle among the economically strong classes (the rural elite, the British investors and the big merchants), it was rather remarkable that he still managed to be elected and re-elected. A partial explanation for this is the ranchers' interests in stability and peace under Batllismo, after government forces succeeded suppressing the uprising led by the *Blanco* leader, Aparicio Saravia, in 1904 and thereby putting an end to Civil War.²⁰⁸ Another reason often stressed was the relative long tradition of autonomy of the Uruguayan political elite, which according to Barrán and Nahum (1979, 224), typically did not represent the economic elite but itself.²⁰⁹ Accordingly, the government could sometimes launch programs that at least moderately opposed ranchers' interest, despite the fact that the economic power of export-dependent Uruguay was in the rural activities (Fernández 2007, 49, Finch 1981). Batllismo is described to have imposed a tacit pact with the ranchers where their territorial rights were not questioned and peace was secured in exchange for higher taxes through which the progressive Uruguayan welfare state for its time was constructed (Jacob et al. 1984, 17, Rossi 2010, 68). The big ranchers

²⁰⁶ Founded in 1915 in direct reaction by the most combative ranchers in defense of 'rural interest' and against the 'Batllista reformism'. According to Finch (1981, 105) the foundation of FRU enabled the landowning class to become even more vocal and more effective in defending itself

²⁰⁷ During the first decades of the 20th century the cultivations did nevertheless expand slightly until 1930. Batlle y Ordoñez had also to back away from its policy opposing foreign monopolies when faced with diplomatic threats from Great Britain in 1911 for the case of the attempted monopoly nationalization of the insurance industry. In 1912, it was France's turn to prevent the nationalization of the alcohol industry (Barrán and Nahum 1981, 671).

²⁰⁸ Deprived of their leader, Saravia's followers abandoned the fight and the long civil war was ended. Batlle also strengthened the peace with the *Blancos* through further development of *coparticipacion* into a kind of spoils system. Political offices, including managerial posts in public utilities, were apportioned in accordance with the two parties' share of the vote

²⁰⁹ In addition, probably the high degree of urbanization and the vast amount of immigrants with liberal and radical ideas from Europe, nurtured the socially-liberal factions in both *Blancos* and *Colorados* (although particularly within the *Colorados*),

were also benefitted by the open and outward-oriented trade policies under Batllismo.

In sum, the livestock sector became extremely dominant in the early stages of Uruguayan rural history, which according to the historians Barrán and Nahum came to have the following permanent characteristics: natural pastures, *Latifundio*, unemployment, scarce population and an "archaic" mentality (Barrán and Nahum 1984, 655-656). Although most Uruguayan governments since the election of Batlle y Ordoñez in 1903 were characterized by different forms of strong state intervention in national development projects, it was combined with export-orientation up until 1930. The next section will examine how these policies shifted toward more inward-oriented development strategies and industrial policies to achieve diversification of the production and trade base (Finch 1981, Bértola 2004, Rivarola Puntigliano 2003).²¹⁰

It is possible to situate the Uruguayan agrarian history in the wider framework of Harriet Friedmann's the food regime (section 3.5.1). The picture provided in mainstream agrarian history about Uruguay during this period fits neatly into the overall description of the first food regime²¹¹ in which export oriented Uruguay entered the world capitalist system mainly as provider of meat to Europe and particularly London. The regime theory also stresses how Britain pushed for free-trade (Friedmann and McMichael 1989), which also corresponds to the Uruguayan case of liberal trade policies and export orientation up until 1930 (Bértola and Williamson 2003). In this way the Uruguayan economy is described to have moved up and down with world market prices (minus transport costs) on meat, and to some extent, wool. The general trend of so-called modernization of agriculture during the first food regime is also analogous with the changes in Uruguayan agriculture at the time – with the rapid diffusion of new breeds and breeding techniques, the railway system, the canning, as well as the chilled and frozen meat trade.

²¹⁰ This perspective does not accept all the critique from the liberal stance on the import-substitution industrialization strategy (ISI) that many countries adopted during the developmentalist era. Chang (2011) stresses that Latin America and many other places had much average higher growth rates under the ISI-period in the 1960 and 1970s than later under "Washington Consensus" (1980-2009).

²¹¹ In short, the first global food regime was centered on British hegemony in the world capitalist system, the key role of the gold standard as well as the world's largest food importer (with the abolition of the Corn Laws in the 1840s) (Magnan 2012). Besides colonial imports of the tropical commodities, Europe (particularly Great Britain) started to massively import temperate agriculture products, particularly wheat and livestock from the newly independent settler states (McMichael 2009). These imports supplied the emerging urban industrial workers in Europe with cheap food and lowered labor costs without much discontent in the newly industrializing Europe (Friedmann and McMichael 1989, 95-96). The productive systems imposed in the so-called New World were based on monoculture and overexploitation of the soil.

4.2 The stagnation, 1930-2000

The livestock productivity started to stagnate already in the 1920's, although this was not felt immediately due to higher meat prices and better market access (Moraes 2008).²¹² Uruguay managed to be competitive despite its low productivity in cattle heads per hectare as it produced more or less the same agricultural commodities as Europe, but on cheaper land and natural pastures complemented by a cheap labor force (Barrán and Nahum 1984, 662). However, the crises of the stock exchange in New York in 1929 led to an overall fall of international prices for primary products and food depression. Since the Uruguayan economy depended on the export of this natural resource, changing terms of trade had a huge impact on relative domestic prices. Prices recovered during World War II making the export model appear viable again, although vulnerable.²¹³ After World War II meat prices started to drop and terms of trade deteriorated and created wide income gap between Uruguay and the Commonwealth countries. This period is characterized by a sharp contraction of world demand on meat resulting in a de-globalization of the meat trade in response to economic crises to increasing European self-sufficiency and the emergence of the common market after the World War II (Moraes 2008).

The total agricultural production remained low and increased only at an average rate of less than one per cent per year from 1950 to 1980 (Moraes 2008). Since the livestock activity was the main producer of surplus that was later distributed to the rest of the society, its lack in growth had repercussion on the whole national economy (Fernández 2007, 54). The problems with the livestock model were not only linked to the long-term deterioration of relative meat prices on the international market, but also to low productivity rates per hectare (Barrán and Nahum 1984, Finch 1981). Ranchers continued, with only minor modifications, to rely on natural pastures despite many initiatives from policy makers, producers' organizations and researchers to

²¹² It was also argued that land concentration impeded the adoption of modern technology as the landlords could obtain good incomes without intensifying production due to the sheer size of their properties. The landlords also saw their land as a useful insurance against inflation. Owning extensive properties not only provided economic power, but it also provided social status. With all these benefits agricultural efficiency was not always their priority. The reformists insisted that the concentration of land in a few hands was the cause of the social inequality, marginalization and poverty of the rural population in Latin America.

²¹³ The world wars brought back a period of high prices but dropped precipitously following the end of WWII triggering the long decline for the Uruguayan economy.

“modernize” production throughout the 20th century (Astori 1984).²¹⁴ As late as 2003 only 17 percent of the livestock producing areas included some type of improvement of pastures: either no-till sown legumes fertilized with phosphate fertilizers and/or sown with annual grasses (ryegrass and oats) or mixtures of grasses and legumes.²¹⁵ The remaining land was still under natural grasslands (Shardul Agrawala 2004). The lack of investments in land and technology away from grazing animals on large fenced natural pastures is argued to have led to nutritional problems and low levels of reproduction. Particularly, the scarce winter supply resulted in a strongly seasonal pattern on the supply of animals for the slaughter. In addition to low yield and seasonal availability of natural grass, the lack of rotation and over-grazing caused rangeland erosion which further diminished the returns thereby weakening Uruguay’s position in exports markets (Finch 1981, 89). The big livestock farmers bought additional pieces of land instead of investing to improve the productivity of the land (Finch 1982; Astori 1984; Irigoyen 1991; Blásina & Targulia 2007). Barrán and Nahum have argued that the vast amount of land controlled by the large ranchers compensated for the low productivity and profit made per hectare. In this way, the authors concluded that the landowning structure encouraged economic decline (Barrán and Nahum 1984, 664-665).²¹⁶

If the livestock sector was stagnant then cultivations were even less successful. The yields were dramatically lower than in the other countries in the region.²¹⁷ Henry Finch provides the following explanations: low use of high-yielding seed varieties and fertilizers, inadequate investment in research for developing improved strains, fertilizers, pesticides and insecticides, coupled with higher prices for the latter (Finch 1981, 88-90). The technological inno-

²¹⁴ Astori (1984) coined the concept ‘dynamic stagnation’ regarding Uruguayan agrarian activities 1930-1980 because some sub-sectors occasionally managed to be more dynamic while the long-term overall trend was stagnation.

²¹⁵ Not only were the artificial pastures never completed, but in general technical improvements were slowly adopted. For example, selective breeding started in the late 19th century was completed by the estate owners only after World War II by which time the refrigeration trust was in total control (Barrán and Nahum 1984:664).

²¹⁶ While there is agreement on the lack of investment behind the stagnation, there is a heated debate on whether the lack of investments was/is due to ranchers’ rent-seeking and speculative behavior, or due to strong traditions and inertia among the farmers making them act economically irrational, or due to structural constraints (such as the government policies of ISI holding agricultural prices down in order to lower industrial labor costs), which induces the ranchers into risk minimizing behavior that is economically rational for the individual but bad for the economy (Astori 1984).

²¹⁷ For example, the annual average of wheat output in Uruguay 1965-1969 was 10 hundred kilos per hectare, in contrast to in Argentina (12.2), Canada (16.1), the US (18.6), and the world average (12.4). Other crops followed the same pattern (Finch 1981, 88-90).

vations of the Green Revolution²¹⁸ were in this way adopted slowly and only partially. The low “modern” technology use of the crop farmers has often been explained by the disinterest for cultivations among the big landowners, and lack of scale and capital for investments among the small (*minifundio*) crop producers (often entering as sharecroppers on the land of the ranchers). The overall poor yields for all cultivations did not solely depend on low use of inputs of fertilizers and pesticides, but several researchers stress the technology of conventional tilling as the main factor behind the low yields. Conventional tilling (plough-based farming systems) in Uruguayan erosive soils implied rapid degradation of organic matter and fall in productivity.²¹⁹ The falling yields led to a common practice of leaving the land to rest in fallow periodically after a couple of years of continuous annual crops. Most farmers that were involved in annual crop production were also livestock producers, but up until the 1960s-70s they used to manage each production type in separate areas of their farms.

However, different types of crop-pasture rotation systems had been developed and fomented within national research institutions such as INIA and FAGRO as well as on producers’ initiative like the CREA groups to improve nutrition and prevent land erosion. Almost all crop production in Uruguay became integrated in mixed rotation systems with livestock in the 1960s-70s, referred to as *agrícola-ganadero* (AG). The AG system most commonly included rotations schemes of 3-4 years of cereals and oil-seed crops, followed by 3-4 years of sown pastures (grasses and legumes) for beef production, and then another 3-4 years of crops. The rotation culminated with a winter crop (often wheat) co-associated with pastures (fescue, white clover, and lotus). While AG implied a sequential integration of crops and livestock on the same land, it was rather common that the owner of the land exclusively managed the livestock activity and rented out the land to share-croppers for a couple of years in order to “boost” the pastures. The AG system included not only rotations but also fertilizer use and high-yield and disease-resistant crop varieties (green revolution industrial agriculture). This integrated AG system reduced the erosion of the soils linked to previous continuous cultivations under conventional tillage, as well as solved the problems of over-grazing livestock. Accordingly, it increased substantially the productivity and sustainability of the land, spread risks and reduced the unit costs of production (Díaz Rossello 2001). In this way, both market pressure and envi-

²¹⁸ This refers to the development and rapid diffusion of new varieties of high-yielding seeds and new fertilizing and pest management practices. This new model is often referred to as industrialized, high-input, modern, intensive or mechanized agriculture. See more in section about development perspectives.

²¹⁹ During the 1940s and 1950s the soils of Canelones had in much been destroyed by intensive crop production under conventional tillage. This case is recurrently mentioned as an illustration of unsustainable agricultural practices with very deep and long recovering costs.

ronmental concerns are described to have put pressure for the diffusion of the AG model.

However, as almost all cultivations became integrated in the AG system the crop area was dramatically reduced as a consequence of the higher productivity, which allowed meeting domestic demand with much less land area. Before this retraction, despite the low productivity of crop cultivations (described above), both the number of productive units and hectares of cultivations peaked under the 1950s under the support provided by the national ISI policies (see coming section of policies). In the shift from pure crop systems to the AG system, however, almost all crop production became concentrated to the most fertile soils along the Uruguay River called the Litoral. In this way, the Litoral region became the grain producing area par excellence in Uruguay and almost all infrastructure became concentrated there (grain cooperatives, mills and silos). Although the yields per hectare increased with AG Uruguayan crop production was still not competitive outside its own domestic market. As public support to agriculture became increasingly withdrawn, crop area retracted further and many crop producers disappeared in the process. Consequently, according to Fernández, the rural population decreased by 30 percent between 1950 and 1970 (Fernández 2007). The crop production in Uruguay would probably have been even lower if it was not “subsidized” by the livestock sector, as the crop harvest by itself did not have to bear all its productive costs (land) by boosting the pastures in the crop-pasture rotation system in the Litoral (Errea et al. 2011, 12).

While AG became the dominant model for crop production concentrated in the Litoral region, the Central and Northern parts of the country remained under the traditional livestock model of extensive grazing on natural grassland. Rice emerged as an increasingly important export crop in the Northern parts during the 1980s, albeit taking fewer hectares (very intensive land-use). During the 1980s citrus, sorghum and sunflower increased in importance. Measured in hectares the principal crops continued to be wheat and barley. In sum, Uruguayan agriculture continued to be highly concentrated and heavily reliant on livestock. The livestock model remained extensive with few people working in it. In 1993, only 13 per cent of the working population was employed in agriculture, but agricultural exports nevertheless still accounted for over 50 per cent of total exports; mainly meat (especially beef) and wool.²²⁰ The next sub-section shows how agrarian policy reacted to the long-term stagnation and the still concentrated land structure. There have been many frustrated public policy efforts throughout history to change the agrarian structure.

²²⁰ Meat has not only been important for export but also in the local diet with an annual average consumption of about 70 kg per capita in 1990.

Agrarian and development policy, 1930-2000

The sharp contraction of world demand for meat as a consequence of the 1929 crises and the Great Depression, in combination with the stagnation of livestock production, led to a shift in national policy towards more inward-oriented development strategies and industrial policies to diversify production and trade. Inspired by the ECLA intellectuals' call for ISI as a strategy to counter unequal exchange in international trade, most Latin American countries responded by switching to ISI. For Uruguay, the ISI strategy implied focusing on domestic industrialization, diversify away from primary products, reduce imports, and increase employment through tariff barriers and protection of new manufacturing enterprises during 1930-1960 (Bértola 2000). The Uruguayan ISI model also sought to achieve national self-sufficiency in all branches that the ecological conditions allowed and to strengthen the family producers (Rossi 2010, 68). As under Batllismo, the main problem of rural Uruguay throughout most of the 20th century was seen by the subsequent governments to be centered in the productive stagnation and the *Latifundio* as responsible (Rossi 2010, 70). In this way, some sectors of domestic agriculture were actually supported under Uruguayan ISI through different agricultural subsidies, crop purchase prices, cheap credits, import duties, increased investments in public agricultural research and development, extension services, and the fiscal and exchange rate policy (Finch 1981, 118-122).

This fuelled expansion of crop cultivations and the dairy sector.²²¹ Wheat expanded the most, but so did relatively unknown crops like soybeans, which sometimes entered in the AG rotations schemes to boost pastures due to its nitrogen fixating capacity (Piñeiro et al. 1991). The crop area increased under ISI to an historical record of 1 ½ million hectares out of the 16 million hectares of agricultural land (Finch 1981, 63-64, Fernández 2007). The crop yields were however still low compared to results achieved in other countries in the region and lacked competitiveness in the international market marked by depressed commodity prices, despite the state attempt to stimulate more intensive systems of production. The state also intended to break up big estates and include small farmers, for example by the creation of the national agrarian reform institute, the *Instituto Nacional de Colonización* (INC) in 1948, for land distribution to create *colonias*.²²² While the ISI strategy im-

²²¹ In the 1950s the government held agricultural prices down in order to lower industrial labor costs, but during the 1960s the government instead encouraged the export of certain agricultural products (poultry, dairy, and citrus products) through subsidies and other incentives. In addition, the state formed the state-owned milk cooperation *Conaprole*.

²²² The general mission of INC is found in Law No 11.029 article 1 and states that colonization is understood as the package of measures to be taken to promote a rational subdivision of the land and its proper exploitation seeking to increase and improve agricultural production and the welfare of the rural worker. See:

www.colonizacion.com.uy/Paginas/Ley/ley18187/ley18187.htm (Accessed in July, 2014)

plied state-led reform of the agrarian structure and the productive base, it continued to depend on the livestock sector for supply of foreign exchange from exports and for production of domestic consumption needs.

The rural associations ARU and FR who opposed the Batllismo reforms in the beginning of the 20th century continued to act as important pressure groups opposing all reforms that were interpreted as violating “the rural interest”.²²³ In this way, ARU and FR are described to have frequently pressed the government for more favorable treatment through their actions such as refusing to sow crops or by illicitly selling cattle, during the 1950s, 60s and early 70s (Finch 1981, 118). According to the sociologist, Alberto Riella, ARU and FR managed throughout the whole 20th century to articulate the big ranchers’ interest (in favor of *status quo*) and to make it appear as the shared interest of all producers. The producers’ interest was in turn managed to hegemonically represent the “rural interest”, which was mainly constructed as the “real interest” of the nation in contrast to the “urban interest” that was constructed to represent fickleness and superficial (Riella 1991, 34-35; 2004; Barrán and Nahum 1981). In this way, despite the relative autonomy of the Uruguayan state, the landowning class’ monopoly over the resource on which the economy was totally dependent provided it with formidable bargaining power vis-à-vis the government (Finch 1981, 120-122).

In contrast, the Rural Workers’ Unions have always been weak despite the Labour movement being historically strong in urban areas. One reason for the weak unionization among rural workers was probably the above mentioned successful hegemonization of “rural interest” by ARU and FR, at the same time as these organizations always opposed the existence of unions arguing that they belonged to urban workers involved in revolutionary propaganda and did not correspond to the urban “reality” (ILO 2009; 59). In addition, the historians Barrán and Nahúm have concluded that the extensive livestock model which resulted in a small and geographically dispersed rural population that constantly expelled people who moved to the cities or abroad resulted in weak internal factors for change (Barrán and Nahúm, 1981). By 1956, Uruguay’s rural population was only 17,6 percent (the same amount the was immigration in 1908). And with a low level of unionization it did not represent much political pressure (Milton 1979). Consequently, the labor relations in the rural sphere have been characterized by weak unions and the almost total lack of collective bargaining (Mazzuchi 2009, 36-37).²²⁴

²²³ Finch further shows that while the agrarian sector itself has argued that government policy towards the sector diminished its profitability through discriminatory price policies and that this accounts for the low level of investment in the sector, the actual prices to the sector did not deteriorate during the twenty post-war years but actually quite the opposite improving in real terms (Finch 1981, 122-131)

²²⁴ When the rest of the private sector was governed by the Wage Council Law in 1946, the law for Rural Workers still maintained the system of minimum wage by law. The law created commission for improved living standards but while ARU, FRU and other organizations

The ISI politics created favorable conditions for the industry which accounted for only 12 percent of GDP in 1930 but increased to 22 percent by 1955 (Hudson and Meditz 1990).²²⁵ The industrial dynamism was however short-lived. The domestic industries that had grown behind high tariff barriers were not competitive on world markets and the internal market was too small. The public sector had grown more rapidly than industrialization. With stagnation in both industrial production and livestock production by the mid-twentieth century, Uruguay's economy entered long-term crises²²⁶ (Hudson and Meditz 1990). Social unrest increased substantially throughout the 1960s. The increasing protests in the light of the recent Cuban revolution (1959) threatened the elites both nationally and elsewhere. Agrarian reform among intellectuals and political elites at the time became popular as a possible "solution" to both social unrest and the low productivity in the agrarian sector. One important response from the US government was the so-called "Alliance for Progress"²²⁷ which encouraged governments throughout the region to implement agrarian reform programs with the help of US economic aid. In 1963, CIDE released its detailed report about the Uruguayan economic decline²²⁸ and concluded that comprehensive agrarian reform was urgent.²²⁹ The report suggested limits to land holdings, progressive land tax and

(representing employers) were involved in these commissions, there was no workers' participation. In 1978, rural workers were provided compensation for layoff and the leave system (benefits already common in the private sector) through a new Decree. The executive branch continued to set the minimum wage with no participation from workers and no mention of hours of work or freedom to unionize (ILO 2009, 36-37).

²²⁵ Apart from the growth of traditional types of enterprises (food, beverages, textiles, and leather), there was also substantial progress in heavier industries (chemicals, oil refining, metallurgy, machinery, and electrical equipment). Workers earned good wages and production increased more rapidly than employment, meaning that labor productivity was on the rise. During the 1940s, industrial output overtook livestock as a share of GDP. According to Bértola 1991, the share of the industrial sector in national GDP was 15 percent between 1870-1930, and 30 percent in the 1950s.

²²⁶ Real per capita income, which had grown rapidly during the early 1900s increased at an average of only 0.5 percent per year from the mid-1950s to the mid-1970s. The period was characterized by declining exports, a negative balance of payments, decreasing reserves, and growing inflation.

²²⁷ The Alliance for Progress was a cooperation program between US and Latin America initiated by John F. Kennedy and launched at a conference in Punta del Este, Uruguay, in 1961.

²²⁸ Per capita consumption had fallen below 1951 levels. Uruguay's gross national product had in absolute terms dropped below that of 1954. The crisis would only deepen, according to the report, because of the shaky economic foundation of which the economy rested.

²²⁹ A third of the country's land was controlled by just one percent of its population and the economic backwardness was linked to this feature. The Commission was integrated by several prominent social scientists from the Southern Cone like the Uruguayan sociologist, Aldo Solari, and the economist (and former minister of Economy and Finance 2005-2010 and current vice-President of the Republic, 2010-2015), Danilo Astori. It was led by the Uruguayan economist Enrique Iglesias (later president of The Inter-American development Bank, IDB).

expropriation of too big or non-productive land (Rivarola Puntigliano 2003, 46).

ARU stated in 1964 that it would only support an agrarian reform proposal as long as the idea eschewed any mention of “structural reform.” According to the ARU, CIDE’s diagnosis on this point was overly intrusive and did not correspond to what large landholders interpreted to be “the real needs of Uruguay” (Garcé 2002, 87). The Minister of Livestock and Agriculture, Wilson Ferreira Aldunate, of the Blanco party supported the program for agrarian reform and drafted a law proposal to implement it in February 1965 but was voted down in the parliament²³⁰ (Garcé 2002). Thus, while comprehensive programs of land reform were launched almost everywhere in Latin America, land reform was not implemented in Uruguay. Instead of agrarian reform the Blanco government implemented devaluation and fiscal reform backed by the International Monetary Fund, IMF (Rivarola Puntigliano 2003, 77).

The economy was stagnant and plagued by inflation, continuous speculation and capital flight. The real wage level declined steadily. The social system began to break down. The government increasingly lost popular support as students, workers and lower-class families wanted a growing share of a surplus that did not grow. The conflicts grew and deepened.²³¹ Despite of Uruguay’s solid democratic tradition this was increasingly circumscribed, which ultimately ended in a military coup on 27th June 1973 when the parliament was dissolved (Rivarola Puntigliano 2003, 110). The military regime (1973-1985) discredited the former state-centered industrial approaches and as a neoclassical ‘counterrevolution’ opened the economy to foreign competition, deregulation, privatization, financial liberalization and removal of protectionism. The new policy became strengthened by the *Washington Consensus* that emerged after the debt crises in 1982 that has been discussed in chapter 3. Agricultural subsidies were withdrawn and the production of several products became unprofitable. Sugarcane production, cereal production and horticulture almost disappeared, but new export-oriented crops appeared such as rice and barley. The livestock sector was strengthened and most reforms were made with the consent of ARU and FRU (Fernández 2007, 55). The researcher, Virginia Rossi, linked to FAGRO argues that the policies of the military regime greatly weakened the small family farmers while corporate farmers were strengthened (Rossi 2010, 69). Between 1960 and 1990, around 30.000 establishments disappeared (out of 87.000 in

²³⁰ The Colorado party voted against it (except the list of Zelmar Michelini) and many parliament members from within the Blanco party also voted against it.

²³¹ The urban guerrilla *Tupamaros* throughout the 1960s made spectacular robberies on banks and other businesses and then distributed the stolen goods among the poor. The actions became more violent at the end of 1960s with kidnappings, their own prison “cárcel del pueblo”, and armed confrontations. They were increasingly repressed by the Pacheco government.

1960), of which 98 percent managed less than 100 hectares (Rossi 2010, 69, Figari, Rossi, and González 2007, 80). In addition, agricultural research dwindled during the 11-year military dictatorship. Besides domestic policies, the protectionist measures in Europe as a response to the oil-crises had important implications. Meat exports to Europe fell. Recession and debt crisis dominated the scene of the early 1980s.

4.3 Concluding remarks agrarian history context

This chapter has provided an overview of the main features of Uruguayan agrarian history and policy as described in Uruguayan mainstream agrarian history research. While there were important shifts in policy throughout the period, it was always marked by a system of *co-participation*, in which Blancos and Colorados divided the executive power between them (until the democratic breakdown), leaving remaining parties without any real political power (Ugla 2000, 49).²³²

The first period (1870-1930) is characterized by the consolidation of a dominant livestock model mainly based on natural pastures and large extensions concentrated in the hands of local ranchers. Most of the meat was exported and the sector was strengthened by advances in transport and food conservation technologies during this period. Most of the refrigeration and meat processing plants as well as transport infrastructure were to a high degree dependent on foreign (British) capital and actors. The Uruguayan state strengthened the ranchers through enforced private property rights to land (and by not taking back privately appropriated fiscal land), infrastructure investments (for example in the port), and generally liberal trade policies and export orientation. Uruguay's agrarian policy under this period changed from exclusively supporting the organized rancher interest²³³ to diversification, land fractioning, industrialization and independence vis-à-vis the imperial powers under Batllismo. The state managed to redistribute some of the wealth generated in the livestock sector to the rest of society through taxations, but it did not succeed in implementing any important changes on the agrarian system. The rural population was scarce and the extensive livestock model continuously displaced people from the countryside to the cities and abroad.

²³² The socialist party and the Communist party was the most important opposition until the unification of left wing parties in Frente Amplio 1971.

²³³ The newly formed ARU had a prominent role in the formulation of agrarian policy and law, 1870-1904, which including strengthening of private property rights to land, rural police for the enforcement of the same, and prohibition of vagrancy, etc.

The picture provided in Uruguayan agrarian history research about the second period (1930-1970s) is of relative stagnation. The limitations of the extensive livestock model (low productivity per hectare and low investment grade in the land) are increasingly felt as global meat prices fell and advanced economies adopted protectionism. The Uruguayan case fits with Friedmann and McMichael's second food regime outlined in section 3.4 marked by deteriorating terms of trade of agricultural products. The Uruguayan state also responded with ISI policies. This implied a break with previous liberal trade policies and the trade was re-regulated to foment national industrialization. At the same time the state fostered crop expansion behind high tariff barriers. Uruguay became more or less self-sufficient in food. The productivity of the sector was still low. In the 1970's, the *Agrícola-ganadero* system was widely adopted increased productivity and resulted in concentration of crop production to the most fertile land in the *Litoral*. This was accompanied by agricultural liberalization that hit the crop producers while strengthening meat exports. The abandonment of ISI in Uruguay and democratic breakdown corresponds to the time of the dissolution of the second food regime. There are also some discrepancies. For example, Uruguay is described to have had only partially adopted the capital-intensive techniques of the Green Revolution, despite that there were many policy initiatives aiming for "modernization". Both intensification and land reform were high on the political and research agenda, but achieved relatively poor results.

Taking a step back from this narrative, it is possible to see that previous agrarian research has departed from the idea that Uruguay failed to reach the implicit or explicit particular development path of "modernization", including capital accumulation, mechanization, technification, rationalization and high levels of output. This view can be seen to reflect assumptions of development in line with both the mainstream intentional and immanent perspectives and is made equivalent with linear improvement. This view is also illustrated by the recurrent descriptions of phenomena as progressive, advanced, modern or backward and retarded. Most of the past research also reflects positivist assumptions in which research is seen to have the potential to objectively grasp a real world.

The main features of national agrarian history since independence is characterized by a persistent dominance of an extensive livestock production, concentration of land, rural labor displacement, migration, and a subordinated role of cultivations. Up until the military coup in 1973, most elected governments were explicitly in favor of subdivision of land, increase crop production and intensification of land-use, but in general the governments' attempts to change the agrarian structure did not succeed. The relative importance of agriculture in the national economy decreased throughout the 20th century but still accounted for 10 percent of total GDP and 70 percent of total exports in 2011 (Uruguay XXI 2011a). Beef remains to be the top ex-

port item, but soybean has emerged as equally important. The debate about soybean expansion is often described as having an important break with many aspects of the previous agrarian history, although lines of continuities are also noted. Chapters six, seven and eight will show how notions of “how it used to be” are used in differentiated ways. The next chapter outlines in detail the actors, activities and processes involved in the “soybean field” that has emerged in Uruguay during the past decade.

5. About the soybean expansion

The underlying argument of this study is that the debate about rapid soybean expansion in Uruguay could be described as having evolved into a discursive field where different complementary and competing meanings have become articulated by different actors. I could early see that some themes stood out as particularly central and mentioned across different articulations of the field when talking about the soybean expansion. These themes were increased “concentration”; increased participation of “foreign” actors; new management practices; “displacement” of “traditional” producers. Chapter 6, 7 and 8 will present and analyse the struggle over meanings of these central themes (or nodal signifiers). Before going deeper into this interplay, however, I will here present aspects of these same themes that appeared as fairly accepted “facts” throughout the discursive field.

I argue, in short, that while the above mentioned themes are subjected to an important struggle over meanings, it has also been possible to identify aspects of these that did not appear as contested in the material. In this way, these aspects constitute an important common ground that is shared including by competing articulations. However, as we will see in coming chapters, this “common ground” is used differently among articulations, and depending on how they are related to other signs, the meanings of the same changes (for example, “concentration” does not mean the same in the most optimistic accounts of the soybean expansion as in the critical) . The “common ground” of these themes are thus subject to a fair amount of disagreement considering their wider meanings and the way they should be interpreted – often treated in relation to diverging ideals of “development”. The aim of this chapter, however, is to exclusively present these aspects that have appeared as included in this “common ground”, or shared values.

In this chapter I have mostly constructed the narrative based on sources that have appeared as “reliable” through the field, which involves previous academic studies, national statistics and reports.²³⁴ These sources appear widely used across articulations. I have also complemented them with statements made in interviews by subject positions in their roles as experts or

²³⁴ The most diffused texts are found to come from the faculty of agriculture (FAGRO) at the state university (Udelar); the National Institute of Agrarian Research (INIA), the statistical department (DIEA) of MGAP, and reports from Opya-MGAP.

direct actors considering some of the elements involved in downstream and upstream stages that were less written and talked about throughout the field.²³⁵ While I have exclusively considered things said that have not been contested in any other texts, it is still important to bear in mind that they are also less widely known and shared throughout the field.

The chapter is organized the following way. I will first provide a very short “technical” narrative that both advocates and critics about the soybean expansion seem to take for “facts” (5.1). This is followed by a section that outlines in little more depth what appear as shared notions upon increased “concentration”; increased participation of “foreign” actors; new management practices; “displacement” of “traditional” producers. In short, this section presents “facts” about the changed social relations within the agrarian productive and commercializing networks in the wake of the soybean expansion (5.2). The following section presents how the soybean expansion often is (re)constructed in relation to notions of “how it used to be” and also in relation to the notions of “current global forces” (5.3). This is followed by a section that presents the national institutional context in which the soybean complex is imbedded (5.4). The chapter ends with a section of concluding remarks and a schematic outline over the soybean “field” (5.5).

5.1 A short “technical” story about the soybean expansion

Soybeans have never been an important crop in Uruguay, but entered sometimes in mixed productive schemes to “boost” the pastures, as mentioned in the national agrarian context. However, as mentioned, since 2002 the soybean production has grown exponentially and it has become the most important crop in both terms of area and exports. In global terms as well as in the particular case of Uruguay, the increase in soybean production during the past decades is addressed as part of the rapid adoption of a new technological package centered in genetically modified seeds, use of glyphosate as a total weed killer and no-tillage farming.²³⁶ The genetically modified soybean is designed to allow the use of glyphosate as weed control system in soybean

²³⁵ I have compared these interviews with each other and with other sources as much as possible.

²³⁶ Synonyms are: zero tillage, no-till or conservation tillage. It refers to a technique which allows growing crops from year to year without disturbing the soil through tillage. soybeans are planted on 69.3 million hectares of land out of 90 million hectares for all soybean cultivation in 2009 - i.e. including conventional seeds. All the HT soybeans come from only a dozen countries in the world, which in 2009 had approved the HT soybean trait (ISAAA 2010).

production (Bosso de Brum 2010).²³⁷ The HT soybean (GTS 40-3-2) was developed and patented by the US-based multinational Monsanto in 1996, and sold under the brand name Roundup Ready (RR).²³⁸

Both the genetic trait owned by Monsanto, and the specific seed variety, in which the trait is “stacked” are patented technology. Farmers can save seeds, but still need to pay price premiums on them. The Uruguayan Civil Association for the Protection of Plant Breeders, (Urupov),²³⁹ has developed a proper information system for GM seeds where volumes of sales and use of saved seed are gathered, and it makes field inspections to detect “irregularities” in trade are realized to ensure royalty payments (Director of URUPOV 2008-12-11).

According a report from the statistical department (DIEA- MGAP), the technological package has allowed for intensification, and in 2010 Uruguayan crop land on average had 1.5 crops per productive unit and year (Barbazán et al. 2011). Producing a second crop allows for increased use of machinery, labor, and land during the year, and also lowering fixed cost on a per hectare basis resulting in more profitable farming operations. Besides this intensified use of the land, the new technological package has also implied increase in yields of soybeans in Uruguay compared to the previous attempt to produce conventional soybean production. On an average, the yields increased from 1000 kg/ha in 1990 to around 2000 kg/ha after 2002 (IICA 2009, Souto 2010a).²⁴⁰

²³⁷ Glyphosate is a broad spectrum herbicide that was patented and sold by Monsanto under the brand name Roundup, but the patent expired in 1996. The mechanism of action of this non-selective herbicide is to inhibit the activity of an enzyme called EPSPS, which hinders the production of aromatic amino acids. (Ríos, Fernández, and Collares 2005).

²³⁸ Roundup is Monsanto’s brand name on glyphosate. The brand name of HT soybeans - Soybean Roundup Ready - indicates that it is ready Roundup. As mentioned, Monsanto’s patent of glyphosate expired in 1996 and is now generic. “Roundup” still has the biggest share of the glyphosate market. Monsanto’s patent on Roundup Ready soybeans expires in 2016. It is based on the patent of two specific traits which together form Roundup Ready soybeans (GTS 40-3-2). These two patents are U.S. Patent No. 5,633,435 and U.S. Patent No. 5,352,605. Monsanto has licensed the technology to many different seed companies, who have introduced the coding sequence (40-3-2) into their specific soybean varieties. The same trait has later been commercialized in corn, cotton, canola, alfalfa, and sugar beets.

²³⁹ Members of Urupov with soybean seeds: ADP; Agritec S.A.; Agropick S.A.; Agrotterra S.A.; Monsanto Uruguay S.A.; Barraca Jorge W. Erro S.A.; Calmer; Calprose; Calvase; Copagran; Dupont - Agar Cross; Fadisol S.A.; Gentos Uruguay S.A.; Greising y Elizarrú; IN-IA; IPB Semillas Nidera Uruguay S.A. Norman A. Fox Procampo S.R.L.; Rafael Gallinal Uruguay S.A.; Serkan Unión Rural de Flores; Wrightson Pas S.A.; Yalfin S.A.

²⁴⁰ Average yields alone is not a good indicator of technological improvement since soy cultivation is increasingly entering in marginal areas, reducing the average yield and the prices of today with relatively low yields does not make good business. However, during the first year of expansion it was mostly the best suited land that was incorporated into the productive system.

The environmental consequences of this technological package and the land-use changes in the wake of the soybean expansion (both the direct conversion of former grassland to crop land and the indirect effects of the increased pressures towards intensification) have been given a lot of attention in national debate.

Soybeans have in a decade evolved from almost non-existent to the second most important export items.²⁴¹ Soybean exports increased from 10,848 tons in 2001 to 3,704,952 tons in the harvest 2012/13 (Souto 2012, 130). Nearly 95 percent of Uruguayan soybeans are exported as whole beans. Throughout the period 2005-2012, something like 70-80 percent of soybean exports were destined to China (XXI 2013). Other countries that import soybeans from Uruguay, albeit in smaller quantities, include the European Union, Egypt, Tunisia and Bangladesh. The total value of Uruguayan soybean exports was USD 1.6 million in 2001 and USD 1,875 million in 2013 (Souto 2012, 130). The average rate of value increase of Uruguayan soybean exports between 2002 and 2012 has been of 64 percent annually (Uruguay XXI 2013a, 14). Thus, from almost nothing, the soybean exports alone represented 21 percent of total Uruguayan export value in 2013 (Uruguay XXI 2013a, 2014).²⁴² Soybean export are nevertheless estimated to drop slightly in 2014/15 due to boost in domestic consumption.

From a global perspective, the Uruguayan production still represents only 1.4 percent of the global production of 264 million tons of soybeans produced in 2013, of which South America produced 160 million tons (Souto 2013). While the productivity per hectare of soybeans and most other crops is lower in Uruguay compared to Paraguay and Argentina, the Uruguayan production is still argued to be competitive due to its geographical location and proximity to ports since the transport costs weigh heavily in the total export costs. In addition, Argentina has high export taxes on soybeans, while Uruguay has none.

Soybean producers can commit their future harvest to a buyer before seeding by signing a futures contract.²⁴³ The Chicago Board of Trade (CBoT) is used as reference for all transactions on both spot and futures markets (Director and head of commercialization of Cadol 2008-02-11). According to a study led by the Uruguayan agribusiness management researcher, Daniel Conforte, in 2007 around 10 percent of the soybean harvest was sold at seeding time,

²⁴¹ The most important export item is frozen bovine meat representing 12 percent of all export. According to the report on oilseeds of April 2014 from USDA, Uruguay exported over 3 million tons of soybeans in 2013 (USDA 2014).

²⁴² Uruguayan overall exports have steadily risen during the past decade. Total exports 2013 for a value of USD 9,155 million. So have Uruguayan imports, however. Total imports 2013, USD 9,533 million.

²⁴³ The agreement stipulates the commodity, the buying or selling price (depending on whether they think the price will rise or fall), the quantity of contracts being sold, the length of the contract, and the delivery date.

20 percent after sprouting, 20 percent when crop growth is well advanced, and the rest during or after harvest (Conforte, Caputi, and Nogueira 2007). Among the interviewed “traditional” producers in this study, most claimed to sell half the harvest in advance to cover all production costs. Usually brokers discount costs for logistic services from the final price when accounts are settled.

The great majority of all soybeans produced ends up loaded on a vessel for export, from the port of Nueva Palmira. The Río Uruguay is widely used for transportation at harvest time rather than the congested roads.²⁴⁴ In 2012, out of all exported soybeans, 66 percent did so from the Free trade zone of Nueva Palmira (Uruguay XXI 2013d). However, the Nueva Palmira port is described as in need of both dredging and new terminal infrastructure. Many public and private investments plans have been stopped by the conflicts in the River Plate Administrative Committee (CARU), where Uruguay must agree with Argentina to dredge the Nueva Palmira access canal.²⁴⁵

Some part of the harvest stays within the country, crushed into soybean meal and oil for animal feed, cooking oil or biodiesel. The share that remains for domestic use has increased during the past years. The increased competition for land in the wake of the soybean expansion has boosted demand for soybean meal and other vegetable protein for feed use in the dairy, livestock, and poultry sectors. It is nevertheless difficult to know the exact figures for how much soybeans are currently staying in the country.²⁴⁶ In the 2012 year-

²⁴⁴See: www.presidencia.gub.uy/Comunicacion/comunicacionNoticias/dos-operadores-privados-acionan-y-embarcan-soja-en-puerto-de-paysandu (Accessed in January, 2014).

²⁴⁵The Argentinean government has been constantly delaying or taking advantage of its greater bargaining power. This conflict is long and complex involving many diplomatic twists and corruption accusations. I have had several informal talks with Julio Baraibar who formed part of the Uruguayan delegation in CARU. This conflict was also talked about in the interviews with the president of ANP, the director of Navíos; the director of Schandy and the Captain of Nueva Palmira. See also the following news articles: www.americaeconomia.com/politica-sociedad/politica/avanzan-negociaciones-para-lograr-acuerdo-sobre-el-monitoreo-del-rio-urug www.elobservador.com.uy/noticia/265345/conflicto-con-argentina-pone-en-riesgo-el-desarrollo-de-puertos-locales/ and www.elpais.com.uy/economia/noticias/trasbordan-cargas-mar-puerto-saturado-nueva-palmira.html (Accessed in July, 2014).

²⁴⁶Theoretically, it would be easy to deduce the export volumes from the production volumes to get these figures, but in practice many have stressed reliability problems with the data. The figures on production volume come from the yearly reports of the statistical division (DIEA) of MGAP. The reports of DIEA are based on data gathered by DIEA officials asking all big producers and a sample of the small producers about their area and harvest volumes and make estimations on the basis of this data in combination with data from the last agrarian census. However, since the last census is from the year 2000, and there has been massive land use change since then, the figures are not seen as entirely reliable (DIEA-MGAP 2009-02-26). An example of this, is that the export statistics for 2010 told that 1.8 million tons soybeans had been exported, while DIEA told that the soybean harvest of the productive cycle 2009-10 was only 1,817 million tons. This is practically impossible if one for example considers the ex-

book of OPYPA -MGAP, the oilseed expert, Gonzalo Souto, estimated on the basis of different statistical sources that the domestic consumption of soybeans during the past years actually oscillated around ten percent of total production²⁴⁷ (Souto 2012, 129). It is nevertheless hard to know how much of the harvest that mixed producers (doing both crops and livestock) use directly as feed to their animals or sell to neighbors, as these transactions do not take place in the “formal” market (Oil-seeds and agro-industrial specialist at Opya-MGAP 2010-12-08).

One important driver behind the increased domestic crushing is the mandatory blend of biodiesel in the gasoil (Law N° 18.195, from 2007). The far biggest player here is the processing and vegetable oil producing firm *Compañía Oleaginosa Uruguay (COUSA)*, who has a long-term contract with the state-owned biofuel company *Alcoholes de Uruguay (ALUR)*.²⁴⁸ The state has monopoly over market commercialization of biodiesel, but private firms can produce biodiesel up to 4,000 liters per day for the local fleet and sell the surplus to state owned ANCAP or export it.

Below I present a schematic model, inspired by GCC approaches on commodity chains, of some of the main uncontested processes, actors and assets that are described to be involved in the productive and commercial soybean complex at different stages.

panding production of biodiesel based on national soybean and some alliances between big soybean firms with big meat companies, where the soybean is used directly in feed-lots.

²⁴⁷ Around 100,000 tons in 2009 and around 200,000 tons in 2010, 2011 and around 300,000 tons in 2012.

²⁴⁸ See: www.cousa.com.uy/w/c2p.cousaweb/menu.php (Accessed in January, 2014). Cousa was owned by Bunge until the 1990s and was deindustrialized when Uruguay entered Mercosur as Bunge wanted to get rid of it (Interview the director of Cousa). ALUR produces biodiesel, ethanol, feeds and sugar www.alur.com.uy/ (Accessed in January, 2014).

Upstream Production phase Downstream



Processes:
HT soybean seed production and reproduction, local adaptation, marketing and commercialization
Main actors:
Multinational biotech and seed firms, cooperatives, farmers (saving seeds).

Processes:
Agrochemical production, marketing and commercialization
Main actors:
Multinational agrochemical firms, national firms, cooperatives,
Assets:
Agrochemical/Inoculant

Processes:
Preparation, Cultivation, Monitoring, chemical application, harvesting, on-farm storage.
Main actors:
Farmers, agrarian firms, service providers, consulting agronomists, cooperatives
Main asset:
Land

Processes:
Storage, drying, cleaning, quality control, short transport
Main actors:
Local cooperatives, agrarian firms, traders
Main assets:
Silos, elevators, roads and trucks

Processes: Commercialization, taking “positions” in CBoT, using “discount rate” and Export
Main actors: multinational traders buying grains from agrarian firms and brokers, selling to other traders
Main assets: Port, Vessels, elevators, insurance

Processes: Crushing soybeans into meal and oil (from which can be made feed, cooking oil and biodiesel)
Main actors: State owned ALUR, Multinational traders, national firms
Main asset: crushing plants



Above schematic figure can provide an overview of what the main activities involved in each step are told to be. The downstream stages represent the elements involved from the soybean have been harvested and until final des-

tinuation in Uruguay. This can perhaps can facilitate and guide the further readings. It is important to remark that above model only mentions the processes involved in Uruguay, while it is often remarked that most of the technology used (herbicide tolerant seeds and agro-machines) are developed and patented elsewhere.

5.2 The social relations within the productive and commercializing networks of the soybean complex.

The soybean expansion is repeatedly described to have brought important shifts in the social relations among producers with the arrival of big new Argentinean crop producing firms with soybean as the main crop. The coming chapters will address the complementary and competing meanings given these changes, but here I will outline what I have identified as fairly uncontested “facts” about these changes.

5.2.1 Who are the new agribusiness crop firms?

The firms that arrived in the wake of the soybean expansion are often referred to as the soybean agribusiness (*agronegocio sojero*). Other common labels used for the same phenomenon are *empresas de red* (network firms); Argentineans; multinationals; *sojeros* (soybean firms); *gerenciadores* (management firms); *pools de siembra* (firms with financial capital behind); the “New” firms; the continuous crops firms. “Who to call what” was in general found to be an arena for struggle considering all social categories involved in the soybean complex. In the same way, “what meanings to give to the name” appeared as even more important. For instance, “agribusiness” was found to be an important floating signifier filled with divergent and sometimes competing meanings depending on who expressed it and in what context.²⁴⁹ These different meanings were further found to often play central roles in the competing meanings attributed to the soybean expansion. I will not delve deeper into the struggle over meanings here, but only briefly point out that I have taken into account that labelling of new firms (or any other identi-

²⁴⁹ “Agribusiness” is widely used throughout the field and is in general used to refer to the biggest capitalist firms involved in agricultural production systems, and not so much referring to Uruguayan medium-size capitalist firms. In some articulations “agribusiness” is made equivalent with corporate control, concentration, unsustainability and industrial agriculture. In some other articulations “agribusiness” is made equivalent with sophisticated management practices, efficiency, competition, growth and innovation. This will be presented and analyzed further in chapter five.

ty/category within this field) is not neutral. I have chosen to mainly use the terms “agribusiness” and “new crop firms”, as they seem to be the most repeated and widely used terms throughout the field. In contrast to most GCC studies caution is exercised by avoiding the use of *a priori* categorizations of the actors involved.

It is often mentioned that the soybean expansion is driven by crop producing agribusiness firms from Argentina who arrived in Uruguay after 2002. These big soybean producing firms are often used as a symbol for the expansion of agribusiness in Uruguay in both critical and more optimistic articulations. Despite the controversies over whether their dominating role is legitimate and “developmental”, there exists no accepted “reliable” and complete data on the magnitude of either investments or national origin of the new Productive Units (PU) that have emerged in the soybean production – the definitive results of the new general agrarian census (2011) had in June 2014 not yet been published²⁵⁰, and the last one is from 2000. The main reason is that almost all new crop firms are corporate firms of limited liability, so-called *sociedades anónimas* while national official statistics published in the annual reports of DIEA-MGAP only provide information about the national origin of the productive units that are registered as owned by physical persons.²⁵¹

It is nevertheless possible to get an approximation of the changes and amounts involved by looking at the 2000 census and reports of land transactions from the statistical division, DIEA, of the Ministry of agriculture, livestock and fishery (MGAP).²⁵² These indicate that land in hands of *Sociedades Anónimas* has risen from less than one percent of total productive land in 2000 to 10 percent in 2009 (Grosso and Saavedra 2010, DIEA 2009, Grasso 2008, Rincón 2012, DIEA 2013).²⁵³ This trend is even stronger if only considering the 1.698 million hectares of land dedicated to industrial crops,²⁵⁴ of which corporate firms managed 1.153 million hectares (MGAP 2013, 13).

²⁵⁰ There are nevertheless preliminary results available in synthesized form at www.mgap.gub.uy/portal/hgxpp001.aspx?7,5,694,O,S,O, (Accessed in July, 2014)

²⁵¹ The statistical yearbooks from DIEA-MGAP contains data of the productive units in accordance with categories of size of managed land, productive orientation, quality of soil (Coneat), or the country of origin of producers that are registered as owned by physical persons. They lack information about the origin of firms of limited liability (private limited companies (Ltd) and joint-stock companies).

²⁵² All land transactions above ten hectares are included in the report according to DIEA. The total national area of productive land is 16 million hectares.

²⁵³ Uruguayans (physical persons) sold around 1.9 million hectares more than they bought during this period, while limited liability firms (of unknown nationality) bought 1.8 million of hectares more than they sold during the same period. Within the group of physical persons 85 percent are Uruguayans.

²⁵⁴ How much of this land that is exclusively soybean-land is not addressed in this report, but according to the annual statistical report from Diea 2011, soybeans represented around one million ha.

The majority of the *sociedades anónimas* that bought land are assumed to represent Argentinean firms (DIEA 2009, Grosso and Saavedra 2010).

Although the exact firms that have purchased most of the land during the past years are not possible to trace in the statistics, there are several approximations made in different studies about the new agribusiness firms from Argentina. Pedro Arbeletche (FAGRO-Udelar) has written several texts addressing the “new” actors in the wake of the soybean expansion with quantitative cluster analysis of the data provided in the statistical yearbooks from DIEA-MGAP. Arbeletche has analyzed yearly changes among crop producers from the provinces of the *Litoral* area, which includes the regional departments Soriano, Paysandú, Río Negro and Cerro Largo that in 2008 represented 85 percent of total soybean production (Arbeletche, Ernst, and Hoffman 2010). While the origin of the firms is not available, Arbeletche has been able to observe that a new set of actors representing crop firms that were non-existent in 2000 in the *Litoral* managed 57 percent (554,683 ha) of all crop-land in 2009 (Arbeletche, Ernst, and Hoffman 2010). Within the group of new actors Arbeletche has discerned different types of firms.²⁵⁵ The most rapidly expanding and dominating type is labelled as the management or network firm. In 2009, this type included only eleven firms controlling 39 percent of all soybean area corresponding to 36 percent of all crop area in the *Litoral* (Arbeletche and Gutiérrez 2010). Although very small in terms of numbers, this group is very big in terms of area that exceeds by far the average big producers in the livestock sector (Arbeletche, Ernst, and Hoffman 2010, Arbeletche and Gutiérrez 2010).

Apart from the attempts to systematize and quantify changes among producers, many respondents claimed that since the expansion had been led by such few firms and concentrate so much of the land and production, “everybody” knows who they are. The names and area managed (owned and leased) by the top five biggest firms were also published in a study made by the planning and budget division (Opypa) of MGAP (Gutiérrez 2009).²⁵⁶ According to this study, the five biggest firms were of Argentinean origin and together they controlled 35 percent of all crop area in 2008 (Gutiérrez

²⁵⁵ Arbeletche finds that this group is formed by the following three clusters: 1. Management or network firms with almost no fixed assets. 2. “Big crop producers complementing with livestock” similar to the first but with more livestock and important investments in mostly fixed (land) assets. 3. “Share-croppers with continuous cultivations” only leasing on short-term contracts and practicing continuous soybean plantations. This group is described as rapidly exiting the business or transforming into some of the two other “new” types (as it is economically unsustainable to cultivate soybeans over soybeans).

²⁵⁶ The top-five firms according to the study are: El Tejar (registered as Tafilar in Uruguay) managing around 150 000 ha; Agronegocios del Plata, ADP (part of the group “Los Grobo”) around 90 000 ha; MSU (Manuel Santos Uribe Larrea) with 55 000 ha; Kilafen around 30 000 ha; Garmet (part of the business group Pérez Compagnon) around 30 000 ha (Gutiérrez 2009). The area mentioned above refers to managed land in Uruguay.

2009). According to a publication by the socio-ecological NGO, Redes, written by the agronomists, Oyhançabal and Narbono, the six biggest crop producing firms controlled 40 percent of production in 2010 (Oyhançabal and Narbono 2011). Despite slight differences in exact hectares stipulated to the firms in different texts made in slightly different years and with slightly different methods, all concur that a very small group of mega firms of foreign origin control an important part of soybean and other crop production. Each manage anywhere between 30,000 and 150,000 hectares (Arbeletche and Gutiérrez 2010, Gutiérrez 2009, Oyhançabal and Narbono 2011).

This study has primarily followed the two biggest crop producing firms, El Tejar (registered as Tafilar in Uruguay)²⁵⁷ and Agronegocios del Plata (ADP).²⁵⁸ These firms have often come to represent all the new crop producing firms in the public debate. This is probably partly because of their size and partly because El Tejar and ADP are active in the public debate, frequently appearing in national media and written papers for seminars. El Tejar was up until 2014 the biggest crop producing firm in the country managing around 150,000 hectares of land in 2010 (Crónicas 2010). ADP managed some 95,651 ha in December 2010. It is also an important broker buying grains from local producers and taking it to the port where it is sold to any international trader (ADP 2007-11-27, Piñeiro 2011). Besides El Tejar and ADP the main firms behind the soybean expansion are: MSU²⁵⁹ (Manuel

²⁵⁷ El Tejar is from Argentina and is the world's largest grain producer with around 1 million hectares of land in Latin America. The country manager, who also was president of MTO has been interviewed for several hours the 19th of February 2009 at the company's head office in Young (Río Negro) and at one of the company's soybean producing plots. I also have made use of some of director's expressions during his participations in the multi-stakeholder discussion organized by the research team in coordination with the faculty of agronomy (FAGRO) and the Inter-American Institute on Cooperation on agriculture (IICA) Uruguay, in December 2007. In addition, I have used statements of the company in the company's web-site in written presentations in various seminars and other public events, as well as from published interviews made with country manager in national radio and press.

²⁵⁸ ADP is a Uruguayan company but it forms part of the group of "Los Grobo" which is the second largest grain producer in the world and has 251,000 hectares in Argentina, Uruguay, Brazil and Paraguay (Bell and Scott 2011). I have interviewed four employees (technical coordinator, head of commercialization, and head of marketing and the director of Corporate Social Responsibility (CSR) at the main-office of the company. This was further complemented by a telephone interview with the director of ADP by a master's student enrolled in the project. In addition, I have also used statements of the company in the company's web-site in written presentations in various seminars and other public events, as well as from published interviews made with director in national radio and press.

²⁵⁹ MSU is controlled by the Uribelarrea family from Argentina. Its core business (since the late 1990's) is the extensive production of agricultural commodities on a diversified portfolio of leased farms distributed over the main productive areas of Argentina, Brazil, Paraguay and Uruguay. In total, MSU had approximately 230,000 hectares in 2010, of which 55,000 hectares were in Uruguay. Since 2007 it has also entered the real estate business (under the name

Santos Uribe Larrea), Union Agriculture Group (UAG),²⁶⁰ Barraca Erro,²⁶¹ and Adecoagro.²⁶²

Most of these firms were already very big in Argentina when they decided to expand into Uruguay in 2003-2004. Besides their cultivations in Uruguay, they are also important producers in Brazil and Paraguay, and some also in Venezuela and Ecuador. In this way, these firms are important drivers of the general soybean expansion in South America, which has become the region in which most soybeans are produced and where soybean production is expanding the fastest rate (USDA 2014).²⁶³ According to Diego Piñeiro, who wrote a report for the regional office of UN Food and Agriculture (FAO) about the Uruguayan land market dynamics, five foreign grain producers control 350 000 hectares of land (Piñeiro 2011). The particular regional dynamics between Argentina and Uruguay have been stressed in a joint article by an Uruguayan (represented by Arbeletche) an Argentinean and a French researcher (Guibert 2011). The authors stated that when the network firms from Argentina arrived to Uruguay they developed in a more consolidated way than in their country of origin. Thus, the share of total land area under the so-called network companies is bigger in Uruguay than in Argentina even though the process of soybean expansion in Uruguay started there a decade later (Guibert 2011). Another important difference is that the issue of “foreignization” in Uruguay has evolved into a critical topic (Clasadonte

Santa Juana Ltd.) and is associated with a pensions fund from Holland since 2009, Stichtings Pensioenfonds ABP. See www.msu.com.ar/msu.php and <http://infocampo.com.ar/nota/campo/40270/msu-una-empresa-de-agricultura-y-tierras-con-escala-mercosur> (Accessed in June, 2014).

²⁶⁰ UAG was formed by Uruguayan agronomists with foreign capital in 2008. UAG’s focus was on acquiring “underutilized” agricultural land for foreign investors and to increase its productivity, for example, by planting soybeans or rice on land previously only used for cattle grazing. UAG bought all assets of El Tejar in February 2014 which made it the by far largest corporate agricultural landholder and operator in Uruguay with total area of managed farmland of 172,000 hectares www.unionagrogrou.com www.espectador.com/agro/285431/uag-adquiere-hectareas-que-el-tejar-tenia-en-uruguay (Accessed in June, 2014).

²⁶¹ Barraca Erro is the oldest firm among the big crop producers founded in 1947 with around 20,000 hectares of crop land in Uruguay. www.erro.com.uy/Home/ (Accessed in June, 2014)

²⁶² Adecoagro has 287,884 hectares of land in Argentina, Brazil and Uruguay. It was established in the country 2004 and was estimated to have around 45,000 hectares in 2010 (Oyhantçabal and Narbondo 2011). Adecoagro is backed up by several foreign investors, for example by the well-known George Soros. See also www.adecoagro.com/index.php?seccion_generica_id=128 (Accessed in June, 2014)

²⁶³ Since the early 1970s, soybean production in South America has expanded rapidly and at a faster pace after the introduction of herbicide tolerant seeds (after 1996). United States is still the world’s largest producer and exporter of soybeans, but Brazil and Argentina currently (2014) share more than half of the soybean export market, up from less than 15 percent before 1980. With increased soybean production and rapid growth in crushing capacity, Brazil and Argentina have each surpassed the United States in soy meal and soy oil exports.

2009, 59; 101). I will address the issue of “foreignization” and the competing meanings given ascribed to it in chapter 8.

The company history of El Tejar is illustrative. According to the firm’s country manager it arrived in Uruguay in 2003 as part of growth and risk management strategies – i.e. reduce political and climate related risk by geographical diversification (Country manager of El Tejar 2008-02-19).²⁶⁴ El Tejar is of Argentinean origin initially funded as an association of producers in 1987, but became in 2010 the world’s largest grain producer with cultivations spread over various regions in Latin America (Kassai and Orihuela 2011). It started out in the initial years in Uruguay doing exclusively grain production activities on leased land (with an explicit strategy of no fixed assets), but shifted later to increasingly buying up land. This shift was made possible by a strong capital intake as the company ceased to be owned by an association of a handful of Argentinean producer families to become a stock exchange listed corporation in 2006 (Country manager of El Tejar 2008-02-19). In 2007, funds from U.S. and British shareholders bought 23.5 percent of the shares (USD 50 million) which was reinvested in purchase of land in Uruguay and Brazil.²⁶⁵ According to the CEO, the company had plans to continue growing and buying more land in Uruguay where it had long-term plans (Country manager of El Tejar 2008-02-19). However, in August 2013 he left his position in Uruguay and became the country manager of the company in Brazil instead. The same year the company decreased the amount of rented farmland in Uruguay (and in other South American countries), arguing that it would focus its resources in investing more in the land it currently owned and in logistics instead.²⁶⁶ In February 2014 the company sold all assets (including owned land and leasing contracts) to UAG and withdrew from all crop activity in Uruguay.²⁶⁷

The history of ADP is also quite illustrative of the recent changes. ADP was a small firm in Dolores (state of Soriano) managed by a local Uruguayan producer and agronomist up until 2003 when it became part of the Argentinean agrarian group “Los Grobo”, which is the second largest grain producer in the world. It is nevertheless still managed by the Uruguayan producer.

²⁶⁴ El Tejar started out leasing 7,000 ha in Young (Río Negro) in 2002, and seven years later it managed 140,000 ha spread over the departments of Soriano, Río Negro, Durazno, Flores, Colonia, Paysandú, Rivera and Cerro Largo. El Tejar in Uruguay had around 180 employed people in 2009. In 2008, it opened up shares on the stock market and started buying land in Uruguay from the capital inflow (Interview the director of El Tejar, 2008).

²⁶⁵ La Nación Economía. 27 de Julio 2007 www.lanacion.com.ar/nota.asp?nota_id=929247 (Accessed in January, 2014).

²⁶⁶ See <http://farms.uy/2013/07/el-tejar-uruguay/> (Accessed in January, 2014).

²⁶⁷ UAG is also planning to establish a new meat plant (frigorífico). See www.elobservador.com.uy/noticia/272456/empresa-agropecuaria-uag-compro-el-tejar-por-unos-us-200-millones/. www.elpais.com.uy/economia/noticias/compra-tejar-uag-explora-frigorifico.html (Accessed in January, 2014).

According to the CEO of Los Grobo, Gustavo Grobocopatel, in an interview with the agrarian weekly special edition of Uruguayan newspaper “*El Observador*”, the decision to move into Uruguay was a consequence of strategies of diversification as well as the cultural and geographical proximity.²⁶⁸ ADP has moved into all stages of the chain, such as transport and logistics (storage facilities, trucks, satellite tracking system), commercial, consulting and input supply services (selling seeds and agrochemicals).²⁶⁹

While the “Argentinean” domination in the soybean business stands out as recurrently talked about (particularly by the NGOs and some producers organizations), there is also a widespread notion that not all Argentinean actors succeeded in Uruguay. According to the cluster analysis of Arbeletche, one type of the new firms expanded during the first years of the expansion but soon retracted rapidly. This type was characterized by almost exclusively leasing land on short-term contracts and doing continuous soybean plantations (no rotations), which according to Arbeletche created erosion with immediate effects on yields. It proved this model as economically unsustainable on short time horizons (Arbeletche, 2008). These firms either left the country or changed strategy and became more like the network firms (Guibert 2011, 27).

The new agribusiness actors are not only bigger than any other contemporary or past producer types in Uruguay, they are also described to have adopted new and different management practices. As chapters seven and eight observe, there is a significant amount of disagreement about the effects of the new forms of management in relation to different aspects of development. Irrespective of the position taken in relation to the consequences of these practices, there is a general consensus that the new actors manage the cultivations “differently” from the traditional producers. Many researchers writing about the soybean expansion also emphasize a deep gap between traditional farming and the new crop firms (Clasadonte 2009, 12, Arbeletche and Gutiérrez 2010, Arbeletche, Ernst, and Hoffman 2010). This is the main argument of one of the most comprehensive books dealing with the recent changes in Uruguayan agrarian sector since the end of the 2002, which stipulates that the most important transformations during the past decade have been related to changes in organizational and management models within the agrarian sectors driven fundamentally by the large multinational companies

²⁶⁸ The interview is re-published in the homepage of ADP: www.adp.com.uy/notaext.php?id=569 (Accessed in January, 2014). Recently, big firms from other economic sectors have entered Los Grobo, for example Mitsubishi Corporation bought 20 percent of Los Grobo in Brazil. www.elpais.com.uy/suplemento/empresario/Mitsubishi-compro-20-de-Los-Grobo-en-Brasil/elempre_622236_120203.html (Accessed in January, 2014).

²⁶⁹ See: www.adp.com.uy/produccion.php (Accessed in March, 2014).

that arrived with the soybean expansion (Errea et al. 2011, 12).²⁷⁰ One of the recurrently mentioned and uncontested core differences between the practices of the new agribusiness firms and the “traditional” producers is that the former is described to work with less fixed assets such as land and machines,²⁷¹ organized in networks, using third parties in which the firm manager is responsible of coordinating all the multiple actors and resources linked to input providers, service providers, commercial agents, insurance companies, investors, etc. through formal and informal contracts (Errea et al. 2011, 30; 67; 96-97; 102)

In addition, the new crop producing firms in previous research and in the interviews described as characterized by the following “new” traits: risk reduction through geographical diversification (several countries in the region, and several plots in different geographical areas within the countries); risk reduction and pre-harvest liquidity increase (less need of capital savings) through the use of new commercial instruments such as futures and forwards;²⁷² new type of capital inflow from outside the agrarian sector (trust and pension funds);²⁷³ simpler rotation schemes with continuous cultivations (break with mixed rotations); increased vertical integration into input, storage and crushing; less use of “brokers” (middlemen) while often taking on the role as brokers for the smaller firms; market movers (and market makers of different types of agrarian services) but market takers in relation to the global soybean trade (Clasadonte 2009, Arbeletche and Gutiérrez 2010, Arbeletche and Carballo 2006, Arbeletche P. and Carballo C. 2006).

²⁷⁰ The book is published by the agribusiness program at the faculty of business administration, the Catholic University. The authors have their main activity outside of academia often participating as experts in several other arenas (as specialists in radio programs, in newspapers, in public and private organized workshops and seminars). They are all well-known persons in the public field of interpretation of agrarian change. The finance for the study came from 13 big agrarian firms who through a legally established mechanism get tax deduction for research donations according to law 18.083.

²⁷¹ In this way, they lease for 3-6 years rather than buy land and sub-contract services rather than buy machines. This is described to increase “flexibility” and a key recipe for rapid expansion.

²⁷² In 2008/09, 79 percent of soybean area was produced with some kind of forward mechanism to cover price fluctuations (future contracts or options on future contracts).

²⁷³ Since December 2007, the giant firm MSU also manages Santa Juana Limited (SJJL) which is a company created to channel funds from foreign investors to agricultural lands in South America. So does UAG <http://www.unionagroup.com/index.php/en/about-union-agriculture-group.html> (2011-07-12).

5.2.2 Concentration and vertical integration throughout the soybean complex

Many of the new crop producing firms also act as big brokers buying grains from local producers and selling at FOB²⁷⁴ to the multinational traders in the port of Nueva Palmira, including providing transport and logistics (owners of silos, elevators, warehouses and truck fleets).²⁷⁵ For example, ADP takes bought and produced soybeans all the way to a rented space in the Free trade zone within the port of Nueva Palmira. There are also several specialized firms exclusively acting as brokers between farmers and exporters that use their specialized market information to sell and buy future contracts at the best possible prices. The big players in this segment are Kilafen and Garmet.²⁷⁶ The costs of the logistic services are discounted from the final price. The middlemen often own some infrastructure (trucks, silos and storage space in the port of Nueva Palmira). They also make many contracts with other companies to hire trucks, storage and hoarding at harvest time (ADP 2007-11-27). The business model for the commercialization of soybeans is described as centered on creating as big margins as possible between the price paid for grains and the price received for selling them. This is described as difficult as all prices are related to CBoT and all actors from producers to traders who are described as well aware of the value at both spot and futures markets.²⁷⁷

²⁷⁴ FOB (Free On Board) means the price paid for by the trader (buyer) of soybeans uploaded in the port. The buyer pays cost of freight transport, insurance, unloading, and transportation from the arrival port to the final destination. The passing of risks occurs when the goods pass the ship's rail at the port of shipment. In 2011, 2012 and 2013 the average price per ton of exported soybean in Uruguay was USD 536 FOB per ton (Durán F 2013).

²⁷⁵ ADP is an important example of a big player both as producer and as middlemen: "Agronegocios del Plata is the name of the part of the company that is registered as a rural firm working with the actual production on land that the company leases (it owns no land). The grains are sold to ADP which is registered as an industry and commerce firm. ADP also buys soybeans from other producers. Around 40 percent of the soybeans that ADP handles come from Agronegocios del Plata and the rest is bought from others, the trend is that a greater share is bought. [...]: Really it is one unity, is more of a tributary theme" (ADP 2007-11-27).

²⁷⁶ Kilafen is handling around 30,000 ha according to Gutierrez (2009)

www.kilafen.com.uy/servicios.asp Garmet forms part of the business group Pérez Companc, and manages around 30,000 ha according to (Gutiérrez 2009). It is also one of the biggest actors in commercialization of soybeans exported at FOB (Uruguay XXI 2014).

²⁷⁷ The staff at the giant multinational trader Dreyfus explained what they made money on, in the following way: "Another good thing is the transparency of the market. We have different kinds of contracts that the suppliers can chose between and they are all available at our website. Any producer can go in and study the terms and all of them relate to the Chicago Board of Trade. What we need to attend is the discount we do to the price of Chicago. If Chicago moves up, generally the discounts become wider since, well, obviously it is not the same to sell soybeans to a Chinaman for 400 as for 500 [USD]. The market becomes smaller. But well, we have a trading chain which we automatically consult in these occasions, in order to

The concentration of soybeans sold at FOB in port is very high where the top ten companies represented 86 percent of total volume in 2012 (Uruguay XXI 2013a).²⁷⁸ In addition, the same actors that handle the soybean also handle other grains²⁷⁹ as well as seeds and agrochemical inputs, and are among the biggest exporters of the country (Uruguay XXI 2013a). The last part of the commercialization chain in Uruguay is the trajectory from FOB in the port to the Ultramar market (final destination), and concentration there is even higher. The statistical figures of the soybean export from Instituto Uruguay XXI and Urunet²⁸⁰ only capture the market share of the firms entering the cargo in the port (the brokers), and what is bought at FOB in the port is not entered in this statistics²⁸¹ (Traders of Dreyfus 2008-02-19, Director of Schandy 2009-02-16). In this way, many respondents not involved in the exporting stage mention the figures from official statistics, while the actors involved in this stage stressed that they were misleading. ADP, for example, figures as exporter since it sells the cargo to traders from space it rents within the free trade zone (FTZ) area in Nueva Palmira. This area is considered to be outside the country and it is extra-Mercosur too. The staff of the multinational trader Dreyfus explained this the following way:

“The so-called Uruguayan exporter is not a real exporter in this sense, although some of them already have their own space in the port. [...] No Uruguayan firm has the capacity to sell to final destination. All ends up selling

know whether to continue with premiums or discounts to the producers. The core business of Dreyfus is the discounts, that is, the idea is to buy at one discount and sell it at a minor discount. Then we make money” (Traders of Dreyfus 2008-02-19).

²⁷⁸ In order of share: Crop Uruguay S.A. (Cargill) - 17 percent; Barraca Jorge W Erro S.A. - 15 percent; Cereoil Uruguay S.A. -14 percent; LDC Uruguay S.A (Dreyfus) - 9 percent; Garnet S.A - 8 percent; Tafilar S.A (El Tejar) -6 percent; Kilafen S.A - 5 percent; ADM Uruguay - 5 percent; Copagran - 4 percent; ADP - 3 percent. Previous years have had even higher concentration rates (XXI 2013a).

²⁷⁹ Uruguay did not have any export tradition of grains but due to the soybeans allowing for a winter crop and rotations schemes the exportable surplus of other grains grew substantially as did exports.

²⁸⁰ Urunet provides international trade information (for paying clients) with data from 1996 until current on Products, Country of Origin/Destination, Firms, Rates, Taxes, etc. covering Argentina, Brazil, Chile, Colombia, Paraguay, Bolivia, Costa Rica, Ecuador, Spain, Honduras, Mexico, Venezuela, Peru and Uruguay. Urunet is widely used by companies and MGAP and other entities in Uruguay. For more information see www.urunet.com.uy/index.php (Accessed in January, 2014).

²⁸¹ In the words of the director of Schandy Shipping (maritime agency of ADM in Nueva Palmira): “It looks like Erro are exporters and they are not, they are middlemen, but they sell the cargo to traders at FOB in the port. In general, the trader only puts the cargo in the ship while the rest is done by others. You don’t know how much each actor actually exports. But you will be able to know from the figures I will give you. ADM is biggest on transfer [Paraguayan soybeans] and Dreyfus is the biggest on export. ADM worked with Erro before but now work directly” (Director of Schandy 2009-02-16).

to us, to ADM or Cargill, and perhaps occasionally to Noble, Glencore or Bunge [...] So, if you sold 2000 ton to me, Dreyfus, I will order a boat for within 15 days and you have to load the cargo. But if you don't have that lung we can do it because it is impossible to load the cargo directly from the truck to the ship" (Traders of Dreyfus 2008-02-19).

As mentioned in above quote (and also mentioned by respondents representing Cargill, Navíos, Schandy, ANP), the concentration of the actual export is more important than what appears in the official statistics. Louis Dreyfus Commodities alone is described to have a market share of around 50 percent of exports.²⁸² The share of Cargill was described as rapidly increasing and in 2008 amounting to 25 percent.²⁸³ ADM is described to be the third biggest player in the soybean exports, although it is the biggest actor in the transfer trade of Paraguayan soybeans (and for long it was the only one). Noble grains is also an important actor in the transfer trade from Paraguay and Bolivia. It moved double the amount than all the Uruguayan exports. Bunge Uruguay (a subsidiary of Bunge Limited) entered the business of Uruguayan soybean export as late as 2008 and according to its own website (in 2012) is the fourth largest soybean purchaser and exporter in the country.²⁸⁴ These relations are rapidly shifting, however. For example, ADM is described to invest in big infrastructural projects including a terminal of their own in the free trade zone of the Nueva Palmira port.²⁸⁵

While the establishment of these mega traders is described as a new phenomenon in Uruguay (since there were no grain surplus before the soybean expansion), it follows a global pattern that most interviewed respondents are well aware of. In the global agro-food complex these top leading multinational traders are increasingly vertically integrated and active in global processing of agricultural products and merchandising of a wide range of commodities, as well as dominate important part of the infrastructure (Bisang,

²⁸² From the interview with the merchants of Dreyfus: "Our share of total Uruguayan soybean exports is around 50 percent. Of these, we buy around 75 percent from Uruguayan originators that sell at FOB to us in the port" (Traders of Dreyfus 2008-02-19). Dreyfus also imports soybean oil and flour, both as the subsidiary URUGRAIN S:A., and as LDC in the export statistics.

²⁸³ Interview with the director of Cargill and with the researcher of Cereals and Industrial Cultivations at FAGRO-EEMAC and the traders from Dreyfus. In Uruguay it has the subsidiary Cropsa, with a proper web-site www.cropsa.com.uy/. (Accessed in January, 2014), but it is not very informative.

²⁸⁴ However, several respondents mentioned that Bunge already had made some operations in the name of others before starting to handle soybeans in its own name. Besides commercializes grains, oils and fertilizers, Bunge is also participating in storage www.bungeuruguay.com/ing/prod_cereales.html (Accessed in January, 2014).

²⁸⁵ See www.transcargo.com.uy/La-estadounidense-ADM-elige-Uruguay-para-levantar-una-terminal-exportadora/ (Accessed in January, 2014).

Campi, and Cesa 2009, 80, Shurtleff and Aoyagi 2009, 532).²⁸⁶ The majority of these top multinational corporations were founded in the late 19th or early 20th century and they are today representing some of the world's largest privately held corporations.²⁸⁷ This was also expressed by the director of the main grain terminal of Nueva Palmira, Navíos:

“It is very difficult to take the commodity to final destination. Of course you already know about the brutal concentration in the global grain trade and Uruguay is no exception. We used to talk about the seven big sisters, but now we talk about four; ADM, Cargill, Dreyfus and Bunge. But we in Navíos do most of our business with the big agrarian firms coming and selling at FOB in the port to the traders; that is ADP, Garmet and so on. Those actors are often the responsible for us since they sometimes sell to traders after loading the vessel. We only have contact with the traders that are involved in the business in Uruguay, which nevertheless are increasing.” (Managing director of Navíos 2009-02-25).

As mentioned in above quote by the director of Navíos, the concentration is the biggest in the final stage of the commercial chain, corresponding to the global grain trade.²⁸⁸ While the respondent claims that Navíos mostly deals with the firms selling at FOB in port rather than the traders, it is nevertheless clear (and confirmed by the director of Navíos) that the big traders in Uruguay have increasingly moved up the commercial chain and are increasingly involved in the business close to the actual production, besides dominating the cargo sold at FOB in port. This was also mentioned by the cooperatives that suddenly “competed” with multinational traders for grains to buy. The interviews with Cargill and Dreyfus also told about how their business in

²⁸⁶ One example comes from Cargill that in 2007 created a joint venture with Monsanto called Renessen, for market low-linoleic soybeans which is said to be able to reduce the presence of trans fatty acids (trans fats) in the food industry. <http://news.monsanto.com/press-release/monsanto-sees-tremendous-progress-rd-pipeline> (Accessed in July, 2014).

²⁸⁷ See: www.cropsa.com.uy/; www.bungeuruguay.com/ing/quien_uruguay.htm. www.ldcommodities.com/-About-us-.html www.cargill.com/ www.adm.com/en-US/Pages/default.aspx (Accessed in January, 2014).

²⁸⁸ However, as trade statistics from Comtrade (FAO) or USDA are exclusively state-centered it is much easier to find data over the concentration of importing and exporting countries in the global soybean trade (which is high) than data over concentration of importing and exporting firms. Still, estimations tell about extreme concentration where the same giant firms control the markets of international trade, crushing, logistics and inputs (Shurtleff and Aoyagi, 2009). ADM described in the 2007 annual report that “ADM operates one of the largest and most advanced origination, transportation and logistics networks in the world. Through a fleet of trucks, railcars, barges, and ship charters, the company is able to take grains from anywhere they are produced in the world, process them into a diverse slate of products, and move these products to any destination in the world” See: www.adm.com/en-US/investors/Documents/2007-ADM-Annual-Report-Eng.pdf (Accessed in January, 2014).

Uruguay had evolved from an offshore strategy to export, to increasingly adding infrastructure and “closer to farm” commercialization. The participation in transport and storage close to the farm (referred to as *ex-ante* Nueva Palmira), was mentioned to bring advantages when it comes to capture the biggest share for export.²⁸⁹

The big traders do not only participate in commercialization, storing (silos and country elevators) and transport, but are also increasingly important in the input markets for seeds, fertilizers and agro-chemicals (Cargill²⁹⁰ and Dreyfus). Dreyfus founded Calyx Afro in 2007 which buys and leases agricultural land in Uruguay, Brazil, Argentina and Paraguay for farming operations and for land appreciation and in 2011 managed 106,000 ha of land.²⁹¹ ADM and Cereoil have installed crushing plants in Uruguay for oil and feed projects from soybeans. El Tejar and ADP also have moved into this segment through agreements with the biggest meat company in Uruguay, Marfrig (providing grain to livestock producers).²⁹²

Other big companies have moved in opposite directions, such as ADP and El Tejar, from only farming to commercialization of inputs, storage, transport and crushing. El Tejar has developed own cattle rising including feed-lot activities and industrial crushing (for bio-diesel and feed). In general, more and more of the firms tend to offer total solutions of seed, herbicides, fungicides and insecticides. Sometimes the importers complete their supply and sometimes the cooperatives or local firms establish contracts with the producers. The network of firms and business created for distribution of inputs is diverse. Sometimes the ‘pools de siembra’ themselves import and distribute input, sometimes it is the agronomist giving technical assistance (Errea et al. 2011, 12). According to Errea et al, it is possible to identify a general trend of entering the more “industrial stages” – among

²⁸⁹ Explained by a Dreyfus merchant: “All big multinational firms into trading and grains have a small feet tucked in Uruguay at least at an offshore level, that is Noble, Glencore, Bunge, ADM, all. Luckily for us they did not all have the timing to enter in the physical business of Uruguay. Luckily, we entered first and that gave us some advantages. For example, you see ADM, which is a heavy firm and you cannot believe that they are not buying even close to what we are buying and it is obviously because they don’t have the stockpiles, they don’t have the trucks, they don’t have the access that we have” (Traders of Dreyfus 2008-02-19)

²⁹⁰ In the words of one of the managers of Cargill: “Look, it is like this: Cargill International is associated with a Uruguayan firm called Hiper Insumos S.A. and the two formed in 2005 Crop Uruguay S.A. I do not know exactly the proportion of each, but Cargill is the majority owner, which is why we work with the logo of Cargill. Cargill tends to enter the countries through some local entity and later after a while it sees how the business’ work and it starts to buy” (Country Manager of Cargill 2007-11-26).

²⁹¹ See document from LDC commodities:

www.ldcommodities.com.br/Sobre_LDC/documentos/20120423_Annual_percent20Report_English_percent20Version.pdf

²⁹² From interviews with El Tejar, ADP and Marfrig.

many agrarian firms (2011:98-100). Conforte (2007) argues that the firms in the soybean complex manage risks by entering other stages of the chain, sometimes through vertical integration and sometimes through special partnerships, alliances and acquisitions (Conforte 2007). Previously specialized firms that have entered new segments have moved into the commercialization of grains.

There is also significant concentration and vertical integration “upstream” in the soybean complex. In principle, all current soybean production in Uruguay is RR (Bosso de Brum 2010).²⁹³ Since the approval of RR in 1996 Uruguay had a long period of no authorization of new events including an 18-month period of explicit moratorium, which resulted in a new regulatory framework. Under this new framework the Roundup Ready™ 2 Pro, sometimes referred to as Intacta²⁹⁴ (also property of Monsanto), and the Liberty Link²⁹⁵ soybean (property of Bayer CropScience) were authorized for cultivation in 2012.²⁹⁶ However, in 2013/14 the new events had not started to be commercialized, so between 2002 and 2013 it is the RR technology that is the single dominant soybean GM event in Uruguay.²⁹⁷ While Monsanto has monopoly on the genetic trait, it has licensed the RR technology broadly to other seed companies who could use the technology in their own varieties of soybean seed under their own brands (Wilson and Dahl 2010, 2). In this way, even though there are more than 100 different soybean varieties in the Uruguayan seed market,²⁹⁸ all include the genetic trait patented and licensed by Monsanto (President of INASE 2009-02-10). When it comes to the seed varieties, the concentration in the market is also very high. The National Register of Cultivar Ownership and the General Register of Nurseries and

²⁹³ There is a very small niche of soybean production from conventional seeds, but I have not found any official statistics on it, and all bigger firms and cooperatives say there is no economy in doing conventional soybeans. In this way, Uruguay became the only country in the world where 100 percent of soybean cultivation is GM, (Graham Brookes and Peter Barfoot 2008; Brookes 2009).

²⁹⁴ Including both the glyphosate herbicide tolerant trait (from RR) and an insect-resistant trait.

²⁹⁵ Including a Glufosinate herbicide tolerant trait.

²⁹⁶ See ISAAA www.isaaa.org/gmapprovaldatabase/event/default.asp?EventID=159 Accessed in April, 2014).

²⁹⁷ It is estimated that producers will begin to invest in the new technology when there are more results from field trials available. There is a small percentage who planted field trials this season to see how it compares to conventional Round-up Ready soybeans In 2013, twelve Uruguayan producers were chosen as ambassadors to test the RR2 Pro. See www.agromeat.com/110624/en-uruguay-monsanto-presento-intacta-rr2-pro (Accessed in April, 2014)

²⁹⁸ Before coming out on the Uruguayan market, a certification process starts in which the Uruguayan seed institute (INASE) is responsible to supervise all stages for itself or through third parties. This evaluation process takes around four years and is realized through various test sites across the country. The results from current and past evaluations are published and can be accessed through the websites of INIA and INASE.

Seed Producers and Traders held by the National Institute of Seeds (INASE)²⁹⁹ shows that despite that a magnitude of varieties there are just a handful companies behind them, and most are big multinational corporations.³⁰⁰ The intellectual private property rights on these technologies are strong, and the breeders get royalties also from farmers' saved seeds (Director of URUPOV 2008-12-11, Benech, 2009-02-10 #967, Paolino, Pittulaga, and Moncelli 2014, 20).

National firms are not part of the development of new traits and events, but Uruguay still has a long tradition of seed improvement and seed exports of ryegrass and forage to other countries in the region. During the past years some national initiatives on soybean seed breeding have also emerged and the share of imported soybean seeds from Argentina has decreased (Souto 2010b, President of INASE 2009-02-10). For example, a joint venture between El Tejar and the agrochemical firm Solaris called "Semillas Latitud" produces soybean and wheat seeds in an agro-industrial plant in Young (Río Negro).³⁰¹ In a similar way, the Uruguayan company Barraca Jorge W. Erro S.A. entered a joint venture with the Argentinean seed company Don Mario³⁰² in 2009 called "Semillas del Sur".³⁰³ This company produces many varieties of soybean seeds including and also exports counter-seasonal production for North American companies.

Within the agrochemical sector fertilizers play a significant role in Uruguay's imports. Uruguay imports 75 percent of the fertilizers it consumes

²⁹⁹ INASE was created in 1997 by the Uruguayan Seed Law (No. 16,811) as an independent body under public law responsible for the monitoring production and marketing of seeds, and to ensure and verify compliance with the prevailing legal provisions. INASE assists the Executive in all matters of seed policy. In this way, the role of INASE is twofold; to control that the seeds are evaluated properly, and to protect the phylogenetic creations and discoveries by granting the appropriate property titles in accordance with national provisions and bilateral or multilateral international agreements. INASE also implements arrangements for the imports and exports of seed. See: www.inase.org.uy/7 (Accessed in July, 2014).

³⁰⁰ In the INASE website one can see that 22,713, tons of soybean seeds were imported to Uruguay in 2007, representing 161 different registered cultivars (seed companies). The seed and agrochemical company Nidera (founded 1920 in Holland) alone stood for around half of total imports (10,198 tons). The four most important breeders (Nidera, Don Mario, Monsanto, and Seminum) together represented 17,181 ton, or 76 percent of total imports.

³⁰¹ Semillas Latitud supplies all the cultivations of El Tejar Uruguay with seeds. It also sells on the market. Solaris is the exclusive supplier of all inputs and seed processing products, as well as technology used for plant operation. "Semillas Latitud" also incorporates other companies such as BASF which brings its fungicide (seed treatment), Nitragin with inoculants and genetics provided by Nidera, Sursem and La Tijereta See www.eltejar.com/es/noticias/planta-de-semillas-latitud_77.php and <http://historico.elpais.com.uy/110605/pecono-571094/economia/Planta-de-semillas-completa-polo-agroindustrial-en-Young/www.solaris.com.uy> (Accessed in July, 2014).

³⁰² Don Mario is one of the largest soybean seed producers in South America selling nearly 30 percent of soybean seed in the region, according to the US based magazine Seed World (2011). See www.seedworld.com/Flipbook_Dec2011/files/inc/651003184.pdf.

³⁰³ See www.semillasdelsur.com.uy/

(U.S. Embassy in Montevideo 2011). There are also some strong domestic agrochemical firms in the market, ISUSA and Macció. The local chemical industry industries (including production of fertilizers) basically process imported raw materials. These firms are described to have grown with the expansion and are important with almost 50 percent share in the agrochemical market, according to the director of the national inoculant firm Lage y Cia. However, the active ingredients are imported and often patented by foreign firms. When it comes to the imports of active ingredients China has shown to be increasingly important (Uruguay XXI 2013a). Up until 2003 Argentina (as a regional hub representing multinational firms as Monsanto, Dow, Bayer; BASF and Jonson) was the biggest supplier of pesticides to Uruguay. In 2010, China alone represented 40 percent of the market.³⁰⁴ Monsanto is still the biggest player in the glyphosate market in Uruguay, under the brand name Roundup, despite that Monsanto's patent of glyphosate expired in 1996. All Monsanto products in Uruguay are exclusively sold by the firm Agrotterra and this one and only firm dominates the glyphosate market of Uruguay.

In conclusion, the concentration in the soybean complex is extremely high at all stages and there is significant amount of vertical integration. The general trends since the soybean expansion begun in Uruguay in 2002 have been that several of the big crop producing firms have moved into commercialization and increasingly act as brokers for smaller producers. They also increasingly commercialize inputs (seeds and agrochemicals) to third parties and have entered different kinds of partnerships, joint ventures or other special deals with input firms. Some of them have moved into feeds, biodiesel, and animal production (thus entering other productive chains). At the same time, the big crop producing firms contract most agrarian services from (smaller) third parties, while only employing a few in-house agronomists responsible for planning (based on risk simulation models) and monitoring (interview ADP and EL Tejar). In this way, these firms adopt strategies of vertical integration for some segments (infrastructure, commercialization), while specializing and subcontracting in others (cultivation, fumigation, harvesting). In the reverse direction, the big traders have moved from almost nonexistence in the country to engage in the export of soybeans and other grains. The traders have also moved into infrastructure (port facilities, silos, warehouses and crushing plants), which in turn has allowed them to buy the commodity directly from farmers and/or local cooperatives which increase possibilities to wider the margins between buying and selling prices. An important part of the grains are bought before the harvest. All trade is related to the soybean prices at CBoT, and important part of the business is not about the physical trading but about taking positions on the future markets (speculating on the

³⁰⁴ See statistics at DGSA-MGAP

www.mgap.gub.uy/dgssaa/DivAnalisisDiagnostico/DAYD_PROFIT_ESTADISTICA.htm

expected price movements). The same cargo can accordingly be bought and sold several times without any physical transfer. The relation between traders is described by the Dreyfus staff to have evolved into both fierce competition and cooperation to keep the high storage and transport costs down, particularly when it comes to loading the vessels in port (Traders of Dreyfus 2008-02-19). As mentioned, some of the traders have also moved into crushing.

In contrast to the crop producing companies as El Tejar and ADP these mega trade and seed companies have a very low profile leaving almost no traces in public debate, no active participation in seminars or in national media. The seed companies mostly talk through the Uruguayan Chamber of Seeds (CUS) and Uruguayan Civil Association for the Protection of Vegetable Obtainers (URUPOV). Both seed firms and traders are also members in the MTO and the Chamber of commerce and export of agriproducts, *Cámara Mercantil de Productos del País*³⁰⁵ which is the trade federation that represents the agricultural, agrifood and agroindustrial commerce in Uruguay. The chamber participates proactively in the public debate and is explicitly in favor of free trade.³⁰⁶ There are also other business organizations in Uruguay where firms from the soybean chain are represented.³⁰⁷ There is, however, no apex organization that represents the entire Uruguayan business sector.

The arena that appears to be most important for coordination of all the big firms involved in the soybean complex seems to be the private-public technological oilseed table, Mesa Tecnológica de Oleaginosos (MTO)³⁰⁸ MTO was founded in 2006 as a forum for information sharing among the actors linked to the production and commercialization of oilseeds.³⁰⁹ The country manager of El Tejar was the elected president of MTO, 2006-2011. All the

³⁰⁵ See www.camaramercantil.com.uy/ ADP, Cousa and Erro have representation in the chamber See www.camaramercantil.com.uy/softis/ML/cv/4/

³⁰⁶ Although Cámara Mercantil founded in 1891 has a much longer trajectory in Uruguay than the soybean expansion, it fits well in with its general pledge for free trade and to represent the interest of its main members: “We are certain that free trade is an important contribution to the wellbeing of the entire Uruguayan society. Therefore, our Chamber has always defended this principle throughout its history” www.camaramercantil.com.uy/ (Accessed in January, 2014).

³⁰⁷ Unión de Exportadores del Uruguay - <http://www.uniondeexportadores.com/Default.aspx>; Cámara Nacional de Comercio y servicios del Uruguay - <http://www.cnccs.com.uy/>; Cámara de Industrias <http://www.ciu.com.uy> (All accessed in July, 2014).

³⁰⁸ MTO’s mission is to “favor competitiveness of the Uruguayan oil-seed chain, through coordinated management for quality improvement, environmental protection and social development.” It also supports soybean farmers in production, transportation, logistics, trade, marketing and consumption of soybeans and their products. MTO is a member of: International Soybean Growers Alliance (ISGA and also supports the Cámara Mercantil (MTO 2012) See: www.mesadeoleaginosos.org.uy/ (Accessed in January, 2014).

³⁰⁹ The oilseeds are soybeans, canola and sunflowers, although the sunflower production in Uruguay has been negligible during the past decade and canola is only recently entering in Uruguay and at very modest levels of less than 10,000 ha.

biggest firms involved in production, commercialization, processing and exports in the soybean complex are members (these are 17 firms, including the cooperatives Copagran and Calmer).³¹⁰ Members are also the Faculty of Agronomy (FAGRO) at the State University (Udelar), the National Institute of Agrarian Research (INIA) and the technological laboratory of Uruguay (LATU). The Ministry of Agriculture, Livestock and Forestry (MGAP) does not form part of the board, but is often invited to participate in meetings, and of course in public events. Within MTO there is also an exclusive private sector space called the national consortia of oilseeds, *Consortio Nacional de Oleaginosos*, which is integrated by the 17 biggest producers, traders and processors. According to its own estimates in 2010 it controlled 91 percent of total exports and industrialization of oil-seeds in Uruguay.³¹¹

The explicit mission of MTO is to “favor competitiveness of the Uruguayan oil-seed chain, through coordinated management for quality improvement, environmental protection and social development” (MTO, 2014). It also supports soybean producers in production, transportation, logistics, trade, marketing and consumption of soybeans and their products.³¹² The secretary of MTO³¹³ reflected on its function in the following way:

“I believe that the joint work of the firms and the research institutes is very positive and forms an interesting bet. We make a nice group in which all work in a very cordial form, very pleasant. Although many of them are in fact competitors, you do not feel the competition in this group, mainly because it is a technical table, it is an area of technology where the goal that unites us is to solve technological restrictions. The idea is to produce better and to be a point of reference in the productive, food processing and exporting sector; looking for obtaining quality products and environmental

³¹⁰ The following firms are members: Agronegocios del Plata S.A. (ADP), Agrotierra S.A., ALUR, Barraca Jorge Walter Erro S.A., Basolto S.A., Cooperativa Agraria Limitada Mercedes (CALMER), Cooperativa Agraria Nacional (COPAGRAN), Compania Oleaginosa Uruguay SA (COUSA), CROP URUGUAY S.A. (owned by Cargill in Uruguay), El Tejar (registered also as TAFILAR S.A.); Fadisol S.A., Garnet S.A.; Glencore; Kilafen S.A., Louis Dreyfus Commodities (LDC) URUGUAY (also active in Uruguay under the brand names Uruagri and Urugrain); MSU; Nidera Uruguay S.A. See: www.mesadeoleaginosos.org.uy/ (Accessed in March, 2014)

³¹¹ See:

[www.mesadeoleaginosos.org.uy/infoInteres/10marzo/Comunicado de Prensa EXPOACTIV A.doc](http://www.mesadeoleaginosos.org.uy/infoInteres/10marzo/Comunicado_de_Prensa_EXPOACTIV_A.doc) (Accessed in March, 2014)

³¹² See www.mesadeoleaginosos.org.uy/institucional (Accessed in July, 2014).

³¹³ She is the only one employed by MTO. She is also secretary of the Agrochemical Chamber, Camagro, and project leader of Campo Limpio, “tidy land” of Camagro together with CropLife (the association of all big companies “that develop, manufacture, formulate and distribute crop protection chemicals and plant science solutions for agriculture and pest management” See www.croplife.com and www.camaradeagroquimicos.org.uy/acerca-camagro/ (Accessed in September, 2013).

care in the whole oil-seed sector, as well as to encourage the development of competitiveness of the oilseed chain in Uruguay. That is, to see that the chain is competitive, but above all to grow with quality products and environmental stewardship throughout the sector. These are very concrete things” (Technical Coordinator at MTO 2008-12-11).

The above quote is illustrative for how members of MTO³¹⁴ characterize the function of MTO. When asked about the role of MTO, all interviewed members tend to stress that its function is purely “technical” and not at all “political”, and that the emphasis is on finding “solutions” to “problems”. This reflects the notion that it is possible to objectively define neutral problems and solutions beyond conflicts of interests. Faithful to its “technical” profile MTO has not taken positions publicly in polemic policy related matters. This is in stark contrast with the recurrently polemic claims vis-à-vis the government made by the traditional producer organizations, the Rural Association of Uruguay (ARU) and the Rural Federation of Uruguay (FRU). These have traditionally been the actors “representing” the “rural interest” in relation to public policy (Riella and Andrioli 2004), but they do not participate in MTO.

MTO has nevertheless been actively communicating with the rest of society by promoting studies, organizing seminars and arranging meetings with media coverage and the presence of the Minister of the MGAP and other public authorities. For example, it has funded researchers to look at the indirect employment generated by the soybean expansion as an implicit response to the debate about “displacement” of traditional producers. It has also been very active in the debate about erosion as a consequence of pure crop rotations systems in the wake of the soybean expansion by organizing events on “good agricultural practices” and publishing a manual about the same. At the national MTO organized event “How to produce more food reducing the environmental impact: the challenge of our time”³¹⁵ the director of El Tejar presented how the company worked with “Good agricultural practices”.³¹⁶ It is therefore possible to assume that MTO has served as an important arena for both chain coordination and regulation of the soybean complex in Uruguay.

³¹⁴ Within this study interviews were made with the following members of the MTO board; the director of El Tejar (President of MTO); the president of Copagran; the director of Cousa; the director of the National Rainfed Crop Program at INIA; the director of ALUR; the director of Cargill; the secretary of MTO. Also the oil-seeds specialist from Opya-MGAP has often represented MGAP in MTO meetings and activities. Dreyfus also forms part of the board but it is represented by another person and not the commercial agents interviewed for the study.

³¹⁵ This event took place the 31st of July, 2009. It was attended by representatives from national newspapers, the economic and finance department (MEC), the department of environment and territorial planning (MVOTMA), researchers, organizations and private companies.

³¹⁶ His presentation can be downloaded from the MTO website www.mesadeoleaginosos.org.uy/09julio.php (Accessed in January, 2014).

In short, this narrative tells that the main drivers behind the soybean expansion are seen to be the “new” foreign crop firms (described in section 5.2.1). The concentration of new production firms or network firms has received much attention in national media and in the reports from NGOs and research. These aspects are even more accentuated for other stages in this soybean complex, such as input markets, commercialization of grains, logistics, processing and exports. There is also an important degree of vertical integration within the soybean complex and the majority of the big crop producing firms are also important actors at other stages of the soybean supply chain in Uruguay such as in logistics, storage, distribution and commercialization of both inputs and grains (on future markets linked to CBoT), as well as in some cases of crushing into flour and oil. Although concentration and vertical integration are uncontested features, I have here not mentioned anything about highly diverging interpretations of the consequences and meanings of these changes. These are the central objects of analysis in the chapters 6, 7 and 8.

5.2.3 Who are the traditional “producers”

Producers that have been active in the areas since before the expansion are also referred to in different ways. Common expressions are *productores tradicionales* (traditional producers); national producers; family producers; independent producers; *medianeros* (sharecroppers); *agricultores* (crop producers) and *agrícola-ganaderos* (producers doing crop-livestock rotations). The most recurrently used generic category is *productores tradicionales*. This position is often constructed in contrast to the “new” crop producing firms, although there are diverging views on how the signs are related. The “what” and “who” included/excluded in this position are partly contested and varying. This struggle will be addressed in the thematically organized section, but as part of the uncontested and recurrently used ways of referring to this category. In general, the national nomenclature for all agrarian productive entities is *productores*, which encompasses small family-based producers to big capitalistic agrarian firms.

I will mostly use the generic category “traditional producer” as it is most commonly used in this field. It is in mostly constructed in contrast to the new crop producers or network firms. While the “new” firms were described as organized in networks with a wide use of sub-contracting activities, the “traditional producer” is characterized as mainly vertically organized in which the owner or the family has control over all processes, assets and decisions, and make most of the work by themselves (Errea et al. 2011, 30; 67; 96-97; 102). The “traditional” producer has more fixed assets (land and machines). It is also described to manage production and commercialization decisions mostly by experience (less on “technological” knowledge). In ad-

dition, it is more oriented towards mixed systems (rotations of crops with pastures) and adapt much slower to change (Errea et al. 2011, Arbeletche, Coppola, and Paladino 2012, Arbeletche, Ferrari, and Souto 2008). In sum, the “traditional” producer is argued to represent different logics of production in relation to the new firms.

The concept “traditional producer” is nevertheless ambiguous. Sometimes it is constructed to include all producers of all productive orientations and economic positions who were already active before the soybean expansion. In this broad definition, all the 51.020 productive establishments in Uruguay that were registered in the Census 2000 could be theoretically included. The Agrarian Census and the yearly statistical yearbooks from the Ministry of Agriculture and Livestock Stats Office (DIEA) present data on the producers divided in different sub-sectors depending on land use and divided into different strata depending on size. In many texts about the soybean expansion “traditional producers” are equated to *productores familiares* (family farmers). The main features in the official definition of the family producer in Uruguay is that most of the labor is in the form of unpaid work by family members who live, own or manage the farms (Figari, Rossi, and González 2007, 74, Arbeletche and Carballo 2009). Although there is variance within this group it is mainly described as having access to relative cheap and abundant labor (predominately unpaid family labor), while relatively expensive and scarce access to land and capital (Chiappe 2007, Errea et al. 2011). In the official definition of family producer is also established as maximum levels of managed land varying for each sub-sector (Tommasino and Bruno 2005). According to this definition, around two-thirds of all agrarian productive units (PU) in 2010 were represented by family agriculture and smallholders (Paolino 2010a).³¹⁷ This represents an important decrease since this group represented 79 percent of all establishments in the 2000 Agrarian Census (Figari, Rossi, and González 2007, 84-85).³¹⁸

The term *campesino* (peasant) is almost non-existent in the Uruguayan nomenclature in contrast to the rest of the region. The dominant stream within research has found it more accurate to talk about *productores familiares* (family producers) and not peasants or *campesinos* in the Uruguayan context (Rossi 2010, 72). According to Uruguayan researchers *campesino* represents someone with almost no assets, who mostly produce for subsistence and for

³¹⁷ Family farmers are in relative terms important in horticulture and dairy, although in absolute terms most small- and family producers participate in the livestock sector. The family producers are often subdivided into smaller categories depending on the degree of capitalization and the amount of wage labor used. The livestock sector contains different specialization segments with different social structures in breeding, fattening and complete cycle.

³¹⁸ The Census also showed that 13 percent were *productores medios* (defined as establishments using of family labor but where most of the labor is realized by hired work force), and 8 percent of all establishments were *productores grandes* (defined as establishments with more than 1000 ha).

some exchange. While the Uruguayan family producer, in the tradition of the rural sociologist Diego Piñeiro, is described as someone who is controlling some assets (often inherited property), can potentially accumulate capital, and who is deeply inserted in the capitalist market (Figari, Rossi, and González 2007, 74-75). However, there are also elements of the *campesino* that several Uruguayan researchers have addressed to be shared by the family producers, such as reliance (to different extent) on family labor and an economic logic which is not entirely capitalist but more centered on maximizing production rather than profit (Rossi 2010, Piñeiro, Giarracca, and Cloquell 1998, Figari, Rossi, and González 2007, 76-77, Piñeiro et al. 1991). Gabriel Oyhantçabal, from FAGRO-Udelar, has written several academic and non-academic (for Redes-Friends of the Earth) about the soybean expansion, in which he argues that it would be accurate to call Uruguayan small producers for *campesinos*, and that the use of this concept would more clearly remark the differences in logics of production between this group of social actors from agribusiness firms (Oyhantçabal and Narbondo 2011).

Sometimes the broad category “traditional producer” is divided into *ganaderos* (ranchers), *agricultores* (crop producers), and *agrícola-ganaderos* (mixed crop-livestock farmers). This difference is established by considering the more capitalistic enterprises and the family-based entities (Chiappe 2007). The livestock sector in Uruguay is, as in the case of grain production, rather concentrated and dominated by big producers but has a dualistic structure representing where the most small- and family farmers are concentrated in absolute terms (DIEA 2011, Tommasino and Bruno 2010, Paolino 2010a). *Agricultores* and *agrícola-ganaderos* have since the 1960s been concentrated mainly in the Litoral. In this way, when talking about the soybean expansion, it is rather common that “traditional producers” get equated with all the crop farmers that were active in the Litoral³¹⁹ before the soybean expansion (Arbeletche, Ferrari, and Souto 2008, Arbeletche and Carballo 2009). It is, however, important to remember the particular characteristics of the Litoral in relation to the rest of the country. It is the area where land prices were (and still are) higher than the rest of the country. The soil has been considered to be most apt for cultivations. It is also closest to the main grain port Nueva Palmira, has had the most silos, has had an important process of concentration already before the soybean expansion (and thus really small and not capitalized grain producers were already gone in this area).

The total number of crop producers (*agricultores*) is low and has not increased significantly despite the crop expansion. The 2000 Census showed that there were in total 1 087 establishments with the productive orientation

³¹⁹ As mentioned, since the 1960s almost all grain production has been concentrated in the area of Litoral and was mostly integrated in mixed systems with pastures until the soybean expansion. The owners of the land were mainly ranchers who allowed sharecroppers to cultivate the land in order to boost the pastures.

in grains and oil-seeds,³²⁰ of which 823 (76 percent) were described as family producers,³²¹ 12 percent were described as medium size producers,³²² and 12 percent large size producers³²³ (Tommasino and Bruno 2005). According to the preliminary results of the 2011 agrarian census³²⁴ published in March 2013 there were in total 2 151 productive units with their principal income from the grains and oil-seed crops in 2011 (MGAP 2013, 13). Out of these, 1 283 were registered as Uruguayan physical persons while the rest were corporations (MGAP 2013, 13).

In the public debate there are various actors that claim to legitimately represent the traditional producers. There are close to 300 producer organizations in Uruguay (Piñeiro and Fernández 2007, 124). Most of these are organized in a few powerful second grade organizations located in Montevideo. The two producers' organizations that have historically been the most successful in claiming to legitimately represent the subject position of traditional producers (or rather all producers) are the Rural Association of Uruguay³²⁵ (ARU) from 1871, and the Rural Federation of Uruguay³²⁶ (FRU) from 1915. These organizations still have a very strong voice in all matters considering agrarian activities in the public debate and they also function as important pressure groups (Piñeiro and Fernández 2007, 125-126, Bruera and Riella 1991). A 2009 report from ILO about collective bargaining in Uruguay states that: "Rural business people mainly belong to the ARU and the FRU. Both exercise enormous influence over the State, sometimes due to the ties with people holding positions within the government, and sometimes because they themselves hold or have held these posts, but mainly because of this sector's importance to the national economy" (ILO 2009, 59). Both ARU and FRU represent all types of producers as members in terms of size and sectors, but according to the Uruguayan sociologists, Alberto Riella and Alexandra Andrioli (2004), they predominately articulate the particular interest of the big livestock producers (which is framed as equivalent to "the

³²⁰ Many of these are also ranchers and work with mixed systems.

³²¹ Here defined as establishments with less than 150 ha

³²² Here defined as establishments with 151 to 400 ha

³²³ Here defined as establishments with more than 400 ha

³²⁴ In July 2014, the final results of the Census are not yet published.

³²⁵ Asociación Rural del Uruguay: www.aru.com.uy/ (Accessed in July, 2014) ARU represents 50 sectors specific producers' organizations. ARU participates in all important (more than 50 different) public and private arenas concerning agrarian issues, as well as seven international organizations of the same.

³²⁶ Federación Rural del Uruguay: www.federacionrural.org.uy/ (Accessed in July, 2014) FRU represents 47 locality specific producers' organizations. FRU also participates in all of the most important national public and private arenas and organizations concerning agrarian issues, as well as some international arenas for producers' organizations. It was founded in 1915 by a group of influential landowners. Because of ARU, it was understood as too centralized, bureaucratic and capable of "defending the rural interest" against the Batllismo reform process and the perceived threats of agrarian reform (Barrán and Nahum 1981).

rural”, and sometimes even “the national interest”).³²⁷ This vision is also established in earlier research (Barrán and Nahum 1981; Piñeiro, Améndola et al. 1991). However, the new crop producing firms have not become members in these organizations (Interview with ARU and FRU).

The relation between ARU and FRU is described as mutually respectful, acknowledging mostly shared interests and understood as more complementary than competitive, although FRU is described (by others and by itself) as more combative (in relation to the state) and ARU more “technical” (Riella 1991, 2004, 184; 202, Irigoyen 1991, 67). In the same way, a quick look at the national news media and the communiqués of these organizations during the past years shows that they express shared visions on almost all agrarian policy including positions taken in relation to new labor regulations for rural workers, the fiscal reform, state bureaucracy, infrastructure, genetically modified crops, trade policy and monetary policy (Barreneche. E and Iglesias. D 2009, Bittenbender 2009, Rojas 2009, Olaverri 2009, Lussich 2009 , El País Digital 2009, Federación Rural 2009-05-30, Lussich 2009). However their views expressed on different aspects of the soybean expansion have differed substantially concerning some aspects. For example, FRU has urged the government to act to “protect” the national producers against increasing competition from new foreign actors, while ARU has not argued for state action in this respect but instead criticized the government proposals to regulate the field. Both ARU and FRU often talk about themselves as representing the whole “rural family” / agrarian sector / rural interest, which most often is constructed in contrast to either the “urban sector” and/or the “public sector”, where the first is described to be the generator of wealth and the backbone of the national economy, while the second is described as the parasitic consumer of wealth. The national press often seems to allow ARU and FRU to “legitimately” represent the “rural interest” as a whole, and they are always given news space to comment all agrarian policy.

Another very important and powerful voice here is represented by the second grade organization for small and family producers - the National Commission for Rural Development (CNFR),³²⁸ founded in 1915 (closely associated with the Batllista governments)³²⁹ and has since been an important voice with some sympathetic policymakers through formal representation in

³²⁷ In general, the livestock sector has been most dominant in Uruguay representing around 90 percent of the 16 million ha of productive land throughout the 20th century. While this sector is dominated by big producers in terms of land and producing volumes, it is also the sector with most small producers participate in absolute terms (CGA 2000).

³²⁸ CNFR is an important voice in the National agrarian policy discussions with formal representation in many public agrarian related arenas. See the official webpage www.cnfr.org.uy/. (Accessed in July, 2014)

³²⁹ The Batllista governments refer to the periods of José Batlle y Ordoñez (1903-1907 and 1911-1915) as well as the government period of the by Batlle chosen successor Claudio Willemann (1907-1911)

many public arenas linked to the agrarian sector. It is described as the organization par excellence acting in defense of family agriculture focusing on strengthening economic viability of small farmers within the system rather than completely transforming the system (Piñeiro and Fernández 2007). CNFR organizes some 95 local organizations called *sociedades de fomento rural* representing some 15 000 *productores familiares* and small producers in all sectors. They are particularly strong in the southern and western part of the country and mainly in horticulture, dairy and grains sectors. This spectrum is nevertheless quite wide ranging from capitalist units employing rural workers to small units based exclusively on family labor (Piñeiro and Fernández 2007). CNFR describes itself as working to strengthen the economic viability of small and family producers and for rural development, “through increasing the solidarity, equality of opportunity, distributive justice, and working for the full dignity of man and women of the countryside”³³⁰. CNFR has taken a very critical position in relation to the soybean expansion and pushed for more state action to protect small and family producers.

5.2.4 Patterns of displacement

The soybean expansion has been fast and dramatic led by very big firms resulting in increased land concentration. Actually, the group of producers with more than 1,000 hectares is the only group that increased its share of the land, while all the other producer strata had a declining share since 2000 (DIEA 2014). The preliminary results of the 2001 agrarian census indicates that while industrial crops cover 10 percent of all Uruguayan productive land, they only represent less than 5 percent of all producers. In absolute numbers, there are 2 151 productive units that cultivate industrial crops. Out of these 868 are corporate firms representing 40 percent, which is the highest share among all productive sectors. They manage 71 percent of the industrial crop area (1.2 million ha out of 1.7 million ha in 2011). The remaining 1 283 industrial crop producers representing 60 percent of the units involved in industrial crop production manage 29 percent of the area, or 0.3 million ha (DIEA 2013, MGAP 2013). As mentioned in the historical context, land concentration is nothing new and was established under colonial rule (described as a *latifundio-minifundio* system). It was later consolidated under the “modernization” period in the late 19th Century. However, the pace of increased concentration is described as faster and the size of the new firms as bigger than the historical counterparts.

³³⁰ See CNFR official homepage “quienes somos” (who we are) www.cnfr.org.uy/nosotros.php#.UZnmcHcmMXg (Accessed in June, 2014)

In this process several “traditional producers” of the *Litoral* have left agriculture (Arbeletche, Ernst, and Hoffman 2010). An often stressed factor behind the “displacement” of traditional producers is the increasing land prices in the wake of the expansion. Low land prices are described to be one of the reasons that attracted the expanding Argentinean crop firms in Uruguay. However, in the wake of the soybean expansion the land prices have shot up as never before in Uruguayan economic history. The average price per hectare in 2013 was nine times higher than in 2003 (Paolino, Pittulaga, and Moncelli 2014, 15-17).³³¹ The soybean expansion, with the arrival of foreign firms between 2003 and 2009 has in this way brought increased competition for land (DIEA-MGAP 2014), which in its turn has increased the tendency toward land concentration (Borras et al. 2011).

Smaller crop farmers and sharecroppers in particular have left the activity (Arbeletche and Carballo 2009, Arbeletche, Coppola, and Paladino 2012, Arbeletche and Gutiérrez 2010). Traditionally, most Uruguayan crop farmers entered as sharecroppers cultivating the land of the livestock ranchers to improve the pastures (the agrícola-ganadero model). In this system, the owners of the land frequently leased out the land for crop cultivations and the payment was in percentage of crop income minus costs (30-50 percent). However, according to many respondents, the new big crop actors that entered the country after 2002 began to offer higher and fixed prices which crowded out the traditional sharecroppers.³³² According to Oyhançabal and Narbondo (2011), 66 percent of all crops were 2010 under leasing contracts. According to a report about leasing contracts, published by DIEA in 2014, the period 2000-2012 the average price per hectare increased with 6.7 times higher (DIEA-MGAP 2014).³³³ In addition, many of the new firms offered

³³¹ The evolution of the average price in US dollars:: 2000 – 448/ha; 2001- 413/ha; 2002- 385/ha; 2003-420/ha; 2004-664/ha; 2005- 725/ha; 2006-1132/ha; 2007-1432/ha; 2008- 1844/ha; 2009-2329/ha; 2010-2633/ha; 2011- 3196/ha; 2012-3473/ha; 2013-3519/ha. During these 14 years DIEA has in total registered 32 492 transactions representing almost 7.5 million ha. This is very high in relation to Uruguayan history and in relation to that the total amount of land is 17 million ha. Some of these can nevertheless have been sold and bought several times during the period and not all transactions are related to cultivation. The annual average between of land transactions 2004 and 2008 was 3000 while the number of transactions retracted after 2009 to an average of 2000 a year (DIEA-MGAP 2014). Of these, 77 percent were sold by physical persons, while 20 percent were sold by firms of limited responsibility. In contrast, only 44.5 percent of these were bought by physical persons while 51 percent were bought by firms of limited responsibility. The amount of land under registered leasing contracts doubled between 2000 and 2007 from 415 000 ha in 2000 to 830 000 ha in 2007. The total accumulated value of the land price increments (2000-2012) represents USD 9 000 million (Paolino, Pittulaga, and Moncelli 2014, 15)

³³² Interviews with actors linked to Cadol, Calprose, El Tejar, ADP, FAGRO, MGAP as well as producers have mentioned these effects. As I will show in chapter six, the meanings ascribed these changes are very diverging.

³³³ Average in 2002 - USD 24 ; in 2012 -USD 161 (DIEA-MGAP 2014).

the land owners payments in advance³³⁴. The picture provided by previous quantitative research shows that around half of the traditional sharecroppers (small and big) participating in production in 2000 had left the activity in 2009 (Arbeletche and Carballo 2009, Arbeletche, Coppola, and Paladino 2012, Arbeletche and Gutiérrez 2010).

However, not only sharecroppers have lost access to land but also smaller and medium size crop farmers have left the activity (Arbeletche and Gutiérrez 2010). Many respondents representing farmers and grain cooperatives claim that the share of soybean area controlled by small productive units is even smaller in reality than in the statistical figures from DIEA and research since many of their members have registered parts of the land on different family member names when they in fact manage it as one productive unit.³³⁵ Even without this adjustment, however, it is clear from official statistics that the soybean expansion has gone hand in hand with a dramatic increase in land concentration. The different arguments explaining this pattern will be analysed in chapter six. Here it is enough to say that a wide array of “explanations” have been presented ranging from emphasis on material factors such as increased entry costs and incitements to leave agriculture due to rising land-prices, economies of scale (including preferential treatments given by the buyers to big and loyal suppliers, such as better prices, faster response to trucks requests and access to the best located and efficient elevators), superior management practices of the new firms, and backwardness among traditional farmers.

While traditional producers are described as to a certain degree as displaced, it is nevertheless recurrently expressed that new labor market segments have emerged in the wake of the current model of soybean expansion, linked to the high reliance on agrarian services provided by third parties. According to several interviewed producers, firms, cooperatives and state technicians, the provision of agrarian services for third parties have become the main alternative for the traditional producers that have left the cultivation stage. The Chamber for Agrarian Service providers, CUSA, was formed in 2008 as an explicit response to high price competition among the service providing firms and the rising cost structure (labor costs and gasoil increased substantially 2003-2008). CUSA created a single national tariff for agrarian services (annually adjusted) in order to keep the prices up.

It is not just the “traditional” crop producers who have been “displaced”. The area cultivated by soybeans in 2013 was between 1.1 and 1.4 million

³³⁴ Interviews: the country manager of Cargill; the board member of AAD; the researcher of Cereals and Industrial Cultivations of FAGRO; the president of Copagran; the president of Cadol.

³³⁵ The reasons for this practice were described to be tax avoidance, inheritance, and gender-related division of labor (for example daughters were given land, but the gift seemed to be fully realized only after marriage).

ha³³⁶. Between 2000 and 2010 the cultivated area of soybean grew at an annual rate of 40 percent (DIEA 2011, Grosso and Saavedra 2010). In addition, soybean is most often rotated with other crops (particularly wheat), and since 2012 all crop cultivations need to present rotations schemes to MGAP in to get the authorization to produce. In this way soybean expansion has implied a general crop expansion and soybean represents 86 percent of total area for summer crops (the other summer crops are maize, sunflowers and sorghum). Between 2000 and 2010 the cultivated area of wheat grew at an annual rate of 11 percent (DIEA 2011).³³⁷ This implied that more than one million hectares of land out of Uruguay's total 16 million hectares of land changed from some other use to soybean production.³³⁸ Uruguay has some 95 percent of the land suitable for agricultural production, one of the highest in the world, but the Uruguayan land frontier was exhausted already in the mid-19th century. The soybean expansion displaced other activities.

Most of productive land is nevertheless not considered suitable for crops but only for extensive livestock or forestation. The most suitable land for crops is in the Litoral, which has been Uruguay's main crop producing area since the 1960's where most of the soybean expansion has taken place (85 percent of the soybean production in 2008 came from the Litoral area). The sectors that have lost most area to the soybean expansion are pastures and improved grasslands (DIEA 2013). The mixed system *agrícola-ganadero* where crops entered in rotations with pastures has significantly declined and replaced by continuous crop systems (Errea et al. 2011, 52). The crop expansion has also been crowding out land for the dairy sector (Vassallo 2010). Land and leasing prices of crop land in the Litoral represents the highest in the country (DIEA-MGAP 2014). This is argued to fuel the soybean expansion and its concentration since the high leasing costs for land can only be compensated by using the land exclusively for activities with the highest returns and economies of scale (DIEA-MGAP 2009-02-26).

During the past years, soybean expansion has increasingly entered new areas with no tradition of crops where it has taken over land from extensive livestock (Tommasino 2010). Different official estimations of the amount of suitable crop land in non-traditional crop areas in Uruguay provide slightly diverging results ranging from one million to five million hectares (Uruguay XXI 2011b). The land in the traditional livestock area is much cheaper, but on the other hand storage and transport costs are higher as it is far away from ports and less storage infrastructure. According to the director of El Tejar,

³³⁶ According to Uruguay XXI, it was 1.3 million ha. (Uruguay XXI 2014). According to the annual report of Opya-MGAP, it was 1.4 million ha. (Souto 2013).

³³⁷ The leading cultivating and commercializing actors behind the soybean expansion are also the leading actors in the production and commercialization of wheat, maize, sorghum, sunflowers and barley.

³³⁸ 95 percent of total land is considered suitable for agrarian production, and currently around 30 percent estimated to be suitable for crops, at least if it is no-tillage (Uruguay XXI 2013a).

there are important incentives to produce crops for fodder to the local meat-chain and oil for bio-diesel (Country manager of El Tejar 2008-02-19). Both ADP and El Tejar have in this way entered strategic alliances with Marfrig which is the biggest meat company in Uruguay (Interview the director of Marfrig). El Tejar has also increasingly entered into livestock production and started to produce in feedlots,³³⁹ which is described as an important break with the pattern of extensive grazing as the dominant model.

The fact that the arable sector takes land from the meat sector is understood to imply a break with the historical subordination of cultivations vis-à-vis meat (Errea et al. 2011, 12). As I will show in coming sections about the contested aspects about the soybean expansion, there have been many voices in the Uruguayan debate that have view the soybean expansion as a threat to livestock production. The important producer organization FRU published many texts in which these concerns were expressed.³⁴⁰ However, the new agribusiness firms have claimed that more crops mean more livestock,³⁴¹ and the big meet company, Marfrig, claimed that the soybean expansion offered more of an opportunity than a threat (Interview the director of Marfrig). Despite almost one million hectare less land for livestock, the stock of bovines has been stable between 2004 and 2011 (around 2 million heads), and the productivity increased (average slaughter age was 4.5 years in 1991 and 3.5 years in 2009) (Paolino, Pittulaga, and Moncelli 2014, 22). This is mainly explained by a shift from almost exclusive reliance on natural pastures to a progressive increase of concentrated feed supplements from vegetable proteins including soybeans (Paolino, Pittulaga, and Moncelli 2014). In this way, the historically main productive system of cattle production based on extensive grazing of natural rangelands and seeded pastures systems has increasingly shifted into more intensified systems of increased stocking rates and confined systems, such as feedlots (Modernel, Astigarraga, and Picasso 2013). This shift is linked to the hike in land prices which creates important pressures for intensification of land-use where land became the scarcest factor, instead of labor or technology. It is important to bear in mind that out of the total productive land of 16.4 million ha, 80 percent is still used for livestock, which represents a ten percent reduction from what it had throughout the 20th century³⁴² (Paolino, Pittulaga, and Moncelli 2014, 16).

³³⁹ These are concentrated animal feeding operations in which cattle is put in a small space and mostly fed with grains, in contrast to free grazing.

³⁴⁰ See: http://historico.elpais.com.uy/08/02/05/pecono_328275.asp (Accessed in January, 2014).

³⁴¹ ADP has published a lot of texts with the motto; “más agricultura es más ganadería” (more crops is more livestock), and made a common statement with Marfrig about the possible win-win relation between the two sectors. See: www.adp.com.uy/notas.php?pagina=44 and www.ft.com.uy/downloads/marfrigcampo/Marfrig26.pdf (Accessed in January, 2014).

³⁴² The cheapest land is in the extensive livestock region with the departments of Artigas, Salto, Treinta y Tres, Tacuarembó and Rivera (DIEA-MGAP 2014).

Researchers have increasingly started to look at the indirect effects of the intensification process of all productive systems in the wake of the crop expansion, due to the dramatic increase in land prices. The effects of more heads of cattle per hectare and more crop production used for livestock feed is found to impact on the environment through increased “soil erosion, pesticides, fertilizers and the consumption of fossil fuel energy, a non-renewable resource. Pesticides impact on water, soil, non-target organisms and on humans, while the use of fertilizers also increases the rate of supply of nutrients and organic substances to water bodies, accelerating eutrophication processes”, according to recently published article in “Environmental Research Letters”, by Uruguayan researchers (Modernel, Astigarraga, and Picasso 2013).

I have here provided a picture of the social relations among actors that in some way or another are linked to the different stages of the productive and commercial soybean chain in Uruguay.

5.3 The (re)creation of the soybean expansion in relation to “how it used to be” and to “current global forces”

The soybean expansion is often created in relation to “how it used to be”. There are divergent ways of relating the expansion to “the national agrarian history” that is discussed in chapters 6, 7 and 8. There is a broad, general and shared understanding of the main changes and continuities represented by the current soybean “boom”. In this narrative the soybean expansion representing a “new” crop is merely regarded as “the latest step” in a history of constant centrality of primary products in Uruguayan exports. The soybean exports can be seen as further consolidating the role of agriculture as the most important export sector and in the “tradition” of high reliance on few commodities and few final destinations.³⁴³ The dependence on a few primary products and consequently the vulnerability to price fluctuations on the international markets is often described as historical constants (which both Battle y Ordoñez, and ISI policies explicitly intend to move away from).

The concentration of the soybean expansion is also recurrently put in line with the long historical feature of concentration and exclusion of family producers. Some emphasize that the soybean expansion rather represents a shift in this respect, as it has accelerated and accentuated the rate of concentration. The features of concentration and foreign domination in the more industrial stages of the agrarian complex are uncontested and represent a historical continuity of weak domestic participation in the most capital inten-

³⁴³ Agriculture represents 70 percent of total exports (DIEA 2011).

sive stages. The agrarian history is also used as a contrast. The most recurrent way of framing the soybean expansion in relation to the agrarian history is by referring to it as a break from the “traditional” ways of doing agriculture. In these accounts the soybean expansion is often made to represent “agribusiness” which is constructed in contrast to “traditional” producers. However, the exact content given to “traditional” varies among articulations and depends on how “agribusiness” is constructed. This variance will be analyzed in the coming chapter, but some aspects of the “traditional model” seem to be the making of a consensus. For example, the traditional rancher model is described throughout the field as equivalent to big ranchers’ land domination and management forms based primarily on reliance experience and tradition (risk minimization) rather than on investments and new technological innovations to boost productivity (in line with the mainstream narrative on national agrarian history).

When exclusively referred to cultivations, the traditional model is constructed as equivalent to the general subordination of crops to livestock. As mentioned in the historical context in section 4.1, all previous expansions of cultivations were tied to proactive public policy. In the political discourse of Batllismo, cultivations had been symbolically linked to progress, civilization, prosperity, rural re-population and modernity. This was constructed in contrast to extensive livestock, backwardness, depopulation, stagnation and archaic mentality (See Barrán and Nahum all books). Against this backdrop, a strong point that is often made is that the soybean expansion is the first time in history that crops expand under “pure” market conditions and take the most productive land from the livestock sector representing a new relation between crops and livestock. Increased competition for land is also recurrently mentioned as creating strong economic inducement for rapid intensification of land use in the wake of soybean expansion. The soybean expansion is argued to have brought about a shift away from the extensiveness that in general has been described as a constant feature of both cereal and animal production. Another recurrently mentioned shift is that land before the soybean expansion was exclusively in the hands of producers living in the country, while the soybean expansion has brought a “new” type of producer that is often represented by a foreign firm. The “new” producers’ management practices are further set in contrast to the “traditional” producers – the former described as specialized, professional, big, and working in networks through sub-contraction, while the latter is described as more diversified, experience based, smaller, and relying mostly on family labor.

Although Uruguay has participated in primary commodity exports for a long time, the current soybean expansion is not exclusively related to what is denoted as “how it used to be”, but also to what is described to be “current global forces”. The soybean “boom” is recurrently stressed as marked by particular features linked to a contemporary wave of agro-food globalization, and is often reflected upon as a symbol of the same by both advocates and

critics. Since processed soybeans are the world's largest source of animal protein feed and the second largest source of vegetable oil, soybean production and trade plays a pivotal role in current global agro-food system. Thus, the general features and trends outlined in chapter 3 (third global food regime, or “Washington Consensus”) is often described as reflected in the soybean expansion in Uruguay. For example, it is often mentioned that the soybean expansion has initially been driven exclusively by high international prices for soybeans due to increased global demand. This is in turn seen to reflect the economic growth and changing dietary patterns in China which has changed the geopolitical map of food flows.³⁴⁴ The Uruguayan soybean exports are recurrently found to illustrate this new geographical trade flow patterns since 70 percent of it has been exported to China over the past years (Uruguay XXI 2011c).³⁴⁵

It is often remarked that the current technological package centered in genetically modified seeds³⁴⁶ reflects some of the most central features of contemporary agrofood globalization (“gene revolution”)³⁴⁷, enhanced intellectual private property rights regime (trait and seed patents), increased participation of private actors from the North in research and capital intensive stages of agricultural R&D, and the dominance of the US based Monsanto in the biotech trait market. Other features recurrently mentioned as characterizing the soybean expansion in Uruguay in the recent trends in global agrarian food complex are: heavy reliance on the newest information technology; the new financial tools for producers to “secure” a price on the future markets linked to the Chicago Board of Trade; increased concentration and vertical integration³⁴⁸ at all productive stages. Finally, the centrality of the inflow of Argentinean farmers and investors from 2002 onwards is also recurrently

³⁴⁴ In general, there is increasing importance of Asia, Russia and the Middle East as buyers on the international food markets, while decreasing importance of Europe. China has become the biggest soybean importer in the world and has been the final destination of at least 70 percent of the Uruguayan soybean exports during the past year.

³⁴⁵ In 2012, 71 percent of the soybean exports were destined to China and 14 percent to Germany (Uruguay XXI, 2013).

³⁴⁶ Almost all soybean cultivated in Uruguay are HT soybeans designed to be tolerant to the use of glyphosate as a total herbicide which allows for cheap weed control and for no-tillage farming. This implies less risk for erosion and better yields per hectare in less perfect soils. In Uruguay, it also allows for double cropping since the winter crops are harvested at the same time as the summer crop is planted, and new shorter cycle seed varieties have been developed. This aspect of the soybean expansion is unanimously found to reflect two of the most central features of contemporary agro-food globalization; the “gene revolution” and the strengthened global intellectual property right regime.

³⁴⁷ Soybeans were one of the first bioengineered crops in the world to achieve commercial success. Biotech soybeans are nearly all herbicide resistant.

³⁴⁸ The multinational traders are only a handful and dominate the global trade of the top traded commodities and through strategies of vertical integration are important players in infrastructure (storage and port terminals) as well as crushing.

addressed as part of the current agrofood globalization, particularly as they often represent capital from outside the sector (such as trust and pension funds) reflecting increased financialization of agriculture and new management forms.

However, the model of continuous crops systems (abandonment of the mixed crop-pasture systems) and increased inclination towards summer crops (soybeans as head crop); reduction of productive diversity (a simplification of rotation schemes – sometimes only soybean –wheat-soybean, or soybean- stubble field-soybean), has raised concerns among researchers from FAGRO and INIA. While soybeans are produced by no-tillage techniques, which reduces the risk of erosion compared to tillage farming, pure crop systems are still argued to create long-term erosion in Uruguayan soil (García-Préchac et al. 2004, M., F., and Hill M Clérci C. 2010, Ernst and Siri-Prieto 2009). Among the crops the soybean has a special feature: once extracted from the earth it leaves no residue, which increase vulnerability for rain induced erosion. Besides the lack of proper rotations, the pesticides as fertilizers kill organisms that bind soil together, which further causes erosion. The biggest problems of erosion are found to be productivity loss because of land degradation (which in addition increases the requirements of chemical fertilizers and nutrients) and contamination of waterways caused by excess of sediments in the water, in addition to attached pesticide molecules in the water (Modernel, Astigarraga, and Picasso 2013). As mentioned in the historical context, Uruguayan soils are described as easily erosive in comparison to Argentina. The problems of erosion are also stressed as the main factors behind the limited success of conventional (tillage) soybean production in Uruguay. As I will address in section 5.5 the government requires since 2013 all crop producers to present rotation plans to MGAP in order to hinder erosion.

The reliance on glyphosate in this productive system³⁴⁹ has raised some environmental concerns (Bosso de Brum 2010, 12; 46). The increasing use of glyphosate in Uruguay is not only due to soybeans but the diffusion of no-tillage techniques in crop agriculture has led to an almost exclusive reliance of glyphosate as weed control and its intensive application. The new practices of continuous crop rotations rather than rotation with pastures have also

³⁴⁹ This broad spectrum herbicide is sprayed before preparing the field and during the cultivation of soybeans – i.e. both pre- and post-emerging of weeds. The soybean usually receives between 3 and 5 applications; 1-3 before the seeding depending on the type of fallow and approx. two during cultivation. The general recommendation is 1,6 litres per hectare of glyphosate for HT soybeans, according to Bosso de Brum (2010:46). The field trials of INIA used 1.5 kg/ha of Glyphosate (Roundup Ultra Max from Monsanto) twice in their experimental fields in Colonia. Before the introduction of herbicide tolerant crops in 1996 this herbicide was primarily used for non-selective burn-down weed control prior to crop seeding. With the HT technique the glyphosate can also be used as a post-emergence weed killer and is thus applied several times.

increased the glyphosate usage. Considering the intensity and amount,³⁵⁰ there is a growing concern of the potential emergence of glyphosate-resistant weeds – there are already known cases in Argentina and Brazil but not as yet in Uruguay. This concern is expressed across the field, but as for most of the aspects mentioned in this chapter, there are important disagreements of what this means and how to “solve” the problem (ranging from suggesting to stop using glyphosate completely, to rotate more with land-uses “free” from glyphosate, to “supplement” more with other weed-killers). The corporate “response” to this concern has been to stack soybean seeds with traits that are tolerant to other herbicides than glyphosate.³⁵¹

The soybean technological package also includes the use of other pesticides such as insecticides and there is a shared notion among farmers that it is more difficult to control diseases and insects than controlling weeds. According to research published by INIA on the impacts of insecticides used in soybean production on bees, insecticide use is required to ensure adequate soybean productivity in Uruguay. The most common plagues are *Anticarsia gemmatilis* (the velvet-bean caterpillar) which is a major soybean pest in South America and an attack can lead to significant foliar damages and yield losses, the *Epinotia aporema* and the chinch bugs *Piezodurus guildini*. There has been a substantial increase of all types of pesticides imported during the past years and particularly since the early 2000 (MGAP 2011). Since the pesticide statistics do not give information on how individual products are used in individual crops it is not possible to conclude more exactly how much of it that comes from soybean production. It is however possible to extrapolate from the recorded pesticide use per hectare in the field trials made by INIA where different soybean seeds are tested on the same plots and managed in the same forms, and where all applications are registered. Most agronomists are argued to relate to the standards and protocol used in INIA, but the actual applications depend on the amount of observed plagues and there is a widespread notion that many put more insecticide “just in case” as soon as a bug is detected out of fear of losing the harvest (Interview Cadol; Calmer; Calprose).

³⁵⁰ Herbicides’ share of total pesticide import has increased from 55 percent in 1998 to 78 percent in 2010. Within the group of herbicides glyphosate is by far most important. Out of the 11.8 tons of herbicides imported in 2010, 9.1 tons were glyphosate. See www.mgap.gub.uy/DGSSAA/ (Accessed in August, 2014)

³⁵¹ Monsanto together with BASF has also launched a new technology stacked with a trait that contains tolerance to glyphosate and a trait that contains tolerance to dicamba See: www.monsanto.com/products/pages/roundup-ready-xtend-crop-system.aspx www.agriculture.com/crops/soybeans/what-yre-saying-about-dicambatolert_140-ar31762 In the same way, Bayer CropScience has launched the Liberty Link soybean which is tolerant to the herbicide Glufosinate (authorized for cultivation in Uruguay in 2012). See ISAAA www.isaaa.org/gmapprovaldatabase/event/default.asp?EventID=159

There is also a lot of research assessing the amount of insecticides used by measuring concentration levels of the same in bees, aquatic insects or fishes in soybean areas. The most common insecticides used in soybean cultivation according to a study assessing the impacts of the insecticide use of soybeans in Uruguay on honeybees are Chlorpyrifos, Triflumuron, Methoxyfenozide, Cypermethrin, and Endosulfan (Carrasco-Letelier, Mendoza-Spina, and Branchiccela 2012).³⁵² Current recommended doses of insecticides for soybeans are argued to potentially endanger beekeeping activity near soybean cultivation areas in the south-western parts of the country (Carrasco-Letelier, Mendoza-Spina, and Branchiccela 2012). There have also been some incidents involving Endosulfan.³⁵³ In addition, in the soybean production systems these pesticides are most often applied from the air. Teachers from several rural schools have announced that fumigations recurrently are made too close to schools. The director of the “Responsible Production Program” (PPR) at MGAP has studied the pesticide use for soybeans and estimated an average pesticide use for the same. He has also shown that the pesticide use on soybeans had increased substantially only between 2004 and 2007 (Bruno 2007). This trend is also confirmed by observations made by researchers at INIA due to increased weed communities in cultivations (Rios 2007) and increasing problems with insect control (Olivet and Zerbino 2007).³⁵⁴

In conclusion, this section has showed that both the “exogenous” and “contemporary” character of the soybean complex is often stressed. The next section will present the main actors, activities and assets outside the productive and commercial networks relevant to soybean expansion.

³⁵² Chlorpyrifos (commercial formulation: Lorsban 48E by Dow AgroSciences) is described as highly toxic to bees. Endosulfan is an organochlorine insecticide. It is classified by the Environmental Protection Agency of the US and the European Union as category 1b, highly dangerous. The EU prohibited the commercialization and use of endosulfan in 2007 and in the world 57 countries have prohibited the use of it (Bejarano González 2009). Commercial formulation: Thionex 35 by Du Pont Brazil SA.

³⁵³ For example, in April 2009 in Guichon, 110 Kilometres to the east of the capital of the region of Paysandu, a spray plane suffered a fault in flight and dropped an unknown quantity of endosulfan on a field where cattle were pastured. 50 young animals of more than 250 kg in weight died from eating contaminated grass. In addition, hundreds of fish, reptiles and birds of many species were found dead (News articles, El País and CNFR 2009).

³⁵⁴ The same trend can be seen in import statistics. From 2002 to 2006 the imports of the insecticides endosulfan, clorpirifos and Cipermetrina increased by 41 percent, 16 percent and 79 percent respectively (Bosso de Brum 2010).

5.4 Institutional structure

I have presented some of the main actors, activities and assets involved directly in the production and commercialization networks of the soybean chain in Uruguay. There is also agreement that the current configuration of the soybean expansion is also the result of other indirectly involved set of actors, activities and assets, which in line with the GCC framework could be labeled as the institutional structure. For example, the Argentinean firms would not have been able to cultivate RR soybeans in Uruguay if the state had not already authorized the genetically modified soybean seed (HT 40-3-2) for production and commercialization in the country. The profitability of the soybean production in Uruguay would in addition have been lower if the state would have adopted export taxes on soybeans like in Argentina. In a similar way, everything from strong private property rights and high security to agricultural infrastructure (silos, public ports, trained agronomists, etc.) constitute elements of the institutional structure in which the productive chain is embedded, and with varying amounts of power to impact the configuration and meanings-creations of the same.

Previous research and reports about the soybean expansion have mentioned some of these prerequisites (Errea et al 2011, OEA 2009). The main narrative outlined in previous research stress the immanent character of soybean expansion driven by private firms responding to market signals in the cultivation stage. In the national media and other arenas of the public debate public regulation and policy in relation to the agrarian sector is fiercely debated. I will here outline a brief contextualization of the current political force in government (5.4.1), which departs from the historicized contextualization outlined in the past section. This is followed by a brief presentation of the most commonly mentioned public regulations mentioned in relation to the soybean expansion (5.4.2). This section ends with a presentation of the main social categories identified as recurrently mentioned as “involved” in some way or another in the discussion about the soybean expansion and in the configuration of the same (5.4.3). This is the main position involved in the discussion besides the firms and farmers that have already been presented in the previous sections. I will present these categories in the following order: public policy makers, socio-ecological organizations, and researchers.

5.4.1 Brief contextualization of the current political force in government

Uruguay is often described as a state-centered society. At the turn of the 20th century it established a strong party and state apparatus that in general has been kept intact despite the military interlude (Rivarola Puntigliano, 2003). Since the election of Batlle y Ordoñez in 1903 and until

the neoliberalization process in the 1970s Uruguayan public policy has been mainly characterized by different forms of “developmentalist” projects in which an interventionist state has been considered essential. Up until 1930, state intervention was combined with export orientation. Until the democratic breakdown in 1973 the development strategies were more inward oriented and in favor of industrialization (ISI) to achieve diversification of the production and trade base (Finch 1981, Bértola 2004, Rivarola Puntigliano 2003).³⁵⁵ Latin American structuralism from ECLAC was extremely influential throughout the region in the 1950s and 1960s. There is much literature about the later wave of neoliberalism under “Washington Consensus” that swept over the continent, first under the military dictatorship and later under the re-established democratic rule. The shift towards (neo)liberalism in economic policy and discourse is described as actually being strengthened after the re-democratization (1985 and onwards). With regard to trade, quotas were eliminated during the dictatorship. Non-tariff barriers such as minimum import prices were substantially reduced during the 1990s. Other “structural adjustments” reforms prescribed by the World Bank and the IMF were also adopted (Canzani and Midaglia 2011). The liberalization policies in combination with the entry into Mercosur resulted in a de-industrialization of the Uruguayan economy and the sitting administration claimed that the development model of Uruguay would be in services and tourism.

Many of the adjustments and privatization reforms of the Blanco and Colorado administrations lacked popular support. Several of their initiatives met such resistance that they could not be implemented.³⁵⁶ In contrast to other countries in the region that embraced neoliberalism, Uruguayan society is described to have maintained a relatively strong ideological opposition expressed through repeated and successful plebiscites and referendum blocking or overturning neoliberal reforms³⁵⁷ (Canzani and Midaglia 2011, 118-119). The discontent with neoliberalism was in large politically articulated by an alliance of strong social movements dominated by the party coalition

³⁵⁵ This perspective does not accept all the critique from the liberal stance on the import substitution industrialization strategy (ISI) that many countries adopted during the developmentalist era. Chang (2011) stresses for example that Latin America and many other countries had much higher average growth rates under the ISI-period in the 1960 and 1970s than under the “Washington Consensus” (1980-2009).

³⁵⁶ When the Colorado party with support from the Blanco party in 1992 proposed a law to permit privatization of the most important public utilities, the social mobilization resulted in a referendum through which 72 percent of Uruguayans rejected the law. In the same way, a referendum stopped the privatization of the state petroleum company in 2003 and the state water company in 2004.

³⁵⁷ Canzani and Midaglia describe the reforms during the 1990s as creating a fragmented regime full of exceptions, rather than full-fledged liberalization, and the previously established general welfare protection systems at least partly maintained (118-119)

Frente Amplio³⁵⁸ (Broad Front - FA), together with left-wing defectors from the traditional parties, the Unions (particularly the central Union organization PIT-CNT) and the cooperative movement. The newly formed ecology movement also participated in the alliance united in a common position against “free market” approaches, privatization, and other “neoliberal” reforms³⁵⁹ (Berrón and Freire 2004, 297; Pereda 2008; Moreira 2010, 290). What is important to note here is that in the 1980s and 1990s, FA and the socioecological NGOs organized several joint responses and actions against the government reforms. As a “third force” in Uruguayan politics FA grew steadily stronger in every election since re-democratization (Canzani and Midaglia 2011, 115).

While this coalition managed to frustrate some of the suggested “neoliberal” policies, the subsequent governments during the 1970s, 1980s and 1990s still managed to impose many reforms towards deregulation and liberalization. For example, despite strong critique articulated by the social movements and FA, the government imposed a new legislation that sanctioned free trade zones (stipulated in “Ley de Zona Francas”) ³⁶⁰, a new investment law (Ley de inversiones” to stimulate more FDI) ³⁶¹, a new forest law (“Ley forestal” with state support to large scale forestation projects of eucalyptus and pine plantations) ³⁶² and the pulp mill projects associated to them. The popular support for neoliberal reforms eroded further as the Uruguayan economy stagnated³⁶³ (Rakin 1995). The Colorado government

³⁵⁸ FA was founded in 1971 with Liber Seregni as the first presidential candidate. Under the military coup it was declared illegal in 1973 but resurged again in 1984 under the re-democratization process. FA encompasses political sectors ranging from Communists to Christian Democrats.

³⁵⁹ See Frente Amplio’ s party program for the government period 2005-2010 taken in 2003 and See the websites of Redes and Rap-AL

³⁶⁰ No. 15.921 from 1987, Published in the Official Record (Diario Oficial) 26th of January 1988 - N° 22552. See www.parlamento.gub.uy/leyes/AccesoTextoLey.asp?Ley=15921&Anchor= (Accessed in July, 2014).

³⁶¹ No 16.906 from 1998, Published in the Official Record (Diario Oficial) 20th of January 1998 - N° 24955. See www.parlamento.gub.uy/leyes/AccesoTextoLey.asp?Ley=16906&Anchor= (Accessed in July, 2014).

³⁶² No. 15.939 from 1987, Published in the Official Record (Diario Oficial) 9th of February 1988 - N° 22562. See www.parlamento.gub.uy/leyes/AccesoTextoLey.asp?Ley=15939&Anchor= (Accessed in July, 2014).

³⁶³ The 1980s is often called “the lost decade” plagued by crises and credit squeeze after Mexico defaulted on its debt in 1982. By the year 2000, Uruguay had a much worse position than it was fifty years earlier in relation to the leaders of the world economy measured in per capita GDP, real wages, equity and education coverage. The economy deteriorated further as a result of the Brazilian devaluation in 1999, outbreaks of foot and mouth disease in 2001, and finally the political and economic collapse of Argentina.

launched plans to privatize drinking water and sanitation services in 2002. The ecological movement with support from FA and the Unions campaigned strongly against the privatizations plans. This culminated in a national referendum alongside the national elections in October 2004³⁶⁴ in which the privatization plans were stopped and FA took over the government for the first time in history (Santos 2005).³⁶⁵

The critique of neoliberalism was one of the central pillars of FA's electoral platform for the government period 2005-2010, taken in 2003:

“We are facing the challenge to overcome the obstacles and resistance from the conjunction of interests from the sectors that concentrate the international financial capital, powerful corporations functional of imperialism and its internal (domestic) partners that make up the current power bloc. This ruling oligarchy, whose interests contradicts those of the most of the nation, has led the Orientales³⁶⁶ to live in situations of marginalization and poverty, never before seen in our homeland [...] This situation is associated to a model of excessive and indiscriminate trade as well as of the financial de-regularization that have been implemented in our country since the early 70s and that has increased considerably during the '90s, as a response to the structural crisis of the system. This was the dogmatic response of the heg-

³⁶⁴ The path of a national referendum has been a common strategy to achieve goals for the Uruguayan social movements since the restoration of democracy. The referendum with a constitutional amendment in Defense of Water (that secured the protection and sovereignty of water services from transnational corporations) was won with 62.75 percent of the votes. This amendment implied that water as a fundamental human right was added and written in the national constitution. It was also stipulated that water has to be managed exclusively in a public, participatory and sustainable way. As soon as FA was installed in government in March 2005 it drafted the legislation outlining the mechanisms for implementing the constitutional reform www.ipsnews.net/2004/11/uruguay-referendum-gives-resounding-no-to-the-privatisation-of-water/ (Accessed in July, 2014).

³⁶⁵ FA won the national elections in October 2004 and took over the government in March 2005 under Tabaré Vázquez from the socialist party. In October 2009, FA won the elections again under José Mujica (Minister for the department of Livestock, agriculture, forestry and fisheries under Vázquez government) from the Movement of Popular Participation (MPP). It took office in March 2010. MPP entered FA in 1989 when it was formed as a political party by the guerrilla organization Tupamaros and two other groups of the radical left and is the largest faction within the FA. President Mujica quit MPP after the primary elections so that he would not be tied to any particular group within FA.

³⁶⁶ *Orientales* is a common way to refer to Uruguayan people. Oriental means easterner and the official name of the country *La República Oriental del Uruguay* refers to its geographical position as the Republic East of the Uruguay River, and the people of that land are labeled as Orientales. In Uruguayan independence history the revolutionary group under Lavalleja is called the thirty three *Orientales*. They began an insurrection in 1825 for the independence of the Oriental Province from Brazilian control, which was the territory encompassing modern Uruguay and part of modern Rio Grande do Sul State (Brazil).

emonic sectors of the ruling class to their problems, not to the problems of the majority of the population³⁶⁷ (Frente Amplio 2003-12-22).

As illustrated in the above quote, FA antagonized what was described as the current hegemonic global market model of neoliberal globalization and seemed to echo a Gramscian tradition. The proposed solution by FA was strengthening of the nation-state and to allow it to recover control over strategic areas of “national development” from which it had been diverting. The pledge for a strong and intervening state in all sectors was one of the main points in the electoral platform. This was argued as a necessary response to current economic globalization understood as not only causing inequality but also diverting capital away from production towards speculation (Frente Amplio 2003-12-22, 3). In addition, FA argued that the state needed to take a proactive role in changing the productive structure of the country and its insertion in international markets; towards more diversification, incorporation of technology and knowledge (Frente Amplio 2003-12-22). In relation to agriculture more specifically, the FA electoral platform explicitly stated that it would implement a new agrarian development model based on redistribution of land to prevent “concentration and foreignization.” It would adopt differentiated politics supporting family agriculture “so that the most miserable will be the most privileged”, thereby echoing the national independence hero, Gervasio Artigas³⁶⁸ (Frente Amplio 2003-12-22, 52).

At the same time when the soybean expansion started to become conspicuous in wider circles of Uruguayan society and receiving more attention from the press, the FA took over the government. Tabaré Vázquez from the socialist party became the new President of the Republic in March 2005. In October 2009, FA won the national elections again under José Mujica of the Movement of Popular Participation (MPP)³⁶⁹ and took office in March

³⁶⁷ In the same electorate program, FA stipulates that: “In our country, with the return to democracy, the successive Neoliberal reformative attempts of the traditional parties, which have let the international financial institution function as mentors and / or coordinators, have seek to demonize the state, not to destroy it, but to transform it into a functional tool to the Neoliberal global strategy” (Frente Amplio 2003-12-22, 52).

³⁶⁸ A well-known phrase of Artigas was precisely “que los más infelices sean los privilegiados” linked to his land reform in 1815. The FA program also established that the agrarian sector should be the main source of supply to meet consumption needs of the population, consistent with a decent living standard, and create exportable surpluses to finance imports of other consumer goods, production inputs and investment goods (Frente Amplio 2003-12-22, 52).

³⁶⁹ MPP entered FA in 1989 formed by the guerrilla organization Tupamaros and two other groups on the radical left. In the 2009 elections, MPP was the largest faction within the FA but Mujica quit MPP after the primary elections to avoid being tied down to any particular group within FA.

2010.³⁷⁰ In this way, it is FA that has been in government for most of the time since the soybean expansion began. It has accordingly had significant impact as a powerful part of the institutional structure of the soybean expansion in Uruguay.

5.4.2 Main public regulation in relation to the soybean business

This section will highlight the most basic features of the national institutional structure in which the soybean complex is embedded. The main point here is to mention some of the most important regulations with consequences on the configuration of the soybean complex.

Uruguay is often described as a state-centered society. The state is often described by both “business” and public actors as being “reactive” and “taken by surprise” by the rapid soybean expansion.³⁷¹ Earlier crop expansions in Uruguay have always been the result of intentional public policy, but the soybean expansion is in most narratives described as mainly immanent; driven by the private actors (crop producing firms and traders) who “responded” to increasing global demand and a new technological package (offering greater economic margins). Nevertheless, state action and non-action is also acknowledged to have been decisive for the soybean “boom”. For example, several researchers have suggested that the advancement of agribusiness and financial capital in the soybean expansion was made possible by the liberalization and deregulation reforms of the 1990s (Paolino, Pittulaga, and Moncelli 2014, Arbeletche P. and Carballo C. 2006). The soybean expansion in Uruguay started in 2002/2003 when liberalization reforms had been high on the agenda for decades.

In this way, several respondents mentioned the new free trade zone law, the new investment law to stimulate more FDI and the creation of the governmental investment and export promoting institute (Uruguay XXI)³⁷² from the 1990s as providing a beneficial framework for the expansion. In 1996 the Division for Agricultural Protection Services (DGSA) of the Department of

³⁷⁰ The general election for the period 2015-2020 will take place on 26 October 2014. The polls of April 2014 suggest that FA has the most important support, but the Uruguayan system of ballots (two-round) implies that if no candidate receives the absolute majority a runoff between the two most voted candidates will take place on 30 November 2014.

³⁷¹ Interviews with vice-minister of MGAP, oil-seed specialist Opya, INIA, INASE, ADP, El Tejar; URUPOV, ARU, FRU. An illustrative example of the little faith in soybeans is that INIA closed down its research program on soybeans (including seed-breeding and adaptation) in 2000 because of lack of interests among producers in cultivating soybeans (Director of the National Rainfed Crop Program 2008-02-14).

³⁷² Uruguay XXI was created in 1996 to help internationalize the Uruguayan economy by promoting export growth and attract foreign productive investments. See www.uruguayxxi.gub.uy/ (Accessed in July, 2014)

Agriculture, Livestock, Forestry and Fisheries (MGAP)³⁷³ through a resolution authorized the soybeans RR, 40-3-2, for production, commercialization and human and animal consumption in Uruguay (Unep 2007). Uruguay did at this time not have any regulatory framework for the introduction of new biotech agricultural events and the approval was taken almost ad hoc with no discussion in the legislative chamber, no previous risk assessment, and with almost no diffusion or press coverage (Unep 2007; Bianco-Bozzo M; Chiappe Hernández C and Carámbula Pareja M 2010; USDA Foreign Agricultural Service 2010). While there was almost no demand on herbicide tolerant soybean in Uruguay at this moment, the approval provided one of the prerequisites for rapid adoption when the soybean expansion started to take off in 2002/03. In 1997, the government also strengthened intellectual property rights for seeds and created the National Seeds Institute (INASE).³⁷⁴

While sitting in opposition FA had criticized these “neoliberal” reforms and expressed sharp critique against global financial capital. The 2003 electoral platform clearly suggested a policy turn against the “free” market approach in favour of the interventionist state (Frente Amplio 2003-12-22, 52). This movement towards “bringing the state back in” is by no means unique for Uruguay as these policies have been adopted throughout Latin America (Barrios, Gandelman, and Michelin 2010). Against this backdrop one could have expected important conflicts between the government and the private actors of the soybean complex as in the case of Argentina. This has not happened as yet. Instead, FA is described to have mainly followed the same path of macroeconomic policies and favorable “business climate” as the former governments. While there are many divergent opinions expressed in relation FA policies and their impacts for the soybean expansion, there is a general agreement on that many of foreign investment friendly terms initiated by previous governments have remained intact, or with only minor modifications. There is however also agreement on that FA has imposed some new regulations relevant to the soybean complex.

According to the former ally, the ecology movement, after entering government FA has exclusively prioritized poverty alleviation, economic growth and redistribution in its reform agenda, while the anti-capitalistic critique and the environmental concerns are described as largely ignored (Gudynas 2010). In this way, the former alliance against “neoliberalism” between FA and the other social movements is described by many as deteriorated (Text

³⁷³ MGAP is the central state entity in matters of agrarian policy, planning and implementing public regulation in the sector (Vassallo 2007, 149).

³⁷⁴ See Law No. 16.811 on the Development, Production, Distribution and Internal and External Marketing of Seeds and Phytogenetic Creations. Retrievable in English at the website of the International Union for the Protection of new Varieties of Plants, UPOV: www.upov.int/upovlex/en/text.jsp?file_id=195218 (Accessed in July, 2014)

writer Redes and Rap-AL 2009-02-04, Researcher social science and extension at EEMAC-FAGRO 2007-11-27).

The FA government itself expresses that it is mostly acting in accordance with its belief in a strong interventionist state, but with clear and predictable rules for the private sector. During interview, the vice-minister of MGAP claimed that the government was regulating the soybean firms in such a way that they were obliged to generate more employment, add more value, and forbidden to just take out beans without leaving more technology and investments in Uruguay. He nevertheless stressed that it was hard since the firms of the soybean complex were very big and could always leave the country when facing harder conditions. He concluded that the problems of the soybean expansion had nothing to do with the crop but with the usual problems of capitalism:

”It is in the human relations and the relations of power and the result depends on the equilibrium of forces that exists among all the actors of the chain. For us the role of the state is as equilibrator of these relations, because we are talking here about really powerful firms, the transnational companies of seeds and grains are some of the biggest in the world, and to them, there are transport, maritime, agrochemical, gasoline and other companies, linked. These actors are the ones that produced the grand increase in prices and the same actors are in part responsible for the price fall in 2008 and they manage operation well above the GDP of our country” (Vice-Minister of MGAP 2009-02-19)

Following this line of thought considering the main actors involved in the soybean complex, he argued that if those relations should be purely market based then the relation will be tremendously unequal. Therefore, he remarked, the state had to control and balance the relations between producing firms, trading firms, land owners, neighbors, rural workers and with those that were on the land before the soybean expansion (Vice-Minister of MGAP 2009-02-19). He also stressed that the state needed to set the conditions in order to make the soybean complex more “developmental”:

“These conditions aim at generating more work, a better distribution of income, improved levels of technological production and more value added, and the companies coming here to produce need to work in line with these aims. In order to achieve this we have some tools, but as with everything, we don’t always succeed. The idea is to at least put pressure on the companies so that the soy is not only exported as beans, with a very low level of value added and low level of labor generation” (Vice-Minister of MGAP 2009-02-19).

As evident in the quote above, the government often mentions that it has adopted a long term strategy to change the productive structure and incorporate value added. This vision was already expressed in the electoral platform for the period 2005-2010, but was more clearly highlighted in the 2010-2015 election campaign taken at the Zelmar Michelini Congress in 2008: “the state should reform the productive base, add more value to existing sectors, spread the benefits from dynamic chains through tax reform and through differentiated politics to family farmers” (Frente Amplio 2008b, 31; 48-52). One of these conditions stressed by the Vice-Minister was the demand on corporations to present investments projects following criteria of employment generation and technology transfer, within the realm of the law of limited liability companies. According to him the government is engaged in a “dialectic struggle” with agribusiness over economic processes (Vice-Minister of MGAP 2009-02-19). In short, what is expressed is that in general money rules, but the state has the capacity to change the rules of the game by putting up other than pure market based conditions, and the state can thus be “a true regulator” of the social relations among all actors of the chain. This way of talking about the soybean expansion reflects many of the main values and assumptions of the intentional development perspective.

Already in 2005, President Vázquez had gathered some of his Ministers to discuss policies for what he called a ‘Productive Uruguay’ (Uruguay Productivo). All running programs and projects that could be seen as promoting a productive Uruguay were revised and given measurable objectives and indicators and began to be systematically evaluated. FA has often expressed the view that “economic development is determined by the productive structure of the country and this structure also determines what generates profit and how this profit is distributed in the society” (Cadenas de Valor II 2010, 9). Uruguay’s problem was a productive structure based on agricultural products of low technology, innovation and knowledge (Dabezies 2009). It is also maintained that despite the good prices for natural commodities in the past years, the long-term trend over the past 150 years had been declining terms of trade for agrarian products in relation to manufactures. Moreover commodity markets were described as highly volatile and therefore the country should use the current cyclical moment of high commodity prices to start the change for its long-term productive structure. A nodal sign within these texts from the government is to generate value-added.

While “value-added” has continuously been formulated as a central aim for the country in strategic texts from FA, the view on soybean production in Uruguay seems to have moved from representing a constraint to this aim in the early texts, into something that could potentially be transformed to fulfil this aim. In this way the oil-seeds chain has been integrated in the inter-

ministerial Productive Cabinet (Gabinete Productivo),³⁷⁵ with the explicit aim to improve and modify the productive structure of the country, in order to add value and upgrade (Barrios, Gandelman, and Michelin 2010). Since 2012 there is also a new oil-seeds conglomerate created within the framework of the program of productive cluster and productive chain development (PACC), under the state organ for planning and budget, OPP. This is incorporating MTO; the policy planning and budgeting unit (Opypa) of MGAP,³⁷⁶ the Technological Laboratory of Uruguay (LATU),³⁷⁷ the State University Udelar and the National Institute of Agricultural Research (INIA).³⁷⁸ The aim is also here to upgrade into major incorporation of advanced technology, knowledge and skills. To achieve this purpose the “conglomerate” has taken a Strategic Plan for the sector and has received funds for implementation.³⁷⁹ In general FA has fomented the construction of clusters and conglomerates to capture market segments of more value added (Tomassino, 2010).

FA has also made many reforms in the fiscal regime with consequences for the soybean complex. In 2007, FA implemented a thorough tax reform which introduced a new progressive unified income tax, a flat capital income tax, and reduced some indirect taxes (particularly the value added tax, VAT), with the explicit objective of improving fiscal balance, tax compliance, income distribution and economic growth. Many tax exemptions and special treatments were removed, according to a research report of the effects of the reform.³⁸⁰ At the same time the tax office, DGI, was strengthened and increased control for fiscal compliance in general and within the agrarian sector it particularly increased the control of employers’ contributions to the social security system, BPS, for their rural workers. The reform also included a differentiated tax regime for different types of agrarian units in order to

³⁷⁵ This was launched under President Vázquez in 2008. It is integrated by the following: Minister of industry, Energy and Mining (MIEM); MGAP; the director of Board of planning and budgeting (OPP); Minister of Work and Social Security (MTSS); Minister of Economy and Finance (MEC). All public (or semi-public) research centers also participate as well as state financial institutions. From 2010 also the Minister of Tourism and Sports (MTD), Minister of foreign relations (Cancillería) and Minister of transport and public construction (MTOP) became members.

³⁷⁶ Opypa in general plays advisory role to the ministerial authorities in the formulation, design, implementation and monitoring of agrarian public policy and regulation (Vassallo 2007, 154)

³⁷⁷ LATU is a public non-governmental institution from 1965. LATU is the officially approved agency that controls standards and quality control of imports and export <http://www.latu.org.uy> (Accessed in August 2014).

³⁷⁸ INIA is an important research hub. It receives 36 percent of total agricultural R&D funds. It had 209 fulltime researchers in 2006 (Beintema, Stads, 2009).

³⁷⁹ See http://pacc.opp.gub.uy/inicio/conglomerados/conglomerado_Oleaginosos/ (Accessed in July, 2014)

³⁸⁰ According to this paper the impact was also lowered inequality by 2 Gini points without producing any discernible disincentive effect (Martorano 2012).

stimulate family farming³⁸¹. While the fiscal reform of 2007 is by FA argued to represent a more uniform and simple system, there is still many allowed exceptions and exonerations.

One mechanism of tax reduction and exonerations is the investment promotion law from 1998 (law 16.906)³⁸² which provides investments with possible tax exemptions from import duties on capital goods, income tax and wealth tax for several years. It also ensures equal treatment to domestic and foreign investors, free transfer of capital and profits at any time and in any currency, in addition to not requiring special permits to realize an investment. FA had opposed the law severely in opposition. A report from the Inter-American Development Bank claimed that it lacked to be clearly targeted, so that in practice virtually any project that includes purchase of capital goods seems to qualify. FA has made some changes the investment promotion regime, though Decree 455/007 (adopted in November 2007) and Decree 002/12 (taken January 2012), which is reported to have both widened the scope of tax incentives to investors and increased the control of compliance of the firms (Fernández 2010b). With these changes the firms need to fulfill criteria established by the government for incorporated value-added and employment generation, in order to get tax exonerations.³⁸³ Local and foreign investors are described to have reacted positively on the changes and the number of investment proposals eligible for tax exemptions increased dramatically.³⁸⁴ The period over which tax benefits (rent) are granted ranges from a minimum of three to a maximum of 20 years. According to a report from the governmental investment and export promoting institute, Uruguay XXI, the investment law is argued to have been improved by the regulations in order to better serve as a tool to incorporate more value-added in investments, and in order to benefit a broader base of firms (Uruguay XXI 2013).

³⁸¹ Smaller units mainly contribute to IMEBA, while bigger firms tribute to IRAE, (IRAE implies a heavier tax burden, but also opens up for many ways of tax reductions for productive investments).

³⁸² Diario Oficial- N° 24955. See www.parlamento.gub.uy/leyes/ AccesoTextoLey.asp?Ley=16906&Anchor= (Accessed in July, 2014).

³⁸³ Criteria for Classification; Jobs created; decentralization towards poorer regions; New Exports; Domestic Value Added; local salaries and inputs in sales; % of “Clean Investment Technologies” on total investment; % of R&D on total investment or number of R&D jobs created; Impact on GDP; Collective Agreement. The investment promotion system consists of an executive committee (COMAP) made up of delegates from the Ministry of Economics and Finance, MEF (coordinator), MGAP, the Ministry of Labor and Social Security, MTSS, the Ministry of Tourism and the Budget and Planning Office, OPP. This commission recommends the promotion of projects to the executive.

³⁸⁴ Between 2002-2007, on average 58 proposals were submitted annually. In 2008 there was 316 submitted proposals, 390 in 2009, 829 in 2010, 840 in 2011 and 891 in 2012 (Durán and Salgado 2013).

Another tax and duty exonerated mechanism often used in the soybean complex is the Free trade zones (FTZ). As mentioned, most soybeans are exported from the Free trade zone of the Nueva Palmira port, where the only taxes paid are the social security contributions for Uruguayan personnel (Uruguay XXI 2011c)³⁸⁵ The FTZ law, 15.921³⁸⁶ was severely criticized by FA when launched in 1987. The government at the time argued that the law would increase investments, exports, industry poles and employment generation, as well as promote international economic integration³⁸⁷. The opposition at the time, FA, argued that the benefits would exclusively gain the interest of the multinational corporations, which were claimed to be diametrically different from the interests of an underdeveloped nation. However, almost 30 years have passed and the FTZs have not been stopped, but expanded rapidly during the last two FA administrations (U.S. Department of State 2012).³⁸⁸ In a report about FTZ in Uruguay, from Uruguay XXI, published in December 2013, it is stressed that “Our Free Trade Zones regime grants users with a 100 percent exemption of income tax, as well as ensuring the exemption from all national taxes created by law or to be created in the future. Users are also free of Wealth tax and import taxes for materials and supplies to develop industrial, commercial or service activities in the free zone” (Uruguay XXI 2013d). While both the previous and sitting administrations would like the FTZ to be industrial poles with strong linkages in to the rest of the economy, the government reports show that most FTZs are dedicated almost exclusively to warehousing of agro-exports, such as soybeans. Of all exports through FTZs in Uruguay in 2012, 64 percent were actually soybeans that were exported through the FTZ of Nueva Palmira.³⁸⁹ An im-

³⁸⁵ In 2012, 66 percent of the exported soybean were exported through FTZ.

³⁸⁶ No. 15.921 from 1987, Published in the Official Record (Diario Oficial) 26th of January 1988 - N° 22552. FTZs are described in the law as areas of the national territory duly fenced and isolated, to be determined by the Executive Power of Government. The law stipulates that goods and services of foreign and Uruguayan origin are allowed to be held, processed, and re-exported from these areas without payment of Uruguayan customs duties or import taxes, as well as exemption from domestic taxes. Additionally, the employers do not pay social security taxes (BPS) for non-Uruguayan employees, but Uruguayans must comprise at least 75 percent of a company's labor force. See:

www.parlamento.gub.uy/leyes/AccesoTextoLey.asp?Ley=15921&Anchor= (Accessed in April, 2014).

³⁸⁷ It was also argued that they would create important linkages into the rest of the economy as everything produced in the FTZ would require inputs from outside FTZ, which arguably created important opportunities for national industry (Falero 2008, 362).

³⁸⁸ In November 2010, FA passed a Decree 344/010 which aimed to discourage the establishment of shell or “fake” companies in free zones for tax evasion purposes, by requiring all companies to submit a business plan and by limit the term of the authorization to ten years, which is renewable upon review of the government.

³⁸⁹ The FTZ of Nueva Palmira is owned by the state and has grain storage capacity of 280,000 tons (Uruguay XXI 2013d).

portant part of the Paraguayan soybeans are also re-loaded in the FTZ of Nueva Palmira.³⁹⁰

Besides the investment promotion law and FTZ, there are many other regulations with fiscal reliefs for particular products and some additional incentives and benefits available for investors.³⁹¹ Many respondents representing the business sectors, as well as the family farmers, complained about the many regulations and exceptions in the tax system (besides complaining about the overall “too” high fiscal pressure). The CEO of the national inoculant firm Lage y Cia, formulated this in the following way:

“There are more and more applications for more and more exonerations, the bags, the seeds, the agrochemicals, the wire etc. The producers have strong organizations [ARU and FRU], making strong pressure. This has resulted in a very complicated fiscal system. The government said the tax reform would make things easier, but it is actually worse. It is a fiscal chaos in this country. You have to do a PhD in taxes in order to understand it” (Director and co-owner of Lage y Cia 2009-03-05).

Most producers and firms also expressed that the fiscal pressure has increased during the past years. FA made a big tax reform during its first mandate period. The main changes were in relation to the income tax that was made progressive. The reform also included a differentiated tax regime for different types of agrarian units to stimulate family farming³⁹² (Tambler 2013). According to the agrarian tax specialist at Opyya-MGAP, Adrian Tambler, however, the fiscal pressure of the totality of the agrarian sector did not increase so much (excepting the crises years 2002-2003), but has

³⁹⁰ In total, 2,181,335 tons of soybeans from Uruguay, Paraguay and Bolivia were exported from the FTZ of Nueva Palmira (Uruguay XXI 2013, 17). The rest of the Nueva Palmira port is a so called “free port”, which allows the free transit of goods, and the goods are exempt from all import and domestic taxes. The free port regime exempts goods that are kept within the premises from all import-related duties and tariffs. While in the premises, merchandise may be labeled, fractioned, re-packaged, or have any other process done to it as long as it does not modify the nature of good. There are no limits for the length of stay of merchandise in the port or for the volume of stored goods.

³⁹¹ Other incentives include: exonerations from tariffs and taxes (including VAT) on imports of capital goods and materials for civil works that do not compete against local industry; exonerations from the patrimony tax on personal property and civil works; refunding of VAT paid on local purchases of materials and services for civil works; and special tax treatment of fees and salaries paid for research and development. For foreign investors that come to live in the country: Wealth Tax Exemption on civil works, for 8 years in Montevideo and for 10 years in other regions, and on fixed assets throughout their life. 100 percent refund of VAT, on the acquisition of materials and services for civil works in the domestic market (U.S. Department of State 2012).

³⁹² Smaller units mainly contribute to IMEBA while bigger firms contribute to IRAE, (IRAE implies a heavier tax burden, but also opens up avenues for tax reductions for productive investments).

fluctuated in the past years to around 7 percent³⁹³ (Tambler 2013). Compared to other sectors of the Uruguayan economy the fiscal pressure in agriculture is still low (the average fiscal pressure in the economy is 30 percent)³⁹⁴.

Another often mentioned public “tool” to get the soybean complex to generate more value and fulfil other objectives such as increased energy security and less trade imbalance has been to promote the production of bio-diesel. A larger share of the soybeans can stay in the country to become processed into fuel. In the words of the vice-minister:

“We are interested in the production of biofuels in the sense that it makes us more independent and sovereign. It would be good for Uruguay to be a little less dependent on imported oil and at the same time the process of producing bio-diesel will generate labor” (Vice-Minister of MGAP 2009-02-19).

In this way, renewable energy in general is argued to generate a series of benefits such as reduction in spending on foreign exchange, generation of positive linkages as employment generation, integration and development of formerly excluded national territories, introduction of new crops and improvement of the already existing ones, increase in future biotechnological research (Gustavo Bittencourt 2009). Uruguay took a law on agrofuels (18.195) in 2007 and a decree in 2008 (523/008) that stipulates minimum blend of biodiesel (2 percent from 2009 and a minimum of 5 percent from 2012). The state-owned company ALUR has increased its capacity to produce biodiesel rapidly and is since 2013 above of 7 percent of biodiesel in the energy mix for transport.³⁹⁵ From the soybean harvest 2013/14 approximately 30,000 tons of soybean oil is estimated for biodiesel use (Uruguay XXI 2013b). The biodiesel projects is described as a way to force that at least 5 percent of the soybean production stays in the country, instead of being exported as a raw commodity. It is also argued to strengthen the national energy security and to impact positively on the trade balance where

³⁹³ The agrarian fiscal pressure was under 5 percent in 2003 in response to the crises. Since then it has increased to 7,3 percent in 2009; 7,8 percent in 2012 and 9,6 percent in 2013 (as of December). The increment in taxes is mostly explained by the new land tax that will be presented in coming sub-section. All in all taxes from the agrarian sector (including employer contributions to the Social Security) represented USD 350,5 million in 2013 (Tambler 2013).

³⁹⁴ In general the taxes on the agrarian sector are divided into three subgroups; taxes on land (representing 50 percent of tax revenue), taxes on income (13 percent) and indirect taxes, mostly VAT (28,7 percent) (Tambler 2013).

³⁹⁵ ALUR has a couple of biodiesel plants with the total capacity to process approximately 66,000 tons of oil for biodiesel annually. This includes oils from soybeans, sunflower, and rapeseed. In 2012, inputs for biodiesel production were soybeans (49%), sunflower (14%), canola (29%) and beef fat (8%). Biodiesel in Uruguay has also approximately forty percent derived from animal fat, by far the cheapest substitute for oilseeds. See webpage ALUR: www.alur.com.uy/biodiesel.html (Accessed July, 2014).

petroleum import weight heavily (Director of ALUR 2010-12-13). In addition, the soybean meal is a highly valuable “sub-product” from the crushing³⁹⁶ (ALUR 2012). Particularly the soybean meal is highly valued as feed. This is argued to be even more important than the oil since it diminishes competition for land with livestock and dairy sector, and instead makes them more competitive (Vice-Minister of MGAP 2009-02-19). Traditionally, Uruguay has used very low levels of vegetable feed in the meat production, but the increased competition for land in the wake of the soybean expansion has led to an intensification of the livestock and dairy sectors. By increasing the use of vegetable protein as feed, the soybean expansion is argued to allow for increased productivity and a (late) modernization for the livestock sector. The director of ALUR expressed this in the following way, during an interview at the end of 2010:

“We are producing a million hectares of soybeans in this country, but because of lack of crushing we import vegetable proteins, which are increasingly used in the meat chains. We are actually big producers of vegetable protein, but we do not have it because it is not industrialized. We are right now starting to really substitute imports, and in a couple of years we will not only substitute the imports, but create surplus” (Director of ALUR 2010-12-13).

In addition, ALUR has established several contracts with associations of small producers in order to foment social inclusion (Director of ALUR 2010-12-13). In this way, the biofuels production is argued to support national sovereignty, reduce trade imbalance, increase social inclusion and add-value to commodity chains.

Another regulation taken by FA with important implications for the soybean complex is that since 2013 crop producers are required to submit a mandatory natural resources management and soil use plan to MGAP. The plans must include information on soil use, irrigation, crop rotation, maps on field drainage, fertility, drought risk and erosion risk. It must be filled and signed by an agronomist and every owner with more than 100 hectares is required to turn one in. Furthermore, if the land is rented, the requirement drops to 50 hectares of land. In total this makes up more than 90 percent of the total production area. Ultimately, it is the owner’s responsibility to make sure a soil management plan is submitted and if not, they could face fines or sanctions. This implies that soybeans cannot be produced over soybeans or

³⁹⁶ Soybean meal is a vital ingredient in livestock and poultry feeds, as well as premixes and concentrates. According to ALUR, it produced, in 2008, around 35.000 ton protein meal (based on soybeans, canola and sunflower), while Uruguay imported more than 100.000 ton of protein meal. ALUR argues that from 2013 it will produce 150.000 ton of protein meal per year, which can substitute total imports of the same

only rotated with wheat, but need to be rotated more with corn, sorghum and winter crops to meet the requirements. This reform was first implemented in 2013 and for marketing year 2014/15 the forecasts of planted area for soybeans are expected to drop slightly, and more winter crops, including oats, will be planted in order to comply with rotation requirements under the plan. The agribusiness firms in general provide a complex picture of the public policies in relation to the interests of the agrarian sector. In comparison to Argentina the Uruguayan government is described as offering a more stable institutional setting and a favourable internal policy framework.³⁹⁷ In particular the high Argentinean export taxes on commodities are often mentioned.³⁹⁸ An interviewed board member of the traditional producers' organization, ARU (generally in favor of "free" trade), expressed that the free trade regime in Uruguay was the main reason behind the arrival of Argentinean soybean producing firms, and that it had remained intact "at least so far" (Board member of ARU 2009-03-03).³⁹⁹ At the same time, almost all respondents representing "business" in this study also argue that Uruguay was a difficult country for doing business because of a high cost structure, particularly referring to labor costs, but also due to high fiscal pressure. In addition, the state apparatus was often described as bureaucratic, excessively big (expensive) and not investing sufficiently in infrastructure.

One of the first things FA did when entering national government in 2005 was to carry out the juridical and institutional changes to reinstate the wage councils, *Consejos de salarios*, within the private sector⁴⁰⁰, to expand public-

³⁹⁷ The president of the Argentinean agrarian company "El Tejar" (which is the biggest soybean producer in Uruguay) said to the Uruguayan newspaper "El País" that the current Argentinean politics towards agriculture does not give incentive investment and that many producers are looking at Uruguay with a lot of love. Particularly highlighted was the "juridical security" in Uruguay, where you according to the Argentinean producer can make mid-term plans See article in "El País" 2008-04-11 http://diarioelpais.com.uy/Suple/Empresario/08/04/11/elempre_340242.asp (Accessed in July, 2014)

³⁹⁸ In Argentina, the taxes on exports of oilseeds was increased from 35 to 40 percent of total value on 11 March 2008 (with the immediate eruption of protests and riots on the streets).

³⁹⁹ "Here, what attracted the Argentineans is the free trade we have. Here the price paid is the international price and there is open competition and no intervention of the state, for now at least." (Board member of ARU 2009-03-03).

⁴⁰⁰ The foundations for labor relations in Uruguay were developed in 1943 through Law 10,449, which created the wage councils. The wage councils were charged with negotiating minimum wages in each economic sector and category; their structure was tripartite, involving three representatives of the executive branch of government, two workers' representatives, and two employers' representatives, with their respective alternates. Collective bargaining was banned in Uruguay after the military takeover in 1973, but labor unions regained the right to bargain collectively with the return of democracy in 1985. Tripartite negotiations took place at the industry level through "Wage Councils," allowing wage adjustment to vary by industry. However, the wage councils for the private sector became suspended

sector bargaining, and for the first time in the country's history, create new ones for the rural sector (Mazzuchi 2009, 38-39). According to a report about the labor relations in Uruguay 2005-2008, from the International Labour Organization (ILO), wages increased significantly due to the changed labor policy of FA in which the passive role of the state since the early 1990s was abandoned in favor of an active position that has created new institutional spaces for tripartite negotiations, wage councils⁴⁰¹ and a clear pro-union approach (Mazzuchi 2009, 17-18).

The new labor regulation is described by public officials to have implied important improvements in working conditions and salaries for rural workers (Tommasino and Bruno 2010, Paolino 2012, Domínguez V and Durán F 2008). As mentioned in section 4.1, the unions of the rural workers have in general been weak and many of the social reforms of Batlle y Ordoñez did not reach the rural workers (both livestock and dry farming workers were exempted from the eight-hour regime).⁴⁰² In this way, rural workers in general are reflected upon as particularly vulnerable⁴⁰³, and prior to 2005 had no limit on their working hours and practically no experience of labor negotiations (Mazzuchi 2009, 38-39). The tripartite National Rural Council, *Consejo Superior Rural* (CSR),⁴⁰⁴ from 2008, has nevertheless been plagued by conflicts between the parties (including the sub-group 22 that regulates the wages for the workers in the grain and oil-seeds sectors).⁴⁰⁵

since 1992. The reinstatement of tripartite negotiations and wage councils, was one of the first things FA reinstated in 2005.

⁴⁰¹ The wage councils consist of a three party board with representatives from unions, employers, and the government (represented by the Ministry of Labor and Social Security, MTSS). If unions and employers fail to reach an agreement to set wage increases for individual sectors, the government makes the final decision.

⁴⁰² Although rural workers' minimum wages have been set by the executive branch since 1923, there had before 2005 not existed any arena for the rural workers to negotiate their conditions.

⁴⁰³ They are spread out around the country; they are often isolated in areas far from population centers; their jobs are insecure – in most cases, they are limited to peak seasons, which leads them to travel from one place to another, carrying out unskilled jobs; and livestock workers essentially live on the land that they work, which makes them dependent on their employer, leading to a tendency to avoid potential conflicts that could place not only their employment, but also their housing, at risk.

⁴⁰⁴ CSR consists of nine delegates from the Ministry of Labour (MTSS) and MGAP, representing the government, along with six workers' representatives from the National Union of Rural and Related Workers (Unión Nacional de Trabajadores Rurales y Afines, UNATRA) and six employers' representatives from ARU, FRU, CNFR and CAF (all previously presented and approached in this study) as well as the National Association of Dairy Producers (Asociación Nacional de Productores de Leche, ANPL). See www.mtss.gub.uy/index.php?option=com_content&task=category§ionid=43&id=308&Itemid=466 (Accessed in July, 2014)

⁴⁰⁵ I have interviewed the national director of labor and later minister of labor; the specialist of rural labor representing Opya-MGAP in the tripartite rural negotiations; the president of

One of the most heated debates has concerned the limiting working hours. The newly formed Union for Rural Workers (UNATRA⁴⁰⁶) demanded equality with other workers in urban areas, while the employers' representatives (particularly ARU and FRU), demanded a flexible framework that took into consideration productive cycles and weather. The government took an in-between position pledging the eight-hour day and 48-hour work week (Technical specialist rural labor at Opya-MGAP 2009-02-18).⁴⁰⁷ Despite that the ideal is consensus decisions, it was not possible to close an agreement, and finally the government passed a law (18441 of 2008), making the maximum hours of work eight hours per day and 48 hours for every six days worked, for all rural activities. The traditional producers' organizations ARU and FRU criticized the new law severely in the press, and said that it was not adapted to the rural "reality".⁴⁰⁸ In addition, ARU and FRU have argued that the labor reforms taken by FA in general have changed the power relations heavily in favor of unions and the wage rises will impact negatively on production and competitiveness. The new crop firms have, by contrast, been silent in the public debate. The firms asked about it said that they agreed with the legislation. According to the vice-minister of MGAP the 8 hour work day for rural workers was one of the most important steps taken by FA, and for many people a long lasting dream that finally came true: "Today all companies need to comply with this, which has been a dream and a fight throughout history, who many rural workers didn't reach to see during their lifetime" (Vice-Minister of MGAP 2009-02-19). The wage councils have also had many other conflicts.⁴⁰⁹

There has also existed times when regulation of the wages has been done by decree since none of the parts accepts any of the proposals of the oth-

CNFR, the president of FRU and one ARU board member. In addition, I have followed the official documents of Presidencia and MTSS.

⁴⁰⁶ UNATRA was formed at the end of 2004 (to be the main stakeholders in the wage councils that FA would initiate in 2005) with 16 member unions representing citrus, sugar cane, rice, dairy, horticulture, and fruit grower's farms. Today, it is the sector's most representative organization. In general, the level of unionization has increased steadily since the FA took office. In 2005, Pit-CNT had 110.000 members, in 2013 it had three times more, 353.000 members, which represents almost 30 percent of the total workforce

www.subrayado.com.uy/Site/noticia/26030/en-10-anos-se-triplico-la-cantidad-de-afiliados-al-pit-cnt

⁴⁰⁷ Allowed for some flexibility measuring the average work day on the basis of a weekly cycle

⁴⁰⁸ See joint employer communiques: www.aru.com.uy/novedad-ampliada.php?id=87&old=1 (From 2006, Accessed in May, 2014).

⁴⁰⁹ The employers for example filed a case against the government before the International Labor Organization in February 2009, claiming that the government had initiated a series of labor reforms of total disregard of the employers. The ILO requested the government to take the necessary measures to ensure that the bargaining level is established by the parties and not subject to voting in a tripartite body.

ers⁴¹⁰. Besides wages and working hours, the organizations representing the employers (ARU, FRU and ACA) criticized severely the government's new law on outsourcing (Law 18099 of 2007), which increased the responsibility of all firms over the labor standards of the workers of subcontracted firms. This implied that the workers need to be registered in the Social Security Bank, BPS, their working terms and wages have to be in accordance with those stipulated in the collective agreements for the particular working position.⁴¹¹ All in all, the 2005-2010 Frente Amplio administration passed a battery of new labor legislation strengthening labor rights, which some was strongly opposed by employer sectors.⁴¹² According to a report from the US embassy in Uruguay, the labor regulations and the high wage costs were reported by foreign investors as one of the most problematic aspects of doing business in Uruguay. The social and health security payments are further described as high and increase employers' basic wage costs by about 30 percent⁴¹³. In addition, the report states that the court tends to rule in favor of the worker, in labor trials as the worker is considered to be the weaker party. In

⁴¹⁰ The government provided in 2008 for an increase of over 30 percent to minimum wages in some cases, in recognition of the extremely low wages. For those earning more than the minimum wage, they followed the general scheme (expected inflation plus 2 percent). www.lr21.com.uy/politica/431555-de-los-24-grupos-de-consejos-de-salarios-hasta-ahora-acordaron-9 (Accessed in April, 2014). In October, 2013 the producers' organizations (employers) left the wage council, arguing that UNATRA was not constructive. <http://ladiaria.com.uy/articulo/2013/10/los-ofendidos-de-siempre/>. (Accessed in April, 2014). In January 2014, the government voted with the workers against the employers, and thereby created a new agreement by majority vote.

www.presidencia.gub.uy/comunicacion/comunicacionnoticias/grupo-22-ministerio-trabajo-trabajadores-ganaderos-agricolas-incrementos-salariales-votacion (Accessed in April, 2014).

⁴¹¹ Some of the employers concerns were considered in a new law (18251, of 2007) passed by the government www.unoticias.com.uy/2013/09/25/especiales/sindicales/pit-cnt-critico-a-la-asociacion-rural-y-tildo-a-sus-integrantes-de-locos-y-trastornados/ (Accessed in April, 2014).

⁴¹² Minimum wages have been risen considerably as a consequence of the wage councils and that legal changes. The increased control to guarantee compliance with employers' contributions to the Social Security Bank (BPS) has brought a lot of workers into formal employment, and into the register of Tax Office (Dirección General Impositiva, DGI). In this way, workers' involvement in the formal economy has risen. The number of private workers registered with the BPS was in June 2004, 718,960; while it in June 2008 had risen to over one million. The government passed a new law (18566, from 2009) that established a bargaining system structured at three levels: national (governed by the Higher Tripartite Council); branch of activity or productive chain (governed by a sectorial wage council, in which group 22 covers the grain and oil-seeds production workers); and bipartite collective bargaining (governed at the company level). www.impo.com.uy/bancodatos/trabajo.htm#e3 (2014-04-24)

⁴¹³ In addition to the worker's salary, employers must pay: "(a) 7.5 percent of the wage to social security, (b) 5 percent to health insurance, (c) 0.125 percent to a labor restructuring fund, (d) a supplementary annual bonus equivalent to 1/12 of the annual pay (basically a 13th month's wages), and (e) a vacation pay equivalent to about 80 percent of the net wage received". (U.S. Embassy in Montevideo 2011, 56-60).

general labor costs are by all interviewed firms and producers argued to be very high in Uruguay.

While the state/ government is often argued by the private sector to be bureaucratic and costly, it is also often mentioned to be uncorrupt and “serious”, following the “rules of the game” (i.e. respectful of property rights and of signed agreements and commitments and guided by the market signals). The commercial section of The US Embassy in Montevideo published a report about “doing business in Uruguay” for US companies in which it stated that: “Uruguay offers good opportunities as a test market for the region, given the small size of its market, respect for the rule of law and good investment climate” (U.S. Embassy in Montevideo 2011). It also added that: “Government procurement and bidding processes are generally transparent, but slow”(U.S. Embassy in Montevideo 2011). The idea that Uruguay is a “serious” country (often created equivalent to being predictable and following the expectations of market and the rest of the world) were not only mentioned by the private business actors but also by government and state officials.⁴¹⁴ These features were most often expressed in contrast to Argentina.⁴¹⁵ The oil-seeds specialist of Opya-MGAP talked about this in the following way;

“The fact that Uruguay has clear rules does not imply that things are not discussed or that things cannot change. That [discussion and change] is democracy. But we are not Argentina. Even when it has been a change of color in the government, many laws launched by previous governments have been maintained or only slightly modified” (Oil-seeds and agro-industrial specialist at Opya-MGAP 2010-12-08).

The specialist at Opya claimed that clear long-term rules for the market were the advantage of Uruguay, and that it was important for the country to maintain this reputation. One often mentioned example provided by both public and private actors regarding “seriousness” of Uruguay was the strong protection to intellectual property rights manifested in the high compliance to pay royalty for the Roundup Ready soybeans in Uruguay. As usual, Uruguayan performance is very much described in relation to Argentina, where around of 40 percent of the seeds are estimated to be illegal and around 20 percent of the seeds are saved seeds without paid royalties⁴¹⁶ (Rapela and

⁴¹⁴ Interviews with vice minister of MGAP; oil-seed specialist Opya-MGAP, director of statistics DIEA-MGAP; president INASE; director of CUS; country manager of El Tejar; grain traders at Dreyfus; staff at ADP; country manager of Cargill.

⁴¹⁵ Interviews with respondents from ARU; Schandy; Tejar; Marfrig; Navíos; CUS; URUPOV; Lage y Cia; Cargill.

⁴¹⁶ The lack of patent protection has been the source of much tension between the Argentinean government and Monsanto. A breaking point was reached in 2004 when Monsanto completely withdrew from the Argentinean soybean market blaming black market competition and the

Risso 2009). On the other hand, when the FA government issued a moratorium on new genetically modified seeds in 2008-2009, many business actors argued that the country would lose competitiveness vis-à-vis other countries of the region, and particularly to Argentina (the director of URUPOV; staff at ADP; the director of CUS; grain traders at Dreyfus).

According to the government investment and export promoting institute, Uruguay XXI, the country has the best business climate in Latin America and is the second most open economy behind Chile.⁴¹⁷ Uruguay XXI also remarks that the country has investment grade status, an overall positive macroeconomic trend and the government is argued to have maintained a favorable investment climate.⁴¹⁸ Foreign Direct Investments (FDI) has been underlined as important for economic development (Uruguay XXI 2013c).⁴¹⁹ In 2012, 5.6 percent of national GDP came from FDI and the agrarian sector was the largest recipient (Durán F 2013, Uruguay XXI 2013c).⁴²⁰ During the period 2004-2012, FDI contributed to 37 percent of total private investments in the country (Durán F 2013). The notion that Uruguay needs to attract FDI and that it needs to increase the competitiveness of its private firms can be described as a hegemonic idea that all political sectors in the parliament nowadays seem to share.⁴²¹ There seems to be a consensus among politicians and business people alike that Uruguay needs foreign investments and needs to engage in trade. This was clearly illustrated by the director of the meat company Marfrig:

“A lot of things can happen, but one thing is for sure. This region will be food producer. Uruguay is perhaps for grains not as productive as Paraguay, but the proximity to ports makes Uruguayan production a lot cheaper.

lack of enforcement of Intellectual Property rights by the government. The breeders have had it easier to collect royalties in Uruguay than in Argentina.

⁴¹⁷ The openness ratio is measured in (Exports + imports) / GDP.

⁴¹⁸ The Uruguayan peso floats freely, albeit with intervention from the Central Bank. Foreign exchange can be freely obtained at market rates and there is no black market for currency exchange. Of total exports 2012, 43 percent belonged to agroindustry (beef, dairy, rice and syrup for beverages); 6 percent textiles and leather (mostly leather and wool); 10 percent manufactures (plastic articles, pharmaceutical products, rubber); 12 timber extraction and industry (particularly wood pulp); 21 percent crops (of which soybeans represent 68 percent, followed by wheat (21 percent) and citrus (3 percent) (Uruguay XXI).

⁴¹⁹ Uruguay has up until 2004 low inflows of FDI in relation to GDP (fewer than 3 percent) compared to the rest of the region. However, since 2004 inflows of FDI has had a seven fold growth. Uruguay ranked second in the ratio of FDI to GDP in South America in 2010 (behind Chile). Annual inflows of FDI rose gradually from USD 332 million in 2004 (2.4 percent of GDP) to USD 2.1 billion in 2008 (7.0 percent of GDP), and USD 2.4 billion in 2010 and 2011 (6 percent of GDP).

⁴²⁰ Throughout the period 2003-2009 the agrarian sector received the greatest amount of FDI.

⁴²¹ This reflects the implicit assumption that the main markets for the Uruguayan firms are outside the country.

Uruguay is an expensive country and not much money is left after paying salaries to public employers and external debt, so Uruguay needs to grow or to grow. There is no option. Intelligent enough no discourse of the left or even the extreme left close the possibility for foreign investment in Uruguay“ (Director of Marfrig 2009-02-26).

Apart from the above mentioned business climate and regulations relevant to soybean expansion, the government has also taken regulations more or less explicitly addressing “negative” aspects of the soybean expansion. As mentioned in the section about cultivation stages, the soybean expansion has displaced other activities (mostly extensive grazing and dairy) and other types of producers (smaller more family oriented units, often described as “traditional” producers). Many voices within the government and the state expressed concerns in relation to these features of the soybean expansion, particularly as FA had explicitly established in the electoral platform that family farming would be supported through differentiated policies, as will be deeper presented in the coming chapters. In this respect, FA has established clear definitions for the same and increased technical support, implementation of new sources of financing to supplement commercial credit lines, tax exonerations and opened up new credits. The state institute for agrarian reform, INC, has also been given more resources to lease out land to landless producers and measures to improve the overall standard of living of family producers.⁴²² A bill in 2014 is also suggesting that at least 30 percent of food bought through public tenure (for school, hospitals and prisons) should come from family producers. The MGAP created a Decentralization Unit to strengthen the Ministry’s presence in the various geographical Departments and encourage the participation of local institutions in the design and implementation of agricultural development policies.

In addition, there have been expressed concerns over increased speculative activities in the land markets and even potential money laundering. These regulations will be presented further in the subsequent chapters dealing with competing and complementary views on specific central themes discussed. Here I will only mention that FA has passed several laws and resolutions to oblige joint stock companies to be represented by nominative shares owned by physical persons which cannot be anonymous, but need to be registered with name and surname and to impose a progressive land-tax, implying that large landholders need to pay more per hectare than smaller landholders. These measures have been hotly debated.

Other government measurements have been increased public funding to research, education and innovation. The current administration has assigned the largest budget ever to education and innovation programs in Uruguay,

⁴²² Between 2005-2010, INC bought 50,000 ha of land and redistributed to 550 families. The total amount of land administrated by INC is 500,000 ha of land (Rossi 2010).

reaching 4.5 percent of GDP in 2009 (Barrios, Gandelman, and Michelin 2010). There have been many institutional changes in this area. In 2005, the National Research and Innovation Agency (ANII) was created to be in charge of the organization and management of policies to promote innovation, science and technology, as well as to promote coordination among institutions and consider the social and production needs of the country (Barrios, Gandelman, and Michelin 2010). The ANII has four basic programs with funds targeted to specific sectors in order to increase start-ups and improve quality standards. An Inter-ministerial Innovation Cabinet was founded in 2005 with inter-ministerial participation (Barrios, Gandelman, and Michelin 2010). In 2007, the formulation of a National Strategic Plan on Science, Innovation and Technology (PENCTI) was made public. The explicit aim of PENCTI is to promote active policies to solve market failures, but it is also remarked that that this will be done without ruling out the market as a mechanism for sorting out economic alternatives (Barrios, Gandelman, and Michelin 2010). (Tommasino 2010, Souto and Ferenczi 2010, Piacenza, Vaz, and Carriquiry 2010, Paolino 2012, Paolino 2010a, b, Hill 2010, Fernández 2010a, b, Calza et al. 2010, Paolino, Pittulaga, and Moncelli 2014)

The total picture of state policy (directly or indirectly) under the FA governments towards the soybean expansion is broad and heterogeneous; i.e. neither purely “free” market oriented, or purely oriented towards public regulation. FA is a broad political coalition including many different political sectors, covering a wide range of orientations. In addition, the state apparatus in Uruguay, as everywhere, is a complex system integrated by many different offices, which each one has their own particular traditions, aims, leaders and modes of work, besides that they often represent different sectors of FA. It is nevertheless clear that in contrast to previous governments, FA has in many texts explicitly polarized against neoliberal policies and underlined that the state should both promote industrial development and redistribute resources in a more equitable way. It is, however, also clear that much of the liberalizing reforms of previous government have remained more or less intact and the reliance on commodity export has increased with the soybean expansion. While value-added appear as a nodal sign in FA texts, it is also clear that economic growth, “clear rules” and FDI are stressed as important. The processes of concentration and “foreignization” of land has continued and accelerated during the period. I will in the coming chapters address these things and analyze the important disagreement about what the state should, or should not do in relation to the soybean expansion. But before that, a brief presentation of a less powerful part of the institutional structure, which nevertheless has a considerable amount of voice.

5.4.3 The socio-ecological movement, NGOs and research

Many national NGOs that identify themselves as part of the Uruguayan ecological movement have had quite a strong voice in the national media and in mobilizing popular protests in relation to the soybean expansion. Common categories sometimes used as synonyms to the ecologists within the field were: agro-ecologists, NGO's, green movement, *radicales* (radicals). Traditionally, it has been the unions (particularly the central organization PIT-CNT) and the political parties (particularly FA) that have been characterized as the strong actors of the Uruguayan social movement. However, in relation to the soybean expansion the unions have been rather quiet. This can be partially explained by the relative historical weakness of the rural worker unions in relation to the urban ones. Out of the 120,000 rural workers registered in the Social Insurance Bank, *Banco de Previsión Social* (BPS), only 5,000 are members of unions.⁴²³ These are linked to the central organization of the labor movement PIT-CNT. In the public debate and in the different state commissions dealing with aspects of the soybean expansion, the rural worker is conspicuously absent.⁴²⁴ I now focus on the loud and visible ecological movement concerning the soybean expansion.

Brief contextualization of the ecological movement

The ecological movement in Uruguay was born in the mid-1980s with the process of re-democratization, which coincided with the emergence of ecological concerns on the political agenda worldwide. During the first decade, the Uruguayan environmental movement was mainly concerned with local conservation and struggles against extractive projects. As it grew stronger, it expanded the agenda and built broader alliances with the traditionally strong Uruguayan social movements. These ecological organizations united with the unions (particularly the central organization PIT-CNT),⁴²⁵ the cooperative movement, and the political parties of FA against the “free market” reforms of the political parties in power at the time (Berrón and Freire 2004, 297, Pereda 2008). The establishment of free trade zones, large scale projects of

⁴²³ See: “Agro trabajo infantil y persecución sindical”, www.180.com.uy/articulo/Agro-trabajo-infantil-y-persecucion-sindical (Accessed in July, 2014)

⁴²⁴ However, one strong rural union is the Sugarcane Workers' Union (UTAA) from 1961. UTAA played a protagonist role in the struggle for agrarian reform in the 1960s and has continued to be the most vocal rural workers' union. In 2013, I found that UTAA made various statements in the national media how the model of soybeans and eucalyptus is depopulating the countryside. See for example www.espectador.com/noticias/260284/obreros-rurales-acampan-junto-a-tierras-del-inc-en-artigas (Accessed in July, 2014).

⁴²⁵ The labor movement in Uruguay has its roots in the 1870s. In 1964 the central organization *Convención Nacional de Trabajadores* (CNT) was formed. This was dissolved in the wake of a general strike in 1973. In 1983 the *Plenario Intersindical de Trabajadores* (PIT) was founded and it became PIT-CNT when democracy was restored in March 1985. See PIT-CNT official website: www.pitcnt.org.uy/front/base.vm#/historia (Accessed in July, 2014).

eucalyptus and pine plantations, and the new investment law to attract more FDI were important shared concerns.⁴²⁶ The global capitalist system was blamed as the root cause for ecological degradation and “free” trade as the main vehicle for exploitation of nature and the poor in the South. In this way, fighting for ecology is inherently seen as going hand in hand with fighting neoliberalism.

Uruguay is often described as a society that gives priority to the institutionalized political struggle through the political parties making it difficult for the social movements to express their interests, demands and objectives (Moreira 2010).⁴²⁷ The ecology movement since the re-democratization in the 1980s, as other social movements, is described to be subsumed under the left-center party coalition *Frente Amplio* (FA) (Moreira 2010, 290). It has been pointed out that the environmentally framed problems became subordinated to poverty alleviation and social equality within the FA (Pereda 2008). According to the Uruguayan senior researcher at the Latin American Center of Social Ecology (CLAES), Eduardo Gudynas, within the political left of the 1970s and 80s “pure” environmental claims were often met with suspicion and there was a strong tendency to either consider them as obstacles to development (rejecting the idea of limits to growth) or a banality only relevant for a small group of privileged bourgeoisie that did not understand the popular sectors and the urgencies of the revolution (Gudynas 2010, 149).

The ecological movement did nevertheless manage to gain some proper voice and it took a protagonist role in the previously mentioned successful campaign against the privatization plans of drinking water and sanitation services of the government in 2002,⁴²⁸ which culminated in the national referendum alongside the general national elections in October 2004 (Santos 2005).⁴²⁹ As mentioned in section 5.4.2, the alliance between FA and the

⁴²⁶ See Frente Amplio’s party program for the government period 2005-2010, taken in 2003 and see the websites of Redes and Rap-AL

⁴²⁷ The path of a national referendum has been a common strategy to achieve goals for the Uruguayan social movements since the restoration of democracy. In 1987 following the global wave of new ecological interest, a green party was also formed within the FA alliance (Partido Verde Eto-Ecologista), but the 11,000 votes were not enough for a seat in the parliament and was later dissolved. A new green party was launched in April 2013. See <http://pv-uruguay.blogspot.se/> (Accessed in July, 2014).

⁴²⁸ REDES - Friends of the Earth Uruguay and other social movements (neighborhood committees, NGOs and unions, as well as researchers from the state university (Udelar), formed a broad alliance called the Commission in Defense of Water and Life (CNDVA). FA also joined the commission as well as one of the branches of the White Party, *Blancos*.

⁴²⁹ The referendum with a constitutional amendment in Defense of Water won with 63 percent of the votes. This amendment stipulated water as a fundamental human right, that has to be managed exclusively in a public, participatory and sustainable way. As soon as FA was installed in government in March 2005 it drafted the legislation outlining the mechanisms for implementing the constitutional reform www.ipsnews.net/2004/11/uruguay-referendum-gives-resounding-no-to-the-privatisation-of-water/ (Accessed in July, 2014).

social movements deteriorated after the elections. While the ecology movement maintained their critical positions towards the free trade zones, the investment law and the forest law, FA kept the previous reforms intact. The socioecological organizations started to blame the FA government for uncritically following the agenda of the multinational firms (Bacchetta 2007).

In the wider society, however, the position of environmentally framed concerns became weakened as the mega forestation and pulp mill projects in Uruguay turned into a the full-fledged conflict with Argentina.⁴³⁰ The Argentinean activists who for years had blockaded the main bridge of the Uruguay River called themselves *ecologistas* (ecologists). In this way, ecological framings and the ecological movement became perceived among the general Uruguayan public as representing claims against Uruguayan National interests, and they were viewed as excessive and fundamentalist (Pereda 2008, 75). Despite the weakening of the ecology framed claims after the inflamed conflict with Argentina, environmental organizations still have maintained some voice in the public debate.

Actors involved in the field

Concerning the soybean expansion, the ecology movement has articulated loudly and strongly against it in their own publications, in national news media and in campaigns. The soybean expansion has been (re)constructed as equivalent to corporate control, degradation, foreignization and concentration of land in the texts of the socioecological organizations. These texts will be dealt with in more depth in the coming section, but I will here introduce the actors that I have been particularly considered within this study: *Red de Ecología Social* (Redes)⁴³¹ and *Red Acción Pesticida – América Latina - Uruguay* (RAP-AL).⁴³²

Redes was founded in 1988 and has since organized many campaigns against what it sees as extractive activities of natural resources in Uruguay, such as GMOs, pesticide use in agriculture, gas pipeline, eucalyptus and pine plantations, the pulp mills, and recently the open-pit mining project (Aratiri⁴³³). It has also campaigned strongly against the privatization of water

⁴³⁰ The Argentinean protests began in 2003 when the plans to build up a pulp mill in Bentos beside the Uruguay River. The protests grew stronger and in 2006 Argentina filed a dispute at the International Court of Justice. Between 2007 and 2010 Argentinean activists blockaded the main bridge across the river on the Argentinean border. The International Court of Justice decided in favor of Uruguay in April 2010 but frictions still continue.

⁴³¹ See: www.redes.org.uy/ (Accessed in July, 2014)

⁴³² See: www.rapaluguay.org/ (Accessed in July, 2014)

⁴³³ Minera Aratiri was created in 2007 in Montevideo as an Uruguayan subsidiary of the Anglo-Swiss group Zamin Ferrous. Aratiri is engaged in the prospecting, exploration, mining, processing and export of iron ore in Uruguay, and its projected activity is the largest mining project ever in South America. It also include a new port for exporting the iron-ore to China. See government's declarations considering the Project:

and free trade agreements. Redes has also published many reports describing itself as involved in participatory research, environmental education, and lobbying. According to its website Redes aims for sustainability, biodiversity, food security and broad participation.⁴³⁴ In explicit reference to the soybean expansion, Redes has published many texts and organized events and also participated as a stakeholder in the public process of regulation of biosafety (including genetically modified crops). It withdrew in protest from this process (together with the association of organic farmers) when the alternative of zero genetically modified crops was abandoned (more about that in the coming thematically subsections). Redes forms part of the international network of Friends of the Earth (FOEI) with a secretariat in Amsterdam and member organizations in 76 countries. FOEI describes its own work as “challenging the current model of economic and corporate globalization, and promote solutions that will help to create environmentally sustainable and socially just societies.”⁴³⁵ Redes is one of the biggest and loudest campaign organizations.

Red Acción Pesticida Uruguay (RAP-AL) was founded in 1995. RAP-AL Uruguay is not as big and strong as Redes but has also been active in publishing texts in relation to the soybean expansion.⁴³⁶ It aims to promote organic agriculture and oppose agro-toxics, genetically modified seeds and monoculture.⁴³⁷ RAP-AL Uruguay is an important division of the “Pesticide Action Network- Latin America” from 1983 (RAP-AL or PAN-LA in English), which forms part of the global network PAN from 1982, with members in over 90 countries.⁴³⁸ RAP-AL works with campaigns, lobbying, and information gathering and sharing. It has since 2006 published a monthly electronic bulletin in which many articles have treated the soybean expansion, and several have been published in national newspapers like *El País* and *Brecha*.⁴³⁹ Its main impact seems to be via the articles and it does not leave many traces as an active agent in any other forum (public events, workshops, courses, demonstrations). Redes and Rap-AL link up and refer extensively to each other in the published texts.⁴⁴⁰

www.presidencia.gub.uy/buscador?q=Aratiriti (Accessed in July, 2014). Read more at: <http://en.mercopress.com/2012/06/29/uruguay-s-project-for-a-deepwater-port-on-the-atlantic-takes-off>. See some arguments against Aratiri from Redes: www.redes.org.uy/2011/05/12/manifestacion-en-montevideo-por-los-bienes-naturales-y-contra-la-mineria/#more-2226 (Accessed in July, 2014).

⁴³⁴ See: www.redes.org.uy/quienes-somos/ (Accessed in July, 2014).

⁴³⁵ See: www.foei.org/en/what-we-do (Accessed in July, 2014).

⁴³⁶ See: www.rapaluruaguay.org/que.html (Accessed in July, 2014).

⁴³⁷ See: www.rapaluruaguay.org/que.html (Accessed in July, 2014).

⁴³⁸ See: www.pan-international.org/panint/?q=node/33 (Accessed in July, 2014).

⁴³⁹ See: www.rapaluruaguay.org/boletin/index.html (Accessed in July, 2014).

⁴⁴⁰ Both express the soybean expansion as part of a global capitalist system characterized by unequal ecological exchange with long historical (colonial) roots that have created an ecolog-

Another important ecological NGO based in Montevideo is the “Latin American Center for Social Ecology” (CLAES) from 1989.⁴⁴¹ CLAES has published several texts about the soybean expansion in Uruguay and the rest of the region, and it also formed the web portal for news and debates about soybeans called “plataforma soja”, which later became incorporated more generically in “monocultivos.com.”⁴⁴² CLAES was also the representative in United Nations Environment Programme (UNEP). The senior researcher at CLAES, Eduardo Gudynas, is an influential voice in the public debate, frequently featuring in national media, academic journals and books.⁴⁴³

There are also ecological or environmental NGOs in Uruguay that are more concerned with traditional nature conservation. These are typically organized in loose networks and oppose local natural resource related activity, which is understood as harmful for the natural and social environment. One such NGO that has written reports and participated in public debates concerning the soybean expansion is Vida Silvestre (Wild Life) from 1995.⁴⁴⁴ It works for sustainable development with focus on protection of species, threatened ecosystems and resource conservation. Vida Silvestre has an “academic” profile stressing “scientific” and interdisciplinary solutions to environmental problems. Vida Silvestre is a member of the International Union for Conservation of Nature (IUCN) which according to its website is the world’s oldest (from 1948) and largest global environmental organization.⁴⁴⁵

Research and researchers in the field

Research appeared early in this study as a legitimizing node that all articulations about the soybean expansion tend to draw on in one way or another. This is manifested in the many references made to specific researchers and research findings made by all other positions in interviews as well as other texts. Explicit references to research seem to be understood as a way to strengthen one’s case. Since talking about soybean expansion based on research receives legitimacy, many actors in their roles representing other positions also made successful claims on the research position. For example, the vice ministry of livestock, agriculture, forestry and fisheries, the oilseeds specialist at Opypa-MGAP, the country manager of Cargill, the president of

ical debt. In this way, fighting for ecology is seen as inherently going hand in hand with fighting neoliberalism.

⁴⁴¹ CLAES works with “action-research”, education on social ecology, campaign and promotion of social ecology. CLAES coordinates the Uruguayan network “Red Uruguay de ONGs Ambientalistas” <http://ambiental.net/claes/> (Accessed in July, 2014).

⁴⁴² See: www.monocultivos.com/soja/index.html (Accessed in July, 2014).

⁴⁴³ See: some of his publications at www.gudynas.com/ (Accessed in July, 2014).

⁴⁴⁴ See: <http://vidasilvestre.org.uy/> (Accessed in July, 2014).

⁴⁴⁵ See: <http://www.iucn.org/> (Accessed in July, 2014).

FRU, a board member of ARU, the director of the breeders' association, the director of the seed chamber, the NGO activist and the agri-consultant firm, all had worked with research and published papers in different areas linked to the universities or INIA. During the interviews they often emphasized their arguments from the research position. In the same way, many Uruguayan scholars also participate outside the academia in the public debate about the soybean expansion (writing reports for environmental NGOs, producers' organizations or agribusiness). They also participate in the MTO, in news media, and some participates in political parties.

Uruguay has a long and strong tradition of national agrarian research. The Batllista government founded the faculty of agronomy in 1909 and recruited researchers from Europe and the first agricultural research station was established in 1914. Agricultural research deteriorated during the 11-year military dictatorship and with scarce resources throughout the re-democratic regimes. In response to the poor situation of agrarian research, Uruguay's principal agricultural research and development agency, the National Institute of Agrarian Research, INIA, was created as a public non-governmental organization through legislation in 1989.⁴⁴⁶ The mission of INIA is to generate and adapt knowledge and technologies to contribute to the sustainable development of the agricultural sector and the country, considering state policies, social inclusion and market and consumer demands, and promoting articulation with the other players in the system. The government defines the policies and INIA develops scientific and technological actions aligned with these goals (Vassallo 2007, 156). INIA receives 36% of total agricultural R&D funds within the country (Beintema, Stads, 2009).⁴⁴⁷ INIA's board of directors is integrated by government representatives and by the five agricultural organizations of the country.⁴⁴⁸ The faculty of agriculture (FAGRO)

⁴⁴⁶ INIA is a public enterprise that is entitled to government funding but authorized to act as a private organization in some ways (to select its own staff and sign contracts with other entities).

⁴⁴⁷ It employs around 500 researchers and has five experimental stations over the country. INIA is funded by a 0.004 percent tax on all farm sales (included in the value-added tax, VAT) that the public treasury reserves for it. In addition, the government doubles the amount by providing INIA with additional funds that matches the tax on farm sales. INIA also receives private voluntary contributions, research grants from outside Uruguay, and self-generated funds from consultation services to private enterprises. Besides the work of INIA's own researchers, it also funds agricultural research outside INIA through the Agricultural Technology Development Fund (FPTA). See INIA webpage www.inia.org.uy/ (Accessed in July, 2014).

⁴⁴⁸ The members of the board are appointed by the government and integrated by: Two representatives proposed by the Ministry of Livestock, Agriculture and Fisheries (MGAP), one of which will be chosen as the Chairperson; two representatives of the producers to be appointed by the government, one of them proposed by the Uruguayan Rural Association (ARU) and by the Rural Federation (FR) and the other one by the Federated Agrarian Cooperatives (CAF), the National Committee on Rural Promotion (CNFR) and by the Uruguayan Federation of

at the state university (Udelar⁴⁴⁹) is another important source of agrarian research.

Although the position as researcher in some generic sense yields high status in the debate, it is evident that for most interviewed persons the legitimacy varies depending on research area and department. In general most actors state explicitly to be interested in “hard facts” and “objective truths.” Evidently not all researchers claim to represent such ideals, and among those who claim to represent these ideals, not all can do so with the same degree of legitimacy in the eyes of others.

5.5 Concluding remarks and schematic outline

In this chapter I have presented aspects of central themes discussed in relation to the soybean expansion that have appeared as fairly “accepted” throughout different positions and articulations in the field. Thus, although “the soybean expansion” in many senses is a floating signifier filled with different meanings in different competing articulations, the previous sections have outlined some shared characterizations of the current configuration of the soybean expansion. As I will show in coming chapters, these aspects are to an important extent incorporated in divergent ways in different articulations that often end up with competing meanings. But here focus is on the productive and commercializing networks and processes of the soybean complex that have appeared as “social facts”. These can be seen as a partial fixation of the soybean expansion constraining the range of possible meanings attached to it, but these are still sufficiently “open” to allow for significant variance.

- It is an on-going land use change in Uruguay which started in 2002/03 – mostly in Litoral, but also increasingly into non-traditional crop areas in central and eastern parts of the country.
- The expansion has been mostly driven by big crop firms from Argentina that had no activity in Uruguay prior to the expansion.
- The big “Argentinean” firms arrived to Uruguay as a strategy of geographical diversification and responding to increased export taxes on soybeans in Argentina, low land prices in Uruguay, no export taxes, installed port infrastructure and authorization of RR Soybeans are described as main pull factors in Uruguay.

Agriculture Research Regional Centers (FUCREA). See www.inia.org.uy/online/site/492048I2.php (Accessed in July, 2014).

⁴⁴⁹ Udelar is a public university since 1849. It is the most important and largest university of Uruguay with more than 80,000 students.

- The soybean “boom” has led to increased land prices, intensification of land-use and to concentration of land.
- The expansion has resulted in less participation of “traditional producers”, particularly smaller units and sharecroppers. The “traditional” grain cooperatives have also lost market shares.
- The “new” soybean firms subcontract most agrarian services, while vertically integrating and/or cooperate with other stages (upstream and downstream) of the soybean chain.
- The soybean expansion is produced with a “new” technological package centered on genetically modified seeds (RR), glyphosate, no-tillage and increased pesticide use. The new package increased average yield and allowed for production in less perfect soils.
- Almost all soybeans produced in Uruguay come from seeds with herbicide tolerant trait (40-3-2) patented by Monsanto.
- A major portion of Uruguayan production is exported by a handful of international mega traders. These traders also “take positions” on the commodity markets of the Chicago Board of Trade (CBoT) and allow for farmers to sell soybeans on future markets – allowing for the covering of costs of production with the expected gains of the harvest already before seeding.
- The big traders have also vertically integrated into crushing and storage.
- Most of the soybean harvest end up exported in the form of beans to China.⁴⁵⁰
- Some of the soybean is retained and crushed into meal and oil where an important part of the oil is used to make biodiesel by the state-owned company ALUR to meet the stipulated blend in the new bio-fuel law.

Above “social facts” could be described to represent what everybody within this field expects everybody else to “know”. They will serve as important entry points on the continuum of expressed understandings about the soybean expansion in Uruguay. This is what in a given moment is accepted as common sense and I do not see the socially agreed upon facts to reflect any underlying objectivity or a “product” of reason.⁴⁵¹

⁴⁵⁰ There is a common notion that the soybean trade flow illustrates recent changes in agro-food globalization, in which emerging economies such as China, India and Saudi Arabia are becoming increasingly important import markets and many Latin American countries are becoming important export markets.

⁴⁵¹ Within most “traditional” approaches of the social sciences (including GCC) it is common with more essentialist and positivist ways of addressing the world. I have exclusively used the GCC framework as a way to categorize the productive complex into stages and dimension that can help get an overview and visualize the elements that are involved in the field.

Most of these “social facts” can ultimately be traced to few sources that are widely diffused and in general reflected upon as legitimate, reliable and telling the truth. They are often based on quantitative data, transparent methods and belong to long traditions of particular knowledge production. Official national statistical accounts⁴⁵² and some previous research about the soybean expansion published within the scope of FAGRO and INIA. Consequently, many of the texts produced therein have been diffused, reproduced, and referred to in a wide range of arenas. The national media plays a central role in diffusing popularized texts explicitly relying on these sources, but even government organizations, producers’ organizations, NGOs, and agribusiness produce texts that further diffuse these “facts”. These sources were presented and schematically contextualized in chapter two, but here the point is to denote that some sources stood out as “fact-providers”, widely used in all types of texts dealing with land-use change, owner patterns, technological packages applied, land transactions, effects on erosion, money transactions, exported tonnage, imported inputs, amounts and types of land (soils) involved etc. in the wake of the soybean expansion.

However, there is no equally accepted “facts” about all aspects of the chain. When it comes to the actors involved, there is infinitely more said and written about the producers and firms in the cultivation stage than about the firms in the other stages in research, statistics, news and other arenas. In this way, “the social facts” considering size, shares, and owner patterns of the input, logistics and trading markets are rather few and vague. There is no equally widespread shared ground on which it is possible to create a consensus narrative considering the social relations among the actors involved in upstream and downstream stages of the soybean expansion, as in the case of the cultivation stage. These stages are also less talked about (dealt with) than the cultivation stage in the public debate.

Below is a very schematic systematization of main assets, activities and actors involved at different stages of the soybean chain in Uruguay, as well as some examples of relevant aspects of the institutional structure for each phase. This outline represents an important simplification, but can nevertheless help the reader to get a quick overview of the soybean complex.

⁴⁵² The main referred sources were: the National Institute of Statistics (INE), the statistical division of the Department of Livestock, Agriculture and Fisheries (DIEA – MGAP), the budget and policy division (Opypa) of MGAP, the division of agrarian services (DGSA) of MGAP the inter-ministerial and joint public-private, Investment and Export Promotion Institute, Uruguay XXI.

Inputs involved	Activities	Actors involved of the production and commercialization complex	The Institutional structure
Cultivation stages			
Land (capital) Different levels of productivity	Getting access to land: 1. Buying land 2. Leasing land (through different kinds of contracts) 3. Already owning land	1. Buyers 2002-2013: mostly foreign corporations. 2. Land leasers 2002-2013: most foreign corporations, competing out sharecroppers. 3. Owners of land since before the expansion	Land structure; property rights regime; transport system; lan taxes
Capital; know-how; promises; trust; labour; land	Planning production; Preperation of the field (application of glyphosate); cultivation; monitoring; fumigation; harvesting; on-farm storing; selling part of the planned harvest through future contracts	Agronomists and/or producers plan production. Farmers and/or service providers doing on-farm activities. Farmers sell future harvests through cooperatives or directly to traders. Farmers buy inputs from cooperatives and firms. Most farmers use economic consultant firms for planning, recording and taxing services.	Soils law and soils plan, labour regulation, taxes, credit lines, etc

Inputs involved	Activities	Actors involved of the production and commercialization complex	The Institutional structure
Downstream stages			
Trucks; roads, Silos; elevators; balance; laboratories	Long-short hauling, Storage; hoarding; cleaning; drying; weighting; quality control	Agrarian firms, cooperatives, traders and specialized transport companies; "transportistas"	MTOP; Union of transportists, "Plan de Silos" MGAP
Soybeans; information; capital; clearing membership in CBoT (to be able to "take positions" on futures)	Commercialization grains	Farmers and agrarian firms sell remaining harvest (not sold through future contracts) to cooperatives, elevators, agrarian firms (originators) or directly to traders	CBOT
Know-how; labour, transfer and storage terminal (Nueva Palmira), balance; grain elevators; ships; terminals; insurance	Aduana services, Terminal storage and Uploading, Exports and transfer trade	Custom brokers; laboratories; Maritime agencies, Bulk carriers; Traders; shipping companies	ANP; MTOP; MGAP
Industrial crushing plants; soybeans	Crushing of soybeans into oil and meals; Mixing rations, feed, cooking oil and bio-diesel.	ALUR; COUSA; traders; national firms; dairy and meat firms; producers as providers	Biofuels regulation (targeted blends), Investment promotion law; ANCAP

Inputs involved	Activities	Actors involved of the production and commercialization complex	The Institutional structure
Upstream stages			
Seeds; agrochemicals for inoculation; know-how; gm technology; capital; labour	HT soybean seed production and reproduction; seed registration; local adaptation research; seed commercialization; paying seed regalia; inoculation of the seed	The organizations representing the multinational seed companies; (Urupov; Seed Chamber) national seed reproducers; Cooperatives; famers (saving seeds from harvest); National and transnational firms	Public regulatory institutions (INASE, INIA and MGAP); cooperatives; agrarian firms. Regulation agrochemicals: MGAP-DGSA
Herbicides; pesticides; insecticides; inoculants; (capital); labour; Sowing machines, no-tillage drills; airplanes;	Importing; producing; blending; commercializing agrarian inputs	The organizations representing the multinational agrochemical firms; farmers. Larger agrarian firms and cooperatives providing inputs and or capital to farmers. Machine producers and providers; glyphosate producers and providers	CUSA; state regulatory institutions (MGAP; MTSS; DGSA);); Unions; Collective agreements; labour and Social Prevention taxes

One of the most frequently expressed “social facts” is that the soybean expansion in Uruguay has to a large extent been initiated and led by crop producing firms of Argentinean origin. As showed in section 5.2, the arrival of Argentinean firms has in turn been linked to the adoption of risk minimizing strategies through geographical diversification (both climate and political risk), and facilitated by the lack of export taxes in Uruguay on soybeans (in contrast to Argentina), as well as by the relatively (to Argentina) low land prices and the available infrastructure (silos, warehouses, ports and multinational trading companies with off-shore offices in Uruguay) that could allow for export. There is also agreement on that many of the Argentinean firms managed to expand rapidly and to compete out “Uruguayan” producers from the land. In this way, the soybean expansion is expressed to have implied important shifts in the social relations, centred in higher concentration levels in relation to other agrarian activities and in relation earlier levels of concentration. Above “narrative” about the soybean expansion is recurrently expressed over a wide array of contexts and it became clear that anyone saying almost anything about the soybean expansion in Uruguay needed to mention the feature of concentration and displacement of traditional producers associated with it. It is, in this way, illustrative that including respondents who in the realm of this study were approached in their roles as specialists in the field of natural sciences, also spontaneously stressed the increased concentration as the principal impacts of the soybean expansion.⁴⁵³ I will in the next chapter present how the changed social relations in the wake of the soybean expansion are explained, and made sense of, in competing and complementary ways.

While “concentration”; increased participation of “foreign” actors; new management practices; “displacement” of “traditional” producers have become more or less considered as “facts” throughout the field, the meanings of these signs are subjected to important disagreements. The coming chapters 6, 7 and 8 will now present and analyse these complementary and competing meanings.

⁴⁵³ For example, the researcher of Cereals and Industrial Cultivations expressed the following: “One social aspect that creates worries in the short-term is the enormous and ever growing size of the productive units. The concentration of land is tremendous. A handful controls 25 percent of total area. I do not know where in the world there exists such an important concentration as today in Uruguay. It is too much! A firm with 100,000 ha, as the case of El Tejar here, would be considered very big in Brazil, in Paraguay and in Argentina, but in Uruguay [which in 2007 had less than 1 million hectares in total crop-land] that area is just insane” (Researcher Cereals and Industrial Cultivations 2007). This was also mentioned by the soils researcher at INIA and PROCISUR, 2007-12-19 and the dean of FAGRO 2007-12-04.

6. Competing and complementary explanations on increased concentration

The trend towards increased concentration in the wake of the soybean expansion is referred to as a “social fact” throughout the discursive field. How this change is explained and made sense diverges across the discursive field. This chapter presents how the changed social relations in the wake of the soybean expansion are explained and made sense of, in competing and complementary ways.

What emerges from this study is a rather broad variation in positions taken to explain the relative success of the Argentinean firms and the relative failure of the traditional firms. This expressed variation also existed to some degree among actors representing the same subject position, as elegantly expressed by one producer when talking about the research process:

“I guess that among the producers that you have already interviewed there do not exist two people that see things in the same way, or feel the same way, or coincide in anything... Isn't that right? And I guess that the young people perhaps see things in a different way from a more experienced person, right?” (Mixed family producer 2008-08-12).

This producer was right in assuming that there existed differences and variations in the expressed views about the soybean expansion among all actors (including those interviewed as representing the same subject position, here the “traditional” family producer of the Litoral). The differences and contingency were also expressed by the same respondent (which is yet another contingent space), who sometimes could draw on competing views on the soybean expansion by reflecting on competing sets of basic values and assumptions about development at different points during the interview. Despite this variation among and within respondents it was also possible to discern regularities among expressed arguments that to some degree correlate with specific subject positions. At the most schematic level I have divided the accounts provided into two main sets: one that provides the most frequently mentioned materially related explanations presented in section 6.1, and another that provides the most frequently mentioned management related explanations presented in section 6.2.

The question why big Argentinean firms became so dominant, and why the “traditional producers” have not participated much in the expansion turned out to be a central arena for competing perceptions on the soybean expansion. The degree of legitimacy and fairness of the “social fact” of increased domination by “new” crop producers and retraction of “traditional” producers turned out to in much depend on the explanations provided for how this patterns emerged and what wider meanings it reflected. The ending section 6.3 provides a concluding discussion of the ways meanings are (re)created in the answers provided and a reflection over the relation between “explanations” provided and ways to define the changes as legitimate or illegitimate.

6.1. Materially related explanations

Most traditional family farmers interviewed expressed that all national producers faced materially imposed constraints. The Argentinean firms were described as able to advance rapidly because of capital backing. The following quote shows a recurrent way of expressing differences in opportunity:

“The Argentineans can always pay more. Why? I don’t know from where they got the money or how they did it, but they come and they come. And if you can offer ten, they offer 15 [for a piece of land]. Against that kind of competition you have no chance. That is what has provoked the “foreignization” of the land. I think that in Soriano at least 60 percent of land is in the hands of Argentineans. *Pérez Companc* is advancing rapidly... They were owners of a bank, Banco Río, it is monstrous... (Mixed family producer).

While the new big firms are understood to have arrived with solid capital from trust and pension funds, the traditional Uruguayan producers are described as having to deal with severe material constraints and heavy indebtedness. This section is thematically organized according to the most frequently mentioned material constraints to explain the failure of traditional producers to participate in the soybean boom. The first subsection deals with the role attributed to indebtedness (6.1.1), the second with the role of rising land prices (6.1.2), and the third with the roles of economies of scale and other large scale biases (6.1.3).

6.1.1 Indebtedness

The most commonly stressed single variable behind the displacement of traditional producers was indebtedness, which was described as a widespread problem for most Uruguayan producers at the time. The debts among producers were described to have continuously risen during the 1990s,⁴⁵⁴ becoming a severe problem as the economic (particularly fiscal) crises spread throughout the economy in the late 1990s and beginning of 2000.⁴⁵⁵ In most narratives among both producers and firms about the soybean production, the main impression provided about the situation of Uruguayan agriculture just before the expansion was of indebtedness and depressed situations.⁴⁵⁶ The indebtedness is argued to have peaked at the same time as the new possibilities with soybean cultivation opened up, and this is recurrently emphasized by producers to have resulted in many of them unable to take advantage of the favorable context. This backdrop is thus often used to explain why the Argentinean firms could expand so fast, while many traditional producers found themselves forced to sell or lease their land to repay debts.

While indebtedness was widely mentioned as the main general cause behind rapid advancement of the foreign agribusiness firms, it almost always interacted with other circumstances in the stories of particular cases. Below quote is an illustrative example:

“My father had land and when he died it was split between me and my brothers. I received a piece of land in 1988, but I had to sell it (300 ha) in 2002 because I was drowning [because of] the economic crises; spoiled harvests; indebtedness... So now I only lease land, including the land that I previously owned and which was bought by some Argentineans. So I work

⁴⁵⁴ The degree of indebtedness had increased steadily during the 1990's representing 70 percent of annual sectorial GDP in 1997 (Piñeiro 2004, 27-33).

⁴⁵⁵ The crises are often described to have started in 1998 and the gradual devaluation of the Real in Brazil weakened Uruguayan exports. In January 2002, Argentina broke the fixed peg of one-to-one parity between the peso and the US dollar, resulting in a 75 percent devaluation of the Argentine peso against the USD in a matter of months. As the majority of Uruguayan exports went to these countries, Uruguay suffered severely and also entered into a fiscal crisis with a 5 percent fiscal deficit in 1999 and 2000 resulting a significant increase in foreign debt (Olesker 2002:46; Piñeiro 2004:11). In addition, oil prices and the interest rate at international level increased and thereby also increasing local interest rates. Consequently, gasoil and petroleum-based agrarian inputs became more expensive. Harvests were poor for many producers in 1999 and 2000 due to climate related problems (no climate insurance in Uruguay) and falling prices on the international market for agrarian commodities (Piñeiro 2004, Riella 2004, 67).

⁴⁵⁶ The producer organization ARU and FRU and many individual producers stressed that government policy worsened the situation. ARU and FRU most often addressed an overvaluated peso and excessive tax as the main reasons behind the lack of relative competitiveness of Uruguayan agriculture in a regional perspective.

the same land that I previously owned and now I work it for the Argentines...” (Mixed producer 2008-02-12).

In above quote, the producer expressed that he found himself in a situation in which he had to sell, and it is clear that he finds that indebtedness played an important role in that situation together with the economic crises and lost harvests. In many other stories about producers selling to “foreign” firms, indebtedness often interacted with climate related problems that had diminished or spoiled the harvests, but also low prices on agricultural commodities in the international market, the outbreak of foot and mouth disease in 2001 and personal circumstances like aging and family successions.

Not only individual producers and cooperatives talked about the high degree of indebtedness among Uruguayan producers, but also actors representing agribusiness firms, researchers, big producer organizations and NGOs addressed these aspects as partially important explanations to the difficulties of traditional producers to cope with the new situation. In this way, the country manager of El Tejar stressed that the problems of the traditional farmers rather than being caused by the actual expansion of agribusiness had to do with the financial difficulties facing many producers at the time (thus rejecting the main explanations provided by the most critical accounts about the soybean expansion):

“I think the indebtedness played an important role. When the exports started, there was a strong over-indebtedness and the increase of land values was the only viable way for many people to clear their debts” (Country manager of El Tejar 2007-12-04).

Accordingly, the director of El Tejar argues that traditional producers left business because they were over-indebted, and that the role of the soybean expansion led by agribusiness benefitted the traditional farmers who could clear debts at a “cheap” price due to increasing land prices. The director of El Tejar also hints that the debt problem was almost an institutionalized part of Uruguayan agriculture and state-producer relations:

“In Uruguay we had a relatively important line of [state] credits, and I think the Uruguayan producer had developed some kind of addiction to the credit given by the state bank. It was like the producers found that the state had almost an obligation to give you money. When this stopped, it was like taking the wheel off from us. And at the same time Argentinean firms started to arrive” (Country manager of El Tejar 2008-02-19).

In the above quote, the director of El Tejar draws on one of the basic assumptions of the dominant immanent perspective on development where subsidies and other kinds of state intervention are seen to “distort” market

signals and in the end make the sectors (and actors) that get the support less competitive (since that became pathologically dependent on public support).

The traditional producers interviewed did not mention any state credit addiction. Not even the two big traditional producers' organizations ARU and FRU, who for most other matters argue strongly against the "excessive" state and its distorting consequences on the economy.⁴⁵⁷ Quite the opposite, during the first years of the new millennium, ARU and FRU were active in the national political debate recurrently advocating loan repayment postponement, debt reliefs and debt restructuring, in order to relieve the problems of indebtedness (Piñeiro 2004). These organizations also argued that Uruguayan producers were disadvantaged by the "pessification" of debts in Argentina.⁴⁵⁸ In this way, the main FRU and ARU arguments to explain the newcomers' domination were lack of competitiveness of Uruguayan producers due to adverse agrarian policies (too high fiscal pressure, ineffective state, inaccurate infrastructure, an over-valuated peso and high repayment demands on loans). This was also argued to put them in a disadvantaged position vis-à-vis the newcomers (Federación Rural 2008, FRU 2009, Lussich 2009). The president of the small- and family producers' organization CNFR also talked about the role of indebtedness and its paralyzing effects on traditional producers. He argued that while indebtedness was one of the main explanation to the low participation in the soybean boom by traditional farmers in the initial years of expansion, a couple of years later it was the rising land prices that became the main mechanism for the exclusion of national producers. He added that this was caused by the arrival and expansion of the big Argentinean soybean producing agribusiness firms driving up the prices (President of CNFR 2009-03-05).

Not only CNFR but all actors agree on that the soybean expansion is one of the main causes behind the dramatically increased land and leasing prices. This will be dealt with in depth in the next subsection.

6.1.2 The rising land prices

There is total consensus throughout the discursive field that the soybean expansion is one of the principle determinants behind the last decade's sharp increase in land and leasing values. There are nevertheless divergent interpretations provided of the exact role of the increasing land prices in relation to concentration.

⁴⁵⁷ See all of their public speeches held at annual meetings or during the annual Expo Activa. Most speeches can be accessed through their websites.

⁴⁵⁸ The Argentinean state allowed the producers to repay their debts at a very cheap price as loans taken in US dollars (under the convertibility one US-dollar = one Argentinean peso) could after the devaluation be repaid in the less worth Argentinean pesos.

The president of CNFR argued that the increased competition for land expressed in higher prices caused an increased pressure towards concentration. He argued that the traditional sharecroppers lost their access to land since the higher leasing prices and they became excluded from agriculture (President of CNFR 2009-03-05). The leader of CNFR also remarked that before the soybean expansion more than half of the producers in crops were sharecroppers who never owned the land. Among the crop producers who did own land (most often mixed producers), the higher land prices had also been detrimental since it increased the incentives to sell and it closed down all possibilities to growth (President of CNFR 2009-03-05). The increased land values were also argued to have increased the barriers to entry for all but the strong capital groups. Moreover, the rising land prices were argued to have led to soybean production taking over land from other agrarian sectors, such as forage, dairy, bovine production and livestock fattening (President of CNFR 2009-03-05). These sectors were further argued to represent a higher amount of small producers and employment to rural workers. In this way, he suggested that the soybean expansion through increased land prices also contributed to displacement and exclusion of many small producers and rural workers in other agrarian sectors. In the words of the president:

“The soybean has invaded new territories and converted this livestock land to crops, because of its distortion of the land prices”(President of CNFR 2009-03-05).

The above quote is illustrative of the strong rejection of the soybean expansion through the use of metaphors such as “invaded”. It is also worth noting how the respondent uses the concept “distort” in a competing way to how it is mostly conceptualized within the immanent development orthodoxy. As I showed in chapter 3, the concept “distortion” is often used in texts drawing on neoclassical economic assumptions to describe what happens when the state intervenes in the market. In those accounts, markets are reflected upon as clean, pure and true (as long as they are not “contaminated “by outside intervention). The expressed view of the CNFR leader, however, reflects the opposite of contamination, where the expansion of market relations in the soybean expansion distorts land prices, suggesting that these represented something real and true before the expansion.

In a similar way, actors representing the socioecological NGOs argue that the soybean expansion killed the small- and family farmers producers who are reflected upon as actors that do not have any assets/capital to cope with the changes (Galeano 2009). These actors often refer to the research of Arbelatche and others to underline the argument that among the Litoral farmers who ceased to be independent producers in the wake of the soybean expansion, a disproportionately big share was in the smaller strata and /or share-

croppers (Blum, Narbono, and Oyhantcabal 2008). CNFR and several socioecological NGOs express that the rising land prices due to soybean expansion is one of several features of the soybean complex that fuel concentration, displacement, rural exodus, foreignization and exclusion (President of CNFR 2009-03-05, Blum et al. 2008). In addition, many of the published texts at the agro-ecological web portal Eco.portal.net⁴⁵⁹ and the magazine GRAIN (edited by Redes) stress that the soybean expansion represents similar social patterns all over the region manifested in extreme concentration, displacement of small farmers and increased agrarian tensions and conflicts (GRAIN 2013). This way of arguing is in line with the way many scholars outside Uruguay discuss the effects of many export-oriented agricultural booms all over the world. Export booms are often argued to increase land prices, which in turn exclude small and medium size farmers, who in this “meta-narrative” mostly end up impoverished and food insecure in the cities (Berry A. 1998).

Among the interviewed individual producers in the Litoral, all mentioned that the high land prices was an effect of the soybean expansion and that this was one of the main displacement grounds of traditional producers. An illustrative example comes from a producer of mixed systems (AG), who prior to the soybean expansion produced on both leased and owned land but had lost access to rented land in the wake of the expansion: “There are a lot of people displaced from land who no longer can access land precisely because of the extreme value increase” (Mixed family producer 2008-08-12). Some producers offered detailed stories explaining how they perceived rising land prices as crowding the “traditional” producers. The following statement vividly illustrates the personal experience of increased leasing prices:

“What is happening is that the Argentineans come with money, and they offer to pay for the land in advance, and against the pocket it is impossible [to compete]. These people come and then “boom”! Who can pay in advance 250 or 300 USD per hectare here? In advance!! I have the example of my own brother. We have been working together and he owns a piece of land. He started to have health problems. He had an accident and could not continue working so he went out to lease out the land. But I could not by far offer him the rent that a group of Argentineans offered him. So, now he is leasing to this Argentinean group called Río Nuevo. They paid, and this was a couple of years ago when the soybeans were worth 300 USD [per ton] not 400 as today. They paid USD 250 per hectare for two years in advance. And well, I have done some work for them. They have also bought

⁴⁵⁹ The soybean expansion has been one of the most commented phenomena within the socioecological movement. As a mode of illustration, there are 3,730 articles published about “soja” at the portal in 2013-06-27. See Ecoportal.net and search for “soja”.

additional land around here and they own a silo plant too (Crop producer 2008-02-23a)

The recent personal history (re)created in the above quote is illustrative for many stories told about how the rising land rents, in combination with new schemes of payment used by the new crop firms (high and fixed prices paid in advance to the land owner), leave the traditional sharecroppers without access to land. This particular producer, at the time for the interview, still rented a piece of land (250 ha) and owned another small piece of land (150 ha). He had lost access to the piece of land that he previously had been working on together with his brother. However, he continued working on that land but now contracted by the “Argentinean group” as a specialized service provider. Many former independent producers have to an increasing degree shifted into “service providers”. I will in chapter seven discuss the competing meanings of this change, but here the main point is to outline the role of rising land prices in the explanations provided for the relatively “poor” participation of “traditional producers” in the soybean expansion. It is, in this respect, clear that the traditional producers ascribed the rising prices a fundamental role for explaining the difficulties in accessing land for the share-croppers, and particularly for those who did not have any long-term land contract and/or in very close relations to the land owners.⁴⁶⁰ Many individual producers expressed that the rising land values were resulting in difficulties for the big Uruguayan producers also: “Even the big Uruguayan actors are having increasingly difficult time to be able to compete with the big foreign corporations. It is getting very complicated to access land” (Crop producer 2008-02-23b).

The responsible director of the local office of the Ministry of Livestock, Agriculture and Fisheries (MGAP) of the state of Paysandú,⁴⁶¹ also expressed that the dramatic increases in land prices in the wake of the expansion was the main responsible driver behind the concentration:

“What is happening here is extreme concentration of land into the hands of multinational firms with capital from abroad, and that is worrying us. And the explosive increase in land prices and leasing prices. A lot of the producers here are not land owners but work on leased land. So, as the agribusiness can do big profits on the land, they can lease it at prices that the small producers find it impossible to pay. So, there we will have to implement differentiated policies so that small farmers continuously can access

⁴⁶⁰ An illustration was expressed in the following way: “The farmers with no long-term land contract are the ones “hanging in the air” so to speak. I do not think that they will be able to endure any longer [stand or bear]. The producers that do not own land and who only produce will disappear, I think. Or at least I see it very difficult” (Crop producer, 400 ha, and service provider. 2008-02-23).

⁴⁶¹ FA implemented a decentralization reform of MGAP.

the land. The social problem caused by this will otherwise be tremendously big” (Director of local office of MGAP - Paysandú 2007-11-27).

At the core, above quote from the local MGAP director reflects assumptions about how social relations in agriculture under “free” market conditions (or non-public intervention) leads to concentration and displacement of small producers, which in turn creates “tremendous” social problems. These assumptions echo strongly the way of reflecting the consequences of current market-driven global agro-food systems within many texts of both the intentional and post-developmental perspectives on development. However, the solutions suggested by her, such as the implementation of differentiated policies for family producers (which formed part of the electoral platform of FA) with special protection and support to small- and family producers, make perfect sense with many of the expressed “development solutions” within the intentional perspectives. They probably would be rejected by most adherers of localized or peasant-based alternatives posed within the postdevelopmental perspectives as these often stress enhanced local sovereignty and self-organization rather than “top-down” state regulation.

The researcher of Cereals and Industrial Cultivations at Fagro-Udelar also remarked that a rather exceptional pattern for the current soybean expansion was that it displaced all kinds of producers, including the rather big sharecroppers who were doing quite well and had good machines and know-how, and perhaps even had higher average yields per hectare than the newcomers. They nevertheless also end up leaving the activity as the new firms offered the land owners not only higher rent, but payments in advance at no risk.⁴⁶² Accordingly, the traditional sharecroppers that could not pay in advance lost access. The researcher explained the mechanism the following way:

“I will give you the example of El Tejar. It is trying to lease all the land existing in the areas where it is working. And it does so by offering more money for the land. So when the owner decides to accept its bid, some crop producer disappears at the other end. It can be a small, a medium or a big size sharecropper, all end up disappearing” (Researcher Cereals and Industrial Cultivations 2007).

The interviewed respondents at the local grain cooperatives also stressed that all types of producers were leaving the activity as a result of increasing land

⁴⁶² As mentioned, the traditional sharecroppers often paid for the land by giving away to the land owner some percentage (30-50 percent) of crop income minus costs. The new big actors that entered the country after 2002, however, often offer high fixed payments (with no risks for the owner) and pay in advance. According to the researcher of cereals and industrial crops at FAGRP-EEMAC, around 60 percent of crop land in the 1980-1990s was under sharecropping.

prices, but emphatically stated that the sharecroppers were left with no option. The agronomist at the cooperative CALMER in Mercedes expressed this in the following way:

“The prices of land to lease is higher and the big groups have stronger financial capacity so they can offer to pay in advance, but the traditional sharecroppers, independent of size, cannot” (Agronomist at Calmer 2008-02-16).

Besides restricting access to land, increased prices were also understood to create increased pressures for selling of owned land for the producers. This was for example illustrated by a producer and agronomist who is also the president of the biggest grain cooperative, Copagran, and representing on the board of MTO:

“We had 1,100 ha in the hands of the family. We were seven siblings and three wanted to sell, and this is a good illustration of one of the problems we have here as Uruguayans. Well, I do not feel like displaced, but in a way we were displaced. For ten years ago this land was worth USD 700 per ha, and now it is worth USD 5,000 per hectare. In this way, it was impossible for us to keep it within the family when a brother wanted to sell. [...]First we leased it out for a while, but my brother saw the opportunity to sell at very good prices and feared to miss this opportunity if land prices would start to go down again. Well, it seems like the prices are continuously rising ... But anyway, it was their decision. So, my brothers sold to foreigners” (President of Copagran 2008-02-18) .

In above quote, the producer and leader of Cooperative illustrates with his own personal family history how one of the reasons to the relative poor participation of traditional farmers in the soybean expansion. Since a lot of inherited land is owned by several family members, the land was to be sold as soon as one of the owners wanted to do so. Thus, if anyone gets tempted by the high prices or fears that the prices will soon start to fall in accordance with previous experiences of booms and busts, the rest of the co-owning family members in this scenario of high land prices cannot afford to “buy out” the member who wants to sell. While he mentioned that as president of the biggest grain cooperative, Copagran, he knew about many similar stories of “traditional producers” losing access to land, he did not feel comfortable with the concept “displaced” (*desplazado*). In comparison to most other producers, He also incorporated a longer historical outlook in his narrative about the soybean expansion:

“It is important to remark that the concentration and the decreasing amount of producers in Uruguay started long before the soybean expansion. Per-

haps the concentration is accentuated today because of the increased competition for land, because the big firms have more economical power and can offer more for the land and are perhaps leaving the Uruguayan producers in a position of not being able to compete” (President of Copagran 2008-02-18).

In above quote, the respondent stresses that while increased competition for land (which under market conditions leads to increased land prices) may have played an important role in accentuating concentration, the increased land prices cannot in themselves explain the patterns of concentration and decreasing amount of producers since it “started long before the soybean expansion”. In this way, the strong causal link established between the soybean expansion (resulting in rising land prices) and concentration and displacement (of traditional producers) in a wide array of texts and expressions becomes weakened as he inserts these patterns in a longer historical framework. If concentration and “decreasing amount of producers” characterized the agrarian sector also in times of low land prices and negligible soybean production, these patterns become in some respect slightly “de-linked” or disarticulated from the soybean expansion, and instead re-articulated as part of a “natural” feature of Uruguayan agrarian production and nothing really new.⁴⁶³

The expressed views of the effects of the rising land prices among traditional producers linked to the cooperatives of the Litoral were dual, and many talked about both rising land prices leading to forced displacement and mentioned own or other producers’ experiences of benefiting from the rising land sales and leasing prices, for example clearing debts at a cheaper price:

“Until 2005, I had problems with indebtedness, so I had to sell a piece of land to clear it. I had to sell 40 ha to clear the debt with BROU,⁴⁶⁴ but I was lucky that I could wait until the end of 2005 and thus sell only a small piece at a very good price and get rid of the problem” (Mixed family producer 2008-08-12).

In this way, the traditional producers that sold their land or part of their land are argued to be potential winners, as they could sell the land for prices around six times higher in 2008 compared to 2002. The crop producing ac-

⁴⁶³ Most other accounts mention very close ties between soybean expansion – concentration and displacement. Here it may nevertheless be worth mentioning that it is to be expected that many respondents may over-emphasize the role of the soybean expansion for everything that they identify as current patterns, features and trends within the agrarian sector, since they are asked to talk particularly about the soybean expansion.

⁴⁶⁴ Banco de la República Oriental del Uruguay (BROU) is a state-owned bank founded in 1896. BROU is the most important Uruguayan bank. See <http://www.brou.com.uy/> (2012-06-18).

tors of agribusiness supported the view that many traditional producers were helped by increasing land prices. It was argued that before the soybean expansion many producers would have needed to sell off all their land to clear debts, while after the hike in land values a much smaller piece of land could clear the debts (Country manager of El Tejar 2008-02-19). As I will shortly show in greater depth, this way of reasoning was in line with the general narrative about the soybean expansion provided by the agribusiness actors. The expansion is here created as ultimately bringing benefits for everybody (if being open-minded, hardworking and flexible). In accordance with this basic position, rising land prices were mostly expressed to represent yet another positive effect of the soybean expansion. While often mentioning how traditional producers suddenly could sell a piece of land at a very high price (without having made any improvements on it), the new crop firms were silent about all the producers that have left the activity without having been able to sell any land, i.e. the sharecroppers. Instead, the new crop producing firms mostly talked as if all traditional producers that have left the activity had owned land in their initial position. However, there were also important differences found in views expressed among the agro business actors. While the crop producing firms themselves were cautious and stressed opportunities for all (see in next section), other more indirectly involved agribusiness firms argued that exclusion of some producers could be necessary to achieve higher aims. For example, the director of the mega meat company Tacuarembó-Marfrig argued in the following way:

“Due to the arrival of professional actors, land prices went up and forced the land owners to start valuing the land more; to understand that the land is the constrained asset we need to optimize the most. I think that we need even more pressure on the land, that the land becomes even more expensive. This will sound awful what I am about to say, but some producers should actually leave the land. This is actually happening and it is good. The competitive ones stay. So people see that the constrained asset is the land and we have to make it produce to generate value. And those who are not disposed to do that should leave” (Director of Marfrig 2009-02-26).

The above quote was expressed by the director of Marfrig after a long exposé where he provided his view on the agrarian history of Uruguay. In synthesis, he argued that Uruguayan producers suffered from the historical patterns of technological backwardness, ignorance and a risk minimizing mind-set (Director of Marfrig 2009-02-26). In these stories, besides making use of a widespread narrative about the agrarian history as a stagnated contrast to the dynamic soybean expansion, Marfrig’s director also espouses on the basic values and assumptions of liberal market development approaches about the benefits of increased competitiveness. It is also interesting to note that he takes for granted that “it sounds awful” (concentration and displacement

assumed to have negative connotations for most people) with producers leaving the land, but that it still may be necessary to increase competitiveness, which in turn is assumed to bring most benefit to all in accordance to the assumptions of the immanent development perspective.

The Manager of Schandy Shipping involved in logistics of the soybean exports also expressed exclusively positive aspects of rising land values: “The crop expansion brought an uprising of land prices which have implied, finally!, a late modernization of Uruguayan agriculture” (Director of Schandy 2009-02-16). In the same way, the director of Cargill expressed that the higher land rents helped Uruguayan agriculture to modernize: “In Uruguay it earlier was always a better business to buy an additional piece of land than to invest in the land to make it more productive” (Country Manager of Cargill 2007-11-26). These quotes in different ways refer to the national agrarian history in which extensive and technological backward productive systems are described as a persistent problem creating stagnation. Increased competition for land is thus tightly linked to constant improvement, intensification, optimal allocation of resources, efficiency, excellence and modernization, echoing the general values and assumptions of the currently dominating immanent development perspective. I will return to the way the agribusiness actors (re)construct the traditional firms in coming subsections, but here the main focus is on the complementary and competing meanings given to the role of rising land prices to explain the displacement and general poor participation of “traditional” producers in the soybean expansion.

The FA government has in different texts also expressed how increased land rents in the wake of the expansion have increased concentration in all agrarian sectors (Vice-Minister of MGAP 2009-02-19). While FA in its electoral platform explicitly stresses the need to change the agrarian structure and support family producers to stay in activity, different spokespersons of the government have also stressed that the rapid increase in land prices in general was positive and implied that Uruguay had become richer, and that Uruguayan patrimony suddenly over a couple of years was worth four times more than it used to.⁴⁶⁵ This is argued to have mainly benefitted all Uru-

⁴⁶⁵ According to the Vice-Minister, increased land value is partly a response of higher expectations of bigger returns from land caused by high prices on soybean and other commodities, no-tillage farming and short cycle seed varieties that allow for double-cropping. However, increased land prices are also seen to be the result of public policies and investment in infrastructure, such as ports and roads, which improve the margins for the producers. The government is recurrently stressing this point, and it is an argument very much used to justify increased land taxes, and particularly the progressive new land tax (ICIR). In addition, the government has recurrently stressed that it is in general positive with higher land prices as it creates strong incentives for intensification, and that the historical low land prices in Uruguay has been a problem that has hindered progress (Presidencia 2009).

guayan producers who own a piece of land irrespective of size and sectors.⁴⁶⁶ The CNFR reacted strongly to these claims and in the interview with the President, he described the organization's position in the following way:

“Many politicians of this government sometimes defend the high land prices and say that it implies that the producers are capitalized, but that line of reasoning has flaws. First, because most crop producers do not own the land, or they have very small plots. Second, the high value of land is not benefitting the producers who want to continue producing and not sell the land. The medium and big producers can of course benefit, but not the small producers and not the sharecroppers” (President of CNFR 2009-03-05).

The leader of CNFR expressed that the government did not seem to understand the dynamics of the soybean expansion properly and how it ended up displacing family producers. Throughout the interview he expressed disappointment on FA policies that were described as too timid and friendly to the big corporations (President of CNFR 2009-03-05).

This section has showed that there is consensus on that the soybean expansion has brought important increases in land values, and there is also agreement that it has played some role in the process of increased concentration among producers. The traditional sharecroppers are often mentioned to have lost access. There are, however, also important divergent views expressed in relation to the rising land values. The CNFR and socioecological NGOs reflected on the rising land values as purely negative displacing producers and also increasing the use of agrochemicals and pressure on the land. The new big crop firms mainly stressed that it has brought a solution to many heavily indebted producers. The other agribusiness actors mainly argued that the increased competition for land was mainly beneficial, and that the unproductive actors disappeared was described as part of the benefits. The independent “traditional” crop producers of the Litoral and the grain cooperatives expressed the differentiated character of the rising land values for different types of producers. The next subsection will present how a “large scale bias” was used in different ways as an explanation to the same pattern.

6.1.3 Structural constraints facing the “small”

In addition to indebtedness and rising land prices, most of the interviewed producers argued that the soybean business had an inherent large scale bias that in the long-run disadvantaged all but the biggest ones. First of all, many

⁴⁶⁶ At the same time, FA argues that it has strengthened targeted supportive policies towards family producers and incremented the amount of land for agrarian reform managed by INC (Presidencia 2009).

respondents stressed that the big firms had arrived with capital, often associated with funds of investment coming from Argentinean trust funds as well as from North America and Europe. Many of the big Argentinean crop firms were argued to have developed a particular form of attracting funds by “pooling” capital from many different sources in so called *pools de siembra*.⁴⁶⁷ One researcher on soils at the INIA and representing Uruguay in the “Program of Cooperation for Agro-food and Agro-industrial Technological Development of the Southern Cone” (PROCISUR), expressed that the soybean productions seemed to offer very large economies of scale which explained why the average units had become atypically large for a national context that already in a global context was characterized by very large average productive units in terms of hectares of land. In the following quote he lays out the texts about the extraordinary large units involved and links it to the particular financing mechanism:

“The soybean expansion has brought an important shift in the organization of the production. Also very atypical, particularly what is led from Argentina with the so-called ‘pools de siembra’ with that way of doing agriculture. There are those who believe that this is a global phenomenon, but according to what I know this is only Argentinean. The big producers in the United States are family producers with around 4000 ha and not much more. The agriculture in the world does not follow the path of the soybean phenomena from Argentina with ever bigger and bigger firms of larger and larger scale. Not even Brazil, because in Brazil you find large producers but not with the financial mechanism nor the vision that exists in Argentina. And Argentina has influenced a lot in Uruguay, in Paraguay and in Bolivia, and in some areas in Brazil. This model has been very successful, very expansive and it raises many questions, and the social impacts are huge” (Researcher INIA and Procisur 2007-12-19).

As showed in above quote, the researcher asserts that the big firms of the soybean production in Uruguay (developed in Argentina) were tied to a particular financial mechanism (*pools de siembra*) and a particular vision (sub-contracting). He further explained like many others that while the capital “pooled” from outside, the sector allowed the big firms to incorporate important amounts of land in no time. It was the margins of the proper soybean production that soon took over as the main motor behind the further expansion of the big firms. The high margins involved were clearly expressed by a researcher at the division Cereals and Industrial Cultivations of the Faculty of Agronomy (FAGRO) in Paysandú:

⁴⁶⁷ Pools de Siembra is the term used to denote when several investors join in financing grain production and afterwards split the gains from the harvest (mostly in vast territories of leased land spread over different regions, and managed completely through sub-contraction of agrarian services).

“The big firms like El Tejar can take out a profit of around 700-800 USD per hectare, so multiplied by 80.000 hectares it is at least some 50 millions dollars in profit per year. If they would like to continue growing, and if no one puts a break, this will be really barbarian. And here I mention El Tejar because it is the biggest and most well-known, but there are others much worse in their schemes of work” (Researcher Cereals and Industrial Cultivations 2007).

This researcher argued that there were important economies of scale involved and that these resulted in huge profits to the big firms. CNFR and the socioecological NGOs denoted in different texts that there were important economies of scale involved in almost all activities linked to the soybean production (Blum et al. 2008, Oyhançabal and Narbondo 2009, Achkar, Domínguez, and Pesce 2006, Rossi, Piñeiro Diego 2011). These texts also underscored that the benefits enjoyed by the big firms were extracted from the smaller units who were increasingly pressed out for lack of capital and technology (Blum et al. 2008; Alfredo Blum 2008b; Oyhançabal and Narbondo 2009; Achkar, Domínguez, and Pesce 2006; Rossi; Piñeiro Diego 2011). In this way, both the dominance of the new actors and the displacement of the smaller family oriented entities were linked to inherent features of the advancement of capitalism into new territories and sectors, as it “monetizes relations and proletarianizes independent producers” (Oyhançabal and Narbondo 2011, 6). The soybean expansion, as part of the capitalist model is argued to substitute labor for capital, which disadvantages the traditional producers who are described as labor abundant and capital scarce.⁴⁶⁸

New technology is also described to have a central role in this process. Each year new and better machines with greater capacity for economic gains from increased productivity come enter the market. Those who cannot afford to contract specialized service providers and use their own, often inferior, machines, are thus argued to lose in both productivity and timing (Oyhançabal and Narbondo 2011). In addition, new technology is argued to exclusively benefit the earliest adopters, but as most producers adopt it prices adjust to the higher productivity, which further decreases the margins of late comers (at least when new technologies increase the productivity).⁴⁶⁹ Clearly, this line of reasoning is similar to the basic values and assumptions

⁴⁶⁸ As mentioned, most traditional producers are so-called “family producers” and a central feature in the definition of this category (in Uruguay stipulated by MGAP) is that most of the activities are performed by unpaid labor (family members), which accordingly implies that labor is “cheap” (not paid for).

⁴⁶⁹ This line of thinking echoes the old “agrarian question” highlighted by the Marxist, Karl Kautsky in 1899, and the subsequent discussions whether “peasants” cannot persist in the face of the advancement of agrarian capitalism, or if the “peasant-way” of production is complementary to “pure” capitalist relation. This discussion emerged strongly within Uruguayan agrarian history research during the 1980s (Astori D., 1984).

expressed within the “localist” approaches of the postdevelopment perspective. This constant need to adopt new technologies is often mentioned among the main mechanisms of exclusion among the Uruguayan socioecological NGOs (referred to as the technological treadmill in theoretical literature and presented in chapter three). Similar ways of reasoning were also expressed from time to time by the interviewed crop producers. Below is an illustrative quote in this respect:

“People are displaced because they cannot access the technology of the latest generation, because it is expensive and if you lack enough scale in the production it becomes impossible to access these things because of the high costs. In this way, the soybean expansion marginalize people. I don’t know if it is the crop in itself properly said, but rather the phenomena of large capital groups and the very big producers arriving and “I buy your land or you lease it to me and I pay so much” and they put pressure and the small or medium sized producer who every day has less room because he lacks the technology needed to produce like satellite technology and so on. So, he has been forced to leave the activity because the high value of the land and the property, right?”(Dairy producer 2008-02-11).

Above quote illustrates how the lack of scale of “people” which here seems to refer to the traditional producers of the Litoral, result in a lack of technology to produce well, which in the end force them out of agriculture as it interacts with high land values (with prices set in accordance what the biggest firms can make it worth). Several producers expressed similar ways of reasoning, and one producer who owns 200 hectares of land apt for crops and 200 ha considered only apt for livestock production framed this in the following way:

“We do not do any cultivation. Before we did both [he later explained that he had rotated livestock with crops in the land considered apt for cultivations], but now we lease out the crop land for other producers with better equipment suited for big extensions. I could never buy such machines. You cannot afford them on only 200 ha. If you buy these machines you have to make them work. The logic today is that you have to be big or you have to dedicate your time to something else. You cannot compete with costs; the inputs are more expensive for the smaller producer, while the big producer can negotiate [and get] other prices”(Dairy producer 2008-02-11).

In above quote, the producer stressed several interacting factors that together implied an important large scale bias. Besides the technology lag created when smaller producers could not afford to buy the most efficient machines, the bigger producers were argued to be advantaged by access to cheaper inputs due to better bargaining power. During the interview with the country

manager of El Tejar, I explicitly asked if he could see that El Tejar enjoyed any size related advantages, for example in the role as (mega) important client and provider. The director of El Tejar answered:

“No doubt in some cases... But probably the exporters receive even better prices when they sell compared to what we can receive as producers... The input providers want to have stable and secure clients, no doubt. That I think can be an advantage for us, but it is also a responsibility because we always have to respond as they depend on us. But no doubt that [the size of activities] is one of the advantages of our business model; it is one of the elementary things. I think we are also benefitted by service providers who can work exclusively for us, while the smaller producers must wait for the service providers to come when they finished their work with us” (Country manager of El Tejar 2008-02-19).

In above quote, the director of El Tejar mentioned factors constraining the possibilities of the small producers (besides debts) and benefitting the big firms in terms of prices and timing. This way of reasoning is not expressed by the agribusiness firms the public discussion of the soybean expansion. Nevertheless, the director of El Tejar was also keen on adding that it was not exclusively beneficial to be big but that it also implied a greater responsibility to “always respond”, which he later explained as requiring more resources in administration, management and quality control.

As mentioned, the agribusiness actors mostly stressed possibilities for everybody to benefit from the soybean expansion if being open-minded and flexible, but they also occasionally expressed that there could be specific inherent material constraints facing the traditional producers in the wake of the expansion. This was also illustrated by the interviewed merchants of Dreyfus who expressed that smaller producers could possibly receive a slightly lower price and slower and potentially inferior logistics service as they depend on more middlemen and are not prioritized clients. Dreyfus, for example, did exclusive deals with the strongest producers as they claimed it would be less profitable to spend time “calling and trying to make deals with all producers that are around” (Traders of Dreyfus 2008-02-19).

Besides the already mentioned material disadvantages, some producers claimed that the most pronounced difference between small and big producers’ possibilities to participate successfully in the soybean expansion lay in the possibilities to handle climate related risks which were stressed to be clearly differentiated. One producer explained this in a very suggestive way:

“The soybeans are having very good prices, but the cost is very high too [...⁴⁷⁰] So, you are trying to balance things at a very high level, with a high risk, if you do not have a climate risk insurance that does not exist in Uruguay– then it is very risky to do cultivations [...] if I only have my 200 ha of cultivations and suddenly there is a drought, it takes my whole harvest. However, for the big corporations the drought takes some 2000 ha it has here in Dolores, but they still have some 150,000 ha spread over Paraguay and Bolivia. You have your own risk insurance if you have 150,000 ha spread over different places, because the climate risk is the bravest one. You cannot compete with that” (Dairy producer 2008-02-11).

According to this kind of expressed thinking, the big difference between the traditional farmers and the new firms is that the latter can minimize risk through geographical diversification in their productive system. In a similar way a medium size farmer stressed the advantages possessed by the big Argentinean firms:

“I work for an Argentinean firm with 3,000 ha of cultivations [subcontracted to provide agrarian services], but they have 200 ha here, another 300 over there and so on spread over the central, southern and western parts of Uruguay. Their head agronomist explained to me that this is the way they minimize the risks. This works very well for them because the weather is very local, so you can have rain here but none some 20 km over there. It always rains somewhere. For us who cannot have plots spread all over it is the same story every year; will it rain?” (Crop producer 2008-02-23a).

In line with this reasoning, several respondents claimed that small plots could be profitable for the ones who also managed several other plots and thus could acquire economies of scale as well as minimize climate related risks through geographical diversification.

When talking about risks, the country manager of El Tejar also acknowledged that the smaller producers had to take higher risks because of their total dependence on the harvest of one single local plot, while the big firms manage risk by diversifying the production all over the country. While risk management skills are stressed as one of the company’s greatest “manage-

⁴⁷⁰ Here the quote continued in the following way: “So, if I am a small producer entering this scheme of high costs I need a high productivity to cover up the fertilizers, the land rent, the urea, the seed... Only seed and fertilizers imply at least a cost of USD 200 per hectare. You add the land rent, we say a relatively cheap one, still at least USD 300/ha. We say we do double cropping with wheat, so we divide that in two, so USD 150 plus 200, there you have USD 350, and then add five applications of different products, you can imagine? With labor, machines and everything you end up putting in some USD 700 per hectare. So, for me as a producer with 200 ha this becomes very dangerous. Of course if I can take out 3000 kg of soybeans and sell them at USD 400, I can take out USD 1200 per hectare and I end up with a very good margin, but if I suffer a drought?”

ment” strengths, according to the official website of El Tejar, the director of El Tejar recognized the smaller producers’ disadvantage to adopt such management models (El Tejar 2008; the director of El Tejar 2008-02-19). However, the main narrative told about the soybean expansion by the director of El Tejar and other actors representing the agribusiness firms suggest that the main dividing lines between “traditional” producers and the new crop firms were to be found in visions and management schemes and not in size related factors *per se*. The main ways of conceptualizing the management related reasons behind the changed social relations in the wake of the soybean expansion will be presented in the next subsection. Before going into the management related explanations, however, I would like to mention that some traditional producers did not provide any explicit explanatory factors to the concentration and displacement, except saying that the soybean expansion caused it: “Where the big Argentinean firms expand, 10-15 producers that previously were in the area disappear. Many of them now offer services to others” (Mixed producer 2008-02-18). Some producers hinted at a basic causality, where the arrival of big firms forced the ones there to leave without providing any particular explanations for this mechanism. An illustration of this kind of thinking came from a beekeeper linked to the agrarian cooperative of Dolores, Cadol: “The soybean expansion is killing the apiculture, the small dairy farm and the small producer” (Beekeeper 2008-02-11). These expressions do not stress any particular material factors, but they seem to hint at inherent structural features of the soybean expansion as main explanations for the poor participations of “traditional producers” in the soybean production, and particularly for “small” producers.

The main explanations provided to the changed social relations in the wake of the soybean expansion in the government represented by FA are also emphasizing material and structural features associated with the same. The Vice Minister of MGAP expressed that the increased agrarian concentration was essentially explained by the advancement of capitalism within agriculture, which the soybean expansion was representing yet another example of:

“Before everybody started to worry about the soybean, everybody talked about the problems with the eucalyptus. I will reduce all this to only one thing; the problem with capitalism. The rest are variations on the same theme. For me, the soybean is just a product. The problem is everything else, who produces it? how it is produced? what are the impacts? who appropriate the wealth generated? who are the winners and losers...? But the bad things are not the fault of the soy. Because before we said it was the rice, then the eucalyptus and now it is the soybean and tomorrow it will be something else... and really the problem of all this has to do with the human relations with power relations. It is the economic relations that define both the social relations and the environment. So, you said you wanted a

political perception of all this, well, here you have it!” (Vice-Minister of MGAP 2009-02-19).

The quote above illustrates a common way of seeing the soybean expansion within FA, where current global capitalist system is seen to expand into new territories and sectors resulting in increased polarization and exclusion, economic growth, and dynamism. In this way, the explanations provided to the changed social relations in the wake of the soybean expansion (i.e. inherent consequences of oligopolistic capitalist agriculture) are similar to the most critical accounts often expressed by the socioecological NGOs and CNFR. However the FA generally stresses that the nation-state has some capacity to balance and redistribute the benefits for the good of the entire society. In this way, the Vice-Minister of MGAP, in line with others from the government, argue that they are not allowing the soybean complex to be exclusively characterized by “pure” market relations, but that they are strengthening the weakest actors and forcing the strong agribusiness firms to create high qualitative employment, redistribution, value-added and upgrading (Vice-Minister of MGAP 2009-02-19).

6.2 Management related explanations

The earlier section showed different stories told about the materially imposed constraints facing “traditional” producers and how they were used to shed some explanatory light on the changed social relations among producers in the wake of the expansion. This section will outline the management related explanations provided. As mentioned in the introduction to this thesis, a central narrative about the soybean expansion in the most optimistic accounts (opportunity-centered) is that everybody can (at least potentially) benefit from the expansion. This narrative is difficult to make it fit with an emphasis on material constraints facing the “traditional” producers. To be able to sustain the claim that the soybean expansion has provided opportunities for all, it becomes necessary to construct the low participation of traditional farmers in the soybean production as a product of “choice” (for example by being able to sell or lease out at a high price), and to show that there existed opportunities for those who were willing to work hard and “adapt” to the new possibilities brought by the expansion. I find that most of the articulations of the new agribusiness firms head in that direction. The material constraints are downplayed or disarticulated by instead emphasizing on adaptive capacity as the main determinant for success. The agribusiness firms most of the time, and some traditional producers some of the time, expressed particularly that superior management skills, visions and hard work as the main explanations to the success of the “new” crop firms. Explicitly or implicitly, the lack of these factors among the traditional produc-

ers became the main explanation provided for their lack of success. As shown in the previous section, the new crop firms also expressed awareness of material constraints facing smaller units, but these were downplayed in several ways. This section will show that there are both patterns of regularities and some interesting variances among the stories told with emphasis on management related explanations. The most frequently mentioned management related accounts provided explain the relative failure of traditional producers to participate in the soybean boom are capacity to adapt (6.2.1) and livestock identity (6.2.2). The final subsection presents expressions made by “traditional producers” in support to management related explanations (6.2.3).

6.2.1 Emphasis on “adaptive” capacity and disarticulation of material constraints

The need for traditional producers to “adapt” is the most frequently mentioned factor for success and the lack of it is often stressed as an important reason for the displacement of some producers. The remedy for the traditional firm is to change, which is often hinted to be the same as to specialize and integrate into new alliances with the new firms. One illustrative example comes from the director of El Tejar when talking about the effects of the El Tejar’s expansion into new crop zones (former livestock area) in northern and central Uruguay:

“We come into new areas and we are aware that we bring big changes, and these have both a good face and a dangerous face concerning the environment, and also important social changes which we try to improve. Many people see new opportunities in us, but some people do not manage to adapt because they refuse to accept the new reality. The same happens with the neighbors. There are neighbors saying; ‘you are welcome because you bring machines that allow us to improve the grassland by sowing the pastures’, because these places sometimes lack sowing machines. And they say; ‘You will bring grains to the livestock’, and so on. While others say; ‘you come to destroy the soils’ ... So you have to be conscious of all these things and try to be very respectful to each place, to the modes of thinking and other things you cannot ignore. I feel proud because many livestock producers who felt threatened are now cooperating with us in interesting projects” (Country manager of El Tejar 2008-02-19).

In this quote, the director of El Tejar elegantly stresses that the effects El Tejar could have on other producers depended much on the producers’ own attitude. The core message of opportunities for all who are open minded and

adaptive was repeatedly remarked. At the same time, he projects himself to be sensitive, respectful, humble in his approach towards local communities, self-critical, and conscious that his company brings about big changes and “a dangerous face” for environmental and social systems. The bottom line seems to be that there are opportunities for those who are willing to take advantage. The zero-sum vision of the most critical accounts where the agribusiness expansion is claimed to inevitably lead to losses for the already installed producers is rejected, as illustrated in below quote:

“I really do not feel like a competitor to anyone, even if it is true that sometimes we compete for the same land... But I think that Uruguay has plenty of land and in addition, in the new crop zones where we are entering, we really need other producers also in order to develop the business, to develop the infrastructure... We both need more cooperation and more competition” (Country manager of El Tejar 2008-02-19).

In this way, instead of a zero-sum vision the director of El Tejar stressed the win-win scenarios as the new firms are described to offer new business opportunities for everybody. Smaller producers are argued to potentially gain a lot from linking themselves to the big firms and provide services or goods to the big firms through different kinds of contracts that establish clear rules providing some degree of predictability. Another illustrative way of arguing when talking about the rapid expansion of Argentinean firms comes from the staff at ADP:

“The people who had to leave the agricultural activity complained about the high land rents. Of course, the Argentineans studied the figures and saw what could be done, and they were already more advanced than us in doing cultivations and in doing agribusiness. So they saw and knew exactly how much they could pay for the land and still do profit on it. The people who did not adapt to the change were displaced, against that there is no going back. So this generated some discomfort among the people in the countryside, because of the changes that arrived. Over this issue you will find a lot of opinions...” (ADP 2007-11-27).

Displacement is in above quote created as the consequence of “people who did not adapt to the change”. By reducing the multiple possible causalities of displacement to “lack of adaptation”, the responsibility is transferred onto the displaced producer. The director of Cargill stressed that the soybean business required a new way of thinking and doing agriculture that was not compatible with the way traditional crop producers work, which he described as centered in “knowing a lot about machines and iron things” and working “on the basis of tradition”. Quite the opposite, the successful producer was described as the one who knew how best to close the deals and

who “always delegated all the technical part to an agronomist” (Country Manager of Cargill 2007-11-26).

While the Uruguayan famers are portrayed as reluctant to change, ADP and El Tejar in both interviews and in their official company presentations by contrast present a vision of their own success linked to aspects of being “in constant movement”, “leaders in technology and organizational innovation”, “adaptive capacity”, “reinvention” and “seizing new opportunities.”⁴⁷¹ They further describe their advancement associated with “new” management procedures designed to facilitate the expansion of the production system to a larger scale. The most often mentioned concrete “management procedure” is the wide use of contracts with third parties who do most of the on-farm work. In this way, the relation developed with the service providers are described as one of the most important pillars in terms of competitiveness, and that the firms greatest asset in all contracts is trust (Country manager of El Tejar 2008-02-19).

Besides the emphasis on the need to “adapt”, both El Tejar and ADP recurrently mention their own business’ histories as illustrative examples of how it is possible to succeed out of nothing. During the interview at the main office of El Tejar in Young, the director of El Tejar showed a video about the history of the firm telling about hard working poor families who lacked the traditional productive assets; capital and land, but who worked hard and had shared values and dreams (Country manager of El Tejar 2008-02-19). The CEO for the whole multinational complex of El Tejar, Oscar Alverado,⁴⁷² emphasized that the firm was founded by several family farmers who decided to move forward despite the fact that they did not own any land; the only thing they had was a shared dream of increasing well-being.⁴⁷³ In a similar way, Gustavo Grobocopatel, CEO of “Los Grobo” (co-owner of ADP) tells about the humble past of his family as small producers in Carlos Caseres a small town 200 km from Buenos Aires. Both these “American dream” stories of hard working people building up mega firms from nothing provides the core message that it is possible for producers with no material assets to become successful if they work really hard and have a vision. In

⁴⁷¹ From El Tejar’s and ADP’s own websites: “Because reinvention is what keeps companies alive, Agronegocios del Plata is in the middle of reinventing itself” <http://actualidad.elcampo.com/tag/agronegocios.del.plata-adp/> Institutional video of ADP from 2012: www.losgrobo.com.ar/audiovisual/grobotv/1134.html; www.adp.com.uy/rse_2011.php www.eltejar.com/es/ (All links accessed in December, 2013)

⁴⁷² Oscar Alverado was founder, chairman and CEO of El Tejar, and according to the director of El Tejar the ideological compass of the company. He died suddenly in September 2010. He was also a chairman of the Argentine No-Till Farmers Association (AAPRESID).

⁴⁷³ From an interview broadcast in the Uruguayan radio program El Espectador 2009-07-09. The transcribed interview can be accessed at: www.espectador.com/economia/156406/alvarado-el-tejar-los-uruguayos-tienen-muchas-mas-politicas-de-estado-que-lo-que-ustedes-mismos-creen (Accessed in May, 2014).

this way, the articulation of many traditional producers, researchers and NGO's, where the displacement and poor participation of "traditional" producers are causally linked to material constraints (indebtedness, economies of scale, higher climate risk, loss of access to land and inferior technology), become dis-articulated by showing that "you can get it if you really want it". At the same time as the fixations on material constraints as determining factors behind failure become disarticulated, these business histories also serve to make the dominance of the big firms legitimate by drawing on the nodal sign "meritocracy". In current immanent liberal market orthodoxy, justice and "fair" is made equivalent with "justice of opportunities" and not of outcome. Accordingly, important differences can be just they can be established as the result of merit.

In addition to the business histories of the companies, many of their other accounts remark that the "success" of the new firms was primordially built on "tacit" assets, such as trust, know-how, confidence, capacity building and "shared values". These tacit assets are explained as achieved through "working in multilocal networks", "team working", "systematic and continuous improvement", constant information sharing, being humble and acknowledging that improvement comes through continuous learning, and being transparent (Guigou 2006, ADP 2007-11-27, Country manager of El Tejar 2007-12-04, 2008-02-19)⁴⁷⁴. All these "assets" represent legitimate features which in theory "everybody" can acquire (equality of opportunities). These are constructed opposed to the hard assets, such as land, machines and capital restraining access and imposing high entry costs (constraining equality of opportunities - less legitimate) and representing "old" ways of doing agriculture.

Besides the companies' self-constructed identities, similar stories provided about the new firms and traders were reproduced by the group of researchers and policy-makers in the book launched by the new agribusiness program of the Catholic University about the agrarian transformations in Uruguay in the past decade (Errea et al. 2011).⁴⁷⁵ The authors concluded that

⁴⁷⁴ Other recurrently mentioned self-constructed features included intensive use of new information technology (new software for more detailed information, monitoring, better planning and communication), formalization and professionalization of all working activities, promoting development of human social capital of both staff and local community as well as "solid strategies of risk management". These strategies of risk management include the use of software calculating different risk scenarios depending on a multitude of variables and geographical diversification. In addition, both ADP and El Tejar also stressed ISO certification as tools promoting the further development of effective quality management systems. All these "superior" "new management forms take a very central position in the companies' explanation schemes for their success.

⁴⁷⁵ I have interviewed most of the actors myself and followed up many of these actors and their articulations in conferences, workshops and in the press. In this way, I have been able to observe that the picture of the new actors provided by the authors of this book very much corresponds with the picture that these actors themselves articulate. Words such as innova-

in almost all stages of the chain the multinational companies are taking over a greater part of the business and employing innovative strategies and management forms which make the traditional ways of doing business inefficient (Errea et al. 2011, 30). The authors sharply contrast the management forms of the new corporate firms described as innovative. It is based on tacit knowledge and organized networks in which the firm manager is responsible of coordinating the multiple actors and resources linked to input providers, service providers, commercial agents, insurance companies, investors, etc through formal and informal contracts. This is contrasted with the traditional family firm described as vertically organized, in which the owner or the family has close control over all processes and decisions (Errea et al. 2011, 67; 96-97; 102). According to the authors, the key to success for the traditional firm is to specialize and integrate in alliances with the new firms: “The traditional small or medium size firms have to get involved in networks that allow them to specialize to improve competitiveness and reduce costs” (Errea et al. 2011). In this way, the authors suggest that the superiority of the mega firms lies in the “innovative strategies and management forms.” The traditional producers are still argued to be able to gain from the changes providing they adapt and change into more specialized entities (often made equivalent with providing agrarian services to the big firms or engage in different forms of contract farming where the big firms provide the technology). This book reflects many of the core values and assumptions of current immanent orthodoxy presented in chapter two.

The above subsection has showed the recurrently expressed narrative about the “capacity to adapt” to a new scenario as a decisive factor for success. This was used to explain why “traditional producers” were disappearing from agriculture despite the fact that the soybean boom offered potentially inclusive business possibilities. While the lack of adaptation was most often mentioned to explain why the traditional crop producers did not participate to a greater extent in the expansion, the strong “livestock identity” was mostly stressed to explain why so few of the cattle ranchers (independent of size) participated in the soybean expansion. I will present this in the next subsection.

6.2.2 Livestock identity and extensive productive patterns according to agribusiness

I have in the previous sections outlined complementary and competing meanings attributed to the traditional producers that in the wake of the soy-

tion, new forms of organization, vision, transparency, trust and network coordination are frequently mentioned when describing the new actors in this book in a very similar way to these actors own self-descriptions.

bean expansion exited the agrarian activity or became providers of services to other firms. These cases have mostly dealt with people of the Litoral which is where most of the agricultural production takes place. The soybean expansion has increasingly entered new areas without previous grain production and dominated by extensive livestock production. An important amount of the land that is used for livestock (mostly under “natural pastures”) is described to be suitable for cropping.⁴⁷⁶ All respondents in this study (as well as national statistics from DIEA-MGAP) unanimously reflected that the gross margin of soybean production was higher than any other agrarian activity (under normal climate conditions). This pattern is also found to be the same at global level according to USDA (USDA 2011b, DIEA 2011).⁴⁷⁷ In this way, it was often expressed that the economical “rational” thing to do for someone with access to arable land was soybean cultivation, at least under normal weather conditions. The same is articulated by the oilseeds specialist at the Office for Policy and Planning (OPYPA) at MGAP: “As the margins evidently were higher for cultivations than for cattle raising, the livestock sector lost more than one million hectares in six to seven years partly to cultivations and partly to forestation” (Oil-seeds and agro-industrial specialist at Opypa-MGAP 2010-12-08).

Besides better margins, the entry costs (for those with access to land) for doing soybeans were described as relatively low, particularly due to the new financial instruments allowing producers to sell part of the harvest before cultivation (through cooperatives or directly through the multinational traders in the future markets on the CBoT), and to finance the costs of seeds and other inputs. Although “rational” land-use is often expressed to be soybeans, most “traditional” ranchers with arable land have not started to produce soybeans to any greater extent on their own. Why? Among the producers and producers’ organizations approached in this study, several expressed a strong livestock identity among many producers who prefer not to enter the cultivation activity (which is often described as extremely risky because of fluctuating prices and unstable weather conditions). This was illustrated by one family livestock producer:

⁴⁷⁶ There is some disagreement on exactly how much of the 16.8 million ha of usable land in Uruguay that is suitable for crops. Answers depend on techniques used (no-tillage / tillage farming; rotation schemes), but “properly” managed most researchers and officials mentioned that between 3 and 5 million ha could be cropped.

⁴⁷⁷ According to USDA the margins per hectare of soybean production have been higher than most other land uses during the past decade. In the last decade the prices of soybeans have more than a doubled. For detailed information, see graphs and tables over the evolution of prices of soybeans, soybean oil and soybean meal on the main soy-trade spots (United States, Argentina, Brazil and Europe) from 1999/00 to 2010/11, based on data from the USDA report “Oilseeds: World Markets and Trade” May 2011.

“If the year gets dry or too wet, then of course many people with land opt for a third way which is not to continue with livestock and not to begin doing crops, but rather to rent out the land for USD 300 /ha with absolutely no risk involved. So, then I compare my business of having steers, with the rents I can receive by simply leasing out the land and let somebody else take the risk, and the profit is still higher renting out, and I will not have to do anything else but to stand by, drink mate⁴⁷⁸ and watch. Nothing else” (Crop producer 2008-02-23b).

The decision to lease out the land instead of working it oneself seems often to be linked to risk avoidance. Accordingly, many ranchers with arable land did not consider growing crops themselves, but rather decided either to lease out the land to specialized crop firms or to put back livestock on it. While many expressed that they enjoyed working with livestock, they also reflected that the economic benefits from the high prices paid for soybeans seemed more attractive without having to take any risk. In this way, the framing of agribusiness of win-win situations as a result of the newcomers seems to have gained grounds over time. This was also remarked by the interviewed ARU board member:

“To be honest, cultivation is not a sector that ARU traditionally has been occupied. Generally, the person within ARU that has been preoccupied with agriculture is myself. I am the one who talks about agriculture. I was the president of ARU in the year 2000, but nowadays it is curious how many of the producers traditionally into livestock and not interested in agriculture have now rented out a part of their land, many of them if not the majority, to a firm doing exclusively agriculture. In this way, nowadays everybody has an economic interest in knowing how the agriculture is going. So, of course ARU through its delegates in different institutions participate in the areas that have to do with agriculture, asking what is happening, what is not happening and how is the market, how are the cultivations, how are the soils. In some aspects we have conflicting interests since we also represent the bee farmers that believe the insecticides coming from agriculture cause the death of their bees” (Board member of ARU 2009-03-03).

As illustrated in the above quote, the ARU board member argues that the majority of the members of ARU have not been interested at all in cultivations before, and while most members have not started to cultivate by themselves as a response to the better margins offered by soybean production than other land uses, they still have gained an economic interest in the business as landowners leasing out to crop firms. This quote also illustrates the conflict between bee keepers and soybean production, as the insecticides

⁴⁷⁸ A traditional and very popular caffeinated beverage made from dried leaves of yerba mate plant.

(mostly Fipronil) used in the soybean expansion are targeted as one of the main causes of the bee death.⁴⁷⁹

However, the strong livestock identity among many “traditional” producers also seem to have put some constraints on the expansion as some producers prefer to not lease out all the land to crop producers but continue with livestock activity. This was clearly illustrated by the producer and president of FRU:

“I could lease out all my land and get 3 or 4 times more than I get with the livestock. But then what would I do? Sit in my house and watch television and live from the rent? It is not my philosophy, not my way of living. I like to be in the land with the animals, I like the fattening (of livestock), I like the commercialization, I like taking care of it... I don't know, not everything is money” (President of FRU 2009-03-03).

Above quote illustrates how the “traditional producer identity” is re-constructed as something else than a “businessman”; responding to economic incentives in a “rational” way, but rather as someone who has special and emotional bond to the land and the agrarian activity and who likes to work.

Many of the big agribusiness firms expressed that the main answer to the low participation of ranchers in the soybean “boom” was that the “traditional ranchers” were risk averse and reluctant to change. Thus, if the crop producers were constructed as conservative by the agribusiness firms, the ranchers were described as even more so. An illustrative example comes from a grain merchants/trader of the Uruguayan subsidiary of the multinational Louis Dreyfus Commodities:

“The Argentinean producers came here partly because of the Argentinean policies of de-stimulating production, and they saw that only a few km away there existed a lot of cheap available land with more or less similar conditions. So, in 2003 a very strong wave of Argentineans arrived and, of course, they found the Uruguayans drinking mate with their cows, and well, they really came and closed business. That same year came el Tejar, ADP and many actors, basically 80 percent of the ones that today are consolidated and growing very strong in Uruguay” (Traders of Dreyfus 2008-02-19).

The staff of Dreyfus by using the exclamation “of course” seems to suggest that it was quite “natural” for the Uruguayans (here made equivalent with the livestock producers in the area of Young, Río Negro) to be displaced as they were “drinking mate with their cows” rather than working hard. The LDC staff also declared that they had conducted studies to identify who and where the Uruguayan grain producers were and found that the soybean expansion

⁴⁷⁹ Fipronil was later prohibited by the state through DGSA-MGAP. See section 5.4.2.

was totally dependent on the arrival of Argentinean producers who were “the ones really knowing how to do cultivations” (Traders of Dreyfus 2008-02-19). However, they also stressed that there existed local differences:

“In the area close to Dolores⁴⁸⁰ the Argentineans found a quite strong group of Uruguayan crop producers, a more consolidated group, so it cost them more to enter there, but they have still managed to penetrate a little... Here in Young, the people living did not do cultivations but livestock and most were heavily indebted, so Young in 2003 was rather pathetic. So many arrived and started to lease here and many groups still have their main offices here, like El Tejar” (Traders of Dreyfus 2008-02-19).

As hinted in above quote, the traditional producers of Young who were mainly ranchers were understood to be more pathetic than the crop producers of Dolores. However, none of them managed to be really competitive in the long-run, according to two traders at Dreyfus. A similar line of reasoning was expressed by the director of the meat company Tacurembó-Marfrig:

“Despite what many people think, for me this [the soybean expansion] was the best thing that could ever happen to Uruguay. It showed how to do business. The soybean boom in Uruguay showed what agribusiness is for the Uruguayan livestock producers, of which only a few can really classify as real businesses, and I say that with all respect because the Uruguayan normally does not want to take any risks, not because he cannot do it, but because he does not want to do it. He is not open for the market, he is not looking at the world, he is more concerned about the domestic discussion than in his strategy for the firm. [...] It is like the Uruguayan just recently found out that he is part of the world. It is horrible, but it is like that. I took a group of meat producers to New Zealand to look at how they do things there. The conclusion of the group, when seeing how they do it there, was that Uruguay has a Spanish culture, as the *gringos*⁴⁸¹ say. The Spanish like to sleep siestas. So the difference is that we were a Spanish colony and not British. That has formed the Uruguayan idiosyncrasy [...] The Uruguayan does not want to work and he dislikes risks [...]. The reason for the failure of soybeans in Uruguay prior to 2002/03 was that it was realized by local producers without scale and without know-how, so by the first market inflection, bye bye!” (Director of Marfrig 2009-02-26).

In above quote, the director of Marfrig shows awareness that many would expect him as director of the biggest slaughter house in Uruguay threatened

⁴⁸⁰ ADP, Erro and Dolores have their main offices in the State of Soriano, described as the heart of Uruguayan cropland.

⁴⁸¹ In Uruguay, a gringo is a foreigner, most often English speaker. It does not need to be derogatory.

by the soybean expansion. There is agreement that it has led to increased competition of land (and displaced extensive livestock), but instead he finds that it was the best thing that could happen to the country. Actually, he expressed the most optimistic view of the soybean expansion of all respondents in this study, and the most emphasis was given to how it could change Uruguay. As showed in the above quote, Marfrig's director is explicit about his view on why "traditional producers" have been displaced. He finds that none of the Uruguayan producers know how to do agribusiness, which he "proves" by referring to the poor results of soybean production in Uruguay before the arrival of the Argentineans. The lack of competitiveness is suggested to be the result of an inherited mental makeup from the Spanish colonial institutions. The director of Marfrig links the livestock producers to "Uruguay" to uncompetitive, lazy, risk averse, slow and not business oriented, and provincial. However, he seems to suggest that the soybean expansion (through increased competition and inflow of actors that know agribusiness) represented an opportunity for change. In this way the country (including the livestock producers) could become less determined by the above mentioned (archaic) features and instead become more rational, market oriented, British strategic risk taking and global.

The quote from Marfrig's director echoes a long tradition among Uruguayan scholars to link Uruguayan society to a colonial heritage from Spain features described as backward, often in explicit or implicit contrast to the British colonies (Vidart 2012, Barrán and Nahum 1984).⁴⁸² While no other respondent talked about "Uruguayans" in equally bold negative terms, many draw on the same old dichotomous identity-construction independent of position taken in relation to the soybean expansion. In this construction, Uruguayan producers are made to represent "Uruguay" as inserted into a wider "Latin" cultural scheme in contrast to "Protestant European" identity. An illustrative example in this respect comes from the Vice Minister of MGAP:

"Nobody in Europe would use land to livestock that could serve for cultivations. Agriculture is a much more important and basic activity than livestock farming, but what happened during many years in this country was that meat was produced on land that would be excellent for crop production. Why? Because the landlords here did not want to take the risks of crop production. [...] Capitalism had a more vernacular form at the height of Uruguay. The vision of the profound Uruguay was: "Why should I cultivate pastures when I for the same amount of money can buy additional hectares

⁴⁸² These can in turn be seen to echo longer traditions of dichotomous constructions of a (superior) Protestant work ethic, capitalist, rational, legal, entrepreneurial, and market based society, in contrast to Catholic, backward, precapitalist (feudal), irrational, and moral based society.

instead? But now, even the land prices went up, as a response to expectations of higher returns from the land, and so the owners have to improve their existing land instead. What happened here before was that we had a feudal economy, the landlords followed an almost renter logic, rather than a productive one” (Vice-Minister of MGAP 2009-02-19).

In the above quote, the Vice-Minister echoes in some respect the same binary signifying chains as Marfrig’s director. He links this pattern more strongly to the oligarchic landlords (not family producers). In this way, he seems to combine the idea of a historically more “vernacular” form of capitalism in Uruguay (in contrast to Europe) with the agrarian historical narrative, in which the stagnation and backwardness were explained as products of the concentrated land structure (in which vast amounts of land compensated for low productivity per hectare). Like the director of Marfrig, the Vice-Minister also states that the soybean expansion had put a break on this mentality, but instead of stressing the arrival of Argentineans as the decisive factor, he exclusively stresses the increase of land prices as the main explanation to a shift towards a more “productive” logic from “renter” logic. The country manager of Cargill (and former lecturer at FAGRO), the director of Cargill, also stressed a narrative drawing on the agrarian history in which the shift in social relations in the wake of the soybean expansion was (re)constructed as a progressive strike from below against the conservative landlords:

“Within Uruguay, cultivation was always considered secondary to livestock, left aside and frowned upon. The social structure of the countryside was the large landed livestock producer, and the crop producer was mostly used only to improve the pastures of the rancher. Today, the cultivations are the protagonists, and the livestock producers who always could live well from their extensive production without having to work much. Today, they have to work to stay in business, and they are not used to that” (Country Manager of Cargill 2007-11-26).

Here the director of Cargill reflects a view of the landed ranchers as conservative, reluctant to work, technologically backward (extensive), and anti-cultivation. Through this historical depiction, the relative failure of “Uruguayan” producers to take part in the soybean expansion is linked to reluctance to work among the large landed ranchers. As mentioned in the agrarian history context, the 20th century up until *de coup d’état* in 1973 was dominated by a view among politicians and intellectuals on crop producers as “modernizing actors” in contrast to the backwardness and traditionalism of the big land holding ranchers who were hostile to “dirt” farming (Riella 2004, 65). By stressing the historical underdog position of cultivations in relation to livestock, the director of Cargill constructs a historical continuity

between the meanings of crop production during the 20th Century (among politicians and intellectuals) and the current soybean expansion. The meanings of crops as “progressive” became particularly strong during the period of Batllismo (Barrán and Nahum 1979, Barrán and Nahum 1981, Barrán and Nahum 1984). The “Batllistas” portrayed a picture of the extensive ranchers at the root of the development-related problems of the country – strong dependency on Great Britain, lack of industrialization, scarce population and rural depopulation. To increase crop production was often stressed as the main “solutions” along with nationalization and industrialization. The historians Barrán and Nahúm have written many books about this subject and showed that for the “Batllistas” and other urban intellectuals the extensive livestock was equivalent with backwardness, *latifundio*, low technology use, rural depopulation, patronage, civil war, concentrated land and wealth. While crop production was made equivalent with progress, civilization, intensive land use, rural repopulation, equality, peace, sub-fraction of land, family production and distribution of wealth.

By drawing on this previously established dichotomous construction of crops versus livestock, the meanings of the new soybean firms become tainted by the historical view on crop producers through the construction of historical continuity. In this way, it becomes possible to at least partially disarticulate the construction of the new soybean producing firms of the most critical accounts of the soybean expansion expressed by NGOs, researchers and some producers, in which the crop producing firms are constructed in a semi-fixed relation to “foreign”, multinational and inherently part of current capitalist agrofood globalization. Through the construction of historical continuity, the current producers that have increasingly left the agricultural activity become equivalent with the backward, extensive, conservative, risk adverse, uneconomical and work reluctant landed elite.

While the big soybean producing firms were more cautious and tentative in their expressions made about the “traditional” producers, including the ranchers, they also reproduced a picture of traditional producers as mainly change reluctant and applying inferior technologies and management schemes. Nevertheless, the director of El Tejar underscores that these characteristics were not the result of irrationality or laziness, but rather a rational response to an economic reality of traditional low land value:

“Everything has its logical explanation. In this area⁴⁸³ land was worth USD 200, and leasing between 15 to 17 USD. So, the farmer rather bought more land or leased more land instead of improving the land [...] In this way, it was easy to grow outwardly. That is what happened historically. The cultivations in this area were always perceived as a necessary evil as we identified ourselves as livestock ranchers. Historically in Uruguay, what hap-

⁴⁸³ Referring to Young in the state of Río Negro.

pened was that the rancher rented out some cultivable land to crop producers at the end of two years [of pastures]. It implied some income, but more importantly it prepared the land for livestock again, and that was the main objective. Now the value has changed. You can no longer use crops as a mere supplement to livestock, when you have to pay 5 times the price for the land” (Country manager of El Tejar 2008-02-19).

While the director of El Tejar finds behavior as having a “logical” explanation (used as synonymous with profit maximizing) and not necessarily conservative and ignorant, later in the interview he suggested that the livestock identity and extensive patterns could explain why those with land suited for crop production in times of better margins for soybean production than for livestock, still choose to lease out or sell their arable land to the new crop firms rather than engaging in crop production themselves.⁴⁸⁴ This pattern was further explained by a conservative way of thinking. This view was clearly expressed when talking about some changes in agrarian policy implemented by MGAP:

“I had a meeting with the minister and he told me “Uruguay is a very conservative country and the livestock sector is the most conservative of them all”, and it is a lot like that. I am totally against the rural associations [ARU and FRU]. I do think it is important with rural organizations, but I also concur with the minister that historically these organizations have been a factor of retardation for Uruguay [...⁴⁸⁵]” (Country manager of El Tejar 2008-02-19).

The above quote illustrates how the agrarian national history context is here drawn on in a particular way, in many respects similar to the way the director of Cargill uses it. It is also how the director of El Tejar’s construction of the “we” of the new crop firms is constructed here in contrast to the landed ranchers. The portrayal of the ranchers draws particularly on how the

⁴⁸⁴ Within Uruguayan agrarian history research there has been an important debate whether the extensive and non-investing patterns were a “rational” response to the incitement structure from the point of view of the individual rancher, or whether they were non-economic from the point of view of the rancher (Astori 1984, Arrarte 1984). The director of El Tejar and the Vice-Minister of MGAP seem to suggest that the land structure “induced” the “backward” pattern, while the actors representing Cargill, Dreyfus and Marfrig seem to suggest that these represent inherent “cultural” features.

⁴⁸⁵ The quote continues in the following way: “Now, when the minister [Mujica] left MGAP he said that they have been winners... It was the same in Argentina where the rural organizations opposed everything to maintain the established status quo, and I believe more in the new arenas, such as the MTO, which can be creative and expressive. We have to think more on what we can generate, contribute and think instead of what we should ask for. This goes for the firm too. El Tejar believes that we are doing politics and generating all the things we have been talking about [creativity, innovation, sustainable development], and that we are making influence through our actions in the economy” (Country manager of El Tejar 2008-02-19).

“Batllistas” constructed the extensive ranchers represented by the landed elite in ARU and FRU, as conservative, backward and stagnated. This construction of the adversary allows for the crop firms to reproduce themselves as all that the extensive ranchers are not, i.e. progressive, dynamic, including, intensive, hardworking, modern and high-tech.

In addition, the problematization of the landed ranchers makes it possible make a discursive alliance (by drawing on the same articulatory practice) with the current state, which often is in explicit controversy with the producers’ associations (ARU and FRU) in the national media. The director of El Tejar explicitly states that he agrees with the minister that the livestock sector is the most conservative sector. As I showed in the agrarian history context, there has been constant agonistic relation between ARU and FRU and the state throughout the 20th century and still persists today to a certain extent (Barrán and Nahum, 1986; Riella 1991; 2004; Piñeiro 1991). I have already shown how the Batllista state constructed the ranchers. By contrast, the landed elite represented by ARU and FRU constructed themselves as representing “the true national interest”, the “rural world”, national history, sound and family oriented values, and the “backbone” of the national economy (Barrán and Nahum, 1981; 1986; Riella 1991; 2004; Piñeiro 1991). This identity was constructed against the national state equated with urban, excessive, disoriented from “reality”, bureaucratic and artificial (Barrán and Nahum 1981; Riella 1991; 2004; Piñeiro 1991). It is clear that the director of El Tejar reflects a view of ARU and FRU which is closer to the picture created within Batllismo in the beginning of the 20th century (and still (re)produced) than the self-portrayal created by the organizations themselves during the past century.

The recurrent emphasis on the livestock producers among the agribusiness firms when explaining the low participation of “traditional” producers in the soybean expansion seems to serve as a way to make the important domination of the new crop firms appear as more legitimate (meritocratic, modern and progressive). Apparently, most agribusiness actors “chose” to talk about livestock producers when asked about the poor participation of “traditional” producers and rather silent about small crop producers and share-croppers. Thus, I argue that where ever it is convenient the agribusiness firms make the “traditional producers” equivalent with the landed ranchers. In addition, by using “agrarian history” in a particular way the agribusiness actors have a powerful instrument to describe the traditional ranchers in such a way as to make the new crop firms’ domination possible; as progressive, meritocratic and “modern” in relation to what was before constructed as conservative, oligarchic and “archaic”. When explicitly asked about the displaced crop producers in the Litoral, however, the differentiated capacities to “cope” with the expansion among producers are acknowledged. But for these cases the core explanations for their lack of “success” are centered in “soft” rather than “hard” (material) assets. The most frequently men-

tioned are: lack of capacity to understand and adapt to change, lack knowledge and experience of agribusiness,⁴⁸⁶ lack of risk taking and strong tradition in risk minimizing strategies leading investments away from the land.⁴⁸⁷ The bottom-line in the different explanations provided by the new crop firms was that: 1) there were/are opportunities to take for ALL, and 2) the concentration and “displacement” of traditional producers may depend on multiple interrelated “variables”, and NOT on the expansion of agribusiness *per se*.

While I showed in the previous section that many traditional producers of the Litoral stressed material constraints as main explanations, most of them also mentioned new opportunities brought by the soybean expansion, even for traditional producers. These ways of conceptualizing the soybean expansion sometimes in line with the stories told by the agribusiness firms will now be addressed.

6.2.3 Expressions supporting the agribusiness worldview by “traditional producers”

There are also traditional crop producers who stressed that the changes brought by the soybean expansion not only posed new challenges but also opportunities for traditional producers that worked hard. One illustrative example comes from a small producer doing soybeans jointly with his two brothers (together they managed and owned 290 ha):

“We are 30 cousins. The majority has been active in some way or another as producers, but one after one has moved into the cities and left agriculture behind. One still has a small dairy farm, but in this area we are the only ones left... It feels strange, we are surrounded with very big producers, managing 3000 ha and more. But we will try to keep on. We will resist. And without debts and actually being owners of a piece of land, and with some family unity, I think we have good opportunities to survive” (Crop producer 2008-02-11).

These kind of stories supported the “you can do it if you really want” message often reproduced by the agribusiness firms and reflecting assumptions often expressed within the immanent development perspectives.

⁴⁸⁶ the director of El Tejar mentioned that one problem was that all agronomists have been formed in FAGRO-Udelar, and that its curriculum is almost exclusively centered on production and not in agribusiness

⁴⁸⁷ Low input – low output paradigm; only partial adoption of the technologies of the Green Revolution; Emphasis in risk minimization. This pattern is explained as fuelled by low land prices.

As mentioned, the agribusiness firms addressed “lack of adaption to the new scenario” as an important explanation for the relative failure of the traditional crop farmers. Within the group of independent crop producers of the Litoral, the need for changed approaches to stay tuned was sometimes addressed. One stressed that the way forward was to enter strategic alliances and partnership with other independent producers or with the big agrarian firms. This strategy was illustrated by one producer:

“Here, things are getting very complicated to access land for sharecroppers and small producers. The big firms are absorbing everything. I was lucky and last year I was offered by a close friend of mine to lease his 600 ha. First I said that I couldn’t, because I was only managing a small amount of land and I did not have enough machines to lease so much land. But, then it occurred to me that I could lease it together with a friend in association and we formed a firm and started to work. So, now I manage in total more than 1000 ha. I tell you, the small or medium producer who did not go together with others, in some type of association, disappeared or will disappear from the activity. You can also link up yourself to a firm, as I do in one plot in *Cañada Neto*, where the firm Barraca Erro leases land and offered me to provide with the machines, the labor and the willingness to work, while they bring the rest, and in this way we share the gains 60 percent for them and 40 percent to me” (Mixed producer 2008-02-12).

This way of reasoning, where material constraints for small producers are taken for granted at the same time as these constraints are argued as possible to overcome by different forms of collaboration, fits perfectly well with the emphasis in opportunities for all who are willing to work hard and adapt to the new scenario, often stressed by the new crop firms. Some producers also mentioned other “tacit” assets that traditional producers needed to acquire if wanting to remain as producers. The most important was to learn new things all the time and to be constantly updated on prices, new events, new formulas, new machines, new suppliers, etc. Some producers even explicitly used the nodal concept of “adaption” often used by the agribusiness firms: “The producers that did not inform themselves, that did not adapt to the new time, disappeared. Those that stay tune are informed in a daily basis on everything that is happening” (Mixed family producer 2008-02-11). The above quotes illustrate how several of the arguments of the agribusiness firms were expressed in a similar way by the traditional producers. Here it is important to bear in mind that since these respondent were accessed through the grain cooperatives, I exclusively talked to producers that in some way or another were “still in activity”. Considering that they are the “survivors” it is perhaps not so surprising that they tended to both reproduce stories that stressed the new difficulties in the wake of the expansion facing the “traditional” producers of the Litoral, and at the same time tell stories about possibilities to suc-

ceed if working really hard. In this way, they come to highlight themselves as extraordinarily hard working by managing to succeed “against all odds”. In line with the oral history researcher, Lynn Abrams, I find that all respondents when talking about the soybean expansion also constructed stories about themselves. While the ideals of the different identities constructed can vary among respondents, it seems like all wanted to reproduce themselves as rational, hard-working and knowledgeable subjects. I will come back later to the constant identity construction and analyze it in greater depth. Here the main point is to remind the reader that the particular features of the respondents approached within this study have consequences for the stories told, and not told.

Some traditional producers and cooperatives also expressed admiration for the visionary capacity of the new Argentinean firms. Often mentioned firms were El Tejar and ADP, both as representatives of the new big firms, but also as examples of entrepreneurship and good management practices. This can be illustrated in the following quote of the president of Cadol:

“I believe a report from DIEA showed that 15 firms control more than 70 percent of the cultivations, and that the trend is that they will have it all. These firms have had an explosive growth. You take a firm like ADP, it has only existed for four years and the growth has been tremendous. ADP incorporated all the planning and models of management from the Argentinean firm *Los Grobo*. Gustavo⁴⁸⁸ came with the same package and ways of doing as in Argentina. I remember when he arrived and ADP was created. We stood there watching and asking ourselves if they were crazy. Evidently, there are people with the capacity to see opportunities where others don’t” (President of Cadol 2008-02-11).

In this way, in line with the articulations of the agribusiness firms themselves, some also stressed the superior managerial skills of the new producers and their capacity to see beyond what others perceive as risks and constraints. The interviewed board member of the Rural Association of Uruguay (ARU) even mentioned that many people were actually right in saying that the new firms “taught us to work”, as here expressed: “These firms do both soybeans and wheat with all the latest technology possible and they maximize yields. So from that point of view they came and they taught us to maximize production” (Board member of ARU 2009-03-03). The possibilities to learn from the Argentineans were also stressed by a family producer from outside Young: “They came with experience and technology [...] and forced us to enter in a form of strong competition that we were not used to. It made us become more professional” (Mixed producer 2008-02-18). These quotes

⁴⁸⁸ Referring to Gustavo Grobocapatel, the CEO of Los Grobo

reflect the liberal market assumption that increased competition in the end brings benefits to all.

The director of the seed cooperative Calprose mentioned that the new firms were better in cooperating with each other and in sharing information from which they jointly benefitted, while the traditional producers were described as reluctant to the same:

“You know how it is here, everybody with their own little piece of land, and if you have more information than I, and you talked to some other, then I fear to come aside and to lose something. That is the problem we have here with the Uruguayans. It is a serious problem that the Uruguayan distrusts everyone and everything and fears to share information with others because he is afraid that the other will take advantage of him... And that is something I think we need to change, or otherwise we will be fried”⁴⁸⁹
(Director of Calprose 2007-11-29).

In contrast, the new agribusiness firms were described to share information and to cooperate in an effective way, for example by sharing silos and exchanging goods in order to make the whole business advance in a smooth way.

In sum, among the interviewed traditional producers that participate in soybean production, most started out the interviews identifying material constraints as the main cause behind the decision (or no other alternative) to leave the activity, but also acknowledging “opportunities” for those working hard and “adapting”. In addition, when explicitly asked about producers who had chosen to retire, by leasing out to the big firms or by selling, and live well without risk and without work, everybody knew about family producers who have done that and who were very happy with it.⁴⁹⁰ The interviewed respondents of the grain cooperatives (Calmer, Cadol, Calprose, Cadyl and Copagran) who had strong ties to most “traditional” producers of their respective areas expressed that they knew about many cases in which “dis-

⁴⁸⁹ “Si no vamos a ser fritos” is an expression that could be translated to “otherwise we will be toasted” or “otherwise we will be doomed”.

⁴⁹⁰ An illustrative example: “I know many people my age that own a piece of land that they could produce, and they have all the machines, but they prefer to lease it out. They can receive an income and do not need to work or take any risk. For example, my brother, Aparicio, he went to live in Punta del Este. I do not know if he will get bored there after a whole life of working, of getting up early in the mornings and going out to the fields everyday... Now I do not know what he will do. But he told me he found some Argentinean that he will do some work for, as entertainment! Because imagine, a guy like that, of only 50 and something years... He also does a lot of voluntary work here at the cooperative and he is still in the board and he is also in the board of INIA. He is a fighter and of cooperative spirit. Perhaps if I also had a thousand or more hectares I would also rent it out and stop taking risks and I devote myself to the cooperative or some other thing. I would love that” (Mixed producer 2008-02-12).

placed” producers had actually been benefited from the soybean expansion. For example, the former sharecropper who lost access to land in the wake of the expansion and at the time director of the local cooperative of Dolores, Cadol, said: “Even quite small land owners can in this way access a life they never dreamt of, some USD 6,000 per month, which in Uruguay is what the manager of a bank can get. I guess they are living well now” (President of Cadol 2008-02-11). In this way, it was remarked that all of a sudden some former small producers could now live quite well by doing nothing. Similar stories were mentioned by the president of the seed cooperative Calprose:

“Because they had a lot of debts and they sold their land or leased it to a third party, some Argentinean or someone coming from outside the system with money, and now this producer lives in Punta del Este⁴⁹¹ all year round” (Director of Calprose 2007-11-29).

The vision provided here thus tell about a very differentiated reality behind the concept of “displaced producers”, where the possibilities for the traditional small farmers who owned a piece of land to sell it or to lease it out to the new-comers, as a risk free way of getting a good income, becomes a “positive twist” of the implications of the disappearance of traditional producers. This “twist” is, as here showed, not exclusively mentioned by the big firms, but also by interviews individual producers and grain cooperatives, along with other stories.

While it is clear that some of the crop or mixed producers of Litoral that owned land⁴⁹² have leased it out to the new crop firms, many ranchers with land apt for cultivations have also leased out land to the new firms. One example of this is the president of the Rural Federation (FRU), who at the time of the interview was leasing out the best part of his land to El Tejar:

“I let El Tejar cultivate it a couple years and then I will use it some years with pastures for the animals, right? So I see the crops as a complement. But today as the crops really pay for themselves, they pay a rent much higher than the livestock, so it is of course tempting to skip the livestock for many producers” (President of FRU 2009-03-03).

For FRU’s president the high rents provided by soybeans implied a stronger temptations to skip the livestock, which for him naturally implied to lease out the land to some crop producer as he himself was a rancher (with a Ph.D.

⁴⁹¹ An exclusive resort on the Uruguayan Atlantic coast.

⁴⁹² As mentioned, most of the “pure” crop producers were sharecroppers, but some also owned a piece of land. Among the mixed producers (crop-livestock) most also owned land, but the plots were in general smaller and the productive systems more intensified than in the “pure” livestock systems.

in Veterinary science from SLU, Sweden). The FRU president's way of reasoning represents many of the large group of relatively traditional landowning ranchers that leases out land to the new crop firms. The case of FRU's president is also in line with the shared notion that the traditional ranchers do not themselves shift into crop production to any important extent (even if economic margins are higher), but prefer to sell or rent out the part of their land to others, and continue doing livestock farming on the land left.⁴⁹³ As mentioned before, many ranchers with land suitable for crops in the region of the Litoral occasionally rent out the land to sharecroppers to boost the pastures. As mentioned by the president of FRU, the increased rents paid by the crops have induced some producers to skip the pastures on these lands and make them continuously produce crops. This has created strong concerns of erosion, and since 2011, the government has forced all land owners to present plans for rotation to prevent erosion.

This section has showed how new possibilities brought by the soybean expansion were also reflected in some of the stories told by traditional producers, albeit along with material constraints. Most respondents ended up mentioning multiple interacting factors contributing to the poor participation of traditional producers in the soybean expansion, although most started out mentioning material constraints. As expressed by one representative of the local cooperative CADOL: "I think that many things weight in these decisions... The age of the producer, that is very important... young people continue fighting, they do not question themselves. But the guy that has passed 50 years already..." (Director and head of commercialization of Cadol 2008-02-11).. As in above quote, many producers and firms said that the energy and motivation to "continue fighting" was decisive for traditional farmers when they decided to either continue as producers, or give up by selling the land, or leasing it out to someone else. Most producers talked about a constant weighting of pecuniary and non-pecuniary values when deciding what to do with a piece of land for those who had it (sell it, lease it out, produce soybeans, produce livestock). Besides monetary and risk calculations, factors such as age and degree of tiredness may play important roles behind many decisions to lease out or sell land to Argentinean firms.

⁴⁹³ El Espectador, La tertulia agropecuaria "La ganadería embretada. El ejemplo de Rocha" www.espectador.com/1v4_contenido.php?id=123310&sts=1 (Accessed in June, 2014).

6.3 Discussion and concluding remarks on the explanations provided to the changed social relations among producers

This section has dealt with different factors to explain how the new big firms became so dominant in the soybean expansion in Uruguay. This section has showed that the expressed explanations tend to range from indebtedness, increased land and leasing prices, economies of scale and high climate variability related risk for all producers working in only one specific area. It also emphasized the new actors' superior management skills and visionary capacity and the traditional producers' lack of skills and reluctance to change and work. The explanations provided have been categorized broadly into materially related explanations and management related explanations. In broad terms, the agroecological NGOs, the small farmers organization CNFR, politicians and "traditional" crop framers put most emphasis on the material disadvantages of traditional producers in relation to the new firms, while the new firms and other agribusiness actors put most emphasis on lack of "adaptation" and lack of business mentality among traditional producers and management superiority among the new firms as main explanations to the "poor" participation of "traditional producers" in the soybean expansion. However, some agribusiness actors also acknowledge material explanations and some traditional producers also reflect superior ways of working and stronger visions among the new firms. Within the explanations provided to the changed social relations in the wake of the soybean expansion there is not only diverging amount of emphasis in either material or management related features, but it is also possible to discern divergent identity constructions of different social categories. In this way, there is a constant struggle over meaning of the central floating signifiers: "traditional producers", "agribusiness firms" and "ranchers". These identity (re)constructions appear as more or less central and independent of specific theme discussed in relation to the soybean expansion.

As mentioned before, the changed social relations among producers with its pattern of increased producers' concentration stands out as one of the most central discussions in relation to the soybean expansion. National research, reports, debates in national media, hearings in the parliament, seminars organized by cooperatives and producers' organizations, etcetera, have dealt with this feature in the public debate in some way or another. Likewise, all respondents approached within the scope of this research have talked about it, and the majority seems to have felt an urge to provide particular "explanations" for it. But, how has this particular feature become so central within the discursive field? I will in the coming subsection (6.3) provide two tentative explanations to the important focus on producer concentration in the discussions about the soybean expansion. This will be followed by subsection 6.3.2, where I ask what the centrality given to the aspect of increased

concentration among producers implies for what is possible to say about the soybean expansion, and particularly what role the diverging explanations provided for the concentration have for the same?

6.3.1 How has concentration become so closely tied to the soybean expansion, and therefore “needed” to be “explained”?

There is a broad agreement that the soybean expansion in Uruguay has implied important shifts in the social relations, centered in higher concentration levels in relation to other agrarian activities and in relation earlier levels of concentration. This pattern of increased concentration among producers is the most common “spontaneously” mentioned aspect by the respondents of this study, when asked about their perceptions of the soybean expansion. It appears also with such frequency in the public debate about the soybean expansion, over a wide array of contexts and arenas, that the close coupling of concentration of producers to soybean expansion could be seen to represent a rather strong discursive “fixation”. In this “fixation”, the soybean expansion is discursively tied to concentration, in which the first is seen to have implied an increase in the degree of the second. I also argue, that this fixation does not appear to have been completely “dissolved” or “disarticulated” in any text within field, and could accordingly be seen as hegemonic throughout the field. In this way, it became clear that anyone saying almost anything about the soybean expansion in Uruguay “needed” to also mention the feature of concentration in one way or another. But, how did this particular articulation (soybean expansion – concentration) became so central in the discursive field? One possible explanation could of course be that the levels of concentration are remarkably high in a historical and global perspective, and therefore the urge to be talked about. This could provide a partial explanation, but considering that the concentration levels are actually even higher for the other stages of the productive chain (see chapter 5) the levels of concentration *per se* do not seem to explain it all. When tackling this question I have found mainly two features standing out as possible explanations: *institutional inertia* and the particular patterns of *displacement*.

I believe that the long Uruguayan history of constant focus and problematization of concentrated land structure since colonial times has resulted in an institutionalization of the shifts and non-shift in the relations between different producers, which I refer to as “institutional inertia”. As I mentioned in the historical context, the land frontier was exhausted already before independence, and most of the land was dominated by a small landed elite.⁴⁹⁴

⁴⁹⁴ Already by 1870, all productive land was in private hands (Alvarez, Jorge 2006). The dominant agrarian model was earlier on consolidated around export oriented extensive live-

Consequently, the need for land fractioning and divisioning of the large estates have been on the political agenda since Gervasio Artigas in 1815 who attempted to implement agrarian reform, as mentioned in chapter 4. Many researchers and politicians alike during the 20th century argued that the concentrated land structure was causally linked to other perceived problems in the Uruguayan agrarian sector, such as extensiveness, depopulation, stagnation, livestock-centrism, backwardness, rural misery among the peons, etc (Barrán and Nahum, 1981; Finch, 1982; Barrán and Nahum, 1986; Astori, 1979). Despite the recurrent discussions about agrarian reform and some concrete proposals and attempts, the agrarian structure in Uruguay has been described as remarkably constant since independence but with a structural trend towards increased concentration (Riella, 2004). However, I believe that the long history of problematizing and measuring the concentrated land and production structure yielded a tradition and institutional structure of constant diagnosis and monitoring of the different producers involved in agrarian production, their shifts (or non-shifts) in productive orientation, size, owner patterns, etcetera.

This “tradition” is illustrated by the more than a century long practice of exhaustive agrarian censuses regularly published every ten years, the yearly statistical books from statistical department (DIEA) of the Ministry of Livestock, agriculture and fishery (MGAP), with data on the evolution of different strata of productive units in different sectors over time. In addition, a considerable amount of research, particularly within rural sociology, economic history and agrarian sciences, have recurrently analyzed patterns of continuity and change in the social relations among producers in relation to the agrarian structure (Piñeiro, Riella; Arrarte; Alvarez; Astori). The discussion about the agrarian producers, their size, their productive orientation, their technology use, their economic position, their rationality (or lack of the same), etc, have consequently been discussed in Uruguay long before the soybean expansion. These concerns have resulted in an institutional structure providing knowledge about the producers and are much dominated by agronomists (educated in FAGRO-Udelar).⁴⁹⁵ With this tradition (or path dependency) of collecting and analyzing data linked to the cultivation stage

stock production (first as hides, later as chilled, frozen and canned meat, as well as wool), and a concentrated productive structure (combined with *minifundios* of horticulture close to the cities) (Riella; Piñeiro; Finch).

⁴⁹⁵ A decree from the government of Batlle y Ordoñez in 1909 stipulated that all public authorities in the agrarian field had to be agronomists. Almost all interviewed stakeholders in this study are agronomists, including the ones that work in agribusiness. In addition, the statistical department (DIEA) and the policy office (OPYPA) of the Department of Livestock, agriculture, forestry and Fishery (MGAP) publish figures over annual changes in different production areas, in land ownership and leasing according to size and type of firm. Here, the much diffused and often referred to works of Pedro Arbeletche probably played an important role.

in play, it is not particularly surprising that the accentuated productive concentration in the wake of the soybean expansion has received so much attention. In addition, these statistical reports from DIEA-MGAP are well-known, widely diffused, and often mentioned as legitimate sources or “facts” about these matters throughout the field. There has not only been a considerable amount of published reports and research articles about the productive concentration in the soybean cultivations, but these have in addition been widely drawn and commented upon in national media, blogs, meetings, magazines, parliament and congress, private and public organizations, websites, etc. As I have showed in this chapter, to agree on the feature of increased concentration does not mean to agree on what has caused it or what it means, as we shall see in coming chapters.

Besides the institutional inertia of monitoring and measuring all shifts in the cultivations stage (and less so for other stages), the focus on the cultivation stage is probably also linked to the existence of potential actors that can be depicted as “losers” in the soybean expansion in the cultivation phase, while less so in the other stages. This is what I refer to as “*displacement patterns*”⁴⁹⁶ mentioned earlier. Thus, there is in general agreement that the rapid advancement of big concentrated agribusiness firms in the wake of the soybean expansion has implied that other producers have lost their access to land – since all 16 million ha of productive land is used, any producers that expand rapidly their use of land implies an equal loss for some other producers. In this way, the high concentration levels in the cultivations stage has been discursively coupled with displacement of “traditional producers” (not least in official national statistics which show changes in the shares of total production for different producer strata). Land is thus a constrained asset with fixed spatial boundaries, which makes access to it possible to be described as a zero-sum game, while the participation in the other stages is not. Albeit more concentrated there has not (as of yet) been any displacement of actors within input, logistics and trading markets. The firms and cooperatives that were involved in for example input markets before the expansion may have lost market shares, but they still have been able to benefit from the boom in absolute terms due to the exponential growth of these markets. Similarly, in the trading and hoarding stages, markets have exploded since Uruguay has moved from almost no exportable surplus of grains before the soybean expansion to millions of tons of grains to store, transport and commercialize, which have allowed for new trading actors to arrive (though the entry costs are described as extremely high) and no one has left business (yet). This may provide some explanatory light to why the concentration of the cultivation stage is given more centrality in the debate than the other stages

⁴⁹⁶ As I will discuss further in the next subsection, “displacement” is not a concept that the agribusiness firms use to any relevant extent, but rather talk about producers who have left the activity.

(besides the already mentioned path dependency in constant monitoring and analyzing of producer types).

In addition, the strong foreign dominance in the Uruguayan export-oriented agribusiness sector is not historically new. Uruguay's participation as meat and wool provider to the world markets during the first globalization (1870-1914) was characterized by strong foreign (mainly British and later US) capital groups behind the railway system, canning (Liebeg's), and refrigeration plants (Chicago meet trust) (Finch, 1982). This historical "continuity" may in some way have "naturalized" a high degree of foreign participation in the agro industrial sectors, which also may contribute to less attention given to this pattern. By contrast, land has historically remained in national hands.⁴⁹⁷ This national control over land and the basic assets on it is described by the influential economic and agrarian history researchers Barrán and Nahum (1979; 1981; 1984) and Henry Finch (1982) to have allowed for a process of national capital accumulation as well as some independent policy space, despite the overall dependent insertion of Uruguay in the emerging world capitalism and foreign investment in infrastructure and agro industry (Finch 1981:3-4).⁴⁹⁸ In this way, the accepted "facts" that the dominating firms behind the soybean expansion are mainly "new" (non-existent prior to the soybean expansion) and mainly from Argentina, imply a clearer historical "break" with former "producer types". Another factor that can help explain greater attention given to concentration at the cultivation stage is the agreed notion that the displacement linked to the soybean expansion involves a new pattern, which is faster than before and involving capitalized medium-size producers leaving agrarian activity (Arbeletche, 2008). Thus, the soybean production is not only more concentrated than other sectors, it is also displacing relatively more capitalized groups than earlier displacement waves, and it is in addition led by foreign actors. With this historical context and narrative in mind, it is perhaps not so surprising that the changed social relations at producer level in the wake of the soybean expansion has received an important amount of attention within this discursive field.

⁴⁹⁷ The economic historian, Henry Finch (1982:3-4), argues that while foreign capital played an important role for the export sector, domestic groups were described as able to retain control over the productive system, since land was dominated by national and not foreign, landlords.

⁴⁹⁸ This feature is put in contrast to more extreme types of dependent development based on enclave export development, often characterized by imperial capital in more extractive activities (Barrán and Nahum 1984:662; Finch 1982:4). However, national governments since Batlle y Ordoñez and onwards have recurrently problematized the concentration and foreign control over agribusiness and infrastructure. Batlle y Ordoñez argued that nationalization was needed in order to fulfill development goals and prevent repatriation of profits to London. But, as mentioned, he also wanted fast expansion of expensive infrastructure that the state could not afford, and consequently foreign dominance remained strong (Barrán and Nahum 1979).

Against the above backdrop, the soybean expansion is recurrently articulated as linked to not only concentration, but also displacement of traditional producers and “foreignization”. In the most critical accounts on the soybean expansion it is possible to identify a strong fixation between these signs, viz. soybean expansion, concentration, displacement of traditional producers, and foreignization. This articulation is at least partly disarticulated in the most optimistic accounts of the soybean expansion, in which the term “displacement” is rejected and instead these accounts talk about producers who left the agrarian activity, or simply changed their role. I will soon go deeper on this discursive interplay, but here the point is that one explanation to the “fixation” of soybean expansion to concentration can be “institutional inertia” and the “displacement patterns” involving a growing number of capitalized producers. On top of all this is an additional new “ethnic/nationalist” dimension, which will be thoroughly discussed in chapter 8.

I have provided only tentative explanations to why “concentration” became one of the most mentioned aspects of the soybean expansion. It needs mention that some of the things expressed about concentration slightly detaches the soybean expansion from exclusive responsibility of high concentration, which is the trait of historical continuity. In general, most respondents irrespective of their background reflect a view where the current concentration of producers is understood as part of a structural trend with long historical roots, but at the same time understood as accentuated by the soybean boom.⁴⁹⁹ Many of the interviewed traditional producers started to talk about earlier waves of concentration and displacement when asked about the situation for traditional independent producers, as in the illustration below:

“Here, in this small place in a range of 3-4 km from here to where the road ends, 25 families lived when I was a child [born in the early 1940s]. But today we are only 3 families left. One is a large dairy farm belonging to my cousin, another is quite a big producer and then it is me with some 300 hectares. Most of my family lived around here and had some 30 or 50 hectares, but they have all disappeared along the way. I have managed to survive so far by increasing in scale, but now I have to take the decision whether or not to retire and sell. But we will in any case keep the house and continue to live here until our daughters say that it is time to take us into town...”
(Mixed family producer 2008-08-12)

By stressing the continuous “displacement” of small- and family producers long before the soybean expansion, it becomes impossible to denote the re-

⁴⁹⁹ While most actors seem to acknowledge this historical feature of concentration in Uruguay, there are some differences in focus, ranging from linking the displacement almost exclusively to the soybean expansion (and being silent about longer trends) to focus exclusively on the continuity (and being silent about the accelerated rate since the soybean expansion), and detaching the phenomena from the soybean expansion.

cent land use changes as the main causal variable of this pattern. Instead, it becomes apparent to denote as an “inherent” and “natural” process of modern agriculture rather than a new threat. Most respondents remark that the pace of the concentration has increased remarkably and this is frequently “explained” to be a direct effect of the soybean expansion.⁵⁰⁰ In this way, stressing the longer historical trend detaches the expansion from being exclusively “responsible” for the concentration. Nevertheless, it is still recurrently pinpointed as the main cause for the current faster pace of concentration.

The aim of this section was to provide tentative explanations to why “concentration” became one of the most mentioned themes in the discussion about the soybean expansion. I will in the next section, address the possible implications of the central position given to “concentration among producers”, together with the diverging explanations provided for what can be said about the soybean expansion within this discursive field ranging from focus on material constraints to mostly management-related differences.

6.3.2 What are the consequences of the “fixed” relation of soybean expansion to concentration?

Since concentration is mentioned in almost all discussions about the soybean expansion, I find it to represent a hegemonic “fixation”. This does not appear to have been completely “dissolved” or “disarticulated” throughout the field. The intimate discursive connection between soybean expansion and increased concentration diminishes to a certain extent the potential meanings of the soybean expansion. If the soybean expansion is linked to concentration then it is difficult at the same time to link it to increased importance of family farming or division of land. However, as this chapter has outlined this fixation also allows for a high degree of ambiguity since “producer concentration” resulted to be an open sign in itself within this field. How the increased concentration is *explained* seems to partly determine whether it can be perceived as legitimate, reasonable and fair. In this way, I find that depending on how the increased concentration is explained, different constraints are put on what else can be expressed about the soybean expansion. This subsection will dwell deeper into what role the divergent explanations provided for the increased concentration has for the wider meanings that can be attributed to the soybean expansion.

Increased concentration among producers is thus accepted as a “social fact” linked to the soybean expansion, but whether this pattern can be de-

⁵⁰⁰ This notion is also in line with what Arbeletche has shown in his study, as well as the preliminary results from the Agrarian Census (As of June 2014 the whole Census was not yet published).

scribed as legitimate, reasonable and fair, depends much on how it is explained and how it is discursively linked to other signs besides the established link to “soybean expansion”. The critical accounts about the soybean expansion link concentration further to non-voluntary displacement of the traditional producers and particularly by small- and family producers (as well as foreignization of land). These texts have their main emphasis in material and structural constraints when providing “explanations” for the changed relations among producers in the wake of the soybean expansion. These constraints are argued to set the “traditional producers” at a disadvantage in relation to the new big crop firms. As shown, some of the pointed out aspects are: higher climatic risks, loss of access to land because of increased land rents, higher costs and lower income because of economies of scale, inferior bargaining position on prices and services, and lower yields because of inferior technology. These material “explanations” for the poor participation of “traditional producers” (particularly “small” producers) in the soybean production play an important role in linking closely “increased concentration” to “non-voluntary displacement of traditional producers”. It is also clear that by stressing material explanations to the poor participation of traditional producers, the “blame” becomes exteriorized (from the traditional producers) and “concentration” becomes synonymous with displacement, exclusion, inequality, and injustice.

From within the narrative which mainly “explains” the changed relations among producers in the wake of the soybean expansion in material terms, it becomes possible to tie “displacement” closely to concentration, which in turn is closely linked to the soybean expansion. This set of relations among the signs can accordingly be seen as successful “fixation”, and it is expressed in a wide array of arenas by many different actors throughout the field (researchers, journalists, producers, producers’ organizations, NGOs, politicians). However, within this wide group of “material explanations”, there were also considerable amount of variance. While the texts from the socio-ecological NGOs and CNFR express the most critical accounts and the most frequent use of the concept of displacement,⁵⁰¹ the independent crop producers and the respondents representing the grain cooperatives often provided more contingent and sprawling accounts. These respondents could talk for long about different material constraints and explicitly link these to both concentration and to the concept of “displacement”, while they at the same

⁵⁰¹ See for example: Redes (2010) “Soja, transgénicos y agronegocios vs. Agricultura Familiar: modelos en disputa” www.redes.org.uy/2010/06/04/soja-transgenicos-y-agronegocios-vs-agricultura-familiar-modelos-en-disputa/ (2014-05-20); Oyhançabal and Narbondo (2008) “La coexistencia excluyente. Transgénicos en el Cono Sur – El caso uruguayo”, published by Redes www.redes.org.uy/wp-content/uploads/2009/08/Agronegocio-Sojero-web2.pdf+&cd=1&hl=en&ct=clnk&client=firefox-a. An updated version was published in 2011. Zibechi, Raúl “La soja como negocio -La sartén por el mango”, published by Rap-AL http://www.rapaluguay.org/transgenicos/Soja/soja_negocio.html (2014-06-03)

time could tell stories involving other sets of relations between signs heading in other directions. This apparent “ambivalence” expressed by most traditional producers can perhaps be linked to a dual identification within the field with two different subject positions. It seems to me that the traditional producers sometimes identify themselves as something essentially different from the agribusiness actors. In many accounts they reflect upon themselves as bearers of tradition, of “sound values” and of particular sentiments for the land, constructed in contrast to the agribusiness firms that are described as “purely” profit maximizing entities with no particular respect or passion for the land. However, in many other stories the same respondents reflect upon themselves as mainly businessmen taking “rational” decisions on the basis of expected margins. I will come back and discuss in more depth the identity construction of the different subject positions involved in this field in chapter nine. The main point here is to suggest that the ambivalent explanations for the changed social relations in the wake of the soybean expansion provided by the interviewed crop producers in the Litoral, may have something to do with a dual identity construction based on slightly incommensurable values. Another tentative explanation to the high contingency and “ambivalence”, or at least the less “streamlined” stories told by these respondents, can be that they are closer to the ground with more direct relations to other producers with differentiated experiences, and perhaps also less ideologically tied to structured ways of looking at the world than most other actors approached in this study.

As mentioned, not even the most optimistic accounts question the “fact” that there is increased concentration and that consequently some traditional producers have left the activity in the wake of the soybean expansion. They reject the way the critical accounts link increased concentration to “displacement”. This term is avoided (or at least seldom used) and the notion of the producers who left the activity as some kind of “victims” of the soybean expansion is often explicitly rejected. In this way, the signifying chain portrayed by the critical accounts is disarticulated (soybean expansion – concentration – displacement of traditional producers). It is nevertheless clear that the agribusiness firms do in some way or another feel obliged to “deal with” the uncontested “fact” that some producers have lost access to land in the wake of soybean expansion. But as shown, this is mostly re-articulated as the effect of “free” choice and particularly in response to the possibilities brought by the soybean expansion to live well without work or risk involved (by renting out the land, or selling it). It is also acknowledged that not all producers wanted to leave the land but the material constraints are in general downplayed and these cases are mostly explained to be the result of lack of adaption, visions and management skills among the “traditional producers” (constructed in contrast to the new crop firms), rather than as the result of material constraints. In this way, the new crop firms seem to re-articulate the changed social relations among producers including the high concentration

in accordance with their core slogan of the soybean expansion bringing new opportunities for all.

The slogan of “opportunities for all” is more or less incommensurable with a notion of strong material and structural constraints facing the “traditional producers”. This can explain why the strongest advocates of the soybean expansion seem to suggest that the changed social relations are mainly caused by differences in management schemes (or ways of doing business) between the new (successful) firms and the “traditional” (less successful) firms and farmers. Apparently, the dominance of the big firms are perceived to be more “legitimate” and “just” if they can be explained as the result of hard work, risk taking, and of vision (and corresponding less hard work, risk avoidance and change reluctance among the traditional producers) and not of inherent structural advantages of being “big”, which leaves no room for participation of other producers. The underlying value of “legitimacy” and even “justice” here is meritocracy. The current concentrated trait of the soybean expansion can accordingly appear as legitimate if it is the “fair” result of a meritocratic system. As long as the patterns of extreme concentration can be argued to be the result of merit (knowledge, vision, hard work and risk taking) and accordingly represent the “fruits of labor”, they can be accepted. The agribusiness firms are seen to put a lot of emphasis in “proving” that there indeed exist important opportunities for successful participation for most producers. In this narrative, many traditional producers are described choosing to sell or lease out the land to live well from the rent. Others are described to have sold to pay off debts (rising land values). Still others are reflected as not willing to adapt or work hard enough.⁵⁰² The agribusiness firms have been quite successful in partially imposing this view, but this is still only legitimate within a liberal discourse in which justice is understood as equality of opportunities but not in outcome.

While this liberal justice notion is contested (it is not hegemonic), it is nevertheless dominant and institutionalized in current legislative and regulating system, as well as within the current market-oriented development orthodoxy. In addition, it is evident that “meritocracy” appears as a nodal value also outside these fields. For example, many respondents in this study first claimed that extreme concentration and displacement of producers were important problems in “themselves” so to speak – based on “merit” or otherwise. But, after stating that concentration and displacement are problems in their own right (independent of how they emerged) most of the critical voices towards the soybean expansion still ended up putting a lot of emphasis in showing that the producer concentration in the wake of the soybean

⁵⁰² However, while the crop producing firms highlight the aspects of opportunities for all and meritocracy to justify inconvenient difference, some of the other agribusiness firms draw on the normative node “competition” constructed as a superior aim in which it is possible to justify that producers “not generating effective business” should exit.

expansion was NOT a “meritocratic” result that could have looked different if the “traditional producers” would have “worked harder” or done things differently. Instead they stressed that the structural disadvantages of being small was so great that they will lose independently of what they do and how – in relation to risks, costs for inputs, prices on harvest, access to technology, access to land. In the critical accounts about the soybean expansion concentration is mostly explained as a consequence of the inherent size-related advantages of the big firms and not by their “visions”, hard-work or risk-taking. In the same way, the displacement of traditional producers is mostly explained by material constraints facing traditional producers often exacerbated by the arrival of the agribusiness firms who take the best land from the traditional producers, and use land size to negotiate prices and services in such a way that they crowd out all other actors. It is clear that an important part of the discussion about what best can explain the changed social relations among producers in the wake of the soybean expansion is intimately linked with the construction of identity of the main specific subjects involved. As respondents talk about these changes they simultaneously tell stories they like about themselves.⁵⁰³ Thus, “traditional producers” (re)constructed this identity in as much favorable terms as possible, while the agribusiness firms tended to talk about themselves in terms of equally positive connotations. However, the main question why the new-comers became so dominant and why the participation of “traditional” producers in the soybean complex is so low places important constraints on what can be said about these two main subjects involved. The coming chapters will show how the same subject categories are filled with slightly different content when (re)created in contexts talking about other aspects of the soybean expansion.

It is clear that the meanings of increased concentration among producers strongly linked to the soybean expansion differ substantially depending on whether it is linked to non-voluntary displacement of producers or to “free” choice, where most producers simply left production because they saw a better opportunity in renting out the land or providing services to others instead. Depending on what factors are found to explain the most, different stories are possible about who/what is responsible, who/what is to blame, who/what is to cherish. In the same way, these “explanations” put boundaries to whether the pattern of increased concentration (and ultimately the soybean expansion) can be described as legitimate and just. I have in this chapter showed the main variations provided and how they relate to both notions of “how it used to be” in Uruguayan agrarian history, and in diverging values, assumptions and ideals of “development”. Not only the “explana-

⁵⁰³ Lynn Abrams who is an oral history researcher points out that independent of what people talk about, they tend to also talk about themselves in as much favorable terms as possible (2010:36).

tions” provided for the changed social relations are important in this respect, but equally important are the competing and complementary stories provided about the “consequences” of these changes. This will be addressed in depth in the coming chapters.

7. Competing and complementary meanings of concentration and perceived collateral effects

The previous chapter presented the competing and complementary ways of providing explanations to the changed social relations among producers in the wake of the soybean expansion. It also discussed why increased concentration among producers appeared to have become so central in the discussion, while the concentration at other stages of the soybean chain has received much less attention. The chapter ended by concluding on the main fault lines between the divergent “explanations” provided for the concentration and what implications these have for what can be expressed about the soybean expansion. The present chapter and the next delve deeper into the views on the changed social relations among producers, but here the focus is on the “consequences” of these changes instead of the “explanations”. These two chapters will address the competing and complementary views expressed about the consequences of the “changed social relations” in the wake of the soybean expansion. It should be mentioned, however, that the boundaries between “explanations” and “consequences” are contingent and arbitrary. Most respondents talked simultaneously about causes (explanations to the changes) and effects (consequences of the changes). The two are kept analytically separate to make it easier for the reader to grasp the main fault lines involved.

Changed social relation is one the most recurrent themes discussed in relation to the soybean expansion in the public debate in newspapers and radio-programs. In these discussions there is a strong articulation among the critical accounts in which expansion is linked in a chain of equivalence to land concentration, foreignization, increased corporate control, increased dependency, displacement of “traditional” producers, sovereignty loss, rural depopulation, closing down of rural schools, unsustainable management practices and neo-extractivism. The optimist accounts partly disarticulate these relations by a re-articulation centered on the injection of new capital, flourishing rural towns, new opportunities for all producers, new technology, intensification, and value added. However, the optimistic accounts also acknowledge some of the signs linked to the soybean expansion in the critical accounts, but often dispute the meanings provided to these nodal signs and to remove negative connotations. For example, as shown in the previous chapter, concentration is explained by the “management superiority” of the

new firms and argued to be a “meritocratic” result. At the core of the disagreements there is often implicit competing values and assumptions, which often can be related to the competing main theoretical perspectives on development outlined in chapter three. The disagreements on the soybean expansion are linked to the ascribed diverging consequences for “traditional producers” and the “new agribusiness firms” involving the central question of what these subjects really represent.

The chapter is organized according to the most mentioned and discussed consequences of soybean expansion for the “traditional producers” and the complementary and competing meanings ascribed to it. This involves questions: Who has really left the activity and why? What are the wider implications of this shift? (section 7.1); what are the meanings of the main alternative activity for former independent producers? (section 7.2); what are the meanings of soybean expansion for the “traditional” producers who are currently participating in the soybean production? (section 7.3); what are the meanings of the public regulations made in relation to the increased concentration in the wake of the soybean expansion (section 7.4). The section ends concluding the complementary and competing ways of conceptualizing increased concentration in the wake of the soybean expansion (section 7.5).

7.1 “Displacement” of “traditional producers” and collateral effects

There is general agreement that the expansion of new actors have resulted in less participation of traditional Uruguayan producers. Although the respondents that are active within the agribusiness firms seldom use the word “displacement”⁵⁰⁴ they do not question the relative poor participation of “traditional” producers. It is clear that an important part of the disagreements are about the ascribed consequences for “traditional producers” providing different answers to what it means that traditional producers are leaving agriculture in the wake of the soybean expansion, and whether this group can be considered winners or losers. These questions are, in turn, intimately connected to the ways this identity (or subject position) is constructed. While many talk about “traditional producers” as if they represented a clearly defined, homogenous and given group, it becomes evident that this group is reflected upon very differently and includes diverging “types” of actors in different articulations ranging from big and

⁵⁰⁴ I use the term “displaced” since it was the most widely used term by most actors, except for agribusiness firms. However, it was clear that not all of the respondents using “displaced” seemed to use it as synonymous with non-voluntary exit, but used in a more generic sense.

landed ranchers to small sharecroppers. The question addressed in this section is “who are the traditional producers that left the activity?”

The first subsection will deal with the competing views expressed about the “displaced” producers of the Litoral. The second subsection will present the competing views expressed about the consequences of the soybean expansion for the traditional ranchers. The third subsection presents the competing meanings of rural depopulation and migration to the cities as the result of decreasing participation of “traditional producers” and the new dominating model of soybean production. The fourth subsection outlines some of the main policy regulations as an explicit response to increased concentration among producer and some of the main competing reactions on the same. This section will outline the main patterns for the competing and complementary meanings expressed relating to decreased participation of “traditional producers” and its most frequently mentioned collateral consequences.

7.1.1 How small is small?

Soybean expansion in the most critical accounts has implied big agribusiness firms displacing small producers and monoculture displacing diversity. An illustrative example of this understanding comes from an interview with the president of CNFR, who expressed the main features of the soybean expansion in Uruguay in the following way:

“It was so fast and so explosive. I do not know any country in the world with such a rapid expansion of a crop as the soybean in Uruguay... This has of course multiple effects. The most evident is the displacement of the persons and the sectors in those lands before these new actors started to produce soybeans on them [...] So, I would say that the basic problems generated by the soybean expansion are extreme concentration, expulsion of family producers, foreignization, and the genetically modified production” (President of CNFR 2009-03-05)

This quote summarizes the basic view on the soybean expansion expressed by CNFR, in which it is made equivalent with displacement, among other things. In this quote, and in many other written texts published by CNFR as well as by socio-ecological NGOs, displacement is in turn made equivalent with social exclusion, marginalization, and loss of control and power of the displaced producers.⁵⁰⁵ This way of seeing the main consequences of the soybean expansion on for “traditional” and in particular “small” producers

⁵⁰⁵ See: (Domínguez and Sabatino 2006, Uruguay 2007, Blum, Narbondo, and Oyhantcabal 2008, Blum et al. 2008, Flavio Pasos 2008). See also publications at Ecoportal.net.

was not only expressed by CNFR but also by the socioecological NGOs, researchers, and sometimes by the “traditional producers” interviewed. The quote below is an example of this way of reasoning from one interviewed family producer of the Litoral:

“This soybean expansion results in displacement and marginalization of people, particularly the small- and medium-size producer. And we know that marginalization leads to other consequences such as poverty.... Delinquency.... And all that broad spectrum of effects” (Mixed family producer 2008-08-12).

In the most optimistic accounts decreasing participation of “traditional producers” in crop production is mainly the result of “traditional” producers choosing to live well and avoid risk by renting out to others, or solving problems of indebtedness by selling the land, or “adapting” to the new opportunities by specializing into providers of agrarian services to third parties. These dichotomous and incommensurable understandings about the consequences of the soybean expansion for the producers exiting the activity (ranging from marginalization to economic gains) were found to be intimately linked to who the producers were that have left the activity. The optimistic accounts rely on a narrative in which the producers are described as having “chosen” to leave the activity. Accordingly, it depends on a construction of the producers as agents with alternatives and/or assets that can be transformed into options. Whereas the critical accounts rely on a narrative in which the “displaced” producers are characterized as victims of a process that allowed for no other alternatives, and consequently they are described as small and without assets. In this way, the diverging views expressed about the consequences of the soybean expansion for the producers who left activity is intimately tied to the divergent ways of characterizing this group.

The most critical accounts often represented by the socioecological NGOs and CNFR, generally portray the “displaced” producers as mainly small and family farmers who were independent food producers before the soybean expansion. They are also often described as representing a radical different way of producing and commercializing agriculture than the agribusiness firms. Whilst the family producers are reflected as mostly self-reliant, food sovereign and respectful to the land (producing healthy food in diverse systems on small plots with an important amount of self-sufficiency⁵⁰⁶), the agribusiness firms are reflected upon as profit maximizing with no respect for land, people, nature and health.⁵⁰⁷ This view of the family producers in

⁵⁰⁶ See for example: (Oyhantçabal and Narbondo 2011).

⁵⁰⁷ See the audiovisual films published by Redes, “Efectos colaterales: Testimonios de afectados y afectadas por el agronegocio en Uruguay” 2011.

Uruguay in relation to the agribusiness firms was not supported in most of the stories narrated by other respondents on this matter. Instead, the majority stressed that the “traditional producers” who left were already relatively big, capitalized, mechanized, technical and market oriented in comparison to the producers that were historically “displaced” in Uruguay.

On the contrary, the respondents involved in the big agribusiness firms often remarked that many of the “traditional producers” were not victims but rather winners of the soybean expansion as illustrated by the manager of El Tejar:

“There is a strong process of concentration in the productive phase and an important increase in leasing out the land for cultivation. In this way, many persons that own land have stopped producing and now live from the land rent instead, and they are living very good [from it]” (Country manager of El Tejar 2008-02-19).⁵⁰⁸

While the new firms acknowledge that producers have left cultivation activity, they remark that many producers have done this out of own choice and have been well compensated for it. In addition, those leasing out the land are argued to be able to stop leasing and produce the land for themselves if they so choose. Agribusiness firms are not the only ones who rejected the vision provided about the “displaced” traditional producers in the most critical accounts. In response to the critically expressed view of displaced small producers as representing a producer almost no assets, the vice minister of MGAP argued that such a view was a false construct based on a “Latin Americanization” of Uruguayan agrarian context that did not correspond to the Uruguayan social reality (Vice-Minister of MGAP 2009-02-19, Oil-seeds and agro-industrial specialist at Opya-MGAP 2010-12-08). The Vice-Minister of MGAP further claimed that many of the most critical perspectives on the soybean expansion stressed social consequences that were valid for the soybean expansion in Bolivia, Brazil or Paraguay, but not for Uruguay. According to him, the consequences of the soybean expansion in Uruguay differed from those places in many ways because Uruguayan small

www.construyendosoberania.org/2012/03/27/efectos-colaterales/#more-651 (Accessed in August, 2014)

⁵⁰⁸ Staff of ADP, however, acknowledge that increased competition for land sometimes put them in a difficult situation as the firm competes for land with traditional producers and is also an important buyer of grains from the national producers (which they later sell FOB to the big traders in the port): “To be a producer firm and at the same time have clients that are producers sometimes creates some tensions, particularly as there is a lot of competition for land. In this way, the perception of the soybean expansion between soybean firms and soybean producers may vary dramatically” (ADP 2007-11-27).

producers were not *campesinos*,⁵⁰⁹ but rather capitalized firms inserted into capitalist markets and with clear property rights (suggesting that the *campesino* were subsistence farmers with no assets or technology and with unclear claims on land).⁵¹⁰ In a similar way, the oilseeds specialist at the office of policy and planning (Opypa) of MGAP argued that the really small crop producers had already disappeared from crop production long before the soybean boom, and that “small” was a relative concept:

“Everything looks rather small at the side of firms with more than 10,000 hectares, but many of the “small” crop producers that now left activity in the Litoral are actually quite big and capitalized in a regional and historical context” (Oil-seeds and agro-industrial specialist at Opypa-MGAP 2010-12-08).

The core message of here was that the producers of today were bigger and in several ways quite different from the ones historically being “displaced”.⁵¹¹ This construction of the current “displaced” producers as bigger and more capitalized in relation to earlier “waves of expulsion” was provided by the majority of the interviewed independent crop producers of Litoral. The grain cooperatives approached in this study said that most of their members ranged from 200 to 1000 hectares, and that most producers with less than hundred hectares had already been displaced, before the expansion.⁵¹² They also said that among the producers who had registered units smaller than 200 ha mostly managed several units as one single productive unit, but had registered them on different owners for tax reasons.⁵¹³ In an illustrative way, the director of the seed cooperative Calprose remarked that while historically the

⁵⁰⁹ The majority of national researchers have argued that the Uruguayan small and family producers are too capitalized and too integrated into capitalist markets to be labelled “campesinos” (see for example Piñeiro 1991; 1994).

⁵¹⁰ In this way, they rejected the equivalences created by the socioecological NGOs, where the social consequences of the soybean expansion in Paraguay, Bolivia, Brazil, and Argentina are constructed fundamentally equal to those in Uruguay.

⁵¹¹ According to the oil-seeds specialist, the small crop producers (less than 100 hectares) lost access to land already in the 1960s and 70s as a direct consequence of the abandonment of public support (Oil-seeds and agro-industrial specialist at Opypa-MGAP 2010-12-08).

⁵¹² Here illustrated by Fernando Pastore: “When I studied at FAGRO [Udelar, he graduated 2001], it was the same trend. There is less and less producers of less than 100 ha left, and the cultivations are all the time more and more concentrated. Now, these past years have been brutal. In only a very few years so many have disappeared, as the land values started to go up so fast” (Fernando Rodríguez Pastore 2008-02-11)

⁵¹³ Besides the interviewed respondents at the grain cooperatives, also the interviewed individual producers mentioned that some of the hectares they managed were actually registered on their wife, brother or child because of tax reasons or because of inheritance matters. They were nevertheless managed as one unit. Larger units in Uruguay have to tribute IRAE, while under a certain break the producers pay tribute IMEBA.

losers of concentration were the small producers displaced by other Uruguayan producers, today it was quite big producers who were leaving the activity and paid a good price for doing so:

“If there was a producer here with 200 or 5,000 hectares, he got the land of the one that had 10 or who had 8 ha. These very small producers historically moved to the poorest part of the city, what we call *cantegriles*.⁵¹⁴ Today, the Argentineans are not coming to buy 8 ha, nor 10... They have another focus. I was in Buenos Aires the day before yesterday talking about these issues. One person in a big firm told me: “we want to go to Uruguay, but perhaps it is too late. We want to go to Uruguay but we find no land when searching for fields from 1,500 ha and up”. Evidently, there is a lot of interest for the big plots... I don’t know whether to call the ones leaving these plots as losers. Probably for the maintenance of the system yes, but surely he is at peace in his house with all his debts paid and he is fine with the years he has left... I don’t know what his children will do, but that is another issue” (Director of Calprose 2007-11-29).

According to the director of Calprose and others there is an important shift in the “displacement pattern” where many of the producers who sold their land to Argentineans represented a segment of family producers who were very well paid for leaving the activity. Thus, the interpretations of what it really reflect and mean to have left agriculture for the “traditional producers” diverge substantially. The articulations range from the view of the displaced producer as a mere victim with no assets to re-route, to the responses of agribusiness stressing that part of the displacement was the result of either traditional producers seizing the opportunity to get rid of debts and live well without worries, or to re-insert themselves in a less risky position as specialized service providers. In between these extreme positions, many respondents expressed views including elements of both. Accordingly, many started out talking about the traditional producers who left activity as something sad and a loss, but when talking more in detail and depth about the implications, almost all producers also mentioned differentiated consequences for different types of producers depending on financial situation, size of farm, type of land access, personal network, skills, luck, age of producer and willingness to work. Differentiated consequences between cropland owners, who leave the activity for a while renting out the land for a high price, or for good by selling, and sharecroppers who leave the activity because lost access to land

⁵¹⁴ The *Cantegril* is a type of shantytown, mostly referring to informal settlements in Montevideo where historically the majority of the population come from the countryside. Although migration of rural poor to the cities has long historical roots (often referred to “*latifundio* induced migration in the beginning of the 20th Century”) it peaked in the second half of the 1980s. See Alvarez (2007).

and receive nothing, were thus stressed.⁵¹⁵ This was also expressed by researchers, for example by the dean of FAGRO of the state university, Udelar, when talking about the particular displacement pattern of the soybean expansion:

“Really, what is left in Uruguay of small family producers, are cattle raisers, mostly *criadores*⁵¹⁶. Actually this group has never been oriented towards cultivations and they probably suffer more from the expansion of forestry than from the soybeans. No, the ones that have lost space with the soybean expansion are the traditional sharecroppers” (Dean of FAGRO and soils professor 2007-12-04)

As the above quote illustrates, the researcher stressed that small family producers had not really been “displaced” by the soybean expansion, at least not directly, since this group had ceased to participate in crop production long before the expansion. He also mentioned that while traditionally the small arable plots had the highest value per hectare, now the relationship was inverse, indicating that demand was higher for bigger plots,⁵¹⁷ and he also referred to the statistical report from DIEA-MGAP⁵¹⁸ (Dean of FAGRO and soils professor 2007-12-04, Grosso and Saavedra 2010). In this way, the alternatives available varied substantially between the former producers who could live well from the land rent and the former sharecroppers who simply lost access to land without any monetary compensation.

⁵¹⁵ Given that the interviewed respondents representing the “traditional” producers were rather few (17 interviews, of which 9 are individual producers), it is not possible to say anything about the extent to which their own economic position (as owners, leasers, amount of land, quality of land, degree of indebtedness) correspond to any particular perception of the meanings of displacement. However, it did become clear that independent of their economic conditions almost all producers expressed views containing elements from both the main arguments of the agroecology discourse and the liberal discourse, although the exact weighting of these elements varied substantially. All interviewed respondents have discussed the soybean expansion with other producers in both formal (such as in work-shops and seminars organized by local producers’ organizations and/or cooperatives) and informal settings (with neighbors and with others at market sales, etc).

⁵¹⁶ The “criadores” (cow-calf-operators in the US) are specialized in producing young beef cattle usually sold in auctions to other producers specialized in the fattening “*invernada*”. The “*cria*” operations are generally based on pasture, while the *invernada* or finishing usually supplement more with grains, although still at low levels in Uruguay.

⁵¹⁷ The researcher explained that the price per hectare for the bigger plots ranged around USD 200 to 3,000 more per hectare compared to the small plots of the same land quality (measured in the index of CONEAT). According to the researcher this data had been presented and analyzed at the inter-ministerial meeting of the National Agrarian Council in which he represented the university (UDELAR).

⁵¹⁸ According to national statistics, in absolute terms there are fewer than 200 producers with less than 50 ha and only 500 soybean producers with less than 200 ha (DIEA 2011).

It is clear from the preceding chapter that traditional sharecroppers of the Litoral are most frequently mentioned as “victims” of the expansion as they lost access to land without getting any compensation for it. The big crop firms tended to be rather silent about this group and preferred to talk about traditional producers as they all owned a piece of land when possible. When the new agribusiness firms were specifically asked about the consequences of the soybean expansion for the traditional sharecroppers, they acknowledged that many had difficulties in getting access to land, but they still did not explicitly consider them as “victims” or “losers”. Instead, they remarked that the sharecroppers had assets such as machines, know-how, experience and networks, which could be successfully diverted to new business opportunities by entering the productive chain in a new role: as service providers (Country manager of Cargill 2007-11-26; oil-seeds specialist Opya-MGAP 2008-02-17; Director of CUS 2008-12-11). None of the respondents knew about exact figures of the producers who left the activity and ending up providing services to others. Whereas almost all producers, firms and cooperatives claimed that the majority of the “displaced” producers (who had not retired because of age, or had not made enough money to do nothing) were now providing services to others. This new form of incorporation into the value chain is yet another arena for competing meanings in which it is sometimes described as a new arrangement allowing former producers to continue to sow, fumigate and harvest, without taking so much risk. And at other times it is described as a loss of important decision making capacity and autonomy as well as increased dependence on a bunch of actors that may chose to leave at any time. These competing meanings will be outlined in section 7.2.

The main picture provided by grain cooperatives, individual producers, politicians, researchers and public officials is that the producers displaced today by the expansion are more capitalized than their historical counterparts, and that the increased land values made possible a “comfortable exit” for all producers that had arable land to sell. However, almost all of these respondents still described this “exit” as a loss for the producer and claimed that it was most often non-voluntary. Although many argued that individual producers owning land (even small) could receive monetary benefit from the rising leasing prices, they still claimed that in most known cases the producers would have preferred to continue as independent farmers. Leasing out or selling was most often understood as a response to necessity rather than free choice, and the term “displacement” was mostly used to describe the process of producers leaving the activity. Many underlined the loss of producer identity as difficult to bear for the individuals irrespective of economic gains or losses. Besides the personal losses, the displacement of traditional producers was argued to imply loss of a stratum of producers with experience, skills and know-how. In addition, the “displacement” of “traditional” producers was also described to imply rural depopulation (see subsection 7.1.3). The

next subsection will deal with the complementary and competing visions of the implications of the soybean expansion on the traditional rancher who has not generally participated directly in the soybean production.

7.1.2 The traditional ranchers – winners or losers?

As we saw in chapter six regarding explanations provided for the changed social relations among producers, the respondents representing Cargill, Dreyfus, Marfrig, ADP and El Tejar recurrently reflected upon the mentality of the ranchers as backward and incompatible with the new grain expansion and its “dynamism”. When the director of the meat company Marfrig was asked about the producers who were leaving the agrarian activity in the wake of the soybean expansion (both crop, dairy and livestock producers, but in this case particularly talking about the ranchers), he acknowledged that many “traditional” ranchers were losing positions was the best change that could ever happen to Uruguay:

“Who stays in the market? The professional business segment remain; those with great bargaining power, those who can negotiate price, those who can take positions on the future market, and for this you evidently need an important level of scale” (Director of Marfrig 2009-02-26).

The director argued that due to the expansion there was finally an increase in competitiveness and the less competent producers were disappearing from the market. He also emphasized that in order to compete with the production in Argentina and Brazil, the Uruguayan producers needed greater economies of scale to compensate for the higher costs in logistics and energy in Uruguay. While the head of Marfrig in Uruguay expressed that the soybean expansion was beneficial to the livestock sector, he also acknowledged that the changes that benefitted the sector as a whole did not necessarily benefit all individual ranchers involved in the sector. In contrast, there seemed to be total harmonization of the interests of “the sector” and those of the new crop firms.

The country manager of Cargill expressed that the “traditional” big extensive rancher was the actor with most difficulties in adapting to the changes as it represented a different system of production. When specifically asked if the big extensive ranchers were to be considered as the main losers of the changes, he answered in the following way:

“Probably. Because they are interested in status quo and want to maintain their social standard..., but that[owning inherited land] is not a guarantee anymore because the productive system that we

were used to – extensive and low investment - is not compatible with high values on the land and the high rents of today” (Country Manager of Cargill 2007-11-26).

The Cargill country manager suggests that the big ranchers can be seen as the biggest losers of the changes brought by the soybean expansion. A similar conclusion was expressed by the staff of ADP.⁵¹⁹ This view is not only in sharp contrast to the vision expressed by CNFR (stressing that the family producers are the biggest victims always and everywhere of the soybean expansion), but also in contrast to the general win-win “trope” often stressed by the new productive firms. Quite contrary to the interpretation of the country manager of Cargill, the same for El Tejar opines that although everybody could benefit from the soybean boom in absolute terms, the biggest gains in relative terms were made by the traditional elite of landed ranchers. His main argument was that most of the soybean expansion has taken place on leased and not owned land, which has allowed for the traditional land owners to rent out land for several at much higher prices than before the expansion, and without making any improvements or investments on the land. He remarked that this group had enjoyed “the fruits of labor” without laboring themselves in contrast to the new big crop firms as the real generators of wealth (Country manager of El Tejar 2008-02-19). The agribusiness firms tend to echo the immanent, market-led development view in which “meritocracy” or own merit and hard work stand out as a nodal value (see Chapter 6). This value is recurrently drawn upon and used as a guiding principle for what is considered legitimate and just. Within this value scheme, inherited wealth is not seen as particularly legitimate. The new crop firms frequently underline how they started out with nothing and contrast themselves with the landed ranching elite. It is also interesting to note that the conclusion of the employee of El Tejar is that the big ranchers were benefitting from the crop expansion while the conclusion of the manager of Cargill was the opposite. Nevertheless, both still reflect and reconstruct the traditional landed elite as conservative and reluctant to hard work (in contrast to the visionary and hardworking new crop firms; the “true” generators of wealth). I will come back to the identity construction of different subject positions involved in the discursive field in chapter eight when dealing with the competing meanings of “foreignization” of land.

Even if the traditional ranchers were described as main “winners” or “losers” of the soybean expansion, all agribusiness firms agreed that the livestock sector could potentially gain much more from the “boom” if ranchers

⁵¹⁹ One illustrative quote: “The livestock sector and the ranchers have been a little replaced, it is because of the economic logic of the price relations. The land rents have gone up a lot, and the extensive livestock model becomes difficult. In reality now the path forward as I see is that the people start to enclose the livestock moving towards feed-lot” (ADP 2007-11-27)

and meat firms were willing to change and adapt to the new scenario. There is agreement throughout the field that the livestock sector in Uruguay in general lost land to crops in the wake of the expansion.⁵²⁰ This has also received a lot of attention in national media, particularly during 2006 and 2008, when the expansion started to be given more attention in the national news media (based on my surveys of newspapers and radio, see chapter on research design and methods). But, in line with the win-win trope, El Tejar and ADP have put quite a lot of emphasis in communicating that their firms do not pose any threat to ranchers or family crop producers. For example, the staff at ADP expressed that hike in land prices were not compatible with the historically dominating extensive livestock model, and that the producers should start enclosing their livestock and move towards feed-lot to be profitable (ADP 2007-11-27).

This kind of intensification (with fewer hectares of pastures per head) requires increasing the supply of animal feed, for example fodder with soybean meal as important ingredient in the mix.. Thus, ADP and El Tejar have stressed a new type of complementarity between the sectors and they have had commercial campaigns with different slogans such as “more crops mean more livestock”⁵²¹ (ADP 2007-11-27). In addition, they have initiated different kinds of collaboration projects with the meat processing company, Marfrig, selling feed to the meat producers linked to the meat company.⁵²² El Tejar also started to offer “integral solutions” (feed) directly to individual ranchers, and between 2009 and 2013 it expanded rapidly into livestock production on its own. El Tejar produced bulls and heifers both on pastures (considered not apt for crops) and increasingly in feed-lot systems.⁵²³

The director of the meat company Marfrig agreed with the notion that the soybean expansion was beneficiary for the livestock sector and he talked a lot about how the soybean expansion had forced the Uruguayan ranchers to become more competitive:

⁵²⁰ Since 2000 the livestock sector is estimated to have lost one million hectares to soybeans and forestation in the past decade where the most productive land has been converted into crop land.

⁵²¹ “Más agricultura es más ganadería” (ADP announced in Blásina, 2009). When ADP entered a partnership with the slaughterhouse Marfrig this slogan was also used. This was communicated at the firm’s website <http://www.adp.com.uy/notas.php?pagina=33> (2008-01-01). It was also published in the Magazine of Marfrig, March 2008, number 26, under the title “More agriculture is more livestock – A business where everybody win” www.ft.com.uy/downloads/.../Marfrig26.pdf (2012-10-18).

⁵²² Interviews with ADP; the country manager of el Tejar; the director of Marfrig. See also “Marfrig Campo”, Año 4, N 40, July, (2009) www.ft.com.uy/downloads/marfrigcampo/Marfrig40.pdf (Accessed in June, 2014)

⁵²³ In 2013, El Tejar had in feedlot 9,500 head made up of 50 percent steers and 50 percent calves. <http://farms.uy/2013/07/el-tejar-uruguay/>.

“The soybean boom has showed the Uruguayan livestock producers that the market works and that Uruguay can be competitive if it is willing to take risks. With all the problems we have of being an expensive country anyone can see that it is a deficit country, and that the state needs to take resources where it best can. That is the reality, but still there is opportunity for business” (Director of Marfrig 2009-02-26).

As illustrated in above quote, the director of Marfrig expressed strong adherence to the basic values of the immanent development perspective of functioning markets and the need of risk taking even though he also expressed that in a deficit country as Uruguay the state needs to take resources where it can, which also justifies high taxes (although he also mentioned several times that the state was excessively big and costly). He stressed how firms like ADP and El Tejar provided possible help to develop the sector in the right direction as they could provide feed. The manager of Cargill also stressed the intensification of meat production as one of the main benefits of the soybean expansion, and those ranchers who were willing to leave behind the extensive and risk minimizing productive system had benefited:

“All parameters have improved: production, reproduction, calves, more meat... As land prices have increased the cattle have less land, they are in smaller plots with sorghum and improved pastures, more controlled, better technique, more work, less space, more intensive. The pasture is still the base, but it is increasingly complemented. With less land we now have the same amount of heads... Legumes, white clover and lotus are cultivated into the natural pastures, which we call improved natural pastures, and the land is now fertilized. This is very interesting, because, according to my understanding, the productive culture brought by the soybean leads to a general intensification, which in Uruguay was really low”⁵²⁴ (Country Manager of Cargill 2007-11-26).

⁵²⁴ The Country manager of Cargill Uruguay:

Country manager: Today the cultivations are the protagonists, and the livestock producers who always could live well from their extensive production without having to work much, today they have to work in order to stay in business and they are not used to that

Researcher: So if we are talking about winners and losers, they are perhaps the losers?

Country manager: Probably. Because they are interested in status quo, they want to maintain their social standard...

Researcher: So, to have many hectares is in itself not a guarantee anymore....

Country manager: It is not a guarantee, because the productive system that we were used to - extensive, of low investment rate - is not compatible with high values on the land and the high rents of today. Before in Uruguay it was always a better business to buy an additional piece of land then to invest in the land to make it more productive

This argumentation that the livestock sector and essentially all agrarian sectors have mainly benefitted from the soybean expansion, despite increased competition for land, also have been benefited by the soybean expansion in multiple ways, is expressed by various subject positions representing the government and the state. For example, the oilseeds specialist of the policy and planning office (OPYPA) of MGAP, argued that the increased land prices had created important incentives for intensification and he underlined that most ranchers had benefited by the increasing land values that enriched all landowners without any effort (as also mentioned by the country manager of El Tejar). In addition, the Opypa-specialist claimed that the big changes in management forms had benefitted the livestock sector and increased the productivity of all agrarian sectors - specialization through the use of sub-contracts, information technologies and grains as supplement to pastures (Oil-seeds and agro-industrial specialist at Opypa-MGAP 2010-12-08). Moreover, he mentioned that the severe drought in 2009 clearly showed some of the benefits of the recent changes:

“The drought was really bad, but it would have hit much harder before, because now the producers knew how to supplement with any type of forage. There is a new culture, new knowledge and new infrastructure. It really makes the difference. The MGAP could never in any support program for the victims of the drought be equally effective. The best thing to do [for the state during a drought], which was what actually happened, is to give producers credit so that they can buy their rations” (Oil-seeds and agro-industrial specialist at Opypa-MGAP 2010-12-08).

The Opypa-specialist expressed that the soybean expansion implied important beneficiary changes for the whole agrarian sector, boiling down to “a new culture, new knowledge and new infrastructure”, referring to abandoning exclusive reliance on pasture and increased supplements, new silos and grains available in “livestock-area”, specialization and more business-oriented management (professionalization). It is interesting to note that the specialist at Opypa-MGAP finds that no support program of MGAP (state-led intention) would have been equally effective in alleviating the consequences of the drought for the victims as the changes brought by the crop expansion had been (market-driven immanence). The best thing to do for the state, according to him, is to provide the means through credits to help producers solve their problems through the market (buying feed). Although this respondent was approached in his role as specialist within MGAP and representing the same in both MTO and the inter-ministerial oilseeds value chain project under OPP, his way of reflecting upon the market and the state seems to be more in line with the immanent approaches on development, and particularly the so-called “post-Washington Consensus paradigm” rather than the traditionally more state-interventionist intentional perspectives.

The dominant message from both agribusiness firms and the state is that the soybean expansion has led to intensification of the meat production, which has been a frustrated goal throughout the 20th century according to the mainstream narrative of agrarian history. Intensification is linked to modernization, and modernization is reflected upon as an essential factor for development by almost all actors within the discursive field. This notion is in line with both the immanent and intentional development perspectives presented in chapter three. However, a few articulations within the field rejected “modernization” as a desirable end for the country. These were most often expressed by the socioecological NGO’s who instead mainly reflected a development vision in line with the localist approaches within the post-development thinking.

The organized voice of the traditional ranchers themselves have been somewhat fragmented. The traditional ranchers are mainly organized in the two powerful producer organizations and pressure groups, ARU and FRU. They are both described to primarily represent the interest of landed ranchers. Previous historical research on these organizations and my own study of their produced texts published in websites, communiques and expressed in national media, provide a clear picture about their main articulations in relation to agrarian policy, as centered in reduction of the state-apparatus, tax reduction and general liberalization (Riella 2004, Noticias 2009, Lussich 2009, Barreneche. E and Iglesias. D 2009, FRU 2009, 2008). As I mentioned in chapter five, the organizations are also described in previous research to have taken co-supportive and complementary rather than competing roles (in which FRU is described as more “combative and ARU more “technical”). However, the organizations have articulated rather different positions considering the soybean expansion. Between 2002 and 2010 ARU has not articulated any negative positions regarding the soybean expansion and the arrival of new firms in any public declarations. Nevertheless, FRU has on several occasions strongly rejected the expansion and urged the state to take action to protect the “national producers” (FRU 2008).⁵²⁵ When the President of FRU was asked about this matter, he provided the following explanation:

“In the first years of the soybean expansion before the financial crises in 2008, soybeans advanced at a pace that was incredible and it seemed like there was no limit, and the producers felt threatened. Because this phenomena was associated with the displacement of producers, particularly small and medium size producers and the dairy producers because the rents paid for soybeans were so much higher than for any other activity. And at the same time, forestation was advancing with yet another set of big foreign ac-

⁵²⁵ The positioning of FRU will be explored further in the coming section dealing with foreignization.

tors behind... So you saw all the big firms arriving, changing everything, and the rural people had to migrate into the town because they could not remain in the rural areas. So, in the beginning everybody was afraid... [...]. We want the rural family to continue living in the rural areas, because it is a way of life and these big firms came and wiped out many families [...]. But at the same time, there are cases like myself, a livestock producer, who can rent out a piece of the land to the soybean producers... And we also see opportunities with the soybean expansion because even the soybean producers know that sooner or later they need to rotate with something else than only wheat and there the sorghum might enter, and the sorghum is good for the livestock. [...] So, at first everybody was afraid of the displacement and saw this new scenario as a threat, but now after the financial crises when all prices fell, people stopped talking about that and instead became more worried about what would happen with land and leasing prices if the new actors would leave” (President of FRU 2009-03-03).

The above quote from the president of FRU illustrates a shift in the positions taken within the organization in relation to the soybean expansion that I had identified in their public texts before the interview. This acknowledged shift in perception of the soybean expansion linked to a change in perceived threats in the wake of the financial crises illustrates the fluid character of the understandings and articulations of the changed social relations in the wake of the soybean expansion. Thus, with the onset of financial crises, the expressed fear of rapid expansion of strong foreign firms shifted into fear of possible rapid retraction. The quote is also very illustrative of the dual identity construction of the “we” of FRU, which often express adherence to “pure” market logic in which the producers are mainly described as “rational” business entities seeking new opportunities to maximize margins. At the same time, the producers are frequently reflected upon as driven by tradition, patriotism and commitment to the land, rather than by profit maximization. In the above quote, the FRU leader talks about the importance of letting the rural family to remain in the countryside for strictly non-pecuniary reasons “because it is a way of life”. Besides the dual identity construction of businessmen working to maximize profit versus committed producers working for the sake of public interest, the quote from the president also illustrates how the ranchers owning arable land (as in his case) still prefer to lease out the land to others to do the cultivations rather than doing it by themselves.

However, the opportunity to lease out part of the land is not open for all members of FRU,⁵²⁶ but particularly benefits the group with the most and the best land. This is the same group whose interest traditionally has reigned in

⁵²⁶ FRU is a complex organization of second grade with quite strong local groups as members representing producers of all sizes and sectors all over the territory (although the new foreign firms have not integrated the organization).

both FRU and ARU, according to the researchers of rural sociology Riella and Andrioli (2004). It is thus possible that the group of producers benefiting most from the soybean expansion have had the power to (again) increasingly hegemonize the organization's articulations. Throughout the interview with the head of FRU, he mostly talked about producers as sharing same interests and faithful to tradition. But he also hinted differentiated realities among the producers mentioning both the displacement of small and medium size producers as well as dairy producers and producers, like himself who own land and have leased out the arable parts to the new grain firms (El Tejar in his case).

The fact that time goes by can probably also affect the perceptions of the changed social relations in the wake of the soybean expansion. After almost a decade since the beginning of the soybean expansion, the “new” foreign and big actors probably appear as less new, less foreign and perhaps even less big, as time tend to normalize and naturalize everything.⁵²⁷

7.1.3 Rural depopulation and closing down of rural schools, or flourishing rural towns?

When the “traditional” producers leave the agrarian activity most were described to at the same time leaving the country-side and moving into rural towns or the big cities. This was expressed by the president of Cadol, in the following way:

“Of the people renting out their farms, only very few stay on the *Casco de la estancia* [ranch house], but most of them move to town. Most don't even stay in *Dolores* go to *Montevideo* or to *Punta del Este*⁵²⁸. This is clearly so, as I tell you “ (President of Cadol 2008-02-11).

Many respondents representing producers, cooperatives, scholars, public officials and NGOs mentioned that rural depopulation was an increasing concern in the wake of the expansion of the new soybean model, since the producers leave the countryside and the people working in the new firms tend to live in towns. Both the traditional producer organizations (ARU and FRU) have also expressed worries about this and the respondents mentioned in the interviews that they were experiencing an erosion of membership in

⁵²⁷ This “normalization” process is probably at play in most actors, and it was perhaps accelerated by the increased volatility perceived by many after the financial crisis. Nevertheless, I have only had the opportunity to see this among respondents that throughout the period had been active in the public debate (through declarations, communiqués, public records and media), while for most respondents I only have one frozen moment in time as source of their articulations, which is when I conducted the interview.

⁵²⁸ One of the most exclusive and well-known resorts in Uruguay.

certain areas, and that some local association had difficulties in surviving as the only persons sometimes seen were the agronomists of the big firms “but never the owners” (Board member of ARU 2009-03-03). The former president of ARU, and current board member, provided his family history as an illustration for the continuous de-population:

“My grandfather belonged to the “Young” family who first settled in the area that became the city of Young.⁵²⁹ Also my father’s side of the family arrived early to Young from Great Britain. From these families today - of cousins, uncles and the like - there is no one left in the area. When I was a child we were all friends. We had many neighbors; the people lived in their *estancias*.⁵³⁰ Already in the 1980s many had problems with the crash of the *tablita*,⁵³¹ but now these last years, everybody who remained have disappeared. My current neighbors are firms”(Board member of ARU 2009-03-03).

Above quote is an illustrative personal testimony of the depopulation of rural areas that began decades before the expansion, but accentuated since then.⁵³² As mentioned earlier, ARU has never antagonized the expansion, but can still express nostalgia over the changes over time. Similar stories linking the displacement of traditional producers to depopulation of the countryside are recurrent and widely diffused among producers and producers’ organization. In this way, the loss is often understood as more important for the social “system” or the model as a whole than for the individual producers who formed part of this (now eroding) model, at least in the Litoral area.

The most critical accounts of the soybean expansion provides a strong articulation in which the soybean expansion is coupled with the exclusion of

⁵²⁹ A small city in the heart of the soybean expansion in the Litoral state of Río Negro.

⁵³⁰ Manor or cattle ranch.

⁵³¹ During the military rule, a conversion table (la tablita) of the future value of the US dollar was published daily by the government and the Uruguayan peso was linked to it. In 1982, in the aftermath of the Mexican default and the sudden stop in capital inflows, the tablita was abandoned and the currency was allowed to float. It was dramatically devalued with the real exchange rate depreciations at 100 percent throwing thousands of companies and individuals into bankruptcy (who held debts denominated in US dollars). The GDP fell by 20 percent and the foreign debt rose rapidly from USD 1,000 million in 1976 to USD 4,000 million in 1984. Sudden and abrupt withdrawals of bank deposits by both residents and non-residents resulted in nationalization of banks (See IMF working Paper, 10/60 2010 www.imf.org/external/pubs/ft/wp/2010/wp1060.pdf).

⁵³² This trend of rural depopulation in Uruguay has been clear for a long time. In absolute terms the rural inhabitants have been decreasing constantly over the past 50 years (504,251 inhabitants in 1963 and only 251,744 in 2010, referring to disperse rural areas or rural towns with less than 5,000 inhabitants. See index Mundi, based on data from United Nations, World Urbanization Prospects <http://www.indexmundi.com/facts/uruguay/rural-population> (2012-09-19).

family farmers and the depopulation of the countryside, which in its turn is understood to enter a vicious cycle. This is often expressed by the ecologist movement and CNFR. One illustrative example comes from RAP-AL:

“The model that has taken root in our country is based on industrial scale production without farmers, where the farmers and their families find themselves hemmed in and forced out, left with no alternative but to move to the towns and cities” (RAP-AL Uruguay 2009).

As expressed in the above quote, and in many texts from agroecological NGOs and CNFR, there is a strong claim that the soybean production has displaced producers and linked to rural depopulation. The soybean firms that took their place are seen to only generate wealth for the firms and almost no employment generation. In this way, the rural space is understood as increasingly impoverished, empty and deprived of knowledge, tradition and social cohesion.

A nodal sign in the critical articulations of depopulation caused by the soybean expansion is the closing down of rural schools. In this sense, according to the NGO “Pesticide Action Network Latin America of Uruguay” (RAP-AL), the current agribusiness model has implied that:

“The rural schools which should be a symbol of development and transmitters of knowledge about family farming and protection of biodiversity increasingly find themselves in a situation of vulnerability” (RAP-AL Uruguay 2009).

The RAP-AL quote is a clear illustration of how the development role of the rural school is appealed to and taken for granted. In the same way, CNFR has stressed that the current agribusiness model linked to the soybean expansion poses important threats to rural schools because of the displacement of producers. In a 2009 publication about differentiated public policies for family agriculture, CNFR underlines the key role of the rural schools for development and social justice, and urges the government to support it more and analyze the consequences of their disappearance from some areas (CNFR 2009).⁵³³

The focus on the closing down of rural schools is probably effective to evoke sympathy of the general public in the critique of the soybean expansion, since the rural school has for long been an important symbol of the Uruguayan “modern” and emancipatory project. It is particularly associated

⁵³³ CNFR further refers to historical decisions concerning the rural schools and claim that agreed norms for the rural schools, as cooperation and solidarity (from the Rural Schools Program taken 1949), need to be strengthen

with José-Pedro Varela's⁵³⁴ mass education reforms in the late 19th Century encompassing a free, secular, rationalist, compulsory, independent and egalitarian public education. These ideas were implemented in the expansion of the Uruguayan welfare state and its tradition of social protection and reform under the frame of *Batllismo* in the early 20th Century.⁵³⁵ From early Uruguayan history the function of the rural school was understood to transcend the education of rural children to promoting local development, well-being and constant worries of depopulation (Limber Santos 2006). In this way, the rural school became strongly associated with the expansion of the Uruguayan welfare state. When writing about the current (2005) situation of the rural schools, the Uruguayan sociologists, Alberto Riella and Rossana Vitelli, link the more than 1000 rural schools in Uruguay⁵³⁶ to the creation of social capital in the rural space. They claim that the school in depressed rural areas with weak social networks is the most important vehicle for change with the capacity to generate collective resources through the participation of the whole community, and to produce endogenous capacities for sustainable social planning and territorial development. They further argue that the rural schools create possibilities for "the construction and access to a real citizenship in places where this shows severe limitations. The suppression of these public spaces reduces the opportunities for territorial development and welfare for all social groups alike" (Riella and Vitelli 2005). The sociologists' ideas concerning the rural school are illustrative in showing how the rural school forms part of the country's cultural heritage. The rural school can be seen as a nodal point, often used in various discursive fields, and with strong legitimizing value. By linking the soybean expansion to displacement of rural producers, which in turn is linked to cause in closing down of rural schools, enables the coupling of the soybean expansion with decreased "opportunities for all" making it is a legitimizing node in society in general, including articulations leaning on core liberal values about justice created as equivalent to "equality of opportunity but not necessarily in outcome.

The strong general support among the population to the rural school as an important vehicle for the establishment of "equality of opportunity" is heavily drawn upon in many critical texts about the soybean expansion. The socioecological NGO, Redes-Friends of the Earth, stresses the central importance of the rural schools for sociability, learning, and solidarity, and

⁵³⁴ Uruguay pioneered universal, free, secular and compulsory primary education in the Americas under the influence of José Pedro Varela (1845 -1879).

⁵³⁵ Batlle y Ordoñez had an important emphasis in education as one of the main vehicles for change and progress. This has, among others, been stressed by the Uruguayan historian Jaime Yaffé in several writings about *Batllismo* and about the Uruguayan modernization period (1976-1933) in general <http://www.fee.tche.br/sitefee/download/jornadas/1/s10a2.pdf>

⁵³⁶ The proportion of children of primary school age enrolled in school has since long been virtually 100 percent, for both boys and girls. UNICEF estimates that Uruguay in 2006 had 1140 rural schools attended by 20.000 pupils (UNICEF 2010).

treat closing down of schools as one of the collateral effects of the soybean expansion (Cirio 2011). The rural schools are both witnesses and victims of the rapid changes taking place in the Uruguayan countryside as a result of expanding agribusiness, according to Redes (Cirio 2011). Besides CNFR and socioecological NGO's, several interviewed producers from the Litoral also spontaneously mentioned closing down of rural schools as an important loss linked to the expansion:

“The rural schools are closing as the people leave the countryside and move to the towns. Here [some 15 km from Dolores] they closed down the nearest school. In the end, there were only two children enrolled and there was no idea to continue. It needed at least six kids in the school to continue” (Mixed family producer 2008-08-12).

This producer mentioned that the closing down of rural schools made it difficult for families to choose in the future to live on the land they produced, suggesting lock-in effects. Others were more concerned about the immediate effects for the people remaining in the area. Their children will have to travel long distances to schools and the closing of schools for the whole community implied the loss of the main space for meetings, seminars, workshops and social events:

“There are no more kids left in the rural schools. Here, 9 km from Dolores, following route 96 on the right hand there is a school that was recently sold, as there were no more children in it. It was sold in an auction. And in the corner of my land there is another rural school with only 6 children in it. So, the rural schools are losing their social function” (Board member of AAD 2008-02-11).

When the member of the board of the local producers' organization of Dolores (AAD) above mentions the social function of the rural school he is clearly echoing the tradition from Varela and the vision of the rural school as an engine of development for the whole area.

However, this idealized picture of the rural schools is also contested. The director of the work of Corporate Social Responsibility (CSR) in ADP provided another perspective on these issues:

“I think the change in Uruguay has been fantastic. It is true that a lot of people have left the most remote rural areas, and that the rural schools have been closing down. But I have always lived in the countryside and I know that the education in the rural schools was very bad. And now some people have left, that is true, but new people have arrived. A lot of Argentines have brought their families which has led to a reactivation of the countryside with more service. The small towns have become more dynamic and

prosperous because of all the new movement and people buying, there are new machines... It has changed. A lot of people complain about all the people that had to leave, but I don't know if they are not better off in some other place if they could find something there" (ADP 2007-11-27).

This quote shows that while there is no questioning of people leaving the rural areas and rural schools closing down, what is disputed is the meanings of these changes, where the ADP employee seems to argue that the closing down of rural schools can be positive allowing for better education in the town and that in addition the change in actors has been beneficial for the rural towns. Besides disarticulating the idea of the rural school as an emancipator force creating equality of opportunities for all, she presents a re-articulation of the meaning of soybean expansion by linking it to the possibility for all kids to go to better schools in the rural towns, as well as in general linking it to the new prosperity of the rural towns.

The manager of El Tejar, also mentioned the precarious conditions of many rural schools. He mentioned how the company within the realm of its CSR program had approached a rural school in a small town in the poor north-central part of Uruguay where the children did not know about ice-cream and the school building lacked electricity (a livestock area par excellence where El Tejar had made investment in the roads together with the municipality in a public-private program):

"This is very strong when one heard about it one got emotional. There is not right! The inequality of opportunities that exists among different children... to not have experienced an ice-cream... We took them to the shopping mall and despite that it only had two floors and one electric stair, for them it was like going up in the Eiffel tower, more or less [...] in these remote places which have been relatively backward with places lacking electricity!" (Country manager of El Tejar 2008-02-19).

Besides telling stories that aim to make the firm appear as caring and "developmental", above quote can be seen to represent a rejection of the notion that the current system of rural schools were providing the "equality of opportunities", which is its main *raison d'être*. By disarticulating the strong discursive link between rural schools and "inclusive development" and provider of enhanced opportunities for all, it becomes less problematic to accept the recurrently expressed causal link between soybean expansion and closing down of rural schools that are often mentioned in the critical accounts. In this way, the articulation of depopulation and closing down of rural schools is not questioned *per se*, but what is questioned are the articulated meanings of the public rural schools as vehicle for progress, inclusion, well-being, development, emancipation, and equality of opportunities. However, the main focus of the optimist accounts of the soybean expansion is not on the

dispersed countryside but on the small rural towns. I would even say that when talking about the off-farm consequences of the soybean expansion, the respondents who generally stressed the benefits tended to talk about the rural towns as if they were equivalent to the “whole countryside” or the “rurality”. In this way, when asked about the consequences of the soybean expansion in rural areas, the respondents who generally talked in positive terms about it started to give the example of increased economic dynamism in rural towns and stressed important “spill-overs” to other economic sectors. Whereas most producers and respondents who expressed a more critical view on the expansion spontaneously mentioned depopulation and closing down of rural schools.

Changes in the town of Dolores in the western part of Soriano where the company has its main office was described by the staff in the following way:

“People in Dolores are more animated, they see the change. Before you could walk in Dolores and you did not see anybody, and nowadays you go out at night and all restaurants are full, the hotels are fully booked, a lot of Argentineans, you see a lot of movement, the workshops, such as metallurgical and the like, are working hard. You see a lot of trucks, a lot of everything. And this is very much associated with the Argentinean producers that arrived. All the town movement is typically for the towns in this area as a reflection of the good times in the agricultural sector. When the agriculture was going bad, at once the town was dead [...] Now, not only agronomists are demanded, but other professionals, such as people that know computers and accountants and auditors” (ADP 2007-11-27).

This quote from the chief agronomist of ADP is illustrative of the optimist accounts situating the soya boom as heading a broad development movement involving all sectors of the economy. Dolores is often mentioned as an example of the changes brought by the expansion, as it is in the heart of “soybean land” with its fertile soils and the proximity to the port of Nueva Palmira (30 km). Dolores has been central in Uruguayan agriculture (particularly wheat) for over a century and it is often called the heart of the breadbasket region. It has also been an important agro industrial pole since 1889 through the important Mill (Molino San Salvador, Industrias Harinas S.A), which still is active with around 100 employers. Today, Dolores has around 17,000 inhabitants. Besides ADP, the town is also home to the big producing and input re-selling firm Jorge Walter Erro (founded in 1946), Mill “Molino Dolores” owned by Cereoil, and the cooperative Cadol. The new town dynamism was not only described by the big firms but also spontaneously stressed by many producers as one of the most notorious effects of the soybean expansion:

“A lot of movement is generated at local level. Only here it is amazing with all the new projects of storage, silos, new offices and branch offices opening up in Dolores. In addition, all the freight generates a lot of movement, there is money circulating around and workshops. This town, in the middle of the cultivation area was completely dead during the crisis of year 2000. There was nothing... And of course the firms play an important role here demanding more labor. For example ADP, which did not exist in Dolores ten years ago and now I do not know how many people they have both directly and indirectly. When I arrived to Dolores in 1975 we were two agronomists - in the breadbasket of the republic we were two agronomists – today we are at least 30” (Dairy producer 2008-02-11).

The above description over the recent changes in Dolores is very similar to the changes described to have occurred during the past years in other towns of the Litoral, such as in Mercedes (capital of Soriano); in Young (Río Negro) and Paysandú (capital of Paysandú). The new dynamism in the rural towns and small cities in the wake of the soybean expansion was mentioned by almost all respondents, including those respondents who in general expressed a critical view. While all agreed that a lot of new money was seen in the small towns, several respondents mentioned that the big firms were taking an increasingly larger share of the profits at all stages of the complex and that a new business model was about to be consolidated in which there only little room for local businesses. One stressed reason was that the big firms did not buy inputs (seeds, fertilizers, herbicides, fungicides, insecticides) from local retailers but directly from the importers, often through contracts directly with the multinational seed companies. A researcher of Cereals and Industrial Cultivations at FAGRO in Paysandú expressed his concerns regarding this process in the following way:

“For example, *El Tejar* has a deal with Nidera Argentina, so now that there has been lack of soybean seeds Nidera first gives all the seeds *El Tejar* needs, then if there is left it is for the others and they sell to the cooperatives and other firms functioning as retailers. All big firms, such as Adeco, MSU have the same modus operandi with very little contact with local firms and contracts directly with the multinational firms. By not using the local providers there is less capital left in the area, and whether you like it or not, there are less people working here. In addition, in this way the big foreign firms manage to receive better prices than the other producers. [...] This is like the *saladero*⁵³⁷, I mean, it is generating a stream of capital moving from the places where the grain is produced to generate very concen-

⁵³⁷ The researcher here refers to the slaughterhouses of the 19th century, described as extractive and controlled by British capital all the stages from slaughterhouse to the end-market in Europe (British owned railways and ships).

trated profit at all stages” (Researcher Cereals and Industrial Cultivations 2007).

Above quote from this researcher is illustrative of how the soybean expansion is constructed in many critical accounts to represent a historical continuity with the foreign (British) controlled extractive meat model from the late 19th century, which *Batllismo* denoted as imperialist and aimed to change (nationalize, diversify, industrialize). When asked if he did not see that Paysandú had gained any benefits from the soybean expansion, the researcher answered:

“Now, I do think the soybean expansion has brought important benefits to Paysandú. It has generated more movement, more jobs, but for how long? The truth is however, that the soybean expansion has really generated a lot of work for agronomists. There is over-demand for agronomists. Today everybody has started to produce with technical support from an agronomist and this has been contagious to other sectors. I have courses here in FAGRO for the fifth year students with orientation towards more cultivations or livestock cultivations, and in the fifth year already half are working. A lot of students do not finish their thesis because they are working so much. And that is a direct consequence of the soybean boom, there is an agronomist working for every 1000 or 2000 hectares” (Researcher Cereals and Industrial Cultivations 2007)

As showed in the above quote, respondents who are very concerned and critical in relation to the soybean expansion also express that it has brought benefits to the town of Paysandú, and particularly increased demand for agronomists. The same pattern was stressed by the dean of FAGRO: “In the university it is almost impossible to make the agronomy students stay and to do post-graduation as the big firms are offering students of fifth grade already very good salaries, and we cannot compete with that. So it is clear that there is higher demand than ever on agronomists” (Dean of Fagro and professor of soils, 2007-12-04). The increased demand for agronomists is described to not only be directly driven by the soybean production, but more so by a shift in management schemes. In this way, several respondents claim that while many “traditional” producers typically have worked more based on experience than on professional technical support before the expansion, this has changed with the expansion and has become “contagious to other sectors”. Accordingly, the demand for agronomists grew exponentially.

The researchers linked to the new agribusiness program of the private university *La Católica* argue in their book about the recent transformations in the agrarian sector that as a result of the agrarian activity which is said to be a strong multiplier of wealth, there has been a general improvement in small towns in the countryside, based on improvements in indicators measur-

ing well-being, such as employment, comfort, housing, health, transport and income (Errea et al 2011, 26).⁵³⁸ The prosperity and labor generation of the small rural towns is also reflected in the statistical figures from the National Institute of Statistics (INE) analyzed by the Policy and Planning office (OPYPA) of the department of agriculture (MGAP), showing that while the activity rate has declined in rural dispersed areas and in rural towns with less than 5,000 inhabitants between 1999 to 2006, it has increased significantly in rural towns with more than 5,000 inhabitants (Domínguez V and Durán F 2008).

In conclusion, the critical accounts have linked the soybean expansion to “displacement” of producers, which is linked to rural depopulation and the closing down of rural schools. In addition, the meanings of both rural depopulation and rural schools draw heavily on the historical narrative of the former as one of the main century-long problem to development in Uruguay and the latter as one of the main solutions to the same. In this way, the public rural school is reflected upon as a symbol for Uruguayan welfare state, rural development, and social justice (meritocracy and equality of opportunities). The legitimacy of these articulations is very high, and most actors reflect depopulation and closing down of rural schools as associated problems of the soybean expansion. This understanding of the small towns seems to have become quite fixed and is spontaneously stressed and acknowledged as a consequence of the soybean expansion by farmers of all size, cooperatives and researchers. The critical accounts are rather silent about these indirect consequences, but when specifically asked about it, the critical respondents acknowledge increased economic dynamism in the rural towns. This dynamism is nevertheless expressed to mainly provide benefits to the big firms leaving little room for local business.

The next section will outline the competing and complementary meanings provided to the frequently mentioned alternative positions offered to former independent producers in the wake of the soybean expansion.

7.2 Alternatives to the position of “traditional producer” brought by the expansion

When asked about what the “displaced” producers currently do, most respondents answered that they provide agrarian services to the big firms. As

⁵³⁸ An illustrative quote of the perceived consequences in the rural towns: “Together with the changes of the firms, the rural cities and villages change, the way of living and working change, the horizon and the expectations of people change, the incentives of capacity building change. The demand for qualified and well paid labor increases. The urban settlement of workers increase improving the access to services that contribute to the well-being of the families” (Errea, Peyrou et al. 2011, 30).

mentioned in chapter five, most big grain producing firms subcontract all services linked to the production to third parties including the machinery. This form has, according to the respondents, been generalized and now many medium size farmers who previously used their own machines and did the work by themselves also lease machines (and persons) to do the job. In addition, the technological package of soybean production with no-tillage farming and the use of glyphosate as a total herbicide and increased use of fertilizers and pesticides, have also increased the demand of agrarian services and the amount of service providing firms have increased a lot (CUSA 2012, Tommasino and Bruno 2010).⁵³⁹ To become a service provider is often described as the main alternative for “displaced” producers who want to continue work. The competing meanings of the same will be outlined in the next two subsections. Subsection 7.2.1 deals with the competing views expressed about what it means to become a service provider compared to the position as “independent” producer. Subsection, 7.2.2 looks at the competing views expressed on the implications of the risks involved in this position as provider of agrarian services. The final subsection (7.2.3) will present the competing views on other “alternative” activities created in the wake of the “boom”.

7.2.1 The producer and the service provider - equivalent positions or essentially different identities?

The most frequently mentioned “alternative” activity for former “traditional producers” of the Litoral is to become a provider of agrarian services. The number of agrarian service providers has increased three fold between 2002 and 2010 (Errea et al. 2011, 26). This new form of incorporation into the agrarian activity in this study was found to represent yet another arena of competing meanings. The most optimist accounts about the soybean expansion suggested that instead of talking about displacement of producers in Litoral there had been a change in roles, where many producers renting land before (sharecroppers), or former small producers, now entered as another agent in the chain as service providers for the big firms. The president of the

⁵³⁹ According to the annual 2010 report from OPYPA, the agrarian service providing firms increased from 1,097 in 2000 to 2,704 in 2009 as a result of subcontracts in cultivations (Tommasino and Bruno 2010). An illustrative quote from the interview with an agronomist of CUSA: “In 2002 we had the great rural crises. So many producers with big problems and indebtedness. They sold their land and paid their debts and bought machines to provide business for others. This movement was big and generalized. Now there are so many more service providers than before. Within the group of service providers some also arrived from outside the agrarian sector. They saw this new market opportunity which arrived hand in hand with all the big Argentinean firms arriving. On a very small scale neighbors have always provided some service here and there for each other, but this is much more massive and much more professionalized” (Agronomist CUSA 2009-02-27).

second grade grain cooperative Copagran expressed this in the following manner:

“It is an interesting form of readjustment which is probably interesting to study. The organization of cultivations has changed towards subcontracting of services which has changed the role of many actors. Things in general changes slowly in Uruguay, but in this case it was an extraordinary rapid change” (President of Copagran 2008-02-18).

The president of Copagran argue that former producers who might have lost access to land still were not excluded from business, and that their assets in terms of experience and machines were valued in the new scenario (most Uruguayan producers owned their own machines). While most respondents acknowledged the possibility for “displaced” producers to provide agrarian services to others, most reflected upon this change in roles as a result of few other alternatives and as a part of a downward movement. As laconically expressed by one producer:

“Life is complex and the rules of the game perhaps do not allow for leasing land anymore, but they allow for providing services to ADP” (Mixed family producer 2008-08-12).

In line with above quote, many expressed that the changes brought by the soybean expansion implied a structural shift in the “rules of the game” making it increasingly difficult to stay in business as a “traditional producer”, while new business opportunities emerged new market segments in the wake of the crop “boom”. The expressed perceptions of what this meant in relation to gains and losses for the individuals ceasing to be producers and instead becoming service providers were varying. But most of the interviewed independent producers, grain cooperatives, and producers’ organizations argued that it was preferable to remain in the position as producer. This was laconically expressed by one respondent:

“So, many of my friends who had to leave the activity are now providing services to these big companies that now manage their old land. That is the market mechanism. Of course, it is still a more pleasant exit with money in your pocket than pure bankruptcy. But most of them would have liked to continue as producers” (Mixed producer 2008-02-18).

As illustrated in the above quote, the shift from being a producer to becoming a service provider is seen to represent a loss, independent of “pure” economic gains and losses. Several producers expressed similar stories where

the bottom line was that being an independent producer represented something far beyond any other income generating business. Instead, it was reflected upon as a particular identity centered around core basic values such as independence, a way of living, sovereignty, experience, tradition and freedom. These values were understood as lost when independent producers became service providers. This way of talking and (re)constructing the identity of the “traditional producers” resembles in many respects the picture provided of “peasants” in the “localist” approaches within the “postdevelopment” perspectives.

The interviewed researcher from the department of Cereals and Industrial Cultivations, in FAGRO clearly articulates this perception of what it meant to become a service provider instead of being a producer:

“Former producers are now service providers in seeding, harvest and fumigation to the new companies. The big companies often lend money to the providers to buy machines. According to me this is an intelligent regime of feudalism. It is very intelligent because the service provider is a direct prisoner of the situation. He has no opportunity to go somewhere else, none. The day the big firm decides to leave or to buy their own machines he is left with nothing... No capital, no machines and no work. Some people in Argentina say that this is happening there right now. In addition, the ability to work of these persons, expelled from production by the new big firms, goes atrophied as they are converted into service providers. A producer who was used to doing productive management, after finishing as producer all he does is to drive a harvester and a sprayer... There are a number of muscles that atrophy in this way, among them, the brain activity. The planning and implementation capacity is lost. Within five years you'll see him and he has no longer any desire to produce and he has lost the ability to do it” (Researcher Cereals and Industrial Cultivations 2007).

The quote outlines in a dramatic way what the shift in role from producer to service provider means according to him. He clearly finds the service provider to represent a subordinate position vis-à-vis the independent producer, and thus this “shift in roles” implies an important form of downward social mobility and personal ability.

On the opposite side of discursive field were the optimistic accounts on the meanings ascribed to the “shift in roles”, which were most often expressed by the agribusiness firms. The country manager of Cargill provides an illustration of the changing ways that the agreed upon shifts in roles can be interpreted:

“The service providers are former producers who managed to stay on by changing their role, but they are still in the sector and they are doing what they like. They like the machines... Including if you ask them if they would like to be producers again and they say “no”. I do my work, they pay, and that is it” (Country Manager of Cargill 2007-11-26).

Thus, the manager expressed that the change from producer to service provider does not necessarily need to be negative, but rather provides persons who like to “be up in the machines” to be able to do so all the time with no risks involved. The country manager of El Tejar tried to take off the extremely negative connotations of “displacement” and opened up for more happy endings:

“A lot of people can participate well in our business if they accept to change their role. We have a lot of people who have sold to us, and now continue to work the same land, doing the things they like but with no risk. [...] We have some cases of service providers who previously were producers and now are in a much more tranquil situation, and perhaps better. Before, he perhaps lived well but was highly indebted, grieving about his situation, not knowing what was really his. Now, he participates providing service, he lives well, he has his machines and he is participating at another stage in the chain” (Country manager of El Tejar 2008-02-19).

He seemed to decouple, or disarticulate, the relations established in the critical articulations between becoming a service provider and losing access to land and losing producer identity. Instead the head of Tejar considered the service provider as equal to the independent producer (continue to work the same land, doing the same things) with the only mentioned difference that the former does not bear any risk. However, when I told him that I knew about similar cases in which the persons expressed they suffer for not being able to continue producing, he started talking about the high emotional value of managing a piece of land for many people and he told about personal experiences of his in-laws:

“Another painful experience was when my in-laws had to sell their land, because they had loans higher than their assets. They lacked capital so they started to produce without fertilizers and entered a vicious cycle. They had no other choice but to sell. Now they cleared the debts and my mother-in-law can go into town without having to hide herself because she owes money and that stuff. Now, after a couple of years, they are all fine and cleared. But it is diffi-

cult... and sometimes these things generate internal conflicts in me
“(Country manager of El Tejar 2008-02-19).

The above quote is quite illustrative for how the respondent draws on conflicting value-systems, while at the same time he intends to create a consistent and legitimate construction of himself. The main tension here seems to be between a view of the land as any other economic asset (by selling it, debts could be cleared and, and now “they are all fine”) and a view of the land as something special and a non-substitutable loss (creating a painful experience). The first view can be seen to reflect values of the immanent development perspective, while the second reflect values of the localist approaches within the postdevelopment perspective, which can “create some internal conflicts”.

The critical accounts about the soybean expansion mostly argue that the shift from producer to service provider implies a loss of identity, decision making capacity and autonomy for the individual producers. It is a loss of important knowledge and experience for the system as well as people living in the countryside and rural schools. The optimist accounts about the soybean expansion mostly argue that providing agrarian services to third parties represents a new arrangement allowing former producers to continue to sow, fumigate and harvest, (the things they like) without taking any risk. However, ‘risk’ is yet another contested area which will be dealt with in the next subsection.

7.2.2 Providing services - a risk-free way of earning a living?

Most interviewed producers reflected that it was superior to be a producer than to be a service provider, but some also expressed that to be a grain producer was associated with high risks because the historical cyclical nature of prices and unstable weather creating constant fears of losing the harvest. In this way, the director of the grain cooperative of Dolores who previously had been a crop producer⁵⁴⁰ but now provided services for others, expressed that to be a grain producer really was the same thing as being the greatest gambler in the world when talking about all associated risks (Director and head of commercialization of Cadol 2008-02-11). Some of the producers also argued that from a point of view of avoiding the risks associated with production, providing services could be preferable. Not everybody was convinced that the business of providing service necessarily more stable or safer than being a producer, at least not in the long-run. The Assistant professor of Cereals and Industrial Cultivations at FAGRO in Paysandú argued that when

⁵⁴⁰ The president of Cadol does not work full-time at the cooperative and since he no longer had any land he was now providing services of fumigation, harvesting and seeding to other producers in the neighborhood.

the soybean business enters a more mature phase and no longer expands, mechanisms of expulsion can emerge:

“At the current stage, nobody really knows what will happen. If one looks at some experiences from Argentina it is possible to think that the firms will expand, expand, absorbing a lot of people, a lot of work and then when they are established, an inverse process starts and the stage of expulsion really begins. They start working with less people in ever bigger units “(Researcher Cereals and Industrial Cultivations 2007).

Thus, he predicted that also the sector of service providers will become more concentrated. Also the director of Cargill found that the rapid expansion had led to high demand for whatever service but as soon as the demand stabilizes, it would probably change and perhaps some new figure could appear, some kind of boss (*patrón*) of the service providers, allowing the firms to minimize transactions (Country Manager of Cargill 2007-11-26). Accordingly, several actors expressed that the impressive demand on services allowing for broad participation in the business during the past years, will probably change as soon as the cultivations stop expanding. In addition, many respondents expressed worries over a sudden “bust” with prices falling, and in this scenario the service providers were seen as particularly vulnerable. This was illustratively described by the director of the seed cooperative, Calprose,

“Well, if this continues [the soybean boom], so will the services. Perhaps tomorrow the prices go down and everything falls. We don’t know. Everybody seems to think they will continue upward, but the fall always arrives sooner or later... When the crisis comes we will see what happens. Generally, the weakest leave the circuit. It is difficult to foresee. Not only prices on the commodities are up but also the prices for all inputs. It is also difficult to discern because as we buy and sell everything in dollars and the dollar’s value is going down steadily, perhaps if you look at it in euros the prices have been more stable” (Director of Calprose 2007-11-29).

The director expressed in above quote the idea that commodity prices are always cyclical, and that sooner or later the prices would go down and then “the weakest” leave. He later explained that the weakest were the service providers and small producers. Many respondents expressed similar views on commodity prices, but about as many claimed the contrary that the high prices on soybeans represented a structural shift in the world economy and that prices would not go down. However, even if prices were not going down, many respondents still feared that when the soybean complex entered

a more mature phase the service providers who cannot keep pace with the new technology will begin to be expelled from business. One independent producer who also provided services for others stressed that there already exists an important process of specialization among the providers:

“In the beginning, the service providers had a little bit of everything, but I see more and more are specializing on sowing, fumigation or harvesting. I think we have reached a point of saturation already. More and more of the clients want specialized machines. We cultivated with a John Deere 750, but now they want a specialized sowing machine for soybeans and the requirements on how you do it have increased a lot “(Crop producer 2008-02-23a).

This picture was confirmed by an agronomist of the “technical team” at the Uruguayan Chamber of Agrarian Services (CUSA): “The machines need to be new and the pressure for constant renovation is very high. The machines are increasingly big. You do not see any old machines in the Litoral” (Agronomist at CUSA 2009-02-27). These tendencies were also observed by the director of Cadol who argued that the big firms demanded the job done quickly and thus preferred service providers who constantly kept up with the arrival of ever new, bigger and more efficient, machines, which the smaller service providers could not afford. The president of Cadol exemplified from his own personal situation:

“I work providing service only to small producers as I use the same machines that I have since when I was producer myself. Today those machines are small. At that time they were considered very big. Today they are small. Today there exist immense tractors worth more than USD 100,000 each. Impossible! I will not enter that game anymore” (President of Cadol 2008-02-11).

As illustrated in above quotes, some stressed that the service sector also demanded constant new and more advanced technology and specialization, which made it subjected to the same mechanisms of exclusion through “the technological treadmill” as the rest of the agrarian sector. Nevertheless, others stressed that there were opportunities for everyone as demand for services was high and the big firms offered special agreements to help providers to buy new machines:

“The big firms will never buy machines on their own. You see, if you have 60,000 ha scattered all over the country, you would have to employ people everywhere; you would create a monstrous cost structure... They will not do that, so they encourage other people to buy new machines and then provide them with services. They push

you to have good machines. A manager of a big firm said to me that they could help us access credit if we wanted to buy new equipment. For example, they give you a letter which says that they promise to buy your services for five years for a certain area... It is like a contract, and when you show this to the bank, it will give you credit” (Mixed producer 2008-02-18).

According to above quoted producer, there was no risk that the big firms would change strategy and vertically integrate into the agrarian services. He also rejected the idea that new technologies would end up excluding smaller entities as the big firms “push you to have good machines” This way of talking about the relations between agrarian service providers and big crop firms reflects these arrangements as relatively risk-free and to lower the thresholds for participation is in line with the standard stories told by the big agribusiness firms. But not everybody agreed that these facilitating arrangements to providers to buy new machines were beneficial and some expressed that they felt reluctance to be in debt again, as many identified indebtedness as one of the main explanations to the relatively “poor” success of the traditional producers in the soybean boom. This was expressed by the former producer, and at the time service provider and president of the local cooperative Cadol:

“They [the big firms] also offer to buy the machines for you. They say “you pay it back with the work that I give you”. But they are like free from responsibility as the equipment is in your hands, so they become your problem “(Director and head of commercialization of Cadol 2008-02-11).

While there were diverging interpretations about the degree of expected expulsion and concentration within the service sector, there was expressed agreement among service providers that there were strong pressure downwards in prices paid for agrarian services. The new land owners were argued to ask for special deals and in general try to push down the prices: “Everything is very competitive. They have the power of the big area, so watch out, if one is not very well tuned ...” (Crop producer 2008-02-23a). However, many also found that the situation had improved after the creation in 2007 of the national umbrella organization the Uruguayan Chamber of Agrarian Services (CUSA).⁵⁴¹ The single national tariff for agrarian services (annually

⁵⁴¹ CUSA was formed in explicit response to the high price competition among the service providing firms and the rising cost structure for the same, arguing that particularly the costs for labor and gasoil increased substantially 2003-2008. CUSA is estimated to organize around one-third of the total amount of agrarian service provider firms in Uruguay (250 member firms out of 800), but 80 percent of the total area of all agrarian services. The majority of the member firms are small, so-called one-man companies, but there also exist big member firms. In total, the 250 member firms have 3,500 registered employers. The national tariff is based on what has been calculated to represent the real costs, plus 20 percent added profitability.

adjusted) established by CUSA to keep the prices up was often described to have helped resist the strong downward pressure in prices paid for services.⁵⁴² The oilseeds specialist at Opya-MGAP mentioned that CUSA had emerged as a typically “Uruguayan” response to the new scenario (sudden and exponential growth in demand of agrarian services, brought by the soybean expansion and the new crop firms). He described this as institutionalized collective arrangements to increase bargaining power vis-à-vis the big firms (Oil-seeds and agro-industrial specialist at Opya-MGAP 2009-02-11). Despite the tariff several respondents mentioned that big firms (including el Tejar)⁵⁴³ often tried to negotiate prices under the established level. The agronomist at the office of CUSA described this in the following way:

“Now, after the financial crisis, the pressure to go below the tariff is very big. Perhaps some actually go below the tariff, but we are not considering in lowering the tariff because it is based on real costs. The costs of lubricants, replacement parts and labor have not decreased. When everything goes up everything is always fine, but in September [2008] when all prices fell nobody wanted to accept less margin. It is rational, everybody wants to gain as much as possible, but not everybody are in the position to do so” (Agronomist at CUSA 2009-02-27).

As stated in above quote, the profitability in the soybean complex shrunk as prices on soybeans fell dramatically in September 2008, while costs of labor and inputs were described to have not decreased. The agronomist at CUSA also remarked that the social security of the service providers had improved due to the new legislation (mentioned under public regulation in chapter five) that increased the responsibility of the buying firms to see that all sub-contracted workers are registered in the Social Security Bank, BPS, and that their working terms and wages are in accordance with those stipulated in the collective agreements for the particular working position.

According to an agronomist of the technical team of CUSA, some service providers had before the tariff even offered services for a price below their actual costs. The secretary explained that it is quite common that the service providers are also producers and sometimes they subsidized without noticing the service activity with their producer activity (Agronomist at CUSA 2009-02-27).

⁵⁴² The Uruguayan commission for promotion and defense of competition has discussed whether the single tariff of CUSA violated the law of free competition, but concluded that it was not, as the tariffs are guiding and not compulsory and as the barriers to entry (to become a service provider) are considered low because of easy access to credit (Nogueira 2012).

⁵⁴³ In the words the agronomist at CUSA: “El Tejar is a big and very important client which often lends capital for the purchase of new machines to the service providers it uses, but now it seems like it does not want to follow the tariff” (Agronomist at CUSA 2009-02-27).

This section has shown some of the main complementary and competing meanings attributed to the shift from “traditional” producer to service provider. In broad terms, there is a shared view that many of the traditional producers who left the position as independent producers in the wake of the soybean expansion, are now providing services for third parties, mostly the new crop firms. Many also remark that this market segment has grown exponentially during the past years where former producers with experience and skills were highly demanded. While most agribusiness actors mainly talk about this as an opportunity for “adaptive” producers to engage in the soybean complex “doing what they like” and without any risks, most other actors talk about this shift as loss of independence and identity for the individual producers involved. Some of the more critical accounts question the notion that providing services would be a “risk-free” way of participation, and suggests that there is downward pressure in prices and increasing demand for constant upgrading of machines. In addition, some respondents allude to the cyclical nature of the agrarian service market that expels more people as the soybean production ceases to expand. What however needs mention is that even though many respondents talked categorically of actors in terms of either “producers” or “service providers”, many of the respondents representing the subject position of traditional producers still managed some land for their own business as crop producers nurturing a “producer” identity while they at the same time were providing service to others (mostly the “new” firms). In this way, these roles do not seem mutually exclusive. Rather, they represent a continuum ranging from living exclusively as independent agrarian producers to combine production with services to others, and to exclusively provide services to others. In the next subsection I will outline the competing and complementary meanings provided about the consequences of the soybean expansion for the traditional ranchers.

7.2.3 Alternative activities; employment and business

Provision of services to others is not the only activity that can be an alternative for former independent producers. The optimistic accounts on the soybean expansion often express that a range of new business opportunities and new employment have emerged in the wake of the expansion. One alternative for both independent production and provision of agrarian services to third parties can be direct employment in the new expanding agribusiness firms. Whether soybean expansion generates new employment or merely substitutes labor for capital is yet another arena of discursive struggle, where both complementary and competing meanings are expressed.

The critical accounts claim that the main trend in the soybean model is the substitution of labor with capital at all stages. Therefore, CNFR argues that

the soybean production demands only 2 persons for every 1000 ha in contrast to the dairy sector which is said to demand 23 persons for every 1000 ha (President of CNFR 2009-03-05, CNFR 2008). Furthermore, the claim is that the Argentines employ own specialists and therefore do not generate employment in the places they produce (President of CNFR 2009-03-05). In addition, the difference between being an independent producer and a rural wage worker is described as dramatic representing loss of autonomy, identity, and way of living, similar to the case of the shift in position from producer to service provider discussed in the previous subsections. Besides the individual losses, the “proletarianization” of independent producer is argued to imply important losses for the “system” as a whole, such as experience, knowledge and productive models adapted to local social and ecological conditions.

According a report about employment generation in the soybean complex, commissioned by MTO, the average employment per hectare of the new big firms was one employee for every 499 hectares, one service provider for every 963 hectares and one agronomist for every 4136 hectares (Arbeletche, Ferrari, and Souto 2008). The rest of the soybeans producing firms are in this report supposed to have 25 percent lower labor productivity. The report concluded that the use of labor was not intensive, but nevertheless higher than the average labor demand in the livestock sector (Arbeletche, Ferrari, and Souto 2008).⁵⁴⁴ According to Opypa, the national trend is that the agrarian sector grew with 31 percent between 1999 and 2006, whereas the employment rate actually decreased slightly during the same period (Domínguez V and Durán F 2008). The agrarian sector as a whole (including fisheries, for-estation and mining) employs around 10 percent of national workforce (INE 2012).

The former Minister of MGAP and current senator of MPP-FA, Ernesto Agazzi, has several times in public highlighted the low employment generation in soybean expansion and that the government would like to have crop agriculture based on family producers and not an based on big investors “that could be more effective due to their access to capital and technology, but with the risk that it leaves us without producers”.⁵⁴⁵ Several of the interviewed producers of the Litoral expressed that soybean required less labor than any other agrarian activity, including livestock production. This discrepancy with the above mentioned report can perhaps be explained by the fact that all interviewed producers are from the Litoral with a tradition of more intensive production in terms of both land and labor than the rest of the

⁵⁴⁴ It was argued that the 581,000 hectares that had changed from livestock into crops until 2008 implied a loss of 1,151 jobs in livestock activity, while 1,463 new jobs generated by the soybean expansion, and a net employment gain of 609 jobs

⁵⁴⁵ El País “Anunciarán medidas para cuidar el recurso suelo”

www.elpais.com.uy/Paginas/ImprimirNota3.asp?i=356338 (Accessed in June, 2014)

country due to higher land prices. This way of seeing the on-farm labor generated in the soybean model was also expressed by the country manager of El Tejar:

“Perhaps it generates less work than the livestock, at least in the Litoral, where livestock production is mostly about fattening and is quite intensive. But in other parts of the country you have one young steer for every five hectares and the animals are sold at the age of five. There, one employee can manage 1,000 ha and you can even find *estancias* of 10,000 ha with only two employees” (Country manager of El Tejar 2008-02-19).

As indicated in the above quote, the new agribusiness firms tend to portray extensive livestock model as the main contrast making the soybean complex appear as “progressive” in almost all aspects and points of comparison.

When talking about on-farm labor generation with the “traditional” producers, all express that less labor is needed to produce more even if the new technological package of soybean is expressed to be particularly “labor saving”. The changes over time were expressed by one producer in the following way:

“It is only during sowing and harvesting you need some extra people. For the rest of the time, I only need two peons for all the fumigation, because with the new machines you can do thousands of ha. During the harvest, the silos are full and cannot cope with the magnitude and the trucks are all busy and cannot cope, because the harvest is so big and it has grown so much and the harvesters are so big (30 feet) that the carrying capacity is lacking and queues become like beasts. But when you think of it, it is this crazy for only around 15 days. Before it took at least two months to take up the harvest, and let’s not even compare with how it was when I was a child. [Back then] we began the harvest in November and in the end of February it was finally threshed” (Mixed producer 2008-02-12).

Here the producer mentions the important agricultural changes in time frames made possible by bigger machines and double-cropping. The specialization and ever bigger machines are often mentioned as the main cause behind less people needed per cultivated hectare. Another expression of the same ambiguity:

“So, even though this kind of technological change linked to production always reduces the needs for labor force, as you know from the historical technological development from the industrial revolution and onwards, at least that is what I have learnt, has generated exactly that; I improve my technology and I fire the labor force. That is the way it goes everywhere. Probably if today I have a machine that can do 200 ha per day operated by

two persons when earlier the machines could do 25 ha per day, I need 5 machines and 10 people to work my 200 ha. Now, I ask, how do you slow down the pace? What is the alternative? Should I go back to the time of the *tasajo*⁵⁴⁶ 200 years ago?” (Dairy producer 2008-02-11).

As expressed in this quote and in other articulations from the producers, decreasing demand for labor per hectare is understood as determined by technological change which in its turn is understood as an inevitable part of “modern” history since the industrial revolution. The questions “what is the alternative” and “should I go back to the *tasajo*” show that a “modernist” framework is taken for given, which reflects assumptions on development as linear and evolutionary in the intentional and immanent traditions. Most producers and cooperatives express that agriculture should create more employment, but at the same time the respondents seem keen not to project themselves as luddites protesting against progress and modernity.

While many farmers expressed that the new machines required less labor, according to the national organization of agrarian service providers (CUSA), there was a lack of qualified people to operate the machines⁵⁴⁷ (CUSA 2012). According to an agronomist at the secretariat of the organization, most members of CUSA were family firms who wanted to expand but their biggest constraint was to find qualified labor to “put up in the machines” (Agronomist at CUSA 2009-02-27). ADP also expressed that it was difficult to find enough qualified people. Some farmers acknowledged some labor generation:

“I know quite a few who have managed to do good business and provide work to others, also skilled youth. And it is good because very few people live in the and even less young people as they go to study in the city and if they can take a job within the state, I don’t know... But in that way, I tell you, it is not so bad. The problem is, as I mentioned, for the young non-qualified people” (Mixed family producer 2008-08-12).

The producer in the above quote expressed that there were plenty of jobs for qualified people in the wake of the crop boom, and that the long trend of expulsion of young people from the countryside to Montevideo could actually be reversed.

Beyond the discussion whether the soybean expansion has generated more or less on-farm employment, most agribusiness firms claim that it is too reductionist to only consider the social effects of the soybean expansion at the producer and on-farm level and that one also needs to consider the

⁵⁴⁶ Uruguay sold salted beef at a low price to the slaves in Cuba before the technological innovations of canning, chilled and frozen meat opened new markets.

⁵⁴⁷ According to CUSA, agrarian services provided direct employment for 3,500 persons.

employment of the firms as the indirect employment generation in the form of related input firms, logistics, restaurants, hotels and traders. A value-chain perspective is argued to be needed in the analysis.⁵⁴⁸ As unemployment rates fell quite sharply in Uruguay since 2003 from 17 percent to 6.6 percent in 2010, the labor generating capacity of the soybean expansion lost some importance over time in the public debate. The new agribusiness firms stressed that it was important to consider the quality of the work generated and not only the quantity. ADP refers to itself saying that “At our company knowledge is boosted and quality job opportunities are generated”.⁵⁴⁹ Likewise, the responsible of El Tejar remarked how the company was creating quality jobs in different ways:

“I really think that the labor standards have improved enormously. Unprofessional labor relations has been very common in rural Uruguay. Independent of the legal framework we have been moving fast in this area improving working conditions for the workers. And this is generating a new culture, the workers talk to each other and tell about their conditions, which will increase the expectations and demand among the other workers. This is very strong in the areas in the North where we are now entering. The biggest opponents are the proper service providers we contract who mourn that they have to change their work culture including following rules of protection. These remote places have been relatively backward with places lacking electricity. The difference of opportunities is so big and that is what we want to change. The key here is education and provide the new generations opportunities by building their capacities. Even to work a machine you need a minimum level of education” (Country manager of El Tejar).

In the above quote, he argues that what “we” want to change is the differences in opportunities. He suggests that El Tejar by being “professional” is doing just that – insisting in using protection under fumigation, following limits in working hours, following salaries of the collective agreements. The employee of El Tejar is also clear in projecting that this work is independent of the legal framework (referring to the new labor regulation of FA presented in chapter five). In this way, he reflects several central assumptions and values of the immanent development tradition. First of all he draws on the nodal sign of equality of opportunities as equivalent to justice, fairness and legitimate. He also draws on the idea that development is pursued through business-led (immanent) initiatives, rather than the state (intention), and therefore he probably wants to point out that the advanced labor standards of El Tejar has nothing to do with the new legal framework taken by the gov-

⁵⁴⁸ Interviews: Secretary of MTO; Country manager of El Tejar; Country manager of Cargill; director of CUS.

⁵⁴⁹ Website ADP.

ernment. The key belief in education through formal schooling also reflects a central ideal of both immanent and intentional development perspectives.

Several other actors also confirmed that the well-known big firms were providing good examples of high social and labor standards. The dean of FAGRO addressed this as a “positive fruit of globalization”, since the markets increasingly demanded certification of standards such as ISO (Dean of FAGRO and soils professor 2007-12-04). The rural labor specialist at Opypa-MGAP, who represents the executive in the tripartite rural labor negotiation, confirms the picture of the new crop firms as “advanced” in labor standards. She explained that they generally have agreed with the government on all advances made in labor legislation and they follow all rules and pay higher salaries to their workers than the “traditional” producers. The improvement of labor conditions in the rural sector was described to represent a radical break with the long traditions of extremely high informality in the labor relations, which often ended with low pensions for the rural workers after retirement as employers had not contributed to the pension fund (Technical specialist rural labor at Opypa-MGAP 2009-02-18). According to the Opypa specialist, the rural workers are worse off among the family producers. These workers are often seasonally hired on short-term contracts, badly paid, not registered in BPS (no pension). The infrastructure is deficient as are the equipment for protection and the workers are in a vulnerable situation with little contact with other workers (Technical specialist rural labor at Opypa-MGAP 2009-02-18). In 2007, the government increased inspections from the tax office (DGI) to ensure that all rural employees were registered in BPS (Tommasino and Bruno 2010). The big firms have been controlled and they have in general had all employees formalized. Through the government’s law on outsourcing (Law 18099 of 2007), the responsibility of all firms over the labor standards of the workers of subcontracted firms increased despite severe critique from the producer organizations like ARU, FRU and ACA. As mentioned in chapter five, the CSR and its subgroups of rural wage councils have in general been plagued by conflict where the “traditional producer” organizations ARU and FRU have criticized the decisions of the FA government as not suited for the “rural reality” and listen too much to the unions.⁵⁵⁰

Most of the interviewed crop producers of the Litoral had at least one person employed and hired extra labor force during harvest. In line with ARU and FRU they often expressed that the new rural labor regulation was rigid

⁵⁵⁰ In 2008, the government increased minimum wages in some cases to over 30 percent in recognition of the extremely low wages (ILO 2009, 19). Several conflict over the years. In January 2014, the government voted with the workers against the employers, and thereby created a new agreement by majority vote. www.presidencia.gub.uy/comunicacion/comunicacionnoticias/grupo-22-ministerio-trabajo-trabajadores-ganaderos-agricolas-incrementos-salariales-votacion (Accessed in April, 2014).

and badly adapted to the needs of family producers who could not afford to pay high salaries, build resting rooms and who needed cover up for hikes in work during harvest. According to these producers, it was much easier for the big firms to comply with all the regulation and to pay higher salaries. The concern of increased salaries was particularly stressed and expressed by one producer in the following way:

“So you are charging in US dollars which all the time is worth less in Uruguayan pesos and at the same time they are increasing the salaries in pesos... As long as the price of meat and cereals is increasing there is no problem, but the day that the value of meat and cereals start fall and if the dollar continues this way, the panorama will change from very good to black in five minutes. Well, this is what is happening in this country in general, isn't it? It has a very high cost structure. The Uruguayan economy, beginning with the state, is living on economic boom, but the day it ends it will have to fight against the unions who will continue demanding same salaries... The coming years will be very difficult. Our production will have a harder time to compete with things produced somewhere else, as it happened to us in the 1990s. Peaches in syrup from Poland started to arrive; it was absurd that things which we produce here arrive from Europe! Well, in Europe they subsidize everything, so...” (Mixed producer 2008-02-18).

The above quote illustrates how increased salaries of rural workers and workers in general was argued to decrease Uruguayan competitiveness in global markets, particularly considering that Uruguay needed to compete with the subsidized products from Europe. The state and the unions are hinted to have excessively grown and pose a threat in this respect. The respondent seems to suggest that the size of the state is getting too big and that the unions have been allowed to become too strong (probably referring to the tripartite wage councils), which echoes immanent ideals about what “developing” countries need to do in order to develop (i.e. restricting the size of the state and de-regulate the labor market).

When the vice minister, in 2009 was asked if the government did not see a potential tension between the aim to support family agriculture and the stipulated FA aim to improve working conditions for rural workers, he answered in the following way:

“Yes...I always say that I prefer two organized workers, and that is a phrase of Lenin... If there are 10 family farmers they are generally conservative when not reactionary. But when that is transformed into a big company and 50 workers get organized and unionized fighting for their rights, then things start to change. I believe that to be a better scenario than the 10 family farmers. But here [referring to MGAP] many *compañeros* think differently, they defend family farmers and prefer that to the genera-

tion of a typical capitalist system. But beyond that, I also think that the rural development in Uruguay should have a strong middle sector and development cannot exclusively come from an important growth from the hegemonic big firms, but also from family firms that will need to contract workers and get technologically advanced. If all small producers living close to the towns would disappear, that would be like burning down libraries, burning down traditional knowledge. And one way to mitigate the expansion of the other branches is through territorial planning”⁵⁵¹ (Vice-Minister of MGAP 2009-02-19).

The ambivalence expressed by the vice-minister at the time in the above quote illustrates an important tension within FA between different ideological assumptions and ideals, ranging from a view on desirable change as necessarily linked to “conscious” – organized and unionized – workers, and where the floating signifier “family producer” is constructed as equivalent with “conservative, when not reactionary”, to a view on desirable change as linked to making resistance to the expansion of the “hegemonic big firms”, to have people living in the countryside and where the floating signifier “family producer” is constructed as equivalent with “traditional knowledge” and representing libraries that cannot be archived (practical and experience based non-transferable knowledge). This second way of characterizing the family producers is in tune with the way CNFR and the socioecological NGOs construct this social identity. FA clearly has both lines of thinking present in its policies, where for example the increased requirements of labor standard as part of the rural wage councils is more in line with the first view provided in the quote of this FA-politician, while the differentiated policies in favor of family producers are more in line with the second view.

The most critical accounts about the soybean expansion do not mention differentiated standards between the agribusiness firms and the “family producers” for the rural workers. CNFR has as its official vision to “be the leading organization in the promotion of family agriculture, fomenting the permanent union between the producers and the rural workers and their families, through their active participation in the associative activities and promotion of development”.⁵⁵² In this way, the interest of family producers and rural workers is created as one united interest (seemingly hegemonized by the interest of the family producers). The potential tensions between the interest of family producers to once in a while have extra access to cheap and flexible wage labor and the interest of rural workers for good salaries, pre-

⁵⁵¹ Referring to the new law of territorial planning. This stipulates that some areas can only be produced in certain ways and for certain land uses.

⁵⁵² See CNFR homepage: <http://www.cnfr.org.uy/nosotros.php#mision> (Accessed in August, 2014).

dictable and stable working hours, protection, clean water and rest rooms are not recognized.

While this section has presented different views on the soybean expansion in relation to employment generation and quality of work, it is noteworthy to remark that I have not talked to rural workers or unions representing the same. As mentioned in chapter 2, I tried with no success to get an interview with the rural workers' union UNATRA.⁵⁵³ The person of UNATRA I talked with by the phone said that the union had not much to say about the soybean expansion, since their members were not working with it. Almost all work in the soybean production was argued to be done by unipersonal firms (service providers) and therefore the union lacked members in this sector, I was told.

The next section will outline the competing and complementary meanings provided for the traditional producers that have not left agriculture but participate in the soybean expansion.

7.3 Expressed benefits and drawbacks for “traditional producers” who participate in the soybean production

Although traditional farmers (mostly family firms) as a group is shown in national statistics and previous research as decreasing in both absolute and relative terms in the wake of soybean expansion, there is also a shared notion that some family farmers⁵⁵⁴ have survived and successfully participate in the soybean production. Even some traditional sharecroppers (the group that is displaced) were described as managing to stay tuned, particularly those with special deals allowing them to pay less than market prices in land rent.⁵⁵⁵ The meanings of the soybean expansion for traditional producers that managed to stay in activity are nevertheless contested. There is general agreement that the margins for soybean production have been higher than any

⁵⁵³ UNATRA was formed at the end of 2004 (to be the main stakeholders in the wage councils that FA would initiate in 2005). It is member of the central Union PIT-CNT

⁵⁵⁴ I define family farmers as the entities that use most of their labor force based on family members and not wage employment.

⁵⁵⁵ An illustrative example of this kind of deals was expressed by one sharecropper: “The land rates have gone up so much. But I have a special arrangement for this land, since I helped the owner to buy it so he could do an extraordinary good deal. I helped the Argentinean owner to buy this land in 2001 when the land was not worth almost anything, just before the prices started to rise. It was “THE BUSINESS DEAL”! Do you know how much he paid? I will tell you [laughter] only 600 USD per hectare. Well, he had money and I did not. I think that the owner now can sell this land multiplied by more than ten. I told the owners that I have never, not even for me, made a business like the one I made for him. So, well, they took that in consideration and they are now offering me the land for a reasonable rent, and I have a five-year contract” (Crop producer, 400 ha, and service provider. 2008-02-23).

other land use, and is consequently often described to be the “rational” way to respond to the changed price relation for “traditional” crop producers. The first subsection outlines the main views expressed about this and shows that land use decisions for producers often end up being more complex and problematized than what appears to be the case at first glance. The second subsection will present competing views expressed about the consequences of the new technological package for traditional crop producers. This section will outline the main patterns for the competing and complementary meanings expressed considering the consequences for “traditional” producers to participate in the soybean production.

7.3.1 To specialize production in soybeans – the “rational” way to respond?

Among the traditional mixed producers (crops-pastures) of the Litoral who are still active as independent producers, according to the grain cooperatives, most have started to change their rotations schemes with less participation of pastures and more participation of soybeans.⁵⁵⁶ When asked in detail about their changes in land-use between 2000 and 2008, all independent producers of the Litoral interviewed testified that they had allowed increasing amounts of their land to soybeans and in general simplified their productions system. This shift is most often explained to be the result of the higher margins for soybean production than for any other land use. The researcher and director of the department of social science within FAGRO in Paysandú, expressed this pattern as a result of economic margins:

“If you analyze the [soybean] expansion from a private economic point of view, it is evident that no other activity can compete with the margins of cultivations under relatively normal weather conditions“ (Researcher and director of social science department EEMAC-FAGRO 2007-12-04).

No respondent questioned the notion that soybeans were providing the highest economic margins – at least for the time being and under “normal” weather conditions. On the contrary, most producers and firms recurrently underlined the exceptional values offered by the soybean production. While the future of these margins was expressed to be more uncertain, most respondents nevertheless seemed to find that the high prices on soybean and

⁵⁵⁶ Interviews with Calmer, Cadol, Calprose and Copagran. This pattern is also reflected in the aggregated statistics from Diea-MGAP and Opyya, showing decreasing participation of pastures in the rotations, replaced by continuous cultivations led by soybeans, as showed in chapter five.

many other agrarian commodities would probably last. The president of the national grain cooperative Copagran (also a member of MTO) expressed this in the following way:

“Probably the soybean expansion will continue. It is a global structural trend and inexorably Uruguay will continue a process of intensification and prioritization of vegetable protein as feed for its animals. And, well, it will be a business in which the producer will be able to participate through the cooperative adding value to the production” (President of Copagran 2008-02-18).

The president of Copagran expresses certainty about continuity of the soybean production and that the “producers” will be able to participate in this complex, which here seems to be constructed equivalent to the “traditional” producers and members of the cooperatives. The individual producers approached in this study also expressed certainty of higher margins involved in the soybean production compared to other land uses. One illustrative example is provided by an independent producer, who for many decades had managed a diversified productive system (cultivations, sheep, bovines and horses):

“We also do some soybean production [70 ha at the time for the interview] and the big family discussion right now is what to do next year. The figures are much better for soybean cultivation. Now we have cultivated soybeans as second crop after barley.⁵⁵⁷ [...]The prices of soybean seem to just go up and up. For the next year I will have to put the bulls in the freezer and do more soybeans. I can already now secure a very good price in the future market. I am about to do that. Of course the prices can go up even more, but it is still a very good deal. So livestock cannot compete with that business. I am expecting 3,000 kg /ha for my current [soybean] plantation, while the national average is 2,200 kg. Even if I will not be able to take out 3,000 kg /ha but instead 2500, I will still be able to take out USD 1,000 per ha” (Mixed producer 2008-02-18).

The above quote clearly illustrates the expectations of higher returns from the soybean production than any other land use, particularly as the producer expected to get yields above the average (around 2,200 kg/ha).

Besides the high margins, it was generally described to be quite “easy” for producers with access to land to shift into soybeans since the new financial instruments linked to CBoT allowed to cover up for the production costs by selling in advance parts of the future harvest (Director and head of commercialization of Cadol 2008-02-11). In this way, to specialize in doing

⁵⁵⁷ This implies that soybeans are doubled cropped with barley.

only soybeans or to provide services to the new crop firms become what many respondents reflected upon as the “rational” way to respond to the new scenario. Another illustration for this type of reasoning was provided by one of the three brothers who managed 290 ha (relatively small), and had switched from doing fattening of livestock to cultivating exclusively soybeans (as summer crop) in rotation with wheat (as winter crop):

“First, we did mostly livestock. But with the increased prices for soybeans and wheat we started to switch over increasingly into crops [...]. In the year 2000 we did 60 ha of wheat with the exclusive aim to renovate the pastures. Always when we cultivated wheat it was with pastures included. Back then, we had 400 heads of cattle. Now we have sold them. The first time we planted soybeans was on a very small scale in 2004/05, and today 100 percent is soybean since three years rotating with wheat. The income per hectare is much higher [...] It is much more difficult with this decision [to shift from livestock to cultivations] for the ones that have been selecting livestock for many years, but we only did the fattening. We bought calves of 150 kg and took them to 400 kg” (Crop producer 2008-02-11).

The underlying assumption expressed here is that it is “natural” to go where the margins are better, but as expressed at the end of the above quote, the decision to shift into soybean is easier to take for those that have not invested in longer term sectors, such as livestock breeding.

Expected margins were constantly referred to by interviewed crop producers of the Litoral as the main factor behind their choice of land use (as long as the land is apt for both livestock and cultivations). In this way, the respondents reflected upon themselves as rational profit seeking actors working under a similar productive logic as any capitalist firm. This self-perception could be seen to implicitly reject the view of traditional family producers often reflected by CNFR and the socioecological NGOs. However, the perception of the margins what was the “rational” land use seemed contingent and changed depending on the time frame considered and diverging perceptions of future prices on soybeans in relation to other agricultural commodities. As the demand which is described as the most important factor behind price comes from far away (China) and mediated through various actors and interlinked with complex global trends, the future price is described as difficult to grasp and even more difficult to foresee. Many producers expressed a constant “in case of...” kind of thinking, trying to be prepared for whatever scenario. An illustrative example of this, was expressed by a family producer when asked him about his future productive orientation: “If the Chinese stop buying soybeans, then I guess I will put back some cows on the land in a couple of years” (Mixed family producer 2008-08-12). The possibility that the high prices on soybeans will fall in the future and become less competitive in relation to cattle raising is expressed

by various respondents, and some told about adopting strategies for an eventual shift in margins: “I will not remove the wire fence, as someday I will probably go back to do rotations with animals”.⁵⁵⁸ This reasoning reflects that although soybean cultivation would be easier and more effective by tearing down the cattle fences, many farmers do not do it in order to keep down the entry costs for cattle raising in the future. This suggests that there is no full reliance on a structural shift to higher prices.

The complex economic weighting of different values when reasoning around the productive orientation ahead was illustratively expressed by one producer:

“We have a family tradition of this type of diverse production system, and our type of business is impossible to build up over a short period of time. You can’t get the cows of pedigree that we have just like that. You cannot sell them today and buy something equivalent tomorrow. This does not exist in the market. If you put your bet in this business, well then, you will have to wait a while and see what will happen to all this; the same is valid for the sheep and the horses. You say I should sell the steers and buy heifers? Or is it even more rational to expand the crop area this year? The business that disappears is evidently the one that appears to be the less profitable. The bovine production was the first thing to disappear from this area⁵⁵⁹ and now what is disappearing is the fattening, followed by the steers. If you calculate on the profitability from the steers I have here per hectare and year, you will see that those steers are producing some 300 kg of meat per hectare and year, which leaves some USD 100 per hectare and year. USD 100 per ha per year? Compare that with USD 600 per ha per year of soybeans!! So the steers disappear. Because steers are actually quite easy to buy from one day to another, if the prices on soybeans go down you can cultivate pastures and buy new steers and enter the business again. It is a business with low exit costs. So, you sell the steers and that is it. But if you are in the business of genetics (breeding), then you have a high exit barrier, because they will not pay you the price they really are worth and you can never buy the same quality that you had. Your stock is the result of many decades of work of selection. It is about the blood and this and that, which implies different exit barriers. It is not possible to compare on an annual basis with the soybean production. Still, many look at the figures and say

⁵⁵⁸ He continued: “We have had many years of lean cows and now we are living the times of fattened cows [a widely used metaphor for economically bad and good times in Uruguay] but we won’t know until then. Well let’s hope that the good times will stay for a long time, but, I will tell you the truth, in these 30 years that I have been active I have never before seen a moment as this, never so long. You give it one or with luck two years, but the good prices have been for many years now” (Crop producer, 400 ha, and service provider. 2008-02-23)

⁵⁵⁹ The establishment is in the department of Río Negro, 20 km from the city of Young.

well let's do soybeans despite the fact that doing cultivations is always more risky business" (Mixed producer 2008-02-18) .

As clearly illustrated in the above quote, the comparison of margins between different land uses often ends up less clear cut than at first glance. It depends on how costs, benefits, risks and time frames are defined and weighted. It was clear that different producers at different times during the interview made different kinds of analysis depending on what they "internalized" in the analysis, and how much weight they were giving long-term investments in machines, fences, employers, know-how, breeding stock, and risk. The above quoted producer suggested that many other producers are staring blindly on annual margins and do not internalize the high costs associated with having to build up a more diversified system again if soybean prices go down. Nor do they internalize the risks always involved in doing cultivations. It is for example often mentioned that bad weather is much more problematic for the cultivations than for the livestock. A minor drought, for example, is argued to probably extend the time needed to take an animal up to slaughter weight, but it is generally described to cope quite well with periods of feed constraints while the same weather may destroy an entire harvest. In addition, some producers expressed that the increased specialization on soybeans in the wake of the expansion had implied increased producers' vulnerability, but that they would not see it until it was too late:

"This boom of course leads to less diversification. It is a break with tradition. My father always said "if the cultivations are doing bad you manage with the dairy, or you manage with the fattening (invernada), as specialization always makes you more vulnerable" (Mixed producer 2008-02-18).

The above producer mentioned that vulnerability increased in relation to various kinds of risks, such as plagues, droughts, floods and price falls. Particularly sudden price falls in the international market were often mentioned as a risk that has to be considered. When one producer who exclusively produced on rented land was asked whether he thought that the soybean "boom" would continue for long, he provided this illustrative answer:

"An important and difficult question... It is not an easy one. As producer with many years of experience I have seen many times booms like this that suddenly have ended in disasters. This time the prices seem to have remained on a high level for a longer - at least for soybeans and to a lesser extent for wheat. Barley received quite bad prices this year. The malting companies got together and agreed on a deal that was of great disadvantage for the producers. There is also a lot of uncertainty in the price of wheat. I

asked in *Erro*⁵⁶⁰ and they could not give me a price, despite that last year at this point everything was clear, and we need to plan and take decisions. I have already bought fertilizers for wheat and I had to pay USD 400 more than I paid last year for the same amount, so what do I do if the prices go down now?” (Mixed producer 2008-02-12)

As illustrated by above quote, many respondents talked about former experiences of booms and busts, but still the majority stressed a belief that the current high price was going to last. It was often seen to reflect a structural shift in the world economy responding to an ever increasing demand on food, feed and fiber to meet up with population increase and the Asian economic growth.⁵⁶¹ The uncertainty over future prices were nevertheless expressed as an important concern not only for land but for inputs and labor, particularly in the light of a general description of increased costs.

Another example of giving important weight to values that do not tend to be included in the most orthodox cost-benefit analysis comes from the President of the National Seed Institute (INASE), who also runs a family business in the regional department of Colonia:⁵⁶²

“There is a very strong tendency towards concentration and specialization, but personally I don’t follow that trend. I run a family business for my entire life in Colonia. I run it together with my son who is also an agronomist like me. We produce milk and we do crops too. We do a little bit of everything. We do some livestock too. My grandfather taught me that you have to put your eggs in several baskets, because if you put all eggs in only one, and if the basket falls, all the eggs will brake” (President of INASE 2009-02-10).

The above quote illustrates that tradition, “common-sense” and risk minimizing are sometimes the guiding principles for land use decisions rather than expected annual margin. CNFR and the socioecological NGOs often advocate the benefits of productive diversification as a strategy of risk minimization. But it represented a sharp contrast to the arguments of the agribusiness firms and the recommendations of the scholars linked to the agribusiness program of the Catholic university who claimed that the “traditional

⁵⁶⁰ A Dolores-based crop firm which also acts as an important middleman and sells grains at FOB in the port.

⁵⁶¹ Another illustrative example: “The soybean is like a symbol for development and the economic potential of China. It is unstoppable. I do not have any crystal ball and in the past I have lived many fluctuating situations, but this seem to be more stable in time” (Mixed family producer 2008-08-12).

⁵⁶² This region in southwestern Uruguay is the main producer of dairy products. It has a population of 123,203 persons of which 11,471 live in rural areas.

producers” better specialize in what is paying the most at the time (Errea et al 2011).

Besides values that could easily be “translated” into economic terms, some livestock producers (as mentioned in section 7.3) expressed reluctance to crop farming on values based on non monetarizable values such as identity, taste and tradition. It is clear that what at first glance is often described in very straightforward terms as “the rational thing to do is to cultivate soybeans” may become more complex when considering more than expected annual margins under stable climate conditions. The time frame (margins on an annual basis or in the long-term), the leverage of risk, tradition, identity and the perceived long-term environmental costs (and economic sustainability) are examples of pecuniary and non-pecuniary values mentioned as weighting in the decision of land use. What was expressed to be the “rational” response seemed to correspond with whether they talked in the very short-term where values such as (cattle-crop) identity, tradition, sustainability (erosion) and risk (climate) were externalized, or in the long-term where these tended to be included. Thus, the same producers that first talked about differences in margins in a very straightforward way could later on during the interview provide more complex accounts on the same.

Some respondents suggested that there was actually not so much of a choice since the cost structure had risen so much (particularly land) that no other land use activity but soybeans were argued to bear the costs. This was particularly highlighted by the sharecroppers that needed to cover up for high land rents, as illustrate here:

“Up until 2006, I did fifty-fifty [percent] cultivation and livestock, but since then cultivations became the dominant activity. The value of soybeans has led to increased land rents and increased prices on fertilizers and everything, so in order to support that cost structure you need to do soybeans. It is absurd “(Mixed producer 2008-02-12).

This producer argued that the high land rents and other increased costs required soybean production on the land in order to be able to pay the land rent and input costs. Among producers who owned some land (i.e. did not have to pay high land rents), the cultivation of soybeans were sometimes perceived more in terms of a necessity than in terms of a free choice:

“If I was given to choose freely between livestock and crops, I think I would prefer the livestock. But there are strong economic incentives at the moment and the livestock business is far from being able to compete with the incomes from crops right now. And the cultivation requires less work than the livestock farming. [...] So, if the prices and costs continue as they are right now, then I will continue growing soybeans, and my rotations

schemes will include only cultivations and I will have soybeans as the head crop in these rotations” (Crop producer 2008-02-23a).

In this way, the general increase in producing costs as a result of the high prices paid for soybeans are argued to decrease the room of manure for the producers still in activity and “force” them to plant soybeans. These arguments resemble much of critique against current orthodoxy of liberal agro food globalization often expressed within both intentional and post-developmental theoretical perspectives.

Producers with arable land have not only to choose between producing soybeans or use the land for some other agrarian activity, but as in the case for the traditional ranchers, producers who did some crops prior to the expansion have after the expansion and the arrival of new specialized firms sometimes preferred to lease out the land. This was the case of one producer who leased out part of the land for a new firm doing soybeans on it since the soybean expansion, while he concentrated his own activity only on livestock:

“But still when they pay you more than USD 350 per hectare to lease your land to do soybeans, then no other activity could possibly pay me more. Probably, sooner or later, I will not do anything else other than lease it out and come to live in the town and live off the rent” (Dairy producer 2008-02-11).

This new type of specialization was argued to be increasingly common. The director of the regional office of MGAP in Paysandú stressed this as a rather “natural” consequence of the economic conditions offered:

“They come and they offer to buy or lease your land at extremely high prices. Evidently, if you look at it in the short-term it will benefit you more to sell the land or to lease it out than to produce it yourself” (Director of local office of MGAP - Paysandú 2007-11-27).

Many producers argued in line with the director of MGAP that the economic gains from leasing out equaled the potential gains from producing soybeans themselves but with more risk involved, which resulted in many opting the former. The technological package of the soybean production was in addition often argued to be inducing a production model that was particularly profitable for big firms since it required less labor and more external inputs. This will be presented further in the next subsection, but here the point is that the technological package was argued to add pressures to pave the way for the specialized firms. In addition, producers mentioned personal circumstances such as age and overall life-situation as playing important roles for decisions taken. This was clearly illustrated in the following quote:

“I also own a piece of land suited for cultivations, but I think I will start to rent it out. You see, I am already 67 years old and entered an age when I do not have the same energy anymore, or the same desires. So I am about to lease out my crop land of 300 ha and live from that. I guess one of the big actors wants to rent it. I would never sell the land because my daughters know that one will never lack food if one has a piece of land, so I think I will try to lease it for two years and then I will see how everything evolves. It is crazy, what I can receive in land rent is more or less the same as working on it myself. And they offer to pay me one year in advance!” (Crop producer 2008-02-23a).

In the above case, both age and the absence of sons seemed to be important factors for the decision. Another producer expressed this kind of reasoning in a similar way:

“Emotionally it is difficult for me to say, “Well, let’s rent out or sell this land to somebody else”, and it is even more difficult for my wife to say it. But, then we sit down and look at the options... Probably it would be very different if we had a son... Or not! Perhaps he would have gone studying to Montevideo or he would have moved abroad, you never know... But our current situation is that we have daughters who have all studied and married with children and are independent from us. We could actually sell this and buy a nice house at the beach... My wife likes Piriápolis.⁵⁶³ But no, this is our life, right? But one is conscious and the emotions and sentiments are one thing and the reality of the numbers is another. So you have to balance all these things. And it is difficult, it is difficult, but still...” (Mixed family producer 2008-08-12).

The above quote besides illustrating quite rigid gender conditions, shows how individual producers consider many different parameters when deciding on what to do with a piece of land. It is also illustrative of quite a common way of separating “the reality of the numbers” pointing in one direction and the “emotions” and “sentiments” pointing in another, and that the producer needed to find the “balance” between the two.

As this section has shown, traditional producers of the Litoral who are still active producers to a large extent have started to change their land use patterns towards more crops (soybeans and wheat) and less livestock than before the soybean expansion. While several stress that on an annual basis and under stable climate conditions soybean production offers better margins than any other land use, producers also express other results depending on the items internalized in their (explicit or implicit) cost/benefit analysis. The

⁵⁶³ Piriápolis located in the Maldonado Department (founded by Piria in 1893) is one of the oldest and still one of the most important summer resorts in Uruguay.

perception of what is the “rational” way to respond to the current high prices on soybeans depends on the estimation of different kinds of risks, the estimation of future environmental costs (as soil degradation, increased needs of fertilization), the estimated exit costs for the alternative land uses, estimations of the persistence of high soybean prices, the estimated available energy and labor within the family (age and family situation), the time frame considered, etcetera.

However, while many producers expressed that the costs to switch into soybean production from livestock implied high exit costs and that such a shift could have irreversible consequences, from the point of view of the grain traders at Dreyfus, both entry and exit barriers for producers were described as low, which allowed for rapid adjustments to “price signals” while other stages of the chain were characterized by much larger investments and much slower time frames, putting rigid constraints on the pace of growth (Traders of Dreyfus 2008-02-19). This can illustrate the important distance in frames of references between these respondents.

7.3.2 The role of the new technological package for traditional crop producers

The soybean expansion in Uruguay arrived with a new technological package centered in genetically modified soybeans RR (Roundup Ready 40-3-2), developed to be produced with glyphosate as a total herbicide and combined with no-tillage farming. The texts published by the socioecological NGOs mostly emphasize negative consequences of this package. The foremost reasoning is that all biotechnology and genetically modified crops are described to constitute a dangerous experiment on nature and humans, as well as increases corporate control. Besides yielding Monsanto with ever higher profit, The HT soybeans are described to go hand-in-hand with increased pesticide use since the seed is designed to tolerate glyphosate as a total herbicide.

In general, the most critical accounts about the soybean expansion describe soybeans under the current technological package as having killed the bees, poisoned the water, exposed producers to health hazards, created erosion of the soils, reduced the decision space of the producers and increased corporate control (Blum, Narbondo, and Oyhantcabal 2008, Oyhantcabal and Narbondo 2011). A text from CNFR offered a synthesis of the effects of the technological package of the soybean production:

“[M]echanization, intensive use of external inputs, monoculture and expansion of the agricultural (crop) frontier, devastation of nature, destabilization of water and climate cycles, as well as erosion and desertification of entire regions” (CNFR 2009).

In this way, the soybean expansion that is strongly linked to the management scheme is argued to imply “indiscriminate” use of certain pesticides to control plagues and diseases of which some are highly toxic (Blum, Narbondo, and Oyhantcabal 2008). The pesticides (including insecticides, fungicides and herbicides) are found to reach non-target species (air, water, bottom sediments, and food) and provoke devastating effects on flora, fauna, aquatic systems and people, both on the short and long-term (Project Coordinator of Vida Silvestre 2010-12-24). The pesticide use is seen to be the main cause behind massive depopulation of beehives in Uruguay⁵⁶⁴ and the pesticide surface runs off into the rivers and contaminates the water (Blum et al. 2008, Ríos, Zaldúa, and Cupeiro 2010). In addition, the soybean expansion is, as mentioned, argued to have implied a break with the previously dominant mixed rotations systems (with pastures) in favor of either soybean monoculture or simple rotations with mainly wheat as winter crop. This simplification of the system is seen to create soil erosion and has reduced the capacity of self-regulation of the ecosystems because of the loss of natural pesticides because of loss of habitat and the heavy pesticide use which decreases general biodiversity in the soil. This in its turn creates even higher dependence on pesticide use (Blum et al. 2008, 22). The heavy reliance on glyphosate as a total herbicide is argued to create resistant weed communities resulting in an endless spiral of increased agrochemical usage. In addition, the soybean expansion is expressed to have created biodiversity loss. It is argued to have expanded not only over mixed systems but also over natural grasslands containing extraordinary high levels of biodiversity, eutrophication⁵⁶⁵ and human intoxication Blum, 2008 #995@27-31 }.

The socioecological NGOs in short argue that the soybean production with this package poses multiple threats to the environment. At the opposite side of the spectrum, the agribusiness firms describe the new technological package as more environmentally benign, more efficient and cost reducing for producers. They also claim that the glyphosate tolerant soybeans have implied less pesticide use and more environmentally benign herbicides (glyphosate-based) than for conventional soybeans (atrazines) (interview with the director of CUS and the director of URUPOV, 2008-12-11). The interviewed producers and cooperatives of the Litoral mainly stressed bene-

⁵⁶⁴ In Uruguay, continuous beehive losses are recorded since 2002 in areas where intensive agricultural practices constitute the main economic activity. INIA established a monitoring program which showed that the major losses occurred in regions where soybeans and sunflower crops are the most important agricultural activities during summer. Fipronil which is the most toxic insecticide used in soybean cultivations in Uruguay was banned by a resolution from MGAP in July 2009. See: www.mgap.gub.uy/DGSSAA/Normativa/NORMATIVA_ULTIMAS_INCORP.htm

⁵⁶⁵ Eutrophication is the response of an aquatic system to the increased level of for example nutrients from fertilizers containing high levels of nitrates and phosphates. It can result in reductions in specific fish and other animal populations.

fits of the technological package associated to the current soybean production, although they also mentioned that there existed cases of over-use of agrochemicals. The most recurrently mentioned benefits were linked to the possibilities to use glyphosate as a total herbicide due to the herbicide tolerant trait of soybeans RR. One producer who produced around 500 ha of soybeans talked about the new technological package in the following way:

“My father tried to do soybeans some 30 years ago a couple of times, but back then it was not GM [genetically modified], not the seed tolerant to the glyphosate [herbicide] and the costs of herbicides were tremendous. The day that GM soybeans arrived, everything changed “(Mixed family producer 2008-02-11).

This quote is illustrative as most producers doing soybeans mentioned the cost saving aspects of the use of glyphosate as an efficient weed killer. Glyphosate is described as a relatively cheap weed killer often contrasted with the herbicides used in conventional soybean production, which was atrazines. Besides the efficiency and cheapness of the glyphosate, most producers also mention the simplicity of the system reducing labor costs. In addition, as the production is made with no-tillage farming many argue that this has allowed soybeans to provide high yields in a wider range of soils than with tillage farming.

Many producers talked about the possibilities of using land more effectively due to the new technological package as the harvest of the winter crop (for example wheat) takes place at the same time as the planting of a summer crop as a second crop (soybeans). Due to the successful use of short cycle soybean varieties double cropping becomes possible (most often soybean – wheat rotation). This is argued to allow increased use of machinery, labor, and land and accordingly lower the fixed costs per hectare and increasing the profitability. Many producers expressed the fact that new technology allowed for cultivation and harvest at the same time had changed the time-frame totally of production and the organization around it, since harvest takes place at the same time as sowing.

In general, most producers stressed that agriculture was becoming more “efficient”, “professionalized” and that the soybean expansion had accelerated the diffusion of new technological innovations. These changes were mostly talked about in positive and “development” terms, reflecting a development view which is equated with “modernization”. However, many producers also expressed a dual attitude towards these technological changes and their “efficiency gains”:

“This process started before the soya boom, but it has become even more pronounced with it as everything moves so fast now. The improved tech-

nology explains partly why some are left behind, because one machine from today does the work of ten machines from 1980. Of course this leads to less labor force since those ten machines working in 1980 had ten operators, and now one man can do all that same work. Today, you can fertilize 300 ha in one day whereas a couple of years ago 300 ha required ten days. But I guess that is part of progress everywhere in the world with more mechanization and more advanced technology... Soon we are all displaced by robots... The technology provides us with wealth but also takes away work...” (Mixed family producer 2008-08-12).

The quote is illustrative of the ambivalence often expressed in relation to the new technologies, and also the strong assumption that it is an inevitable part of “progress”. Some mentioned that they no longer saved their own seeds as new seeds were constantly arriving in the market and were assumed to yield better. At the same time, this was seen to increase the costs for inputs and the risks. Some also said that the increased specialization as increasing their vulnerability to both climate and price shocks.

There is also a shared view that the current soybean expansion with its new technological package and new financial instruments has implied increased demand on “professionalization” requiring management forms that are more based on “technical” knowledge than experience. When talking with the producers about how their own management practices had changed from the year 2000 to 2008, many mentioned that besides doing more crops and less livestock they increasingly relied on external extension services (agronomists). They also followed the recommendations of pest control while earlier they used experience as guiding principles for the production. In addition, many “traditional” producers had also started to make more use of third parties for the activities involved in production, as illustrated in below quote:

“Today, 95 percent of the producers use extension service from an agronomist and the agronomist control it all, and this is a change from the past five years. Many producers also let more of the production into hands of others. There are agronomists who take care of all the services and the land owner only takes care of the initial phase and then he is off to the beach” (Crop producer 2008-02-11).

In this way, producers, agronomists, cooperatives and researchers expressed that many “traditional” producers who formerly based most land use decisions on past experience were now increasingly relying on professional “technical” support from agronomists telling them exactly what to do in all steps involved. This trend was also mentioned in interviews with the cooperatives, producers’ organizations, the researchers at the National Agrarian Research Institute, INIA as well as mentioned by representatives from agri-

business (here stressed as a positive effect of the soybean expansion). CNFR and the socioecological NGOs expressed that these changes were linked to the ways the corporate firms design “technological packages” in which the stipulated combination of products secure profits from various (patented) technologies involved in the same crop producing process (price premium for the biotech trait, for the seed genome, for the chemical formulas involved in inoculation, for the pesticides used, etc.). Since technologies are designed to be combined there is a decrease in “decision capacity”, farmers’ local knowledge, and ultimately in autonomy (Text writer Redes and Rap-AL 2009-02-04).

The technological package for soybean production is argued to be designed to favor capital over labor. In this way, a researcher and agronomist who has written several reports about the soybean expansion for Redes and CNFR, argued that the genetically modified seed further induces a capital-intensive model over a labor-intensive model, since it is designed to be produced in systems where massive use of chemical inputs substitute for labor. In this way soybean production, more than other crops, is argued to be particularly advantageous for capitalist types of productive units with access to capital and not for family producers with more access to labor (Text writer Redes and Rap-AL 2009-02-04). The soybean model is thus argued to have increasingly monetized relations and proletarianized independent producers by substituting labor for capital, while the traditional producers are described as labor abundant and capital scarce (Oyhantçabal and Narbondo 2011, 6). One illustrative example for this way of reasoning comes from a text about the soybean expansion published by Rap-AL:

“That is why the soybean production as part of capitalist expansion not only expels producers but subjects the ones left to a process of specialization which increases their vulnerability, forcing them to over-exploit the natural resources and substantially reduces their ability to make decisions. This is how there is a "proletarianization" of family farmers.“ (Blum et al. 2008).

This line of reasoning echoes some of the criticism against “industrial agriculture” within the localist, or peasant-based approaches, presented in chapter three under the “post-development” perspectives.

As mentioned in chapter five, an important part of the “new” technological package for soybeans is no-tillage techniques. As the HT seed allows for the use of glyphosate as weed killer, ploughing is considered unnecessary. No-tillage is necessary for double-cropping (soybeans planted at the same time as the winter crop, mainly wheat, is harvested). The main benefit of no-tillage is that it reduces soil compacting and erosion, and it also allows better yields for crops in less perfect soils. The combination of high economic margin for soybeans and no-tillage farming has resulted in increased specialization in soybeans and a break with the previously dominant mixed A-G

model. However, Uruguayan researchers at both FAGRO and INIA have showed that pure crop systems tend to create problems of erosion despite the use of no-tillage farming (Researcher INIA and Procisur 2007-12-19). The simplification of rotations schemes and specialization in a few crops (with soybeans as head-crop) is not only argued to cause environmental concerns of erosion, but also to imply increased economic vulnerability and dependence on volatile commodity markets. The agronomist and dean of FAGRO expressed his concerns about increased vulnerability and dependence of Uruguay as a consequence of the soybean model:

“Any sneezing in the world and Uruguay catches a cold. Uruguay has always been the country of booms and busts. And that is why the strength of its productive system has been to rotate crops with pastures. In this way it buffered both climate problems and price fluctuations. A buffer against climate and economic variability is to have a diversified system. In the same plot you have livestock and cultivations, which undoubtedly in addition brings to a range of environmental benefits” (Dean of FAGRO and soils professor 2007-12-04).

The researcher echoes the recurrently expressed historical concern over Uruguay’s dependent insertion in the world capitalist market as a commodity exporter depending on few commodities and on a few final markets (often stressed by the Latin American structuralists and the “dependistas”). The current soybean model through its break with the AG system is constructed to represent increased vulnerability in relation to climate and economic variability. The volatility of this model was argued to be reinforced by the fact that more than 75 percent of the soybean harvest end up exported to a single market (China). The FAGRO researcher expressed that the model would at least get marginally more robust if soybeans were to be rotated with pastures in the same plot (besides the environmental sustainability). In this way of reasoning, the “soybean model” appears as vulnerable.

The optimist accounts agree with the critical accounts that agriculture in Uruguay is under a process of rapid change both in terms of new technologies and the increase of market transactions, and that these “increase the need for more specialization and division of labor as well as the need to increase the scale of the operations” (Errea et al. 2011, 60). However, their conclusion of what small and family producers ought to do in the face of this “new scenario” is to move towards increased vertical integration with specialized firms working under contracts in networks of firms or in permanent cooperation (Errea et al. 2011, 19). Thus, as outlined in chapter six, opportunities for all are still stressed but require “adapting” strategies. The benefits that this model brings are described in purely “economic” terms, whereas values considering decision-making space, independence and autonomy are not at all mentioned. This reflects a materialist development view that domi-

nates the immanent and intentional approaches in contrast to a post-materialist view such as the post-developmental perspective. While “traditional” producers are advised to “adapt” by specializing and entering in different forms of partnerships with the agribusiness firms, the “family-oriented” organization of most “traditional” producers is nevertheless described as a potential advantage vis-à-vis the pure capitalist firms. The benefits of this “model” is described to be its access to cheaper and more elastic labor force (i.e. the capacity to make use of unpaid family labor), which can constitute a comparative advantage since cultivations are subjected to biological cycles that cannot be completely “industrialized” in the sense of standardized protocol and making full use of economies of scale (Errea et al. 2011, 18).

While the most critical accounts stress “proletarianization” of independent producers, the most optimist accounts do not seem to pay attention to non-pecuniary values such as “autonomy”. Most respondents that identify themselves as “traditional” producers both talk about less space for independent decision in the wake of the new technological and management models that have become increasingly dominant with the soybean expansion, and at the same time mention some changes that pointing in the opposite direction. For example, increased access to information and increased transparency due to the new instruments to sell on the future market linked to CBoT were often mentioned as tools that could be interpreted to have increased the decision-making capacity of traditional producers. This was for example expressed in the following way by the same producers who earlier mentioned increased “professionalization” and sub-contraction:

“The change here has been so massive. When some people a couple of years ago talked about Chicago board of Trade we had no idea what they were talking about, and today all the prices are based on what happens on CBoT. In that sense the change has been massive (Crop producer 2008-02-11).

As expressed in above quote, many producers said they constantly followed the prices on CBoT and closely followed discussions about new technologies and products in seminars and on the internet. Accordingly, several individual producers claimed that they were more informed and could potentially make better decisions. Among the “positive” changes brought by the expansion for “traditional” producers were new contract forms for both buying and selling (to buy in the silo, on-farm, to pay in advance or on the spot-market price), new insurance schemes, and the participation of more business actors in the commercialization stages mentioned. Particularly, the arrival of new “buyers” was understood to drive up the prices and opening possibilities for potentially better deals. Traditionally, these producers only sold to the local cooperatives but now many new firms also participate as middlemen (as

ADP, Garmet, Agroterra and Kilafen) buying from the local producers and selling to the big multinational traders FOB (to Cargill, Dreyfus, ADM and Bunge and Noble) in the port of Nueva Palmira. Cargill also buys directly from producers and is accused by competitors and researchers in the interviews of offering prices above the market to increase its share of the market. In any case, no producer protested for being paid too much.⁵⁶⁶

Many traditional producers nevertheless concluded that that the soybean expansion had implied higher costs that in the long-run would require ever bigger scale to cover, as elegantly expressed by one producer:

“But if you look at it in the long-run, it is absolutely evident that the small or medium producers cannot compete with the big ones [in doing soybeans] as they have to pay more for everything and receive less. It is impossible. One has to find other alternatives for those producers, some other activity or niche where they can compete and produce better than the big ones” (Board member of AAD 2008-02-11).

The next section will outline some of the things said and done by the government in explicit reference to the features of concentration of the soybean boom.

7.4 Public regulation in relation to increased concentration in the wake of soybean expansion

In the 2003 electoral platform FA had explicitly established that family farming would be supported through differentiated policies and the increased concentration and foreignization of land have often been expressed to be a major concern. The government has explicitly argued in favor of strengthening the family producers in Uruguayan agriculture (see Chapter 6).⁵⁶⁷ This is argued as important for rural development, justice and sovereignty (Frente Amplio 2003-12-22, 2008a). At the same time, it is a shared view expressed throughout the discursive field that both concentration and “foreignization” of land have increased substantially during the two government periods of FA (2005-2010 and 2010-2015). The preliminary results of the agrarian 2011 census indicates that around 21 percent (12,241 units) of the produc-

⁵⁶⁶ The respondents in interviews mentioned more buyers. Only producers from Litoral were interviewed. I have been informed from other sources that in areas outside the Litoral and more distant from the port, there are also new arrangements with slaughterhouses emerging as a new market (Interviews: Marfrig; El Tejar; Opypa; ALUR; Cousa).

⁵⁶⁷ See the electoral platforms for the period 2005-2010, the period and 2010-2015 and the last one taken for the period 2015-2020.

tive units active in 2000 had “disappeared” in 2011, and of these 75 percent had less than 20 ha and were mainly into livestock production. This section presents some of the main discussions linked to regulations of FA with perceived implications for the increased concentration in the wake of the soybean expansion. The first subsection highlights some of the criticisms expressed about actions and non-actions of the government by the most critical positions taken in relation to the soybean expansion (7.4.1). The second presents a re-articulation of the meanings of public regulation as equivalent with the construction of “balance” between unequal forces (7.4.2). The third and last subsection is yet another re-articulation of meanings, which stresses that public regulation disturbs investment and growth.

7.4.1 Public regulation as too close to the interests of agribusiness

CNFR and the socioecological NGOs claim that the soybean expansion through both direct and indirect land use changes is one of the main reasons behind the increased concentration of land in Uruguay, and the displacement of “traditional” producers, particularly family- and small producers. The agribusiness firm displaces some national producers from the best land, who in turn displace some other producer from more marginal land, and so on. The government is blamed for allowing this process to occur. This was clearly expressed during an interview with a researcher who integrates several socio-ecological NGOs and has written several texts about the soybean expansion for Rap-AL, Redes and CNFR:

“The soybean is majorly an export crop because of the characteristics of the world; Where are the consumers? Where are the producers? To what is it used? You should know better than me. The soybean producers arrive to a place and the problem is the power relation that is established. [If] I have power and you don’t, how do we do to negotiate in equal conditions? Well, you need an intermediary, and that has to be the state. If the state does not want to, or if the state is simply absent, then you’re going down the hole. That is to say that if the state chooses non-intervention when there is an asymmetric power relationship, it is in fact favoring the strong of the two” (Text writer Redes and Rap-AL 2009-02-04).

Above quote is illustrative for the view that the soybean expansion has been equivalent with increased power asymmetries and that the state should proactively support “traditional” producers to level the field. Instead of regulating and controlling the big agribusiness firms and supporting the traditional producers, the state is often argued to have prioritized macroeconomic stability, “free” trade and attraction of FDI (Text writer Redes and Rap-AL 2009-02-04). Among the concrete policies discussed the socioecological NGOs and CNFR have particularly mentioned the new biosafety framework taken by FA which is argued to support the agribusiness model centered in patent-

ed “foreign” technology and discriminate against small farmers and nature (President of CNFR 2009-03-05).⁵⁶⁸ As mentioned in chapter five, the FA government issued 18-month moratorium (2007-2008) on new GMO approvals, which is described by most actors as in de facto longer since no new events were approved until 2011.⁵⁶⁹ Before the moratorium the executive established a multi-stakeholder Commission for a National Biosafety Framework with participation from representatives from research, business actors, producers’ organizations, public entities and socioecological NGO’s to develop a new regulatory regime for biotechnology. The socioecological NGOs (Asociación de Productores Orgánicos, APODU; Red de Acción en Plaguicidas y sus Alternativas para América Latina, RAP-AL; REDES-Amigos de la Tierra and Red Uruguay de ONGs Ambientalistas) left the process in protest in December 2006, because making the country totally free from GMOs was taken out of consideration. Instead, “co-existence” between GM and non-GM productive systems was the main managed scenario.⁵⁷⁰

The critical NGOs and CNFR have also criticized the tax regime. The law on investment promotion has been criticized for exonerating taxes on agrarian “investments”, such as new seeds, certain agrochemicals, irrigation, which is argued to further induce all producers to enter a scheme of work that in the long-run is seen to exclusively benefit the big farmers and imply high ecological costs (high input – high output agriculture in line with the thinking of the green revolution).

The most critical accounts find in general that the FA government is allowing “strong private property rights to land” to rule over other values, such as sustainability and “the social function of land” (CNFR 2010). An illustrative quote from the researcher and freelancing text writer to Rap-AL, Redes and CNFR:

“The land markets, of bought and rented land, are completely without restrictions. Everybody that can pay the market price are free to cultivate whatever they want wherever they want. The state is resigning and allowing the market to decide” (Text writer Redes and Rap-AL 2009-02-04).

⁵⁶⁸ In accordance with UPOV78 farmers can save seeds from previous years. However, the Uruguayan civil association for the Protection of Plant Breeders (URUPOV) has developed a system called “bolsa blanca” or “white bag” in which producers need to sign a contract when buying new seeds promising to pay royalties for saved seeds and field inspections to detect irregularities in trade to guarantee royalty payments.

⁵⁶⁹ See

<http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Agricultural%20Biotechnology%20Annual%20Buenos%20Aires%20Uruguay%207-2-2012.pdf>

⁵⁷⁰ This resulted in a regime which includes a new commission to oversee new events and applications, new requirements of field trials prior authorization Decree 353/2008.

Instead of market rule, the government is argued that it should forbid “foreigners” to own land, set up limits for how much land that can be owned, and forbid “pure” crop systems so that soybeans sometimes are rotated with pastures. The government is also urged to support family farmers through differentiated policies. CNFR has in several public speeches and texts urged the government to apply stronger instruments for differentiated policies for family producers, including better credits, insurance and technical assistance. In addition, CNFR argues that the government should regulate land use in line with “the social function of land”, considering both the specific agronomic potentialities of each land plot and the societal needs of the same, and that it should distribute more land to landless people through the national institute of colonization, INC (CNFR 2010). While the ideals expressed here in many ways resemble the ideals advocated within the “post-development” perspectives, it is striking that the critical accounts on soybeans in Uruguay demand a strong regulative state to forcefully constrain the advancement of global agribusiness.

7.4.2 Public regulation creating “balance” between unequal forces

FA has defended its policies and argued that the trend towards concentration of agriculture and depopulation of the countryside is very strong all over the world, as it is linked to mechanization of agriculture and liberalized global markets, and that it takes a lot of time and effort to reverse the global pressures and long national trend of concentration (Vice-Minister of MGAP 2009-02-19). As mentioned in the previous subsection, the Vice-minister of MGAP also remarked that Uruguay had never had an agrarian model which allowed the population to participate in the production, but that the “hegemonic model” throughout Uruguayan modern history had been the extensive livestock under *Latifundio*. Nevertheless, he stressed, that the public policies that the sitting government were implementing and planning to implement would in due time yield a better balance in the relations among producers and eventually put a break on the process of concentration (Vice-Minister of MGAP 2009-02-19). The expressed ideal of this politician, which is in line with the electoral platform of FA, is a strong segment of family producers living in the countryside and producing nutritious food in diversified production systems for themselves and the rest of the population, alongside with “modern” agribusiness firms engaged in export-oriented value chains. The role of the state was to balance these relations by supporting the family producers with access to land, credit and technology, as well as to foment more diversification of markets, incorporation of technology and value-added in the export-oriented production network (Vice-Minister of MGAP 2009-02-19). The ideals and assumptions reflected in these statements are strikingly

similar to those expressed within the intentional development perspectives outlined in chapter three.

The government has defended fiscal subsidies of the new investment law, despite that no less than 40 percent of the tax reductions within the realm of the law (as of December 2013) have been concentrated to the agro industrial value chains (Paulino, Mondelli, and Pittaluga 2013). The vice minister of MGAP, stressed that the new big soybean producing agribusiness firms often want to access tax benefits through the investment law, but that they then need a justification towards the state showing the number of workers that will increase, the technology will be improved and so on. When the investment project gets approved, they still need to give yearly information and evaluations to MGAP. On the Presidencia website under “resolutions”, it is possible to search for all approved applications in which several projects of both ADP and El Tejar can be found.⁵⁷¹

One of the most mentioned explicit “tools” to provide vulnerable producers with new opportunities is the strengthening of the National Institute of Colonization (INC).⁵⁷² INC was originally created in 1948 to promote division and distribution of land to small and landless producers to ensure increase and improvement of agricultural production and improve the welfare of rural families and workers.⁵⁷³ The state was empowered to appropriate land that did not fulfill its “social function” (in this context it implied land that was not produced, but only used for the land rent) and redistribute it through INC. During the FA administrations the budget and mission of INC has been strengthened in explicit reference to promote rural development and stop rural depopulation. Accordingly, INC has bought additional 100,000 hec-

⁵⁷¹ For example, resolution 1082/008 of 8th December 2008 shows that Agronegocios del Plata (ADP) came in with a offer and an investment proposal to get the benefits under the investment law. In this way, through the conversion of USD 3,928,382 ADP got exemption from paying corresponding taxes and fees for the imports of equipment needed for the investment proposal (these equipment included silos, systems of air-conditionings to silos, grain pump loop system etc., which all had been declared as non-competitive for the domestic industry). ADP also got exempted from taxes of rent for five years and was given a credit for the tax on value added. Quite surprisingly, there is another similar resolution at Presidencia (Resolution 1080/008) also dated the 8th of December 2008 concerning an investment project for acquisition of agrarian machines by the company Guigou Cairos Marcos Enrique, which is the name of the Uruguayan leader of ADP. Here, the company gets exempted from rent taxes for three years. See MEF http://www.mef.gub.uy/comap/comap_2008.pdf

⁵⁷² Through Law 18187 from 2007 and Law 18756 from 2011. See:

www.colonizacion.com.uy/content/view/16/75/

www.colonizacion.com.uy/content/view/1984/268/

www.colonizacion.com.uy/content/view/27/152/ (Accessed in April, 2014).

⁵⁷³ INC was partly formed by the state (Law 11.029) in a response to a seminar CNFR organized about the social function of land in 1945. See “antecedentes históricos” at the homepage of INC: www.colonizacion.com.uy/content/view/13/269/ and www.iica.org.uy/index.php?option=com_content&view=article&id=1115&Itemid=141 (Accessed in April, 2014).

tares of land and in 2014 owns around 580,000 ha, which makes it the biggest land holder in the country. All land transactions involving more than 500 ha need to be sold to INC at the same price and conditions. From 2015, new financing mechanisms have been approved to make it possible for INC to buy more land for redistribution.⁵⁷⁴ According to the politician Andrés Berterreche (former Vice-Minister, 2008-2009 and Minister, 2009-2010 of MGAP and president of INC, 2010-2013) the government plan is to reach between one and two million ha of socially owned land (through INC) as a real alternative to the capitalistic agribusiness.⁵⁷⁵ INC mainly leases out the land on long-term contracts under favorable terms to associations of small producers. The land rent paid by the producers oscillates around 50 percent of market price.⁵⁷⁶ INC does not only rent out land, but also provides with soft credits, electricity, roads and irrigation, housing linked to the state program Mevir, technical assistance and administration. It also has special program directed to dairy producers.⁵⁷⁷ The idea, according to MGAP is to allow co-existence between different productive models (agribusiness and family farming) where the state acts as regulator of forces (Berterreche 2009-09-10).

In this respect, the FA investments in strengthening biodiesel production in Uruguay are also addressed. The mandatory blends of biodiesel and the long-term strategies adopted by the state-owned biofuel company ALUR are argued to be important tools to check competition for land between soybeans and the livestock and dairy sector⁵⁷⁸ and to support the participation of family producers in the production, besides fulfilling objectives of increased energy security and improved trade-balance.⁵⁷⁹ According to the director of ALUR Uruguayan producers will have access to more and cheaper domestic feed which will have a great impact in the whole agrarian sector and make all the meat chains more competitive. He further argued that the protein access has been an important constraint for many producers, particularly the less capitalized ones, but that the availability of cheap feed will imply a sys-

⁵⁷⁴ See www.elpais.com.uy/que-pasa/reforma.html

⁵⁷⁵ www.elecodigital.com.uy/index.php/general/1983-ingeniero-andres-berterreche-senalo-que-colonizacion-debe-llegar-a-los-2-millones-de-hectareas;www.presidencia.gub.uy/Comunicacion/comunicacionNoticias/colonizacion-instituto-berterreche-fracciones-tierra (Accessed in April, 2014).

⁵⁷⁶ See www.elpais.com.uy/que-pasa/reforma.html

⁵⁷⁷ See www.presidencia.gub.uy/Comunicacion/comunicacionNoticias/inc-instituto-nacional-colonizacion-berterreche-programa-estabilidad-lechera

⁵⁷⁸ As byproducts in the process of making crude oil are expeller and meal for animal feed. Uruguay is net importer of soybean meal. According to the president of ANCAP the project will substitute around 100,000 tons of imports of animal forage (Presidencia 2009). In 2009, Uruguay imported 200,000 tons of vegetable protein meals and pellets. In this way, the livestock sector is argued to become less vulnerable to climate variability.

⁵⁷⁹ Interviews with oil-seeds specialist at Opya-MGAP; Vice-Minister at MGAP; Director of ALUR

temic shift allowing producers to grow and all actors involved in the chains of poultry, dairy, pork and bovine meat (Director of ALUR 2010-12-13).

However, the director of ALUR expressed that they were not only interested in adding more value to the soybean production, but also to avoid too much soybean-dependency, and make the soybean producers diversify their production systems and rotate more with other crops and pastures.⁵⁸⁰ ALUR does not only want to diversify the crops used in the biodiesel production but also to diversify the producers cultivating it. According to the director of ALUR, the state-owned bio-fuels company had proposals from companies, for example from Cargill, offering a deal as the exclusive provider of all necessary commodity input. But instead ALUR has proactively intended to strengthen family producer by offering cooperatives and other producer organizations long-term contracts with stable prices fixed in advance:⁵⁸¹

“There are a lot of soybeans, but our policy has been to promote other crops because we want to diversify and not depend on only one, considering that we have the technological possibility to use various crops [...]. We are sometimes criticized for our outspoken resistance to become soybean-dependent, but for us it is also an environmental concern as we are aware of the problems of erosion which the soybean is creating. We are also criticized for not simply buying at the cheapest spot price from the big actors. [...]. There are persons, including within the FA, that find that we should only buy from one provider. Some argue it would be easier, but we are not here to do the easiest things, but the things that are best for the country. Some argue it would be cheaper, but I doubt they calculate the whole equation in a correct way. We find that mechanisms of social inclusion are needed” (Director of ALUR 2010-12-13).

In this way, the state led incorporation of value added to the soybean complex is expressed to illustrate the potential superiority of the state to generate

⁵⁸⁰ Rape (Canola) has not been developed much in Uruguay. Since it is a winter crop it is, according to de León, a perfect complement to soybeans or sunflowers during the winter instead of only wheat. ALUR managed to foment contracts with producers for 5,000 hectares of rape for biodiesel production in 2010 and believes to increment its participation. ALUR also cooperates with research projects linked to INIA and FAGRO-Udelar concerning alternative crops for biodiesel and alternative markets for byproducts.

⁵⁸¹ In the case of sunflower, ALUR assured USD 640 per hectare based on yields of 1,500 kg/ha for the harvest 2010-11. The costs are estimated at max 450 USD per hectare for a producer with no previous equipment. The producers are also offered financial support to buy seeds and fertilizers through the state bank BROU, BNDES, a microcredit program involving OPP, and extension services by ALUR through DGSA-MGAP. ALUR also establishes contracts with big agrarian firms, but the deal is different: “Yes, we have contracts with El Tejar, with ADP, and with others. The deal with them is that ALUR says what it needs, say 200,000 tons of soybeans, and it is paid at the time of the delivery following the spot price of Chicago Board of Trade” (Director of ALUR 2010-12-13).

wealth by its capacity to defy price signals and internalize all “costs” and “benefits” to “calculate the whole equation in a correct way”. The expressed belief in the immanent perspectives of markets as the most effective and fair resource allocator is rejected not only because they are argued to create polarization and social injustice, but also because they are potentially less effective in generating growth and development compared to a strong state adopting long-term strategies in favor of industrialization and diversification. The government often stresses the work of ALUR as a successful example of how public involvement in the agrarian sector can generate more value added and social inclusion (Director of ALUR 2010-12-13, Presidencia 2009).

Besides the new legislation, the biodiesel projects and the strengthening of INC, there are other public regulative organizations that have addressed the land use changes. For example, FA created in 2007 (law 18.126) a National Agrarian Council *Consejo Agropecuario Nacional*, for decentralization and coordination of agrarian polices.⁵⁸² According to the Minister of MGAP at the time, José Mujica, the council was created to generate a new policy framework to stop the stream of traditional producers leaving agriculture.⁵⁸³ One concrete reform imposed to put a break on concentration that has caused a lot of polemic discussions is the new tax on concentration of rural property, *Impuesto a la Concentración de Inmuebles Rurales (ICIR)*⁵⁸⁴, passed in December 2011 by Law 18876. This was taken as an explicit response to increased land concentration and implies a progressively higher tax on large landholdings. The line of arguments from FA has been that the increase in land values during the past decade⁵⁸⁵ is not exclusively the result of private investments, but also of important public investments in infrastructure and research. The economic gains of the value increase are nevertheless argued to have only gone exclusively to the private landholders, and

⁵⁸² The council is integrated by the Minister, the deputy minister and the Director of MGAP, the director of the Planning and Policy Office (Opya-MGAP), three members from the Congress of Mayors, the President of the Institute Agrarian Plan (IPA), the President of the National Agrarian Research Institute (INIA), the President of the National Vitivineculture institute, the President of the National Seed Institute (INASE), the President of the National Institute of Meat (INAC), one delegate from the National Colonization Institute (INC), one from the National Administration for Education (ANEP) and one from the state university (UDELAR). Of these I have interviewed the deputy minister and the Director of MGAP, the director of Opya, the president of INIA, the president of INASE, and the dean of FAGRO- Udelar. See: <http://www.parlamento.gub.uy/leyes/AccesoTextoLey.asp?Ley=18126&Anchor=> (Accessed in June, 2014).

⁵⁸³ See LR21, 2007-08-10 “Se puso en marcha el Consejo agropecuario nacional, ‘una verdadera revolución para los productores’” <http://www.lr21.com.uy/economia/270151-se-puso-en-marcha-el-consejo-agropecuario-nacional-una-verdadera-revolucion-para-los-productores> (2014-06-02).

⁵⁸⁴ The project was approved by 16 votes out of 27, only with votes from the Frente Amplio.

⁵⁸⁵ As mentioned, land prices have risen more than seven times on average and are often expressed to at least partly be explained by the soybean expansion.

the bigger the units the greater benefit.⁵⁸⁶ With the new law society is argued to be able to capture a part of the increase in the price of land and use it to improve infrastructure and as an instrument to discourage land concentration.⁵⁸⁷

The traditional parities (Blancos and Colorados) at the national level were against the law with some internal opposition within FA, but the Congress of *Intendentes* representing the leaders of the regional governments were across party-affiliations in favor of the new law.⁵⁸⁸ The critics claimed that the law was unconstitutional⁵⁸⁹ and did not take into account total factor productivity, which in the end could foster further concentration of landholdings. The Rural Association (ARU) and the Rural Federation (FRU) appealed to the Uruguay's Supreme Court that ICIR was "unconstitutional". On February 2013, the Supreme Court ruled that federal taxation of land property was not allowed (Tambler 2013). As a response to the court's decision, the government, besides paying "back" tributes to producers that filled in a case, extended the existing *Impuesto al Patrimonio de las explotaciones agropecuarias*.⁵⁹⁰ This was done through Law 19088 and Decree N° 293/013 by September 2013.⁵⁹¹ In the new framework, the productive units with direct or indirect assets above 12 million indexed units (representing around USD 1.6 million in September 2013) have to pay the tax. However, the value approximation of land is not based on the market price but on the *catastro*⁵⁹² (a national land register), which is estimated to be around one-third of the mar-

⁵⁸⁶ This line of reasoning has been expressed several times by the government. The former Minister of MGAP, Ernesto Agazzi, remarked several times that many producers had actually received a four-fold increase of their value without actually having done anything to improve the land (Presidencia 2009).

⁵⁸⁷ The tax is levied at USD 8 per hectare to extensions of between 2,000 and 5,000 ha (Coneat 100), at USD 12 per hectare to extensions between 5 and 10,000 hectares, and USD 16 to the areas with more than 10,000 ha. It is estimated to be around 1,200 companies out of a total of 47,300 (2.5 percent) that possess 36 percent of the productive area. The government expects that the tax will rise about USD 60 million annually that will be used to repair rural roads. Presidencia: www.presidencia.gub.uy/Comunicacion/comunicacionNoticias/impuesto-tierra and www.presidencia.gub.uy/sala-de-medios/videos/prosecretario-opp-congreso-intendentes-fideicomiso-icir-camineria-rural (2014-04-22)

⁵⁸⁸ www.presidencia.gub.uy/sala-de-medios/videos/prosecretario-opp-congreso-intendentes-fideicomiso-icir-camineria-rural and <http://historico.elpais.com.uy/130106/pecono-686535/economia/-es-claro-que-el-frente-amplio-no-es-capaz-de-gobernar-ni-en-la-bonanza-/> (2014-04-22)

⁵⁸⁹ Arguing that the constitution does not allow for federal but only provincial taxation on land property.

⁵⁹⁰ All productive units in Uruguay with the exception of corporations with bearer shares, had been exempted from this tax since the crisis in 2001 (Tambler 2013).

⁵⁹¹ See national tax office, DGI

<http://www.dgi.gub.uy/wdgi/page?2,principal,decretos2013,O.es,0>

⁵⁹² See: http://www.catastro.gub.uy/wordpressDNC/?page_id=1464

ket price.⁵⁹³ The new tax is estimated to affect around 1,300 producers bringing in some USD 60 million annual tax revenues (more or less equal to ICIR). This money is stipulated to be used for the repair of roads and 10 percent to support a new Rural Technological University *Universidad Tecnológica del Interior* (UTEIC).⁵⁹⁴

The traditional producers' organizations ARU and FRU did not find this new mechanism legitimate and helped the affected producers to appeal their cases to the Supreme Court, and argued that the legislation resembled interventionist policies of the 1970s that created inefficient and distorted markets.⁵⁹⁵ The legal process takes many months and the rule of the court is estimated to come by the end of 2014.⁵⁹⁶ The president of FA, Mónica Xavier, went out and publicly lamented that some 1,200 narrowly self-interested big landholders with high appreciation of their land were not willing to pay for rural roads and support the new university. Xavier claimed that ARU and FRU were acting in accordance to an ideology that opposes to wealth distribution and profound development.⁵⁹⁷ The President of the Republic, José Mujica, also stressed that while big landowners had been capitalized enormously during the past decade of rising land prices because of the general dynamism in the country and much less as a result of proper work still resist to do what is morally and ethically right, which is to contribute to the solu-

⁵⁹³ See: www.espectador.com/economia/263050/proyecto-de-ley-sustitutivo-del-icir-restablece-el-impuesto-al-patrimonio-para-el-sector-agropecuario-analisis-y-perspectivas http://archivo.presidencia.gub.uy/sci/decretos/2013/09/mef_1274.pdf www.catastro.gub.uy/wordpressDNC/?page_id=1464; www.espectador.com/economia/263050/proyecto-de-ley-sustitutivo-del-icir-restablece-el-impuesto-al-patrimonio-para-el-sector-agropecuario-analisis-y-perspectivas; http://archivo.presidencia.gub.uy/sci/decretos/2013/09/mef_1274.pdf (Accessed in June, 2014)

⁵⁹⁴ See: www.presidencia.gub.uy/comunicacion/comunicacionnoticias/congreso-intendentes-durazno; www.presidencia.gub.uy/sala-de-medios/videos/conferencia-reunion-mujica-intendentes-lafluff (Accessed in April, 2014).

⁵⁹⁵ A sample of news articles dealing with this issue: www.todoelcampo.com.uy/impuesto_sustituto_del_icir_no_aportara_nada_a_camineria_a_partir_del_cuarto_ano_de_recaudacion-15?nid=6535#.UwuVIBCgpnU; www.elpais.com.uy/informacion/primer-recurso-impuesto-agro.html www.elpais.com.uy/informacion/aguarden-fallo-scj-presentar-masivo.html www.elobservador.com.uy/noticia/268879/fiscal-de-corte-desestimo-recurso-contra-impuesto-al-patrimonio/ (Accessed in June, 2014)

⁵⁹⁶ Audio (04:25 minutes) with the spokesperson of the Supreme Court of Justice, Dr. Raúl Oxandabarat. www.valoragro.com.uy/agricultura/se-presento-el-primer-recurso-de-inconstitucionalidad-contra-el-impuesto-al-patrimonio/ (Accessed in June, 2014)

⁵⁹⁷ See: <http://campolider.com/2013/10/15/xavier-critico-la-actitud-de-hacendados-y-empresarios/> www.elpais.com.uy/informacion/xavier-critico-actitud-hacendados-empresarios.html (Accessed in June, 2014)

tion of the problem of rural roads in a bad shape.⁵⁹⁸ According to the special ambassador and advisor of the President Mujica, the members of the Supreme Court have loyal bonds to former governments and use the legal system to throw spanner into the wheel of FA policies (Special ambassador MREE and Presidencia 2014-03-06).

Independent of how this story ends, it is interesting to note that there is agreement that the biggest private land owners and leasers are the “new” agribusiness firms linked to either forestry or crops led by soybeans, and accordingly these firms would be the ones hardest hit by the new regulation. Still, these firms have been absent in the public debate. Instead it is again the “traditional” producers’ organization ARU and FRU in which the new crop producing firms are not members who are the ones publically opposing the new regulation. The next subsection will take a further look at how these and other actors construct a vision of public regulation as disturbing investment plans and long-term growth.

7.4.3 Public regulation as disturbing investments and growth

The “traditional” rural organization ARU and FRU have publicly criticized many of the agrarian policy reforms made by the government regarding the new regulation for rural workers including the 8-hour working day, the differentiated policies in support of family agriculture (described as “discriminating”), the lack of investments in rural infrastructure and the tax on land concentration.⁵⁹⁹ Considering the biodiesel projects of ALUR, the ARU, FRU and the political opposition of *Blancos* and *Colorados* have criticized it for transferring the “real” costs onto the tax-payers. The argument is that ALUR reported losses up until 2011, and that the price of biodiesel according to the biofuels law is transferred to the consumers via tariffs (both ethanol and biodiesel in Uruguay are still more expensive than fossil fuel). In a more generic sense, both ARU and FRU frequently point out that the state is too big, too bureaucratic, too urban – too far away from the rural “reality”, too slow, and tax excessively the agrarian sector, which is constructed as the true generator of wealth. In addition, the cost structure of the country is generally described as too high and the Uruguayan peso over-valued which decreases the competitiveness of Uruguayan products.⁶⁰⁰ The government has

⁵⁹⁸ See: www.elpais.com.uy/informacion/mujica-hacendados-naturalmente-resisten-colaborar.html /Accessed in June, 2014)

⁵⁹⁹ See: <http://sur.infonews.com/notas/el-campo-contra-mujica>
<http://ladiaria.com.uy/articulo/2012/6/no-vengan-con-cosas-raras/?m=comunidad>
www.ultimasnoticias.com.uy/Edicion-UN/articulos/prints-2011dic29/act05.html (Accessed in July, 2014).

⁶⁰⁰ See speeches and communiqués of FRU www.federacionrural.org.uy/ and of ARU www.aru.com.uy (Accessed in July, 2014).

also been criticized for its social programs to the poor, which are argued to encourage idleness and laziness.⁶⁰¹ As mentioned in chapter five, ARU and FRU have often taken similar standpoints in relation to agrarian policy, but as I will show in greater depth in the next chapter, FRU has taken a more critical position in relation to “foreignization” of land. ARU has expressed the importance of “not changing the rules of the game” for the foreign investors who have invested in the country.⁶⁰²

In contrast, these organizations reflect themselves as representing “the backbone of the national economy”. Their main identity construction of the state and themselves can be summarized by the following quote from the annual “final declaration” speech of FRU in 2009:

“To fulfil the mandate of its statutes [FRU] daily breaks the mold of the strictly economic and transcends into the moral, into the political - in the broadest sense of the word - and also the universal; since the progress of the countryside impacts the progress of the Nation, imposing in our institution, the proud duty to provide a strong resistance, an impregnable citizenship, where the richness and the culture of the country is put far away from demagoguery and the unlimited Statism”⁶⁰³

As reflected in the above quote, FRU (the same goes for ARU) represents itself as fighting for “the progress of the countryside” which is constructed equivalent with “the progress of the Nation” and dependent on “strong resistance” to keep the distance from the adversary represented as “demagoguery and the unlimited Statism”. Both ARU and FRU appear frequently in national news media and have in many ways succeeded to claim legitimate representation of the entire “rural sector” in the press. The rural sociologist, Alberto Riella, has argued that ARU and FRU have managed to hegemonize “rural interest” and make their particular interest (interest of the big ranchers) to appear as representing the interest of all “rural” actors. The FA government has nevertheless expressed in several public speeches that ARU and FRU do not represent the whole rural sector and that the massive critique against the government via communiqués and declarations only represent “a few haggard leaders” in the words of José Mujica.

While ARU and FRU have expressed concerns over some aspects of the government’s agrarian policy and argued that they can decrease the competitiveness of the sector, the new crop firms that arrived in the wake of the

⁶⁰¹ See: www.ultimasnoticias.com.uy/hemeroteca/020609/prints/agro01.html

⁶⁰² See: www.cnfr.org.uy/prensa_display.php?id=615#U-J9ShDNw84 (Accessed in July, 2014).

⁶⁰³ See: “Declaración de la Federación Rural al verdadero país productivo, Departamento de Soriano, Uruguay, marzo 18 de 2009. On the webpage of FRU <http://www.federacionrural.org/> (Accessed in April, 2014).

soybean expansion have not taken public positions. When asked about the reforms several are described as mainly positive, such as the enhanced labor standards, formalization of workers, increased tax inspection and higher increased environmental inspections and protection of the soils requiring rotations schemes for crops (planes de uso y manejo de suelos).⁶⁰⁴ The country manager of Tejar nevertheless expressed that the criteria used for both investment promotion and for exceptions of the legislation against joint-stock companies (Law 18.092, see next chapter) were unclear and open for too much interpretation. In general, however, the new crop firms and the new agribusiness firms keep a much lower and non-confronting profile vis-à-vis the government than the traditional producers' organizations. On the other hand, it can also be that the traditional organizations use formal and public channels to wield influence, while the new capital groups may also try to impose a more agonistic agenda in more informal and less transparent way.

The president of FRU, argued that it would be good for the soybean firms to enter FRU to get a stronger voice concerning agrarian policy. As illustrated in the quote below, he particularly stressed that it would make the soybean firms safer for the future if the government started to implement constraining policies for the soybean producers:

“Think of the case in Argentina, the conflict between the rural areas and the government, who is defending the interest of the countryside? The rural associations which function the same way there as here. We often meet with them in Mercosur, and in Argentina the soybean producers integrate these traditional associations. Imagine that here something similar as the conflict in Argentina would occur, who would defend the soybean producers? Turban would have to fight with the government for El Tejar, Guigou for ADP” (President of FRU 2009-03-03).

The president of FRU finds it possible that the same type of conflicts that Argentina suffers between rural producers and government could happen in Uruguay, and in such a situation the soybean producers would be much stronger if they participated in the traditional organizations. However, instead of integrating with the traditional producers' organizations the new crop firms seem to work collectively through the private-public oilseeds table MTO, which has organized several events with participation of the highest public authorities. MTO has together with MGAP and the wheat table developed a common guide of “good agricultural practices” for dry

⁶⁰⁴ See: www.elobservador.com.uy/noticia/249785/plan-de-uso-de-suelos-trastocara-arrendamientos-agropecuarios/ and ADP “Productores deberán presentar plan de uso sustentable de suelos” www.adp.com.uy/notaext.php?id=496 (Accessed in April, 2014).

farming.⁶⁰⁵ The government under the Productive Cabinet has also invited both business and union actors to participate in the higher level tripartite council with the ministers to discuss problems and upgrading visions for certain value chains, of which the oil-seeds is one (Oil-seeds and agro-industrial specialist at Opya-MGAP 2010-12-08). According to the oilseeds specialist at Opya-MGAP who also represents MGAP in the Productive Cabinet, the participation of the business actors had been welcomed within the private sector:

“The private sector in general has welcomed the approach, and more than a threat of an interventionist state they see an opportunity to do lobbying. This is potentially more of a threat for the state than for the private actors. If this is converted into a mere lobby space, then you are inventing a monster that will end up devouring you. But, I think it is generally good with spaces to meet. It has always existed, and to do it in this systematic and more predictable way, is something that democratizes the lobby and make the authorities not only to listen to those with best resources to reach” (Oil-seeds and agro-industrial specialist at Opya-MGAP 2010-12-08).

Alongside with the Productive Cabinet, the state organ for planning and budget, OPP, has a program of productive cluster and productive chain development (PACC). Since 2012 there is a new oilseeds conglomerate integrated by MTO, Opya-MGAP, LATU, Udelar and INIA. This conglomerate has taken a Strategic Plan for the sector and has received funds for the implementation. A central part of the funds has been used to increase “human capital” to incorporate more technology and knowledge. Another part of the projects is about reducing the carbon footprint of the chain.⁶⁰⁶

It is clear that the most agonistic expressions in relation to public agrarian policy from the business sector come from the traditional producers’ organizations ARU and FRU, while the new crop firms seem to mainly adopt a non-confrontation approach towards the government, at least in public.

7.5 Concluding competing and complementary meanings of concentration

I have here addressed how different actors attribute different consequences to the changed relations among producers. As shown, some of the conse-

⁶⁰⁵ The guide is accessible at the webpage of Calmer; <http://www.calmer.com.uy/documentos/2013/Guia%20BPA%20Secano.pdf> (Accessed in August, 2014)

⁶⁰⁶ See: http://pacc.opp.gub.uy/inicio/conglomerados/conglomerado_Oleaginosos/ (Accessed in July, 2014)

quences appear as uncontested, but are nevertheless ascribed different meanings through differentiated ways of relating the signs to other signs. As stated before, the soybean expansion is intimately linked to concentration of land and in many articulations also to “displacement” of traditional producers. The perception of who is the displaced producer, including its alternatives, has appeared to be central for what elements can be linked to it, and to whether it is possible to understand as winner or loser. I have, in this respect, outlined in section (7.1.1) that the most critical accounts expressed in relation to the soybean expansion typically reflect the displaced producer as an asset-less victim who ends up marginalized and impoverished in the city. This view is mostly articulated by CNFR and the socioecological NGO’s, even though some of the stories told by individual producers, grain cooperatives and researchers also sometimes expressed similar understandings. By contrast, the most optimistic accounts expressed in relation to the soybean expansion typically described the changed relations among producers as a consequence of mostly capitalized producers who seized on the new opportunity to get rid of debts and live well without worries, or to “re-invent” themselves as small business entrepreneurs providing agrarian services to the big firms. This view is commonly found among the agribusiness firms, even though some of the stories told by individual producers and grain cooperatives also sometimes expressed similar understandings. Several respondents expressed views containing elements from both these dichotomous interpretations. Most individual producers started out talking about the difficulties facing traditional producers in the wake of soybean expansion that were mostly in line with the critical accounts, but when talking more in detail and depth about the implications, almost all started to mention stories that were more in line with the meanings given to these changes in the optimist accounts emphasizing new opportunities brought by the capital injection. In addition, the traditional producers and cooperatives acknowledge more differentiated displacement patterns, while the other voices on both sides of the spectrum tend to reduce the meanings of the changed social relations by either expressing all “traditional producers” not participating as displaced victims or capitalized risk avoiders.⁶⁰⁷ In this way, the actors representing the critical accounts did not by themselves mention the traditional producers owning land who leased it out to the new crop firms at high prices, and the actors representing the optimist accounts did not spontaneously mention the sharecropper who lost access to land without receiving anything in exchange.

When it comes to the consequences of the soybean expansion on the traditional landowning ranchers (section 7.1.2) both the agribusiness firms and

⁶⁰⁷ As mentioned throughout the chapter, the respondents who mainly reproduce more “streamlined” accounts also acknowledge the existence of more differentiated realities when explicitly asked about them.

the actors representing the state tend to predominantly argue that if the soybean expansion has triggered the ranchers to take bigger risks and invest more in the land, then that is beneficial. This position is made possible through the construction of the “rancher” as mainly conservative and risk-averse, in line with the descriptions of the historical landed elite in national agrarian research. Thus, rising land values in the wake of the soybean expansion are argued to potentially bring about the long awaited intensification of land use. Intensification is, in turn, strongly linked to modernization, which is further intimately coupled with development. This articulation is rather strong within the discursive field and echoes both the immanent and the intentional development perspectives and their constructed equivalence between modernization and development (chapter three). The most critical accounts on the soybean expansion are instead silent about the consequences for the traditional ranchers, but they strongly reject intensification in the wake of the soybean expansion, which is expressed to constitute one of the major threats on the environment and health brought by the soybean expansion.⁶⁰⁸ Besides stressing these negative “externalities”, the most critical articulations reject the whole modernist vision of development. While the critical accounts are rather silent about the consequences of the soybean expansion on the “old” landed elite of ranchers, the agribusiness firms are silent about the consequences of the expansion on sharecroppers and small ranchers (in absolute terms most small- and family farmers are ranchers).

Section 7.1.3 showed how the changed relations among producers in the wake of the soybean expansion is often linked to rural depopulation, which in turn is linked to the closing down of rural schools and to decreased equality of opportunities and inclusive development. This is a recurrent expressed articulation among the critical accounts of the recent land use changes. The optimist accounts were more silent about rural depopulation, but some respondents expressed a view on the public rural school de-linking it as a vehicle for development and equality of opportunities, which ultimately makes the closing down of rural schools less problematic.

Considering the sharecroppers and the small producers who left the activity, it was recurrently mentioned that these were now providing services for third parties (a new expanding market due to the soybean expansion). This turned out to represent yet another arena for competing views outlined in subsections 7.2.1 and 7.2.2. This new form of incorporation into the value chain as service provider in the optimist accounts reflected a possibility allowing for continuity of activity (to sow, fumigate and harvest), but without having to take much risk. This articulation could be seen to reflect a view of “being a producer” as equivalent and therefore substitutable to any other income generating activity, and a view of the market mechanisms as the

⁶⁰⁸ The increased pesticide use is argued to kill bees, pollute water and intoxicate producers. The intensified use of the land is argued to exhaust the soils and create erosion.

most efficient tool to allocate resources (including human) where it is most beneficial. This same change of position was in the critical accounts reflected as a loss of important decision capacity, identity, autonomy, as well as increasing dependence on a bunch of actors that may chose to leave from one day to another. This articulation could be seen to reflect a view of the family producer or “peasant” in line with the localist approaches of the post-development perspective. In the same way, the most critical accounts stressed that the concentrated model of current soybean expansion did not generate much alternative employment, while the optimistic accounts stressed how the new firms were generating highly skilled employment and even generating a major shift in the improvement of labor standards for rural workers that would transform the relations between producers and workers to the benefit of the worker. This way of conceptualizing the schemes of work of the new crop firms were expressed in similar ways by actors representing other position in the field, including actors of the government (who also reflected a tension between the aim to strengthen the family producers and the aim to strengthen the conditions of the rural workers)..

Like the discussions of the meanings of the soybean expansion for different kinds of “traditional producers” which ultimately includes the struggle over which categories to use and which ways to fill these categories, there were also conflicting meanings attributed to the consequences of the soybean expansion for the traditional crop producers who managed to stay abreast and who do participate in the soybean production (section 7.3). At the most schematic level, all independent producers express that it is better to manage to survive as producer than leaving the activity. All acknowledged that the soybean production had offered opportunities to gain a relatively high income during the past years for the producers that managed to get reasonable harvest. In the same way, these high margins involved in the production was also used to explain the trend towards increasing specialization towards crops among producers (and less rotations with pastures). However, this section has also showed that the land use decision among traditional crop producers of the Litoral is not exclusively understood in line with the neo-classical assumptions of well-informed rational actors “responding” to price relations (i.e. margins). But the accounts provided in the in-depth interviews showed that information is never complete and that farmers’ choices result from complex weighting of pecuniary and non-pecuniary values and different times frames. Despite the complexity in estimating the “real” gross margins there seem to be a widespread understanding that the high prices paid for soybeans have induced many Uruguayan farmers with access to cultivable land to either specialize in soybean cultivation with less participation of pastures. Others have instead sold or leased out suitable crop land to the big firms specialized in cultivation and live from the rent or from livestock activity in land not suited for crops. These producers mention that the cost structure has risen and the decision to lease out the land is a way to minimize

risk. For the producers that never owned land (traditional sharecroppers) the high prices paid for soybeans are also described to have resulted in either increased specialization in soybean cultivation to pay the high land rents.

Finally, section 7.4 presented the competing and complementary views provided on public policies discussed in relation to the features of concentration in relation to the expansion. This outline showed that the most critical accounts on the soybean expansion in general express that the government is doing too little and is too lame in relation to the agribusiness firms. Actors from the government express in many ways a similar problem as the one provided in the most critical accounts, but also stress that the state can potentially make something more “developmental” in the sense of redistributing and wealth generating from the current soybean expansion by setting up conditions and negotiating with the big agribusiness firms. The traditional producers’ organizations and the agribusiness firms have criticized government action for potentially its disincentive to investments and growth. It is nevertheless clear that ARU and FRU are more publically acrimonious and antagonistic against the government than the new crop firms.

In conclusion, an important part of the discussion seems to be related to the identity construction of the “traditional producers”, which by the respondents that claim to represent this group seems to be dual. Some of the stories told seem linked to non-pecuniary values (autonomy, tradition, providers of “food for the nation”), while other stories reflect a strong business identity (professional, rational, maximizing margins). Again, some reflected that as long as there is an opportunity to do business along the market rules there is no problem, while others reflected that to be a producer is mainly about commitment and love for the land, and for the joy of producing well.

8. Competing and complementary meanings of foreignization

As mentioned in chapter five, the high levels of concentration of the soybean expansion, far exceeding the average concentration rates in other agrarian sectors (except forestry⁶⁰⁹), are referred to as a shared value throughout the discursive field. Another “social fact”, or shared view, is that the soybean expansion has been mainly driven by big foreign firms. The increased participation of “foreign” firms in the agrarian production (land), and the wider process of increased participation of “foreign” firms at all stages of the agro-industrial complex (inputs and commercialization), is often referred to as a process of “foreignization”. This chapter will outline the complementary and competing meanings of this signifier in the discussion about the soybean expansion.

Foreignization, or the fact that the new mega firms are “not Uruguayan”, is mentioned almost every time the concentration in the wake of the soybean expansion is talked about. Concentration and foreignization are not only recurrently mentioned together as outstanding implications of the changed social relations in the wake of the soybean expansion. Still they are also often expressed as inter-related and part of a complex causality pattern. In which the first cause the second through mainly increased land prices, which causes the third, as no “Uruguayan has that amount of money. Particularly the texts of the socio-ecological NGOs and the CNFR constantly remark that the soybean expansion is equivalent to concentration and foreignization. This concept is nevertheless also recurrently mentioned by traditional producers, cooperatives, politicians of different party belongings, researchers and journalists, when talking about the soybean expansion. Even the agri-business firms refer to it in different ways, not least in ways that disarticulate the meanings creations posed by the critical accounts. In this way, foreignization and concentration can be described as among the most successful fixations of meanings established in relation to the soybean expansion. However, “foreignization” turned out to be yet another *floating signifier*; a contingent space filled with complementary and competing meanings through-

⁶⁰⁹ Besides the soybean production, also the forestation is very concentrated and dominated by large foreign companies. In 2011 Uruguay had a total of around one million hectares of forested land. It is important to mention, however, that forestation in Uruguay is quite regulated and can only expand in land that is not apt for food-production.

out the field. This chapter will present the main meanings equivalences constructed in relation to “foreignization” as well as the interplay among them

Sometimes the meanings given to foreignization were posed in a straightforward way, while at other times it was rather through the analysis of the (re)construction of the “others” (foreigners) in relation to a “we” (Uruguayan) that I could discern the ways “foreignization” was filled meaning. Thus, some of the meanings given “foreignization” have here been extracted from how social identities are constructed, and how these identities are related to each other, and not only from the things said in explicit reference to foreignization. The construction of identity, is central in all discursive struggles. It appeared constantly in the material considering all aspects of the soybean expansion (in which chapter six dealt with provided explanations to the changes and chapter seven with provided consequences of the poor participation of “traditional producers”), but I found it was provided with particularly explanatory value for why, or why not, the increased foreignization was articulated as a threat or an opportunity. This in turn is central for whether the soybean expansion in general can be depicted as mainly threatening/opportunity bringing, legitimate/illegitimate or just/unjust. In line with Laclau and Mouffe, all social identities are seen as contingent and reversible, and there is no clear demarcation line between the internal and the external. This is why the articulation, striving for fixity, unification and order, becomes central, and the very condition of constituting an ‘us’ is the demarcation of a ‘them’ (Laclau and Mouffe 2001, 86).

I found a rather broad variation in meanings expressed, but also regularities. At the most schematic level I have divided the accounts provided into two main sets; one that provide for the main meanings attributed to “foreignization” with focus on threats brought by the same, which are presented under section 8.1, and another that provide for the most frequently mentioned meanings attributed to “foreignization” with focus on either disarticulations of the “threat” centred articulations, or re-articulations of “foreignization” as mainly opportunity bringing, which are presented under section 8.2. Each section is divided into thematically organized subsections containing one particular way of meanings construction of “foreignization”, and the challenges and disarticulations posed to the same. The ending section 8.3 provides a concluding discussion of the ways meanings about foreignization are (re)created and their implications for the broader meanings provided the soybean expansion.

8.1 Different problems-oriented meanings to foreignization

Most of the time “foreignization” is mentioned it is to denote a problem and/or threat linked to the soybean expansion. Many respondents who could express rather optimistic views on the soybean expansion when talking about other aspects, often sounded very concerned when explicitly referring to the foreignization, such as in the following quote from a “traditional” crop producer: “It was back then, in 2001, that the invasion of people from Argentina begun, buying and buying and buying everything!!!” (Mixed family producer 2008-08-12). Above quote is illustrative for how the arrival of Argentinean firms is described in rather dramatic terms, in which words such as “invasion” are frequently used. While most respondents, and absolutely all interviewed producers and cooperatives, talked about “foreignization” as something problematic, they did not always specify explicitly what was seen as the main problem of the “foreign trait” of the new actors. By asking the respondents for more detailed explanations and clarifications considering their “ways of thinking” about the “foreignization” and by thoroughly analyze how a “we” of Uruguayans is constructed in contrast to a “we” of foreigners in the problem- and threat-centered accounts on foreignization, I have been able to identify three main problem-oriented meanings in the construction of foreignization. These meanings constructions will be presented in this section. The first subsection presents how “foreignization” has been articulated as equivalent with national sovereignty loss in some accounts (8.1.1). The second subsection presents how “foreignization” has been articulated as equivalent with “losing what is ours” in some accounts (8.1.2). The third subsection presents finally how “foreignization” has been articulated as equivalent with management driven by short-term commitment, and how this is constructed in contrast to management driven by “commitment”.

8.1.1 Foreignization as equivalent with loss of national sovereignty and extreme corporate control

Almost all critical reflections on the soybean expansion mention concentration and foreignization, and almost always expressed together. Clearest in this respect were the arguments expressed in several texts published by the socio-ecological NGOs, CNFR and some politicians of FA (Espectador 2011, Frente Amplio 2008b, Head of office at the development division in Paysandú 2007-11-27, Gosalves 2010, Cardozo 2010, Armand Ugón 2009, Blum et al. 2008, Blum, Narbondo, and Oyhantcabal 2008, Oyhantcabal and Narbondo 2009, Achkar, Domínguez, and Pesce 2006, Rossi 2010, Piñeiro Diego 2011, CNFR 2010). CNFR is explicitly regarding “foreignization” as a threat for the entire nation as it is often constructed as equivalent with loss of

national sovereignty. An illustrative example comes from a CNFR pamphlet about foreignization of land, in which it is also stated that the foreignization is a product of the expansion of “the monoculture of soybeans” and forestry:

“Let us use the land in a more regulated way with Uruguayan producers living on the land with their families. This strategy is the only one that can provide us the guarantee of food sustainability. If we lease out or sell our land to foreigners we lose sovereignty. There exist many powerful in the world with the conditions to buy the whole of Uruguay and they know they can. **WE SHALL NOT SELL OUR RICH PATRIMONY AT THE LOW PRICE OF NECESSITY!!**” (CNFR 2010).

CNFR suggests in above quote that concentration and foreignization threaten food sustainability and national sovereignty. The part written in capitals and in bold (in accordance with the original text in Spanish) paraphrases the winged words of the national hero Gervasio Artigas (1762-1850), who is supposed to have said; “I will not sell the rich patrimony of the *Orientales*⁶¹⁰ at the low price of necessity”⁶¹¹. Artigas is unchallenged as the greatest hero in Uruguay and he is used as a symbol for Uruguayan independence (although that goal was not attained until several years after he had been forced into exile).⁶¹² Artigas is also a particularly important symbol for redistribution of land, in line with his radical land reform (described as the first agrarian reform in Latin America, in 1815). This would “make the most miserable the most privileged”, as I mentioned in the historical narrative in chapter four. Thus, when CNFR paraphrases the known words of the “father of independence” in a text against “foreignization” of land, it thereby suggests that the increased amount of owned or leased land in the hand of foreigners is equivalent with losing independence. This is also contrary to the plans of social justice and national emancipation that Artigas throughout Uruguayan society is a symbol of. Artigas is nevertheless not exclusively referred to by CNFR. Frente Amplio considers itself to represent the political continuity of Artigas and it stipulates that all its doctrine and programmatic activities are inspired in Artigas’ ideas of American and national liberation, institutional

⁶¹⁰ Orientales means “Eastern” and refers to the inhabitants on the Eastern bank of the Uruguay River (i.e. present Uruguay, called “La Banda Oriental” at the time). The official name of the country is still today “the Eastern Republic of Uruguay”, *República Oriental del Uruguay*.

⁶¹¹ “No venderé el rico patrimonio de los orientales al vil precio de la necesidad”.

⁶¹² As a mode of illustration of his importance, it could be mentioned that his portrait hangs in all public offices and schools throughout the country and his ashes are to be found in an urn in the mausoleum erected in his honor located in *Plaza Independencia* (Independence square) in central Montevideo.

democracy, economic autonomy and social justice”.⁶¹³ The electoral platform of FA also explicitly mentions that it aims to reform the agrarian structure in line with the ideals of Artigas.⁶¹⁴ In this way there are several positions that intend to create themselves as the “continuity” of the “true” Artigas. While Artigas is a symbol of national independence throughout the Uruguayan society, nevertheless it is particularly the political parties of the left, the socio-ecological NGOs and the small producers’ organizations that stress the ideals of Artigas’ land reform.⁶¹⁵ They all discursively create the nation through their reference to a common past, which they nevertheless draw on in slightly divergent ways.

Above quote from CNFR also constructs Uruguayan producers as equivalent to family producers living in the land and producing nutritious food for the nation, in contrast to foreigners constructed as mighty super-powers threatening food security and sovereignty. The president of CNFR developed the arguments further during interview:

“The main problem of foreignization is a problem of sovereignty. It is a high risk to let the greatest capital of this country, which is the land, to be in hands of a couple of transnational firms who we do not know almost anything about. What decision-making power is left for our country? What space of maneuver for the country is left when both at a producer level and even more at the agro-industrial level if everything is foreign owned? Where is the vision of “Productive Uruguay” as they often stress?” (President of CNFR 2009-03-05).

In above quote, the head of CNFR argues that land is the most important capital of Uruguay and if it is controlled by a handful of foreign firms the country loses decision-making power. “They” in this quote refers to the FA government, who is argued to lose the opportunity to implement its own

⁶¹³ See the official web page of Frente Amplio, “Lineamientos básicos”

<http://www.frenteamplio.org.uy/frenteamplio/lineamientos> (Accessed in August, 2014)

⁶¹⁴ As mentioned in chapter four, Artigas, intended to radically change the agrarian structure. In the electoral platform of Frente Amplio it is explicitly mentioned several times that FA wants to reform the countryside in line with the ideals of Artigas (Frente Amplio 2003-12-22, 10).

⁶¹⁵ One illustrative snapshot can be provided by the search function in Google. If searching for Artigas + tierra + Uruguay + reforma (Artigas, land, Uruguay, reform) there are around two and half million hits in June 2014. After a fast glance of the first 100 posts (ten pages) it becomes clear who the main organizations and political traditions are who talk about these issues. This can be compared to a search for Artigas + Uruguay + general + nacional + independencia (Artigas, Uruguay; Gral; National, Independence) providing over five million hits and where the first ten pages indicate that a much broader group of voices refer to the aspects of Artigas that do not explicitly relate to his radical Agrarian reform.

vision of “Productive Uruguay⁶¹⁶” by allowing the “foreignization” to happen. In this way, “Uruguay” is constructed as a homogenous and integral whole, empowered by definition with “space of maneuver” (which could include the implementation of the vision “Productive Uruguay”) as long as the land is controlled by Uruguayan citizens.⁶¹⁷ Also in several other texts CNFR criticizes the government for lack of action and contradictory measurements in relation to the “foreignization”. CNFR pledged for immediate public action to stop all land purchases of no resident foreigners through a moratorium until new legislation in the matter is established⁶¹⁸ (CNFR 2008). The loss of sovereignty in the wake of soybean expansion is by CNFR not only argued to imply reduced possibilities to impose “proper” endogenous visions, but the “foreign” model is also filled with a particular content, as illustrated in the following quote about the consequences of foreignization:

“[L]oss of national control over territory and natural resources leads to loss of sovereignty; increased imported technological models that often deteriorate the natural resources; loss of culture and loss of rootedness of the rural population, loss of national control of the industrial and commercial phases of agricultural products; difficulties for national legislation to regulate the firms’ action “(CNFR 2010)

This way of posing the problem of “foreignization” stresses that the implications reach far beyond the “displacement” of traditional producers, and that there is a causal relation between foreign controlled land and the use of foreign technologies, which in turn leads to deterioration of natural resources. This suggests that Uruguayan producers would not use imported technologies and that these would be less harmful for the nature. It also suggests that it would be harder for national legislation to regulate the activities of foreign firms.). In this way, all foreign actors become equivalent with mega big multinational firms with a high degree of vertical integration and that this would be rather new in Uruguay⁶¹⁹. This particular way of linking the elements (in

⁶¹⁶ The slogan “Productive Uruguay”, *Uruguay Productivo*, has been recurrently used by the government and refers to develop the agro-industrial sector towards more diversification, innovation, productivity increase and employment generation. See government portal: http://archivo.presidencia.gub.uy/PRODUCTIVO/pages/doc_01.htm (Accessed in July, 2014)

⁶¹⁷ This vision is seemingly discordant with one of the main messages from the agrarian history narrative, which is that during most of the 20th Century the governments wanted to change the agrarian structure and intensify production, but did not manage to do so because of the resistance of the (national) landed ranchers.

⁶¹⁸ This new legislation should according to CNFR imply that no resident foreigners need to present a long-term project to the authorities in order to be allowed to buy land

⁶¹⁹ As mentioned in the historical context, land in Uruguay has since independence been owned by a national elite, while the agro-industries often been foreign owned (slaughter, meat and packaging houses were first mostly European; British, and today mostly Brazilian.) All national breweries have closed down or been bought up. Today there are only two (Brazilian

rather fixed positions as moments) echoes strongly the international debate on agro-food globalization in general and “land grabbing”⁶²⁰ in particular, even though this concept is not used in the domestic texts. The concern over sovereignty loss was also expressed by researchers, as here illustrated by the director of rural sociology at the department of social science within FAGRO:

“I am concerned and would like to see more studies related to the loss of food sovereignty, to the inflow of foreign and international capital, to the control over the means of production, and the control of resources at a national level. There are many organizations saying that we are losing things here and that Uruguay will turn into a marionette of the transnational companies” (Researcher at the division Rural Sociology at FAGRO 2007-12-04)

In a similar way as expressed in above quote, a lecturer and assistant professor at the department of industrial crops and cereals at FAGRO in Paysandú expressed deep concerns over the extreme corporate control of the big agribusiness firms involved in the soybean complex, which he argued posed several risks for sovereignty. The researcher also stressed that one of the problems was the little attention given to the big anonymous multinational firms involved in the commercialization of grains, which actually were the most powerful:

“The soybean phenomenon is much stigmatized and much focalized in who is producing the grain, but the situation is actually worse when looking at who is buying the grain. I mean there are four or five firms in the world that dominate the grain trade. They are not more than that and they have surname and last name [referring to that everybody knows who they are]. Right? It is like that. And the big money, really, is moved there, because it is there that the value of the grains start to change. ... These firms are so powerful they can do what they want” (Researcher Cereals and Industrial Cultivations 2007).

owned) breweries in the country. The vegetable oil industry was dominated by Bunge, but a national family took over the firm (Cousa) when Bunge wanted to leave the Uruguayan market in the 90's and the general process of de-industrialization in Uruguay because of the deregulation of markets and the insertion into Mercosur.

⁶²⁰ This concept is nevertheless not common in Uruguay (yet?). However, according to a recent research article published in *The Journal of Peasant Studies* by Borras et al., Uruguay (together with ten other South American countries) was described to have a significant extent of land grabbing underway. This article problematizes the definition of “land grabbing” used by FAO (according to which Uruguay does not represent a case of land grab) (Borras et al. 2011).

As suggested in above quote from the researcher of industrial crops, and as I have remarked in chapter six, the main focus in the public debate has almost exclusively been centered on the cultivation phase, despite that most respondents also acknowledge that the other stages of the chain (seeds, agrochemicals, hoarding and trading) are probably even more concentrated, vertically integrated and “foreign”. The soils researcher was particularly threatened by the aggressive insertion in Uruguay of the multinational trader Cargill (they were in addition former colleagues). Cargill was described to have adopted a strategy to remove other less capital strong actors from the market:

“Cargill pays over-price to improve its market share. They do an inverse kind of dumping right now offering future prices above the market value [...] and always offering more than the other traders. And the people dance for the money, yes, yes. I do not know what Cargill’s future policies will be, but it is not a good thing that there exists a firm with that kind of economic capacity. [...] I mean, it is like the old saying: ‘When the alms are very large, even the saint distrusts’. You know? This market does not exist... in which they practically give you money... So, you can suspect that something is severely wrong. This is a strategy to kill everything beneath. When that is dead the company can take down the prices and do whatever it wants” (Researcher Cereals and Industrial Cultivations 2007).

From the case of the aggressive market strategy of Cargill with overprices paid in order to increase market share in Uruguayan soybeans, the researcher argued that the economic capacity of the mega firms allows them to adopt policies that could change the terms for all other actors involved, and if they decided to enter a new market segment they could easily wipe out everything that was already there. He warned that Uruguay was putting itself in a vulnerable situation by getting increasingly dependent on the big firms and hoping that their future economic strategies would coincide with the interest of the nation.

In a similar way many of the texts from the socio-ecological NGOs stress the power dimension and the risk that the mega firms (including those at other stages of the chain) will be able to constrain the national sovereignty and policy space (Cardozo 2010, Armand Ugón 2009, Blum, Narbondo, and Oyhantcabal 2008, Blum et al. 2008, Oyhantcabal and Narbondo 2009, Achkar, Domínguez, and Pesce 2006, Rossi , Piñeiro Diego 2011). The power asymmetries between the strong foreign firms and “Uruguay” were feared to constrain the possibilities to take decisions in line with “national interest” when this collides with the interest of the firms.

Actors representing the government often stressed that the displacement of traditional producers, land concentration, ‘foreignization’ and displacement of other sectors, particularly the dairy sector in the wake of the rapid soybean expansion was an important problem that needed more public regu-

lation (Presidencia 2008). Some of the texts from FA about “foreignization” reflected upon it as equivalent with extreme corporate control and a possible threat of national sovereignty, while others rather rejected this notion, and/or addressed other aspects of “foreignization” (see 8.2.1). I will in this section, however, exclusively consider the things said and done by FA in accordance with the view of foreignization as a problem of sovereignty loss and extreme corporate control.

FA had announced already before the elections in 2005 that the increased foreignization of land potentially posed a threat to sovereignty and if winning the elections it would work in order to “... prevent foreignization and owner concentration” (Frente Amplio 2003-12-22, 10). It was further stated that through legislation and agreements FA would seek to reduce the maximum of possible land controlled by foreigners, especially in the border strips (Frente Amplio 2003-12-22, 52). The MPP-FA senator Ernesto Agazzi, (former Minister of MGAP), said explicitly in a radio interview that the risks with foreignization needed to be evaluated in many aspects, and that one important lens was in relation to national sovereignty (and even national security). This was remarked particularly important when talking about acquisitions made in which foreign government were involved.⁶²¹ FA also launched a bill in that sought to reduce land tenure by foreigners close to the border by establishing a “security zone” in which the purchase and leasing of land by foreigners and nominative corporations was to be prohibited.⁶²² The security zone was stipulated to 50 km from the border (a third of national territory), but was later shrunken to 20 km from the border (Presidencia 2009). Besides stopping “foreignization” arguments of sanitary protection and security were stressed.⁶²³ Foreigners owning or leasing land within this area had to apply for citizenship, or apply for to be exempted from the law by presenting an investment project that fulfilled the criteria of the investment law, i.e. labor generation, technology transfer and value-added (Presidencia 2009).

Considering that most soybeans are produced in the western border zone, the Litoral, one could have expected reactions from the soybean producers, but in the press no soybean producing company has reacted. The only reactions came from traditional member organizations of ARU and FRU, who stressed that the law would impoverish the area by negatively impacting the soybean production and that land prices would fall as the range of potential buyers would be limited. The rural Society of Rio Branco said further that

⁶²¹ See: www.espectador.com/cultura/225166/la-concentracion-y-extranjerizacion-de-la-tierra-en-el-agro-uruguayo

⁶²² Suplemento El Empresario “Más prohibiciones a la propiedad de campos” 2009-07-24 <http://frontera.mides.gub.uy/mides/text.jsp?contentid=3074&site=1&channel=mides>

⁶²³ See www.elpais.com.uy/090317/pnacio-405104/nacional/limitan-venta-de-tierras-en-frontera-a-extranjeros

fundamental rights stipulated in other Uruguayan legislation were injured because the law damages the principle of equal treatment and opportunities.⁶²⁴ At central level, however, FRU said that the project was coming too late, since a lot of border land already was in the hands of foreigners. The president of FRU also added that the problem of “foreignization” of the land would not be solved by this law, but that the only effect of the law would be a decrease of the land values.⁶²⁵

The President, José Mujica, created in 2010 a special commission about “concentration and foreignization of land”, in which he elected Agazzi and other senators representing other branches of FA as members. The aim of this commission was to study the recent changes and suggest new legislation and policy in relation to it.⁶²⁶ One of the law proposals made by this commission suggested the prohibition of foreign states, and firms in which foreign states participate as owners, from buying land in Uruguay. This bill was taken in the Senate in July 2014, with explicit reference to secure national sovereignty.⁶²⁷ This recent regulation seem to reflect that other states that buy land in Uruguay can provide a threat to national sovereignty, but that foreign owned private firms do not.

This subsection has presented how “foreignization” is some accounts have become articulated as equivalent with loss of national sovereignty. This coupling has mostly been stressed by CNFR, socio-ecological and some researchers. The sitting FA government has expressed and acted in a rather ambivalent way in relation to “foreignization” as I will show in coming subsections, but here I exclusively presented things expressed in support of this articulation.

⁶²⁴This local organization is a member of FRU, see <http://www.federacionrural.org/SOCpercent20FEDERADAS.htm> El País “Critican proyecto por tierra limítrofe” (2008-11-28) <http://diarioelpais.com.uy/081128/pecono-384124/rurales/critican-proyecto-por-tierra-limitrofe>

⁶²⁵ Presidencia “MGAP presenta proyecto sobre enajenación de tierras” 2008-05-20 www.ired.gub.uy/contenido/2008/05/2008052609.htm

⁶²⁶ <http://www.uruguaysustentable.com.uy/rurales/anteproyecto-de-ley-sobre-extranjerizacion-de-la-tierra-espera-aval-de-mujica/> (Accessed in July, 2014)

⁶²⁷ Presidencia, 2014 http://archivo.presidencia.gub.uy/sci/proyectos/2013/11/mgap_650.pdf
FAO, 2014. “Aprobada en Uruguay la ley contra la extranjerización de la tierra” <http://www.fao.org/agronoticias/agro-noticias/detalle/en/c/238330/> MPP, 2014. “Diputados sancionó proyecto que protege soberanía nacional de tierras” <http://mpp.org.uy/2011-12-07-22-57-14/todas-las-noticias/1341-diputados-sanciono-proyecto-que-protecte-soberania-nacional-de-la-tierra> (Accessed in July, 2014)

8.1.2 Foreignization as equivalent with losing “what is ours”

The traditional producers also recurrently expressed that domination of the soybean complex by a few foreign mega firms was an important problem. However, while most producers spontaneously mentioned foreignization as one of the main drawbacks of the soybean expansion, it was not always explicitly expressed what kind of problem that this process represented. Quite often it was simply stated that one of the problems of the soybean expansion was that an increasingly amount of the soybean production was made by big firms that were “foreign” and that was causing a process of “foreignization” of land. Many respondents started out saying that the soybean production was controlled by a handful of firms, who *in addition* were foreign, as if this additional aspect made the concentration even more illegitimate. It seemed to reflect a view of the land as removed and taken further away from the hands of “local people”, if the owners were of other nationality. To add “foreign” seemed in this way often to reinforce the perceived injustice of land concentration.

When I asked a traditional crop producer of the Litoral to explain what the problem of “foreignization” was, apart from concentration, he provided the following answer:

“The biggest problem is perhaps the pride. To have to sell what is ours, that we are not being able to maintain it. I also believe that a lot of the money coming here is not clean; they try to clean it by buying land here. And not only Argentines, there are Spanish, Italians, Japanese, from everywhere”.
(Mixed family producer 2008-02-11).

Above quote about the “foreignization”, appeals to a somewhat vague nationalist framing, which reflects a view on land as “naturally” belonging to a big inclusive Uruguayan “we” in some generic sense. Consequently it represents some kind of loss for everybody (independently of which “Uruguayan” who actually owned the land before) when it is sold to foreigners. He also hints that the money is not clean, but that the acquisition of land in Uruguay by foreigners is part of money laundering. In this way, the producer remarks the illegitimacy of “foreignization”, which is constructed as both a generic loss for all Uruguayans and as illegitimate business centered on money laundering rather than productive ends. In addition, it is remarked that not only the neighboring Argentines (who ultimately talk the same language and share the same culture) are buying land, but also from more remote (and different) places, which seem to be considered even more problematic.

Many of the traditional producers as well as researchers also claimed that the benefitted foreign firms did not re-invest so much in Uruguay, but take all profit out of the country, as here illustrated by the researcher from FAGRO: “A few is gaining a lot, and only a small part of it is spent here, the

rest leave the country to be spent elsewhere” (Researcher Cereals and Industrial Cultivations 2007). There are no studies about re-investment rates, but people make guesses and estimations based on produced area, land rents, prices on inputs, work and grains and average productivity per hectare.⁶²⁸ One producer who leased land from Argentinean owners said:

“I guess that a lot of the money that the big firms make does not stay here. It is taken away. There is a lot of Argentineans, the Argentineans come, they produce soybeans and they invest in their own country, or I do not know what they do with their gains. Let’s be clear: the rent that I pay to the Argentinean owner of the land does not stay here. I put it in a bank deposit and he takes it out outside the country. And we are talking about a lot of money, thousands and thousands of dollars as many Argentineans have land here” (Mixed producer 2008-02-12).

This way of reasoning suggests that the “foreign” character of the soybean complex results in that less of the profit that “Uruguayan land” has generated stays in the country, than what would have been the case if the soybean expansion would have been led by “national producers”.

Considering the issue of “foreignization” it is interesting to note that not only CNFR and individual producers, but also the traditional and powerful pressure group FRU, have agonized against the foreignization. FRU is in most other issues known to hold private property and free market as sacred and often antagonize against the “excessive” state (Riella and Andrioli 2004, 201). However, in the wake of the soybean expansion, FRU has quite strongly publicly opposed the process of increased foreign firms in Uruguayan agriculture and pledge for government action. In the Final Declaration of FRU’s Annual Congress 2008, it declared that:

“[T]he foreignization of land is the consequence of the lack of competitiveness of the sector and of the necessity caused by indebtedness. This government has criticized the foreignization the most, but it is also under the same in which the patrimony of the Uruguayans has been taken away the most” (FRU 2008).

Here FRU makes “foreignization” equivalent to “the patrimony of the Uruguayans taken away”, strongly connoting nationalist understandings and suggesting that if Uruguayan farmers own the land, it can be understood as still belonging to all Uruguayans, while if foreign firms own land it is “taken

⁶²⁸ In addition, DIEA publishes yearly price relations (prices per ton – gasoil, labor, land, seeds and pesticides) for the most common agrarian activities, and these showed that soybeans offered the highest margins.

away” from the Uruguayans⁶²⁹. It is interesting to note that when addressing lack of competitiveness of the (agrarian) sector as the cause of the foreignization, FRU is defining out the foreign agrarian firms as not being part of the sector. In the Final Declaration of 2009 the institution again states that the national producers have not the conditions to compete:

“[W]ithin the frame of growing foreignization and concentration of land, and that it have not yet appeared the necessary measures to enable them to regroup and remain producing” (FRU 2009).

In this way, FRU, has under the common framing of “foreignization” articulated a similar critique of the soybean expansion as expressed by many actors who in general are more critical against market-led “development” than what FRU traditionally expresses. Accordingly, “foreignization” has allowed for new alliances between different actors with traditionally rather different agendas. During the interview with the president of FRU “foreignization” was nevertheless constructed as a more contingent and complex phenomena, which I will present in 8.2.1, but here the main point was to show how the concept of foreignization is articulated as a problem linked to nationhood, by constructing “foreign” is explicit or implicit contrast to a big “we”, including all Uruguayans.

To conclude, while I have showed in this subsection how “foreignization” often has been articulated as equivalent with some kind of generic loss for all Uruguayans. The construction of the “foreign” firm as essentially different from the “Uruguayan” producers and firms is very strong and recurrent. The coming subsection will dwell deeper into a particularly common way of filling the floating signifier “foreign” as equivalent with driven by short-term profit, in contrast to the floating signifier “Uruguayan” as driven by “commitment” to the land.

8.1.3 Foreignization as equivalent with management driven by short-term profit in contrast to “commitment”

This sub-section focuses on the accounts that express that the main problem of foreignization is that there is an essential difference between Uruguayan and foreign actors in their approach to the land, and that the “foreign way” causes problems, particularly in relation to long-term sustainability and/or “the social function of land”.

⁶²⁹ In an Interview with the oil-seed specialist at Opya-MGAP about foreignization: “The rural federation has a critical discourse, strongly critical indeed, about the foreignization. It is the federation [FRU] and the national commission [CNFR] that have taken the most critical positions (Oil-seeds and agro-industrial specialist at Opya-MGAP 2009-02-11).

Many of the interviewed traditional producers described the foreign actors as more short-term centered and “fickle”. One illustrative example of the short-sightedness of the “foreigners” was expressed by one producer in the following way:

“Many of the Argentines are *golondrinas* (swallows); they are only interested in the present and nothing more (Crop producer 2008-02-23b).

The term *golondrina* was traditionally used in Uruguay to characterize the many seasonal harvest workers at the end of 19th century, who spent one season in Europe and the other in Uruguay (or in the neighboring countries). Today the term is used as a metaphor for anyone moving back and forth and not being stable in any place. The researchers from the agronomy faculty (FAGRO) of the state university (Udelar) Arbeletche and Carballo (2006, 15) talk about *capital golondrina*, referring to short-term capital flows, moving fast between different places and sectors, often speculative and/or flight capital, impeding long-term visions, as part of the arrival of foreign firms and soybean expansion in Uruguay.

This fear that the new the “foreign” firms did not represent a long-term interest in participating in Uruguayan agrarian activities, but were exclusively responding to high margins and would leave immediately at the same moment as these margins deteriorated, were expressed by local politicians of FA (the director of MGAP-Paysandú and the head of division of rural development in Paysandú). A similar line of thought, stressing the vulnerability for Uruguay to put itself in a situation where it depends on the profit maximization strategies of the foreign firms, was stated by the dean of FAGRO:

“One of the most central elements, according to me, is the high dependence that this is creating on the evolution of the international prices, as around 90 percent of the production of soybeans is made on leased, but not owned land. This means that the firm’s managing the production; which are very big firms –Ismael⁶³⁰ works for one of these – do not invest in fixed assets; that is, they do not invest in land or in machines, they only contract services. This implies that the investor has an important amount of mobility and can very easy leave the business when it ceases to be lucrative. No one is anticipating that, but it is something important to consider and it is of great contrast to the forestation which is advancing in owned land and the three plantations imply engagement in the land for at least 10 years and often for much longer“(Dean of FAGRO and soils professor 2007-12-04). “

⁶³⁰ Referring to the country manager of El Tejar, who was sitting around the same table during this meeting. As mentioned in chapter 5, El Tejar actually changed strategy and started to invest much more in land and other fixed assets (irrigation and silos), but still took the decision to leave Uruguay in February 2014.

The quote of the dean of FAGRO is illustrative for how the “foreign” firm is expressed as more “mobile” than the national firm, since the business model of no fixed assets is constructed precisely to allow rapid “adjustments” to a global soybean market of volatile prices, and accordingly it is “easy” to leave the business when price relations change. The researcher puts this in contrast to the forestry sector, which is also driven by big foreign firms and has expanded rapidly the past decade, but where the investments in the land are much higher, as are the short-term exit costs.

Many “traditional producers” also remarked that the “foreign” firms were *different* from the “Uruguayan”. This difference was mainly expressed in dichotomous terms, and the most central aspects involved were motives for production and commitment to the land. An illustrative quote from one Dolores producer and local producers’ organization activist:

“Some colleagues say; -‘ No, the firms coming from abroad are also interested in taking care of the land because they want to continue producing in the long term’. I say; -“They are interested in the economic results of today and tomorrow, but in the economic results in 20 years, I do not think that they are interested”... (Board member of AAD 2008-02-11).

In this quote, the producer reflects a view of the “foreign” firms as mere profit-maximizing actors, responding only to rather short-term profit demands. In addition, as he rejects the idea that the firms from abroad would be interested in taking care of the land, he at the same time, constructs a “we”, that is interested in taking care of the land by his use of the term “also” (the colleague saying that the foreign firms “are also interested in taking care of the land”). This view, of the foreign firms as acting only in line with a narrow short-term interest, while Uruguayan producers quite the opposite are (re)constructed as agents producing for love, commitment, tradition and affection is widely articulated. The strong personal bonds and commitment to the land appear as particularly central in the identity construction of the “traditional” producers. Again, the expressive producer from Dolores, is allowed to illustrate this view:

“I was brought up in the countryside. I went to school by horse some 6 km every morning, and from school I took my horse to help out in the fields. I have this special attachment to the countryside. It is like the Uruguayan song that you probably know; ”do not come here and put a price on the countryside with eyes of a stranger, it is not what it appears to be, but the

way I feel it to be⁶³¹. So, the song is about somebody coming from somewhere else and putting a price on the rural land” (Board member of AAD 2008-02-11).

The quote illustrates a rather common way of using personal histories that tell of long presence in the land to describe the strong commitment to the same. This is a clear illustration over the (re)creation of the “local” people who feels and cares for the land in contrast to the foreigner or stranger (re)constructed as someone who estimates a price on the land based on “cold facts”. The “real” value of the land is thus not the “market-price”, or any monetized value, but the appreciation and emotions the land provokes on its people. It is thus a rejection of the possibilities of the “market” to set the “right” price of land, as in the immanent development perspectives. On the contrary, both land and family producers are reflected upon in a similar way as expressed within the “localist” perspectives of “post-developmental” approaches. This dichotomous construction of “Uruguayan” producers as driven by “commitment” to the land in contrast to “foreign” producers driven by profit was appearing in different forms in almost all stories told by “traditional” producers and cooperatives.

An illustrative way of (re)constructing these social identities was expressed by the agronomist at the cooperative Calmer. She argued that despite of the big multinational traders were increasing their share of the grain commercialization since they could offer better prices. They do not sell through intermediaries and operate directly on the spot and futures markets. The cooperatives could get some benefit from the crop bonanza due to the increase in grains handled in absolute terms and due to the tradition and loyalty of many “traditional producers” (Agronomist at Calmer 2008-02-16). When asked if factors such as belonging and identification with the cooperative ideals influenced the decision of producers when deciding where to sell the harvest, she answered:

Agronomist at CALMER: “Yes for the members and the traditionally consequent producers, not for the new type of producers who mainly participate in buying inputs and occasionally selling grains. This type is generally a man who searches for the best prices and services. He may come here, but he could have had appeared anywhere else”.

Researcher: “So for him perhaps Calmer is good one year, but not the other...”

Agronomist at CALMER: “Exactly”. (Agronomist at Calmer 2008-02-16)

⁶³¹ “No venga a tasarme el campo con ojos de forastero porque no es como aparenta sino como yo lo siento” “Como yo lo siento”, written by the Uruguayan folklore writer, poet, composer and singer Osiris Rodríguez Castillos (1925-1996)

Thus “traditional producers” are argued to not be exclusively guided by the search for buyers who pay the highest price, which is put in contrast to “the new type producers”, who instead “search for best prices and services”. The new type is thus reflected upon as someone more similar to the “economic man” of the text books of economics, than the “traditional producer”.

A similar identity construction could also involve other actors than the producers, and could be discerned also among actors who in general were optimistic about the soybean expansion, as here illustrated by the director of the national inoculant firm Lage y Cia:

“The multinationals come when times are good, but leave when times are bad. The nationals stay. You asked me what I would do if there were no more soybeans in Uruguay. Well, I will stay here. They have offered me jobs several times in other places, but we always say that in our family we are six children, but our seventh brother is called inoculants. My father is 81 and he comes every day 8 to 12:30 and 13:30 to 18, all year long, no vacation ever. We, his children, have worked here since we were 12 on the vacations. So, if the soybeans stop, we will continue. Perhaps we will sell less inoculants, but we will be here and we will bet on the new biotechnological development, which is where we can compete Monsanto” (Director and co-owner of Lage y Cia 2009-03-05).

The director describes that inoculants in his family is not just seen as business (reigned by profit maximization only), but as part of the family (which assumingly is used as a symbol to denote commitment far beyond margins, but rather associated with unconditional love, life-long commitment and loyalty). In general, the description of the multinational firms as followers of a strict capitalist profit-maximization strategy, while the Uruguayan firms as followers of tradition, passion, conviction, in addition to profit. These “subjects” are thus filled with meanings by the head of Lage y Cia, in ways that in much resembles how the “Uruguayan” producers have been constructed in contrast to the “foreign” crop firms. These identity constructions seem to reflect an underlying nationalist discourse that does not strictly follow the lines of positions taken in relation to the soybean expansion. In this way, actors who in general express optimistic views on the soybean expansion (as in the case of above respondent) reflect similar meanings as the actors who in general express critical views on the soybean expansion. The ideas of the “national” as essentially different from the “foreign” were thus widespread, although they were also contested as coming sub-sections will show.

When it comes to the particular construction of “Uruguayan” soybean producers versus “foreign” soybean producers, the generic difference of “commitment” versus “profit” was extended to imply a particular management difference of “taking care of the land” versus “exploiting the land”. In this way, several producers told stories centered in their attachment and

“love” for the land, which was argued to also make them care more for the long term sustainability of the soils, while the foreign firms were reflected to be driven only by short-term profit maximization, which was argued to make them adopt practices that caused long-term environmental harm. Besides that the Argentinean firms are described to do whatever to make profit with no respect for the nature and other non-pecuniary values. They are also described as absent landlords that never will “learn” to feel for the land. One beekeeper,⁶³² member of the grain cooperative of Dolores, Cadol, expressed his view in the following terms:

“The Argentines buy, [and then] they take away all the trees and if there are ditches they fill them, and so on. They tear down the fences [used to separate the livestock] and everything becomes just one big extension. They leave only fencing around the sides. And then they come with big machines and sew everything. Before the *estanciero* (rancher) or the people in charge where there and you could ask, when will you do fumigation [in order to not have your bees there at that time], but now you do not know who is the owner, and mostly no one is there “(Beekeeper 2008-02-11).

This beekeeper describes the Argentines as actors taking no consideration for the local species and transforming everything (despite that it is illegal to deforest native woods) into standardized plots for soybean monoculture. In order to achieve economies of scale in the production. The absence of the Argentines “on-farm” is also stressed. For the bee-keepers this represents a concrete problem since they need to know about the time for fumigation, so that they can take away the bees and avoid intoxication. Also many other actors talk about the absence of the owners on the farms as a problem, both because it is connected to the de-population of the countryside and closing down of rural schools as mentioned in the previous chapter, and because it makes the owners to “see” the land as a pure means of production and prevents the owners from felling “commitment” to the land, and learning from it in a deeper way. In this way it is possible to discern a way of seeing knowledge among “traditional producers” that goes beyond the transferrable, “professional” and “technical” knowledge taught at the universities, and also embrace an experience and emotional based kind of knowledge, which is

⁶³² The beekeepers (around 3700 and the majority in the Litoral) have been very critical towards the soybean expansion. The insecticides used in soybean production are claimed to kill bees (first endosulphan, later Fipronil – both are now forbidden) and the massive use of glyphosate (the herbicide that GM soybeans are designed to be tolerant to) kill all natural flowers and because of the decreasing amount of sown pastures (loss of important bee habitat) particularly in the Litoral. In addition, in 2011 Germany (former biggest export market of Uruguayan honey) says no to further honey import from Uruguay on the basis that it could contain genetically modified pollen (an initiative taken by the German bee-keepers)

also in line with the way the postdevelopment perspective constructs desirable knowledge.

Several interviewed producers also told about Argentinean firms who over-used pesticides, poured out toxic liquid in the water, overexploited the land doing monoculture of soybeans, etcetera. Their own ways of managing the land was often mentioned in contrast to how the “foreigners” managed the land. As an example, one producer claimed that in his own production he always analyzed the soil before and after, but that the Argentineans did not care about the soils:

“There are very few Argentinean firms that I have seen that at least try to give to the soil back what they are taking from it” (Crop producer 2008-02-23a).

Above quote is illustrative for a notion expressed in different forms by most Uruguayan crop producers, who stressed that Uruguayan farmers generally were more serious and took better care of the soils, than the Argentinean counterparts. This way of constructing the “foreign” actors in contrast to the “traditional producers” is also frequent in the texts from the socio-ecological NGOs and the small farmer organization CNFR. Below quote from the president of CNFR also points in that direction:

“Many Argentinean firms are only interested in the short-term benefit and they will do anything to achieve it. They don’t care about the soils or the social impacts they are causing” (President of CNFR 2009-03-05).

As reflected in above quote, the Argentinean firms are described to in general represent a rather “savage” and more short-sighted capitalism. By contrast CNFR poses “the social function of land” as the alternative path to foreignization and concentration. According to the president of CNFR, the social function of land implies certain limitations of private property rights to land, where the owner of land cannot do whatever it wants with the land. He has to take into account ecological, social and economic considerations, such as broader wealth creation and long-term sustainability. This model is described to be incompatible with “foreignization” (President of CNFR 2009-03-05). In October 2010 CNFR wrote a pledge together with several various NGOs (including Redes), Unions and rural organizations, for public policies to fulfill the social function of land, and among the concrete measurements asked for were improved access to land for family and small farmers; “sustainable rural development” and regulations against “foreignization and concentration”⁶³³ (Mujeres 2010). In this way, CNFR (and the other actors be-

⁶³³This formed part of a workshop series co-organized by CNFR and the UN Food and Agriculture Organization (FAO) 30/9-1/10 – 2010. It was, translated to English, called “National

hind the pledge) is providing the slogan “the social function of land” (which as mentioned in the past sub-section has been an important ideal in Uruguay since *Batllismo* in the beginning of the past Century) with a particular meaning, as it is constructed in an antagonistic relation with foreignization, while it does not seem to acquire any radical challenge to private property rights to land *per se*, or at least there were no concrete proposals in the pledge hinting in that direction. Quite the contrary, the texts seem to take private property rights to land for granted and it is even mentioned as necessary in order for farmers “to root and plan for the future” (Mujeres 2010).

“The social function of land” is also recurrently mentioned as a guiding principle for the party in government, FA. However, in the texts from FA this concept is not filled with exactly the same meanings as in the texts from CNFR. For example, in the electoral platform of FA for the government period 2005-2010, it was stated that “land should be used as a social good, as it is the heritage of all Uruguayans” and this was made equivalent with the necessity to avoid “both underutilization and over-exploitation” (Frente Amplio 2003-12-22, 52). This way of understanding the concept is however not necessarily in conflict with “foreignization” of land. It is still clear that also FA in several texts characterize “foreign” agribusiness actors as often equivalent with short-term profit seeking which leads to environmentally unsustainable management practices. Particularly erosion as a consequence of lack of proper rotations which is seen to cause irreversible effects on the productive capacity of the soil has been a central preoccupation. The important difference with CNFR, however, is that FA also expresses that the state can make the firms manage things differently. In this respect FA mentions the strengthening of the soils laws⁶³⁴ and the recent flagship of public regulation for “sustainability” which is the “Plan for Responsible Use and Management of the soil”. All productive establishments producing crops (on at least 100 hectares) are since 2013 required to present such a plan, which includes a mandatory scheme for crop-rotations for five years ahead, to MGAP in order to get authorized to produce crops (Hill, M & Clérci, C. 2013).⁶³⁵ This reform is argued to force the firms to diversify their productive systems to prevent losses of soil, at least over a pre-established tolerated

dialogue about the social function of land: For policies of land access and sustainable rural development”, in Canelones. http://www.iica.org.uy/index.php?option=com_content&view=article&id=1115&Itemid=141.

⁶³⁴ In 2008-2009, MGAP increased public inspections controlling erosion and increased fines for the same. The executive passed Law 18.564 with increased responsibilities on land owners

⁶³⁵ This plan has the status of a legal document and needs to be signed by an agronomist and sent to an on-line database in MGAP servers and revised twice a year. Hill, M & Clérci, C. “Avances en políticas de manejo y conservación de suelos en Uruguay”, IAH 12, Diciembre 2013.

threshold.⁶³⁶ The sowing plans are registered at the general division of Natural Renewable Resources of MGAP (RENARE), where they are georeferenced and traced through a Satellite-based monitoring system.⁶³⁷ Besides preventing “too much” erosion, the plans are argued to provide data that will be used for the development of ports, road transport logistics, the use of water basins and other areas and for planning the country’s natural resources. The explicit aim of the regulation is “intensification with sustainability” (M., F., and Hill M Clérci C. 2010).

The soils plans are stressed to be an important tool to mitigate the problems linked to management led by short-term profit maximization by not authorizing “unsustainable” crop plans and are argued to illustrate the capacity of the Uruguayan state to create institutional solutions to the growing pressures on natural resources in the wake of the crop expansion (Paulino, Mondelli, and Pittaluga 2013). However, many politicians mention that there is at some point an inevitable trade-off between economic growth and environmental sustainability, and that it is impossible to merge the two in perfect harmony. This was expressed by vice-minister of MGAP, in the following way:

“I believe that all economic matters are also political, which implies that even the environment has an economic explanation. Total sustainability is an utopia, because we all will produce some black hole someday, the only thing you can do is to produce something more or less stable. I do not want to depress you, but that is the way it is. It is a bit tragic” (Vice-Minister of MGAP 2009-02-19).

Above quote illustrates a notion of economic growth as impossible to completely decouple from environmental degradation, which reflects assumptions expressed in the localist approaches within the postdevelopment perspectives on development. However, in contrast to the mainstream view within postdevelopment, The vice-minister here seems to suggest that given this trade-off, Uruguay needs to prioritize growth and poverty alleviation rather than “clean development”. In this respect, resource extractive activities are argued to potentially represent the necessary ingredients to achieve

⁶³⁶ Agronomists need to fill in data for each plot in a soil loss equation model which calculates the level of erosion. The model is based on international research, adapted and calibrated for Uruguay soils by national researchers of FAGRO, INIA and MGAP. See the guidelines for the plan, Renare-MGAP 2013 “Instructivo para elaborar un plan de uso y manejo responsable del suelo”: www.cebra.com.uy/renare/media/INSTRUCTIVO-PARA-ELABORAR-UN-PLAN-DE-USO-Y-MANEJO-RESPONSABLE-DEL-SUELO-11-09-2013.pdf (Accessed in July, 2014)

⁶³⁷ The area registered for winter crops (as of 2013-05-31) was 522144 ha, which equivalents 98 percent of total winter crop are. The registered area for summer crops to RENARE was 764.000 ha (2013-11-18) which is equivalent to 75 percent of total summer crop area.

social justice (Cadenas productivas 2010). This way of seeing commodity export as was for example expressed by the succeeding vice-minister of MGAP (2010-2012):

“I would love to sell design, marketing and ideas to the rich countries instead of soybeans. Those are the really well paid segments that create knowledge intensive well-paid jobs, and they do not leave any ecological black hole behind, but the truth is that they are not interested in buying that from us” (Garín 2010-12-20).

Certainly the vice-minister of FA does not regard the current model of soybean expansion led by big foreign agribusiness as the most desirable “development” model for Uruguay. It is clearly stated, that well-paid jobs that do not “leave any ecological black hole behind”, is assumed to be found in the business segments of “design, marketing and ideas” and not in producing the inputs for processed feed for animal consumption under mass industrial agriculture. This is in line with FA’s overall explicit aims to change the productive structure and to incorporate more knowledge and technology (upgrade). However, Garín also expresses that the rich countries are not interested “in buying that from us”. This way of reasoning seems to reflect an acceptance of “comparative advantage” under market rule as stipulating the limits for what a country can do. It seems taken for granted that it is impossible to subsidize sectors like design, marketing and ideas to make them globally competitive. Instead FA seems to suggest that the path forward is to engage in international trade exporting the things that already are “competitive” and try to incorporate more added value to them. At the same time as the long term strategy is to make “Uruguay” more competitive in less extractive activities through increased investments in education and research. In this way, FA often represents a somewhat ambivalent position, but often ends up in concluding that economic growth constitutes the main vehicle for progress, and that the only path for economic growth in a country like Uruguay is exports of primary commodities.

This view on economic growth as necessary for Uruguay, but that it inevitably comes with some social and ecological “costs” that there is no alternative but to take, was recurrently expressed by almost all voices involved in the soybean discursive field, except for some of the most critical accounts expressed by the socio-ecological NGOs. Some producers also argued that considering that growth is needed, and assuming that a small and poor country as Uruguay cannot grow inward, than perhaps foreign purchase and renting of land was not so bad, since at least it was “something they can’t take away”:

“Growth seems to be associated with inequality. You end up saying; -let the capital come. I guess that the capital coming today at least is for more

productive ends than the mere financial capital arriving in the beginning of 2000. And with everything I think I prefer that they buy land than many other things, at least the land is something they can't take away from here, right?" (Mixed family producer).

While the producer in above quote argued that it was better that foreigners bought land than other things, since the land could not be taken away, the advocates of socioecological NGOs, represented the opposite vision arguing that the "foreigners" actually CAN and also DO take away the land, by shipping away soybeans in which each ton represents "hidden" losses of nutrients of the soils, of erosion, and of intoxicated pollinators (Achkar, Domínguez et al. 2006; Alfredo Blum 2008; Blum, Narbondo et al. 2008; Oyhançabal and Narbondo 2009).

The different ways of "seeing" land as central for the position taken in relation to foreignization was also identified by the agronomist from CALMER in Mercedes, who elegantly explained the main positions in the field, when I asked her about what "foreignization" was a problem of, if it was a problem⁶³⁸:

Agronomist at CALMER: "There are people thinking that selling land is the same as losing national patrimony and there are people arguing that land is the one thing that they can't take with them, and still others think that land is just like any other good which is sold and bought. But well, there is a reality, and that is rising land prices and with the purchase power of an average Uruguayan it is difficult to see that the land will ever return to national hands. That is almost out of question. Now, if that is good or bad is debatable and depends on the criteria we use, right?"

Researcher: "Do you as a cooperative participate in that discussion? Have you taken any position?"

Agronomist at CALMER: "No, we do not have any position in this matter (Agronomist at Calmer 2008-02-16).

The agronomist of the cooperative thus expresses that whether "foreignization" is perceived as a problem, or not, is linked to the classical discussion of what land really means, which can range from just another interchangeable commodity worth the price the market puts on it, as in neoclassical economic approaches, or something invaluable, sacred and impossible to reduce to monetary terms, as in many "localist" and peasant-oriented approaches and within ecological economics. Ultimately, one of the reasons to that "for-

⁶³⁸ This answer was provided in response to the following question: "I hear a lot about the "foreignization" of land debated here. What is the problem? Sometimes I do not understand what the problem is, or is it a problem?"

eignization” has become such a central and discussed theme in relation to the soybean expansion can probably be the long traditions in Uruguay too “see” land as something special, worth much more than its market value, and with responsibilities on the owner that go far beyond to make profit. In this way, for many respondents the assumption about the “foreign” firms as “pure” profit-maximizing actors seems to be the key explanation to why foreignization at all is expressed as problematic. The land owner should “care” and feel commitment to the land, or otherwise he (almost always a he) is not legitimate as landowner. However, despite that this view is reflected to some extent in many of the expressions presented throughout this sub-section (in which land is linked to patrimony-tradition-commitment-belonging), I have not identified any concrete suggestions from any actors to change the regulatory structure so that all land would become exempted from the private-property-right regime that it has made part of since independence.

The understandings expressed in this sub-section about the foreign firms rely on a dichotomous construction in which the “foreign” firms are representing something essentially different from the national ones. As showed, the most frequent content given these constructs is short-term profit maximization for the foreign firms and commitment for the Uruguayans. It is, nevertheless, interesting to note that the same respondents that in one stage of the interview articulate a clear, and dichotomous distinction between “foreign” and Uruguayan producers, can only a few minutes later tell anecdotes of national producers (or of themselves long time ago, before they knew better) who systematically over-use toxic pesticides and insecticides, clean the agrochemical can (dunk) in the river, produce without proper rotations creating long-term erosion, and other actions that can boost individual short-term profit, while creating “costs” for collective utilities, nature and the future. However, these aspects are typically not mentioned when addressing the “foreignization”, or when talking generically about “Uruguayans” in contrast to the “foreigners”. In the same way, these stories tend to be silent about the existence of some well-known “national” agrarian firms operating under the form of corporations of limited responsibility and pursuing work within the same capitalist logic and profit expectations as the “foreign” firms. In addition, when talking in detail about the “foreign” or Argentinean firms, most traditional producers admit that there actually exist an important heterogeneity within this group, ranging from rather small scale enterprises, led by young men, often sons of Argentinean traditional producers who could not afford to access land in Argentina where crop land prices are higher than in Uruguay, to the big groups, so called pools de siembra⁶³⁹ (or network firms

⁶³⁹ This concept is widely used in Argentina and Uruguay, but it lacks stringent definitions. According to the master thesis of Clasadonte (referred to in the previous research section) it refers to commodity producing agrarian firms organized as a type of “network company” that

in the terminology of Errea et al, and gerenciadorees “managers” in the terminology of Arbeletche). Thus, in the same way as the new crop firms talk about “traditional producers” but most often refers to landed extensive ranchers (as I showed in the past chapter), so do most Uruguayan producers, talk about the “Argentineans” as equivalent with the biggest most corporate firms.

Next section will dwell deeper into the accounts that represent a dis-articulation of the problem– and threat-oriented meanings of foreignization (based on the construction of “foreign” as a more contingent and less stable category) and into the accounts that represent a re-articulation of foreignization as an opportunity (based on the construction of “foreign” as a stable, but more positively loaded social category).

8.2 Different dis-articulations of the threat-oriented meanings of foreignization and re-articulation of foreignization as an opportunity

The past section showed different problems and threat-oriented meanings given to “foreignization” in relation to the soybean expansion. While some embryotic challenges have been hinted, the main message has reflected a basic view on foreignization as something problematic, and the social category “foreign” as more or less stable and constructed in contrast to a more or less stable social identity as “Uruguayan”. This section will instead focus on the accounts that dis-articulate these relations and on the accounts that re-articulates other relations.

The first subsection presents how the rather recurrent articulation of “foreignization” as equivalent with management driven by short-term commitment in contrast to management driven by “commitment” is dis-articulated by a deconstruction of the “foreigner” as one coherent social category and by the re-construction of the “foreigner” as a contingent and differentiated space (8.2.1). The second subsection presents how “foreignization” has been articulated as either irrelevant or equivalent with a historical continuity of Uruguay as essentially a country of immigrants and immigration (8.2.2) The third subsection presents how “foreignization” has been articulated as something different from the expansion of firms such as El Tejar and ADP, since they (or “we”) are argued to be actually rather Uruguayan” (8.2.3). The fourth subsection presents finally how “foreignization” has been re-articulated (in implicit contrast to the articulation of foreignization as equivalent with short-

only seek profitability on a short term basis. The capital behind comes often from investment funds and companies with open capital with demands of high profitability rate.

term profit) as equivalent with more modern, professional and dynamic agriculture (8.2.4).

8.2.1 Foreignization as contingent and differentiated

While a dichotomous identity construction between “Uruguayans” and “foreigners” (or “Argentineans”) was recurrently expressed throughout the field, some respondents consequently rejected this binary essentialist construction. The agricultural manager of the insurance company Surco, for example, was keen on underlying that there were several different types of Argentinean firms involved in the Uruguayan soybean complex. These had arrived at different times, represented different types of capital and management forms and some of them had been forced to change in order to succeed in Uruguay:

“I have been around a lot and I have seen a lot of erosion caused by the rotation wheat-soybean that the first Argentinean firms arriving here did. That brought a lot of head ace when the soybean boom started some five-six years ago. These first arrivals were not interested in the environment. They leased on the short-term and didn’t care. Afterwards some other firms arrived with a more long term vision. They hired Uruguayan specialists with experience, which was the natural thing to do. The thing is that the Argentinesans tend to consider Uruguay as something very similar to their province of Entre Ríos. Even in their prospects for commercialization of seeds they include Uruguay in the same zone as Entre Ríos, claiming it is the same agro-ecological zone (Technical manager 2009-03-05). But the truth is that we have 263 types of soils only in Uruguay and often there can be five different soil types in the same plot. So the soil is different, but also the climate. That lesson took many Argentinean firms hundreds of thousands of dollars to learn “(Technical manager 2009-03-05).

The technical insurance manager can in above quote be seen to decouple (disarticulate) the established equivalence between “Argentinean” (or foreign) and seeking short-term benefits, and instead he differentiates between short-term from long-term oriented Argentinean companies, and thus opens up for different types of Argentinean firms. The accounts that provide more differentiated views on the “foreign” firms pose a challenge to the view on foreignization as problem because the foreign firms are all driven by short-term maximization aims. In the quote from insurance employee it is also possible to see how he reflects the notion that what is economically sustainable is also the ecologically sustainable, as neglect of soils directly leads to erosion and thus poor economic results. This way of reasoning echoes the immanent development view on the role of private property rights to remedy

environmental problems (i.e. producers will take care of long-term sustainability of the land since it is in their interest to do so).

The Minister of MGAP (2008-2010) and currently senator for MP-FA, has also on several occasions expressed that there are different types of foreign firms that arrived in the wake of soybean and forestry expansion, ranging from innovative entrepreneurs that have played an important role in technology transfer and increased competitiveness in the agrarian sector, to pure speculative capital that have managed to take out much more profit from exclusively buying and selling land than from production of that land.⁶⁴⁰ According to Agazzi it is only the speculative type of “foreigner” that is purely negative for Uruguay, but he also remarks that even the “productive” foreigner can be transformed into a problem if it expands too fast and controls too much land. In this way, the minister claims that the government will need to regulate and set some limits to how much land that can be owned by foreign firms and farmers, in the same way as Brazil has done.⁶⁴¹

In order to better control the “foreign” firms and hinder the speculative ones, the government passed law 18.092 in 2007, which established that corporate firms with no-nominative shares (anonymous owners) could not buy or lease land in Uruguay (land can only be held by registered physical persons or where the totality of the capital is represented by nominative shares).⁶⁴² Many of the newly arrived big soybeans producing firms were corporations with anonymous shares as bearers, and these were now prohibited from buying land.⁶⁴³ They were given a time span for adaption (to December 2008, but later extended) to convert their capital into “nominative” shareholders, considering the land they already had. In addition, while all other producers were exempted from the land tax, *Impuesto al Patrimonio de*

⁶⁴⁰ La concentración y extranjerización de la tierra en el agro uruguayo”, 2011-11-08 Ernesto Agazzi. www.espectador.com/cultura/225166/la-concentracion-y-extranjerizacion-de-la-tierra-en-el-agro-uruguayo (Accessed in July, 2014) Minute 15-16 in the audio-material, and minute 22-25,

⁶⁴¹ Ibid, Minute 25-26

⁶⁴² Joint-stock companies of anonymous owners had been prohibited to buy land in Uruguay up until 1999, when the sitting government passed law 17.124 which allowed for this type of ownership. FA criticized the law and claimed it open up for land speculation. In the electoral program FA had already established that it would change this regulation if winning the elections (FA, 2003)

⁶⁴³ The government argued that the law was a step towards increased transparency, accountability and public control for compliance with tax and environmental norms, as well as making it harder for exclusively commercial or speculative activities to expand, while re-directing capital to productive projects Presidencia. “Proyecto de ley” 2006-07-19 [http://www.presidencia.gub.uy/ Web/proyectos/2006/07/G percent20186 19 percent2007 percent202006 00001.PDF](http://www.presidencia.gub.uy/Web/proyectos/2006/07/G percent20186 19 percent2007 percent202006 00001.PDF)

las explotaciones agropecuarias,⁶⁴⁴ which implied that only the units owned by limited liability firms and no resident foreigners had to pay the tax (Presidencia 2009).

However, through the regulatory decree 225/07 it was also established criteria for exceptions of the law. One such an exception is if the joint-stock company is quoted on a foreign stock exchange market, which is considered reliable.⁶⁴⁵ Another way to be exempted from the law, is for companies to present a productive development project, which complies with the criteria of the Investment Law (see chapter five), including indicators linked to rural poverty alleviation; incorporation of value added and development of new productive chains.⁶⁴⁶

The traditional parties (*Blancos* and *Colorados*) and ARU and FRU⁶⁴⁷ opposed the law and there were also significant internal critique within FA. They criticized it for being confusing, acting discriminative and hinder foreign investments. Nothing has nevertheless been publicly expressed from any soybean producing corporation in the matter. A report from the US Embassy in Montevideo about the business climate in Uruguay, stipulated that “there have been reports of potential foreign investors placing planned investments on hold due to Law 18.092” (U.S. Department of State 2012, 47). The Minister of MGAP, stressed on the contrary in June 2009 that the law had not resulted in decreasing foreign investment, but that the companies had adapted to it and those companies that could not change the owner structure used the mechanism of exceptions.⁶⁴⁸

⁶⁴⁴ The sitting government in 2001, exempted all producers from paying the tax in response to the severe crises in the agrarian sector (and the rest of the economy).

⁶⁴⁵ The Minister of MGAP at the time, Ernesto Agazzi, illustrated the limits of reliability in the following way: “a company quoted on the Stock Exchange of the Cook Islands would not be allowed to own land in Uruguay”. (Presidencia 2009-06-15) All in all, Law 18092 has been modified several times, not least by several passed resolutions that have further extended the period of adaption time for corporations (Law N° 18.172, 18.461 and 18.638). El derecho Digital. Decreto 225/007 “Titulares del derecho de propiedad sobre inmuebles rurales y de explotaciones agropecuarias. Reglamentación”, Montevideo 2007-06-25 www.elderechodigital.com/acceso1/legisla/decretos/d0700225.html

The Article 2 of decree 225/07 was later changed, decree 201/008, First of April 2008, including more exceptions.

⁶⁴⁶ The investment project should be presented to MGAP that will act jointly with the Department of Economy and Finance (MEF), through a new commission that would advise the President in the matter. Two representatives from respectively MGAP and MEF integrated this commission and of these four persons, one was the interviewed Vice-Minister (see resolution 586/00 taken 10th of September 2007, at the web-site of Presidencia).

⁶⁴⁷ FRU has as mentioned often highlighted the problem of ‘foreignization’ of land, but at the final discourse at its annual meeting in June 2009 it criticized the project for lacking a stringent line of thought (FRU 2009).

⁶⁴⁸ Presidencia, Press Declarations of Ernesto Agazzi, MGAP, the 15th of June, 2009 <http://www.presidencia.gub.uy/Web/noticias/2009/06/2009061504.htm> (Accessed in July, 2014)

According to the legal structure in Uruguay every single exception to law 18.092 have to be end up in a resolution, and these are public. In this way, I could for example see that El Tejar had presented a proposal for a “productive development project” in October 2008 in order to receive such an exception.⁶⁴⁹ The formal reply asked for more information and requested higher alignment to the indicators of a “productive development project” (referring to the same criteria as for tax exonerations under the investment law). After receiving additional information, the project was approved and the firm’s owner structure was now justified to be able to continue to hold and buy new land. The Vice-Minister of MGAP at the time, formed part in the newly formed commission to handle exceptions of the law. The Vice-Minister was asked to provide more details about the process of exception for El Tejar, and about what the difference was between the first proposal and the final proposal. He answered that when the company was asked to complement the proposal one of the conditions was that it had to invest in the production of soy based biofuel, in order to create more value added.⁶⁵⁰ This resulted in the joint project between El Tejar and Copagran to install a bio-diesel plant project, according to the Vice-Minister. As mentioned in chapter five, the FA government has invested a lot in expanding the biodiesel production in Uruguay as a way to both improve energy security and produce more vegetable protein for animal feed in order to make the meat chains more competitive and add more value to agriculture. The Vice-Minister also informed that the negotiations with El Tejar resulted in the participation of the company in an associated milk project that MGAP found important:

“Another condition we put on El Tejar, and this was absolutely not negotiable, was that they can’t disarm a dairy farm to plant soybeans, because in relation to labor generation and families being able to live on the countryside the dairy farms are extremely important. And in this sense we have a signed contract and if they don’t comply with that, we will kick them out” (Vice-Minister of MGAP 2009-02-19).

Thus, the vice-minister expresses a view on the state as a hard, but fair negotiating partner of the agribusiness firms, with capacity to make them act in line with the overall development aims of the government. The vice-minister

⁶⁴⁹ El Tejar (o Tafilar) applied the 23rd of March 2008 to be exempted from the general scheme of rural properties owned by joint-stock companies, based on its corporate structure consisting of various foreign legal persons (they referred here to an attached document specifying this structure, but this document was not of open access). Presidencia, “Resoluciones” www.presidencia/2008/12/G289.pdf (Accessed in March, 2014)

⁶⁵⁰ Already in the party program (FA 2003) FA proposes the production of renewable energy as a deeper productive integration between the agrarian sector and the industrial sector, with the purpose of generating more value added, generating more labor and alleviate trade deficit on energy (1993:56)

concluded that the law 18.092 should be seen as one of several legal measures taken to come to terms with the new mega crop-producing companies:

“The laws represent the cold standards, but we are *Latinos*, so we call the companies and we articulate and we negotiate, and in the end we get better results. But then, in difference with Argentina that in some cases use similar methods, we respect all agreements taken, even though we may become in a debilitated position, because we believe that it is the only way to be credible and to progress. That is, all agreements between state and company we respect, even though they sometimes hurt us” (Vice-Minister of MGAP 2009-02-19).

The quote illustrates how the social identity of the state is here filled with particular meanings. It is made equivalent with concepts such as strong, fair, reliable, respectful and progressive, at the same time as unorthodox, dynamic and innovative.⁶⁵¹ Independently of the effects of the law, here the main point is how FA constructs a vision of the foreign firms as differentiated and where the government is particularly hard on the “speculative” foreign firms by not allowing them to be land owners, but also show the muscles to force also the non-speculative, but big foreign firms, to add-value and take social concerns. This articulation was also very strong when the president of the National Seed Institute, INASE,⁶⁵² talked about how the multinational seed firms were dealt with in the negotiations with the institution:

⁶⁵¹ It is nevertheless interesting to note how the Vice-Minister here constructs a “we” as equivalent with “Latinos”. By constructing the Uruguayan government as part of a wider “Latino” identity, it is put in implicit contrast to other wider imagined cultural identities. Probably he is drawing on the recurrent binary dichotomous construction of “Latin” versus the “Protestant European”, where the first is filled with passionate-irrational-discussing-rules bending -unorthodox in contrast to – rigid –rational – effective – rules obeying – orthodox. However, by stressing a relational difference with Argentina, he distances the Uruguayan government from what is often constructed as “unserious” – fickle – respect-less – chaotic - rules breaking - improvising – extreme – violent (in contrast to Uruguay as serious-respectful – ordered - compliant – precautiary – mesocratic- peaceful). This binary construction is expressed by all subject positions in the field (state, producers, firms, researchers and NGOs alike). The exact signs used differ depending on themes discussed, but there is a surprisingly strong regularity in the proliferation of these chains of equivalence

⁶⁵² INASE is responsible for the monitoring of the production and marketing of seeds and to ensure and verify compliance with the prevailing legal provisions. INASE is also set to assist the Executive in all matter of seed policy. INASE also implement arrangements for the imports and exports of seed. See <http://www.inase.org.uy/> and Law 16811; Diario Oficial of Uruguay of February 28, 1997, 16811. The respondent left his position at INASE in 2010 to become the president of INIA. In 2012 he became vice-minister of MGAP

“The multinational corporations are knocking the door every day. We say to the companies; ‘we can be your partners if you want to come and produce here, we will not limit your business, but I want you to do the production here, I want you to bring capital, to bring technology and for the Uruguayans to participate’. The big firms trust that we will respect private property rights, that we have strong investment laws that are very clear and that promote foreign investment. We also have mechanisms of extra support if they settle in some other region than Montevideo, if they employ national labor force, if they bring technology. We have a very solid institutional structure in Uruguay and the big firms know that private property rights is respected and so is all laws and deals. This has attracted a lot of investors to Uruguay as we have very clear investment laws and regulatory decrees for the investment laws which promote the arrival of investors. But it is not indiscriminately. It is not the same if a company comes and gets installed in Montevideo as if it is installed in Tacuarembó⁶⁵³; It is not the same if they use domestic work force as if they don’t; It is not the same if they bring technology as if they don’t. That is our strength as a country, to negotiate that and then our credibility to follow the deals made. Let’s see if I can make myself clear, I do not say unconditionally welcome to Monsanto nor to Nidera. I say; ‘What do you bring and what do you leave here?’ If they only come as firms to produce soybeans and export it, what do they leave us? A piece of eroded land? That is no business, in that shape they would better not come. Now, if they come to produce elite seeds, of first class to export it to the region and the world, including the developed states, than that is different. That is the basic line” (President of INASE 2009-02-10)

The “basic line” of the government is to attract foreign investments, but put pressure on the firms and try to make them leave more value added, contribute to decentralization, create high quality employment and bring technology. The aim is clearly to change the productive structure towards more incorporation of value-added, and to use the arrival of “foreign” actors and capital in the wake of the soybean boom as a springboard for this change. This way of reasoning reflects clearly basic values and assumptions from the intentional development perspectives. The president of INASE underlined nevertheless that Uruguay cannot go from commodity provider to innovator of biotechnology, but that changes need to be taken one step at the time. In below quote he argued what was possible for Uruguay to aspire when it comes to soybean seeds:

⁶⁵³ Tacuarembó is a poorer extensive livestock area.

“The seed has two components. One is the genetically modified event, the trait. In the case of soybeans it is under patent of Monsanto. And the other component is the germplasm, which need to be adapted to the place of cultivation. In Uruguay, we currently use the germplasm of Argentina, and that is also subjected to intellectual property right. So, when buying seeds in Uruguay, you buy the right to use two types of technologies. The Argentinean firm is paid for traditional genetically improvement through seed breeding and Monsanto is paid for the patented HT trait. I do not suggest that a small peripheral country as Uruguay can start to do research for new traits. That would be crazy, it cost millions of USD. But we should advance in germplasm and we have long traditions of research in this area. Then we can negotiate with the big firms; ‘well sirs tomorrow you come out with a drought resistant trait. Fine, perhaps we can use it, but with our germplasm’. So instead of paying 100, we can perhaps pay 50. That is the idea (President of INASE 2009-02-10).

As illustrated in above quote, FA wants to “upgrade” the soybean complex through foreign investments that allow the country to go from commodity exporter to also export high quality seeds (with patented breeding ‘made in Uruguay’). In line with this strategy, INIA launched a new program for genetically improvement of soybeans, within the Strategic Plan 2011-2015, and a part of the program was to be developed in alliance with the University of Missouri, Columbia, and Monsanto for the trait RR2Y-bt⁶⁵⁴ (varieties MON89788 x MON87701). According to this deal INIA is in charge of a research program for development of new germplasm to the new trait.⁶⁵⁵

The quote of the president of INASE above and the following alliance with Monsanto reflect a view on the multinational foreign firms as vital for the national development project of Uruguay. Investment promotion and strong private property right regime are argued to be used strategically to attract even more foreign investments. It is remarked that benefits are not given in an indiscriminate way, but only if the foreign firms respond to a series of conditions set up by the government. This reflects particular assumptions on how development is to be reached that seem like school book

⁶⁵⁴ Monsanto developed and commercialized soybeans Roundup Ready RR (40-3-2) which is tolerant to glyphosate and patent expires 2016. The new generation from Monsanto in 2009 is RR2Y (MON 89788), which also is a type of Round Up (glyphosate) resistant plants with predicted higher yields, compared to the original Round Up Ready (RR) soybeans. RR2Y-Bt (MON 87701 x MON 89788) have through traditional breeding of two independent genetically modified soybean events, MON 87701 with insect resistant trait (lepidópteros) and MON 89788 (RR2Y) with glyphosate tolerance trait. This is argued to potentially reduce the pesticide use and increase productivity. This is as of yet being commercialized only in Brazil. http://www.europabio.org/sites/default/files/fact-sheet_for_mon_87701_x_mon_89788_soybean.pdf

⁶⁵⁵ www.inia.org.uy/online/site/72279611.php (2012-08-10)

examples of many current forms of policy advice within the intentional development perspectives.

CNFR and other more critical accounts of the soybean expansion claim, however, that the government is naïve. Its self-confidence in what is possible to negotiate with the “foreign” firms is overrated and they argue as mentioned in section 8.1.1 that Uruguay is inevitably losing sovereignty and policy space in the process “foreignization” (interview president of CNFR). Both CNFR and Redes have written many texts and participated in national news media severely criticizing the “alliance” INIA and Monsanto for the soybean RR2Y, and claim that it exclusively benefits Monsanto who need to make all producers to change into this new seed technology since the patent of RR (40-3-2) is soon to be expired.⁶⁵⁶

FA does not agree that it is naïve, or that it would be necessarily more difficult to regulate foreign, than national, private firms. According to Vice-Minister of MGAP, the government was engaged in a “dialectic struggle” with the big foreign agribusiness over economic processes, and while he acknowledged that they were extremely big and powerful, he also remarked that surprisingly often it was easier to control, regulate and negotiate with, than with the “traditional” producers’ organizations ARU and FRU (Vice-Minister of MGAP 2009-02-19). For example, he expressed:

“A big firm needs to demonstrate that it is doing things in a good way and environmental or social scandals make the shares go down, environmentally they are surely the ones with the best practices. In addition, one of the major advantages of negotiating with foreign firms is that it is always possible to threat to kick them out of the country if they do not comply with the stipulated objectives of the government” (Vice-Minister of MGAP 2009-02-19).

The political leader found that the possibility to threat to kick out “foreign” firms was a rather powerful “tool”, which could not be used against the national producers’ organization. He particularly remarked that the heterogeneous character of the members of FRU turned the organization into a difficult stakeholder for the government, since the aim of the government was to strengthen the weaker parts, while make the rich producers to contribute more to society (Vice-Minister of MGAP 2009-02-19). In this way, he could

⁶⁵⁶ See for example text from Redes <http://www.redes.org.uy/2012/08/31/alimentando-las-estrategias-corporativas/> and news article about this conflict: www.lr21.com.uy/comunidad/1058715-alertan-sobre-convenio-entre-inia-y-monsanto-para-producir-soja-transgenica-en-uruguay and <http://www.lr21.com.uy/ecologia/1106084-soja-de-monsanto-avanza-en-uruguay-pese-al-rechazo-de-ambientalistas>; <http://ladiaria.com.uy/articulo/2012/7/preocupacion-patente/>; <http://brecha.com.uy/index.php/sociedad/662-natural-killer> (Accessed in August 2014)

be seen to reject the notion of the “foreignization” as a threat of national sovereignty, which was outlined in 8.1.1.

The Vice-Minister also mentioned concrete examples of new agrarian regulations, where the traditional producers’ organizations had resisted the changes, while the new crop firms had quietly adapted to the new regulations. In this way, he mentioned the advances made in labor rights and standards for rural workers, which had been severely criticized by the producers’ organizations, but not by the new capitalistic firms. He also stressed that the important size of the agribusiness actor also resulted in more control by journalists, neighbors, researchers and politicians. The firms were described to be aware of the constant eye put on them, which in turn led to a high compliance with public regulation, from taxes to environmental legislation. He remarked, however, several times that the government had not a naïve way of seeing the big firms, and that several new legislation had been taken to force the newly arrived firms to become more transparent, accountable and to hinder them to act in speculative or extractive ways, but he added that it was the logic of capitalism that explained the behavior of the firms, not their nationality (Vice-Minister of MGAP 2009-02-19). This politician of FA also mentioned that for the environmental movement it was never enough independently of what the government did to regulate the agribusiness firms. Still he believed that the government was successful in achieving changes without confrontation, which he expressed in a dramatic way:

“For them, it is never enough with what we do, it is not enough to score the contrary team, but according to them we need to remove the goal from the other team. For me that’s an erroneous methodology. If we can get what we want with a less level of conflict, then we win twice. Because, in an open conflict we have much more to lose. It is much better to win little by little against imperialism than declare war against the US, or otherwise ask Afghanistan. [...] The opportunities for the small and all of us in dependent positions have always been in counter-hegemonic situations, and thus we have a tendency and a necessity perhaps because of personal frustrations in saying; ‘We close everything down and we kick out El Tejar and we set on fire *ENCE* and make explode *Botnia*⁶⁵⁷ in thousands of pieces’. But what you should do is to see that the accumulated wealth appropriated by the few can be distributed to the whole Uruguayan society and you can make the companies understand that here they can’t do what they want, that the time of Viceroyalty has ended”.

⁶⁵⁷ ENCE is a big forest and pulp company from Spain with large landholdings in Uruguay. Botnia is a big forest and pulp company from Finland with large amounts of land owned in Uruguay.

In the quote, he presents a picture of the current world system and globalization process that partly echo the analysis of core and periphery among the Latin American structuralists linked to ECLAC, among the intentional development perspectives (see chapter three). He also draws on many of the central nodes in Uruguayan “left” discourse, such as anti-imperialism (where the US is depicted as the hegemon of the current system), anti-colonialism (constructing a potential historical continuity between colonial Europe and current day agribusiness firms, if the “independent” state does not show that the times of the Viceroyalty has ended) and redistribution of wealth (which is described to be *appropriated* by the few in a capitalist system, rather than *generated* by the few, which is the way the agribusiness firm describes it). This way of reflecting the big multinational agribusiness firms, is not very different from the analysis of the same expressed by the socio-ecological NGO’s. The important difference is in the perception of what the state can do about the “accumulated wealth appropriated by the few” in the capitalist system and how much conflict is needed with the same. The bottom line here is that while FA has often depicted foreignization as a threat in need of more regulation, it still often remarks the differentiated character of the “foreign” firms (where some of them are described as more problematic than others). In addition, while the big foreign firms are described as powerful, the state is portrayed as having the capacity to balance, control and regulate them.

This sub-section has outlined accounts about “foreignization” that talk about different types of foreigners, which can be seen to represent an attempt of disarticulation of the commonly expressed rather static and essentialist binary construction “Uruguayan” versus “foreign”.

8.2.2 Foreignization as irrelevant or as a national historical continuity; ‘Who is not a foreigner in Uruguay?’

I showed in subsection 8.1.2 how “foreignization” often has been articulated as equivalent with some kind of generic loss for all Uruguayans. This link has nevertheless been disarticulated by some voices who claim that the problem is not the nationality of the firm, but land concentration in itself independently of the nationality of the owners. Some also suggests that the recurrent “framing” of foreignization actually can be used in a way to exclude other articulations about unequal distribution of land. A board member of a producers’ organization of Dolores (AAD) that is one of the local member organizations of FRU, reflected on the positioning of FRU in the matter in the following way:

“The process of displacement has been enormously accelerated. However, before it was the proper Uruguayans who stayed with the land of other Uruguayans, and nobody complained, but now it is foreigners and every-

body complains, because they come from the outside [...] The FRU never criticized the depopulation of the countryside before. Why? Because then it was their members who were the proper producers who bought the land from the small... But now they come from the outside... In addition, the risk has also changed and grown. Before the risks of displacement were only for the small producers, then also more and more for the medium producers and now even the big ones have to take risks” (Board member of AAD 2008-02-11).

In above quote, the board member of AAD suggests that the reason behind the strong reaction of FRU against the increased presence of foreign agrarian firms, is partly explained by the new “displacement pattern” bringing higher risks also to bigger producers. In addition, it is possible to argue that by stressing the features of concentration together with foreignization, some attention is taken away from the national elites’ (both in terms of landlords and capitalist firms) dominating position, and all the problems of displaced producers become instead blamed on the “foreign” firms.

In a similar way, a conversation at the cooperative of Dolores (Cadol) with the president and with the main commercial agent, can illustrate how the equivalence made between foreignization and a generic loss for all Uruguayans is destabilized:

Researcher: “I do not understand, there is this big issue here about the “foreignization” of land, but what is really the problem with foreigners as land-owners?”

President: “The way I see it, it is understood as a problem of patriotism, of fatherland, of sense of belonging; ‘This here is ours, and now somebody from the outside arrives to take what is ours’. I do not see it the way they picture it. They see it as if somebody is buying things from your house, and that you are becoming increasingly poor, having increasingly less. I think that is what explains the reclaims of a lot of people. But if you look at this movement and the technological transfer from a strict economic point of view, then it is perfect.”

Commercial agent: “For the ordinary Uruguayan it is like he explained, they see the land sales as they are selling something that is yours and that the land is getting full of Argentineans, or full of Brazilians. But I do not think that this provoke more harm than if it would be in Uruguayan hands. If all the land one day gets concentrated in the hands of five Argentineans or if it gets concentrated in the hand of five Uruguayans, I do not see the difference, it will in any case be equally bad” (President of Cadol 2008-02-11).

Thus, according to the people of Cadol “ordinary” citizens feel that they lose something when land is sold to foreigners (as outlined in 8.1.2), but Alfredo

and Fernando distance themselves from this way of seeing. Alfredo contrasts these “feelings” of loss in relation to the soybean expansion and “foreignization”, to a way of looking at it “from a strict economic point of view”, and “then it is perfect”. Fernando claims that the only problem is the concentration of land and that the national origin of the landowners is not relevant. In this way, concentration is decoupled from foreignization, which in turn is decoupled from representing a generic loss for all Uruguayans.

Some of the texts of FA also underlined that the problems in the wake of the soybean expansion had nothing to do with nationality, but with uneven capitalist relations, leading to extreme concentration and which need to be “balanced” by the state (Frente Amplio 2008a). In line with this view, as outlined in chapter seven about public regulation in relation to concentration, FA has sought to increase the land tax burden on the bigger units (but these reforms have been ruled out by the Supreme Court as “unconstitutional”) and strengthened INC. FA seems, however, in this respect to express a somewhat ambiguous message since it also has in some text constructed foreignization as a threat of sovereignty or of losing “what is ours”.

While many respondents talk about “foreignization” as an important problem, it is among the agrarian organizations only CNFR and FRU who have several times asked the government to impose special regulations to stop this process, these views are most clearly stated. The second-grade organization, Federation of Agrarian Cooperatives (CAF),⁶⁵⁸ and most grain cooperatives have not taken any positions in public concerning the foreignization. This is interesting considering that many members of CAF are also members in CNFR. The interviewed grain cooperatives (CADOL, Calprose, CALMER and Copagran) are members of CAF, and they did not express antagonistic positions towards the phenomena either, although they expressed that it was easy to understand the critical views. The powerful producers’ organization ARU has not articulated any specific position regarding the matter of foreignization, but rather stressed the free market and free circulation of capital approach that it has pledged for the last decades, drawing on the values and assumptions of the immanent development perspectives. ARU has in general in relation to all aspects discussed about the soybean expansion expressed a rather coherent message centered in a pledge for free market and free circulation of capital approach (in accordance with what it has recurrently and frequently expressed considering most agrarian policy during the last decades), reflecting the values and assumptions of the immanent development

⁶⁵⁸ The principal members are: the cooperative fusion Copagran (ten local offices), URF, Cadol, Calprose, Cradeco, Calmer, Calsal, SFR Tarariras, Casspe, Sofoval, Cariplal, Conuber, SFR Cardona. These are representing around 2500 producers. CAF is also member in the Uruguayan Confederation of Cooperatives (CUDECOOP) founded in 1984 and representing cooperatives of all sectors in Uruguay. The cooperative form is quite strong and has long historical roots in Uruguay (since XIX century) linked to the European immigration.

perspectives.⁶⁵⁹ In the public debate ARU has not expressed any specific position regarding the matter of foreignization. When the former president and current board member was asked about how ARU perceived the foreignization and how it related to the antagonistic articulations of FRU, he answered:

“No, I do not share their [FRU] vision. I do not agree, but it is debatable ... Now the agrarian society of Río Negro [department of Young] does not know what to do. They asked me, what shall we do? Because they are increasingly losing their members. They are getting out of people. There are no Uruguayans. Should we incorporate the technicians who work in the firms? But they are not the owners, they are employees... In one way that would perhaps be the best, as they reflect the people working in the area because there are increasingly less of the others...” (Board member of ARU 2009-03-03).

The ARU board member remarked quite clear that his position in the matter of “foreignization” was not the one expressed by FRU, but by immediately mentioning the concerns expressed by a local member, he still shows that he understands that it is perceived as a problem by many local producers, as it is seen to come hand in hand with no producers left in the countryside. While he strongly rejects any kind of regulation of the land markets and hold the private property rights to land high He still mentioned that the shift had implied personal losses (of neighbors who were friends) and losses of member base for ARU. In this way, he says that ARU is prepared to take some losses in order to avoid public intervention in capitalist markets, which assumingly is considered to bring higher costs in the long run. Given that interventionist measures are ruled out here, the board member seems to somewhat disheartened open up for the tentative idea to incorporate the technicians working on the big firms as members of ARU, despite that traditionally only producers integrate ARU, not the employed people of the agrarian sector (as mentioned ARU and FRU represent the employers in the rural wage councils).

The former president, current member of the board and responsible for crops of ARU also expressed a differentiated view of the foreign firms. On the one hand he stated: “They can be short-sighted, when a firm is working on a land on a basis of a contract of three years, it is interested in take out as much economic benefit as possible during these years and many times it is not considering the consequences on the soils in the medium and long term”, but on the other hand he also expressed: “In a way these foreign firms have taught us to work, that is they contributed with the most modern technology.

⁶⁵⁹ This position is stressed in several documents, and often in the magazine of ARU, arguing that the coherent position with advocacy for free trade, and defense of private property and business liberty is to be against all kind of regulation.

They were using no-tillage techniques and double-cropping, the most modern technology maximizing the productivity” (Board member of ARU 2009-03-03). The “solution” of coping with the short-sighted firms was according to the board member to make the land owners, who leased out the land, take more responsibility to establish contracts with the firms that required them to take better care of the soils.

The accounts expressed by FRU considering foreignization were, as mentioned rather critical and in some declarations it pledged the state to restrict it forcefully. However, the things expressed about the foreign firms were found to turn milder and less antagonistic over time and perhaps particularly after the financial crises in the mid-2008, in a similar way as in the discussion about displacement of producers (dealt with in chapter seven). When asking the president of FRU, in 2009 about the organization’s current view on foreignization, he provided a more diplomatic answer than what FRU previously had expressed in speeches and communiqués:

“This foreignization is indeed very controversial. Our greatest concern is to take care of the rural family because FRU defends the interests of the [agrarian] sector, the interest of the family and of the producer. [...]These big firms came and wiped out many families and it coincided with them being foreign and many started to raise their voice against the foreignization. They are foreign because none from Uruguay has that kind of money. We were preoccupied. But it is complex to talk about foreign, I mean most people here have grandparents who also were foreigners and I also believe in the possibilities of complementation” (President of FRU 2009-03-03).

In the president’s answer, he opposes, although implicitly, the interest of “the rural family” (which according to him is to stay and continue to work and live from agrarian activity), with the foreignization, thus following the dichotomous view (re)constructed by CNFR and others that I have outlined in this and previous sub-section. At the same time, however, he gives an ambivalent picture by expressing that “foreign” is a rather contingent category, and could more or less include all Uruguayans, at least two generations back.⁶⁶⁰ This drawing on the national history of Uruguay as a country of immigrants represents one of the most common disarticulations posed to the constructed equivalence made between “we” – Uruguayans – producers –

⁶⁶⁰As mentioned, the president of FRU himself leased out crop land to El Tejar. Also the official declarations of FRU were found to have become less critical towards foreignization during the past years and shifted the focus in the criticisms expressed against the government, from lack of support to traditional producers to lack of openness and clear rules for the foreign investments. See for example the section of land regulation.

long-term commitment, against “them” – Argentines – firms – short-term profit.

Several respondents referred to the national history in a similar way and constructed the current wave of “foreignization” as a mere continuity of the previous immigration flows during the 19th and 20th Century. For example, the board member of ARU, talked a lot about his family history as immigrants from Great Britain who settled down in the department of Río Negro and founded the city of Young (where many of the new agribusiness firms have their central office today), and ended up concluding that basically all Uruguayans were children of immigrants. The Minister of MGAP expressed a similar view in an interview in the Radio Espectador, where he remarked that it was important to remember that almost all Uruguayan were foreigners some generations back and that the important thing for the government to do was to regulate the activities so that they necessarily need to be environmentally sustainable and if possible to generate more value-added in the long run.⁶⁶¹ Apparently Agazzi had said something similar in a meeting with small producers, which the president of CNFR, expressed severe critique of:

“Agazzi said in a meeting with small producers in Colonia a barbarity; ‘Why are you against the foreignization of land when you are all sons of immigrants’, he said. That caused a lot of disgust. I mean of course, we all are decedents to Europeans; I am for example from Galicia. But one thing is the producer who takes the decision to come and live and work here, and we are not against that. We are against the groups arriving with capital behind which we do not know from where it comes, but certainly everything is not clean and a lot of money laundering is made, and who will leave the same moment as they do not find the business profitable anymore. Those are the ones that we are against. Then of course, it is also a matter of proportion. If we are ten here, and one hundred newcomers arrive that is not desirable, because it should be them integrating and adapting to us and not the other way around” (President of CNFR 2009-03-05).

In above quote the leader expresses hard critique towards the Minister of MGAP, but he still ends up expressing a more differentiated view on the foreigners than in previous texts, since he here makes a distinction between individual foreigners coming to work and reside, and big capitalist foreign firms. Here it is exclusively the “anonymous” capitalist firms that are denoted as characterized by short-term profit maximization, with “dirty” capital behind and “golondrina” mentality. He nevertheless also added that it was a

⁶⁶¹ “La concentración y extranjerización de la tierra en el agro uruguayo”, 2011. www.espectador.com/cultura/225166/la-concentracion-y-extranjerizacion-de-la-tierra-en-el-agro-uruguayo (Accessed in July, 2014)

matter of proportion, hinting that not even the first category was considered welcome in too big numbers.

The agribusiness firms themselves often put a lot of emphasis in remarking the “settler” character of Uruguay and pose the rhetorical question; who is not foreigner in Uruguay? An illustrative example is expressed by the country manager of Cargill:

“I am very aware of the bad press around the soybean in general, very bad press. There was an agronomy meeting here in Paysandú and after a while the meeting started to talk about the “foreignization of land”. I said that we should not forget that the majority of our grandparents were foreigners here. Perhaps we are living a new process of immigration with characteristics of the time we are now living. Because there is some xenophobia mixed in this also. [...] The thing is that Uruguay needs to stop being a hypocrite in these things, according to my opinion. Because first, you hear the government or businessmen talk about the need of foreign capital and then, they criticize it” (Country Manager of Cargill 2007-11-26).

Thus, by linking the current “foreignization” of production to the European immigration, which in much is one of the most recurrent national identification feature, he (in the same way as the board member of ARU and the Minister of MGAP) creates historical continuity and thus the current wave of foreign land acquisitions are made appear as “natural”, as part of the essence of the country⁶⁶². In the same way the director of the Uruguayan inoculants firm Lage y Cia, expressed that he felt pity for the foreign agrarian firms who constantly were criticized and judged much harder than any national firm:

“Poor *El Tejar!* It is always and constantly under the microscope. Today being a foreigner is bad, there is phobia. The people is against the Argentines because they are Argentineans and against the rest because they take what is ours. It is erroneous thinking. Everybody here comes from abroad [...⁶⁶³]. I mean no one here is *Charrúa*.⁶⁶⁴ So, how can we then say no to foreigners who come to buy a piece of land? It is so stupid because those firms coming and searching land here, what can they do? They cannot load up the land on a boat and take it to Europe. They will have to work the land here. Of course they can take away the profit, but some Uruguayan perhaps

⁶⁶² A common saying in Uruguay is that the Uruguayans descend from the boats, suggesting that everyone is an immigrant (ignoring the Indigenous persons who managed to survive the wars and the massacres on them)

⁶⁶³ “I am Lage and Ponce de Leon. Lage is from Galicia and Ponce de Leon from the province of León in Spain. And so everybody - the Minister,- the president, - everybody!”

⁶⁶⁴ The Charrúas lived in present Uruguay. Following the arrival of European settlers, the Charrúa were progressively killed or integrated into the prevailing colonial cultures.

spends his profit in the Casino, so what is the difference? It is so illogical to not sell land to a foreigner, when they are the ones bringing investments, because the Uruguayans, we do not have one peso [no money]" (Director and co-owner of Lage y Cia 2009-03-05).

Thus, a very strong dis- and re-articulation of the problem formulation of foreign agrarian firms, is to stress that being "Uruguayan" is actually being descendent from foreigners, and thus destabilize the perception of the "foreign" as equivalent to the "other" and in a dichotomous position to the "we", but rather construct a "we" equivalent to being (relative) newcomers, i.e. not indigenous.⁶⁶⁵

The next sub-section will present another way of disarticulating some of the problem-centered accounts expressed about the soybean expansion and "foreignization" by a construction of the new crop firms as the opposite of short-term profit maximizers and instead a re-articulation of the same as actually rather Uruguayan.

8.2.3 Foreignization as equivalent with something else than the expansion of "new" crop firms since "we are rather Uruguayan"

The big "foreign" grain producing firms themselves do not spontaneously talk about "foreignization" in relation to the soybean expansion. However, when talking about the recent changes within Uruguayan agriculture in general and within their firms in particular, both the interviewed staff of ADP and the country manager of El Tejar reflected an embracement of the norm that it is desirable to let Uruguayan land and production be controlled by Uruguayans. Accordingly, both frequently constructed a "we" as "Uruguayans which often was contrasted to a "they" of Argentineans. They also stressed several times during the interviews that the strategic decisions in the companies were actually taken by Uruguayans and that the role of the Argentinean head-office (or partner in ADPs case) was increasingly peripheral. The country manager of El Tejar told how much of the administration and certification processes⁶⁶⁶ first had been managed by the head-office in Argen-

⁶⁶⁵ It is interesting to note that while the director here constructs all Uruguayans as more or less "foreign", he had at other times during the interview talked about "Uruguayan" versus "foreign" firms in rather essentialist and dichotomous terms (see 8.1.3). It is also interesting to note here that he mentions Europe as the potential appropriator of value, despite that we are talking about soybeans and the respondent is well aware of the fact that at the cultivation phase the newcomers are mostly firms from neighboring Argentina or Brazil and that China is the by far most important final destination.

⁶⁶⁶ El Tejar/Tafilar is certified for the International Organization for Standardization (ISO) generic process standards 9001 for quality management (customer satisfaction and continual

tina, but how he, step by step, had managed to make the company more and more independent and self-reliable to the point that now (in 2008) “almost everything concerning the company was governed from Uruguay” (Country manager of El Tejar 2008-02-19). The employee added that 100 percent of the staff of 180 persons was Uruguayan and that all the work of the company was “adapted to the Uruguayan situation, soils and culture” (Country manager of El Tejar 2008-02-19). He also recurrently stressed that the company El Tejar was to be considered “multi-local” and not transnational, which implied that El Tejar wanted to engage as a partner to all other stakeholders in local communities and together develop each place by sharing information and experiences and “learning from each other”.⁶⁶⁷ The staff at ADP stressed that the company actually was to be considered Uruguayan, and that it only had a strategic partnership with “Los Grobo”, but that long-term decisions were taken in Uruguay (ADP 2007-11-27). It was also remarked that the director, Marcos Guigou, and his family had been producers in the area since long before the soybean expansion, but that the deal with “Los Grobo” and the creation of ADP in 2003 allowed the company to expand from 4.000 ha to 100.000 in only seven years.⁶⁶⁸ In this way, rather than questioning the essentialist and dichotomous understandings of national identity common in many of the “nationalist” articulations presented in 8.1.2 and 8.1.3 both ADP and El Tejar tended to make valid many of the premises of the foreign domination over Uruguayan land as a problem. The main difference with the views expressed by for example CNFR was that they suggested that also seemingly Argentinean firms can actually be considered rather Uruguayan.

The leading employee of Tejar also told stories about himself that distanced him from the (re)construction of agribusiness actors as interested exclusively in short-term profit maximization and with no emotional bonds to land:

“The thing is that the land is something really special... Something emotional... I can tell you from my own experience. I had this minimal produc-

improvement) and 14001 for environmental management (minimize harmful effects, regulatory requirements and continual improvement of environmental performance). These are in Uruguay audited by “Instituto Uruguayo de Normas técnicas” (UNIT). It is also certified for the Occupational Health & Safety Management System (OHSAS) 18001, which is described as very similar to ISO 14001, but based on self-declared compliance. (See MTO, 2009 (slide 7/47): [www.mesadeoleaginosos.org.uy/infoInteres/09julio/3- EL-TEJAR Uruguay.pdf](http://www.mesadeoleaginosos.org.uy/infoInteres/09julio/3-EL-TEJAR-Uruguay.pdf) (Accessed in June, 2014)

⁶⁶⁷ Another important part of El Tejar’s “Uruguayanness” is achieved through different local community projects, cooperation with local schools, and apprentice programs with the university and so on, according to the country manager.

⁶⁶⁸ See news article from Argentinean newspaper Clarín: <http://edant.clarin.com/suplementos/rural/2010/02/13/r-02139010.htm> (Accessed in July, 2014)

tion unit where I did cultivations and it was really difficult to take the decision to leave it [and start working full time for El Tejar], despite that it was a much better business for me... and despite that I was so small and I saw that this business was really risky for anyone having such a small plot; even if it can be a good business too... This is high risk” (Country manager of El Tejar 2008-02-19).

In this narrated story, he distances himself from exclusively representing the subject position as country manager of Tejar, and also constructs himself as distanced from *homo economicus*. Instead, he remarks that he feels the same emotional bonds to land as the “traditional producers” express. By expressing that land is “really special” he is rejecting the dominant view within the immanent development perspective where land is just yet another productive factor.. Instead he reflects the land as almost sacred, which is a central value of the localist approaches within the postdevelopment perspective. He also rejected the notion of the new firms as operating in the short-term or having a “golondrina” mentality. He said that the policy of leasing had mostly benefitted the traditional landowners. Now El Tejar was increasingly buying land in order to be able to take benefit from the increasing land values that company had contributed to create. In order to be able to buy land however, El Tejar had to open up the shares to investors and thus capitalizing the firm for new shareholders. The trust that El Tejar felt for Uruguay and Uruguayans could according to the manager be illustrated by the fact that when El Tejar in 2007 chose to abandon the previous strategy of no fixed assets (no land owned), it bought land exclusively in Uruguay and Brazil, which accordingly showed long term commitment to the country⁶⁶⁹ (Country manager of El Tejar 2008-02-19).

Besides arguing for being quite “Uruguayan” the big agribusiness firms also argued that they were slightly unfairly pointed out as the bad guys of the movie. For example, the staff at ADP expressed that many people talked negatively about the Argentinean firms without reason and made it sound as nothing of the benefits stayed in the country:

“The Argentineans do not come here with their machines, or coming with people to work and they are not selling the grain in Argentina, so I am certain that they are generating gains for our country. And most of them reinvest most of the profits, while some others perhaps takes it back to Argentina, but I do not know, I do not think it is too much” (ADP 2007-11-27).

In a similar way, the director of El Tejar expressed that the company was often attacked in an unjust way. He nevertheless also stated that he understood that the size of the company put it just in the eye of the storm. Never-

⁶⁶⁹ This long-term commitment ended, as previously mentioned, in February 2014.

theless he tried to show people that the company was doing good, by being transparent and by working with ISO certifications for both environmental and labor standards (Country manager of El Tejar 2008-02-19). In both El Tejar and ADP there seem to be high awareness of the problem-oriented articulations of foreignization and in an active way relate to them in different ways. The recurrent (re)constructions of the “foreign” crop firms as purely interested in boosting short-term profit, and/or as speculative, and/or as extractive, and/or as exploitive is firmly rejected. Instead they (re)construct the “foreign” crop firms as generators of wealth (that is mostly re-invested) and driven by commitment for the land and the people.

In addition, El Tejar and ADP seemed to attempt to replace the binary construction *Uruguayan* (traditional) versus *foreign* (agribusiness) posed by the critical articulations about foreignization, with an alternative binary identity construction centered in *traditional* versus *modern*. As I showed in chapter six and seven the agribusiness actors most recurrently contrast themselves from the landed rancher elite, which is constructed much in line with the way this group has been problematized in the agrarian history narrative; i.e. stagnant, conservative, risk-adverse and backward. Their own group is described as entrepreneurial, professional, modern and as part of the new knowledge economy. However, in many discussion that exclusively deal with crop production, the identity construction of the new agribusiness firms has to be articulated in relation to other crop producers and not ranchers. Perhaps one of the most explicitly expressed and clearest synthesized such binary construct comes from power-point presentation made by the director of El Tejar at the MTO event 3rd annual soybean meeting in July 2009, which included the following table:

Redefining crop production		
	Traditional	Current
System of Production	Conventional	No tillage (no-till, zero tillage)
Production	Commodities	Food: social responsibility, environmental sustainability and client focus
Persons	Less skilled and little entrepreneurial	Young professionals and entrepreneurial
Social Influence	Local	Multilocal ⁶⁷⁰
Risk focus	Operative and tactical	Strategic: Political and macro economical
Location	Geographically concentrated	Geographically diversified
Structure	Family	Professionalized: management systems and teams
Scale	Small scale	Economies of scale
Technology	Uniform and outdated	High tech, just in time
Concept of management	Producer	Businessman
Relations	Independent	Interdependent: networks and strategic alliances
Competitive advantages	Hard assets: land, machines, infrastructure, the operator is the land owner	Soft assets: know how, networks, information, organization, operator is NOT the land owner

Turban, 2009; ppt slide 9⁶⁷¹

The table translated from the power-point presentation of the head of El Tejar in Uruguay is illustrative in many ways. First of all, it is interesting to note that he here talks about “ways of doing” crop production and not explicitly about actors, which at least in theory opens up for some kind of choice (a

⁶⁷⁰ I interpret that the use of the term “multilocal” rather than “multinational” is an implicit adaption to the critical meanings attributed to “multinational” in many articulations (within both socio-ecological NGOs and political groups within the left). Instead of engaging in struggles over the meanings of this sign, and re-articulate it with a “positive” meaning, he seems to avoid to be associated to it by establishing a new term.

⁶⁷¹ “Good agricultural Practices- Redefining crop production”. This presentation can be downloaded from the web-page of MTO: www.mesadeoleaginosos.org.uy/09julio.php (Accessed in June, 2014)

traditional producer can potentially be part of the “current” way of doing crops). However, many of the indicators stipulates to describe the “traditional”, includes size-dependent features (family structure; small scale), which seem to frustrate the possibilities for the bearers of these features to switch over to the “current” way of doing crops. In the same way, it goes without saying that the country manager positions “El Tejar” (and its fellow competitors) as representing the “current” way of doing crop production, and that all of features that here are stressed as forming part of the “current” also function as an implicit self-description/construction. The main purpose of the presentation seem to have been the (favorable) construction of the own company. As in most discursive identity construction, the “we” is constructed in relation to what it is not “the other”, which here is made unusually explicit.

By setting the label “current” on the features that are created to represent the “we” in this presentation, he manages to make this identity to represent the modern, while the “other” (the traditional producers) is constructed to represent the “traditional” (which here through the way the sign is positioned in contrast to “current”, becomes implicitly tainted with the meaning “past”, drawing on the common binary relation “present”-“past”). Being “modern” forms part of one of the most legitimate hegemonic nodes of our time, while to represent the past and particularly a past that has been consensus-made as stagnant and backward has little attraction (at least as long as one is within a discourse of modernity, such as immanence and intention). Besides the way, “the current ways of doing crops” is linked to “modernity”. The table also shows in a summarized and stylized way the agribusiness firms here are linked to several other legitimate nodes of our times. I argue that it is possible to identify a signifying chain, in which the new agribusiness firms are (re)constructed as equivalent to modern- environmental sustainability- social responsibility- long-term- hard working – innovative- high-tech- transparent-young-knowledgeable- advanced- strategic- network (nonhierarchical) flexible and innovative. This identity construction could also partly be discerned among the “explanation” provided by the agribusiness firms to the features of concentration in the wake of the soybean expansion, which I outlined in chapter 6.

Another binary identity construction reflected in the interviews with the new agribusiness firms is *new agribusiness* (modern, advanced and progressive) versus the *landed ranchers* (conservative, extensive and regressive). One illustrative example comes stories about the effects of El Tejar’s expansion into new crop zones (former livestock area) in Northern and central Uruguay:

“I think that before 2003 there were no business in these places, that was rather something generated through the arrival of new firms who invested

and created business in these places” (Country manager of El Tejar 2008-02-19).

The director knows of course that all agricultural land in Uruguay since more than a century is under some type of productive activity, but he seems to suggest that the dominant pattern of these areas (extensive livestock production) is so inefficient that it becomes almost equivalent to no business at all. The way of constructing the meanings of “new agribusiness crop firms” in contrast to “the traditional landed rancher” is rather thoroughly presented in chapter 6 and 7, so I will not repeat it here, but rather remind the reader of this articulation since it appeared as relevant not only to “explain” relative success/failure, but also to make these patterns more legitimate.

Not only the new crop firms themselves construct their identity as “modern-advanced-progressive”, but this articulation about the “new” crop firms was rather recurrently expressed also by other actors. For example, also many of the actors representing FA contrasts the new foreign crop producers, explained to come with innovation, dynamism and productivity increase, while the “traditional” landed Uruguayans had not generated wealth from it and it had been characterized by decades of stagnation. According to the vice-minister the Uruguayan landlords had not been interested in take the risk of production and therefore produced beef in an extensive way on land that was suitable for crop production, but that this had changed due to the increases in land prices that forced producers to adopt a more productive than renter business model, which in turn generated dynamism, intensification and economic growth. He also mentioned that the new agribusiness crop firm had a more respectful and “modern” relation with their workers compared to the livestock farmers (paternalistic). When asked if it was accurate to say that it was the arrival of new agribusiness firms who put a final break on the previous model, he answered in the following way:

“Yes, it provoked a change in the relations of power in our crude reality, but watch out, the *peludos*⁶⁷² continue being the peludos, and the peludo is the rural worker. And the owner of the land continues being the owner of the land [...] We need to be cautious, because it is easy to get dazzled with all ISO certifications and the like, and I insist that when I close my eyes, my vision of rural development is different from what we have. Of course it is better with over demand than over supply, it is always better that they pay a little more to the rural worker than less, and that the worker gets technified. But if you ask me if this is the model, I would say no, this is not

⁶⁷²This is the self-titled term on the Sugar-cane workers in Uruguay from Bella Unión. See Merenson 2008. “Teorías, prácticas y representaciones de la categoría “campesino” entre *los peludos* de Bella Unión, República Oriental del Uruguay” Conicet/IDAES-UNSAM http://www.ides.org.ar/shared/practicadeoficio/2008_nro3/artic22.pdf

the model. We believe it would be much better with a strong middle class on the country side where soybean production would be one of a multi production of a family firm, where they also have forestation, some cows, dairy, wheat, horticulture. Where people live in the countryside and eat better food than they currently eat”.

While the vice-minister seems in some way to agree with the view that the soybean “model” represents something “modern” and more dynamic than the previous dominant agrarian model, he still expresses that it does not represent his vision of rural development. He seems to suggest that the basic problems of polarization and inequality are independent of the tradition/modern dichotomy.

There also existed voices that reflected the biggest and most well-known new crop firms (such as El Tejar and ADP) in line with the modernity-progression-advancement articulation, but who did not set this identity in contrast to “traditional” or “Uruguayan” producers, but rather to the big and anonymous firms with around 4000 ha of crop land. For example, when asked about which firms who had the highest standards considering social and environmental impacts, the interviewed agronomist at the cooperative Calmer argued the new mega-firms managed their firms the most responsibly. Since these firms had so many eyes watching them, they by necessity needed to be really careful and take a leading role in safety, environmental consideration and labor standard. The worst practices, according to the agronomist were to be found in the cases in-between the well-known mega firms and the “traditional” producers. She further argued that these firms often employ people without contributing to the social security system, BPS; clean the agro-chemical tank directly in the river and exhaust the soils. These actors were constructed by the agronomist as exclusively interested in short-term margins and could break the rules since they did not have eyes watching them that could denounce them to the authorities and the general public (Agronomist at Calmer 2008-02-16).

In sum, this sub-section has presented accounts that problematize many of the critical meanings provided to foreignization that were presented in previous subsections. By destabilizing the categories “Uruguayan” and “foreign” by stressing them as differentiated and contingent and/or by rearticulating another binary identity construction; traditional versus modern as more relevant, it becomes more difficult to claim that the process of “foreignization” *per se* is a problem. The next subsection presents meanings provided to foreignization that not only defy the notion of “foreign” firms as inferior to the Uruguayan, but that in addition re-articulate the opposite meaning.

8.2.4 Foreignization as equivalent with receiving more modern, professional, innovative and dynamic actors

The past subsection presented expressions that disarticulated the dichotomous (re)constructions of “Uruguayan” versus “foreign” that had been presented in previous subsections. This subsection, instead presents again accounts (re)constructing the binary identities “foreign” versus “Uruguayan”, but this time “foreign” is constructed as the superior category, and thus “foreignization” becomes representative for a positive change in Uruguay.

In general the concept “foreignization”, *extranjerización*, has negative connotations in the Uruguayan debate, and the term seems to be avoided in the optimistic accounts about the soybean expansion.⁶⁷³ Instead these tend to talk about the arrival of new crop firms, of Argentinean actors, or about the increase of foreign direct investments in the agrarian sector and the increased attraction of the agrarian sector for funds from outside the sector. Both ADP and El Tejar, talked in this way about the Argentinean crop firms as representing “agribusiness” rather than Argentina, and in this way the Argentinean crop firms could be described as “superior” without destabilizing the dominant, albeit vague “nationalist” constructs of Argentineans versus Uruguayans, as showed in the past subsection. However, the accounts of the firms are complex and contingent and some of the things expressed rather reflect views on the “foreign” firms as superior to the national ones.

In some accounts accordingly, the increased presence of foreign actors in agrarian activities (particularly in soybeans and forestry) was as the best thing that could ever happen to Uruguay, precisely because the superiority of “foreign” firms in relation to “Uruguayan” producers. One example comes from the interview with staff at ADP: “It is true that these foreign firms forced us to enter in a form of strong competition that we were not used to. It made us more professional.” (ADP 2007-11-27). Here the Argentinean crop firms are reproduced as more advanced in both producing crops and doing the business arrangements around them. The CEO of El Tejar, also talked extensively about how he already in 2001 had participated in an agribusiness congress in Argentina and became aware how agribusiness in Argentina was much more advanced than in Uruguay:

“Here, traditionally in the faculty of agronomy [FAGRO-Udelar], we did not have any vision for business, it was all exclusively about the production. In Uruguay, the Udelar is very strong and the private university is very new... When I studied it hardly existed at all. This lack of business thinking in the agronomy was what I saw” (Country manager of El Tejar 2008-02-19).

⁶⁷³ An illustrative “snapshot” can be provided from “Google”. If searching for ‘extranjerización + Uruguay + tierra’ some 92.200 hits appear (in July, 2014) and most of these pose “foreignization” as a problem of some kind.

The quotes from El Tejar and ADP illustrate a view of the Uruguayans as less business-oriented, and with an under-developed infrastructure for agribusiness thinking, which is put in contrast to the big agribusiness firms of Argentina. Another main difference mentioned in this sense was that the “foreign” or “Argentinean” firms were innovative while the Uruguayans were change reluctant. This can be illustrated in a quote from the CEO of ADP, Marcos Guigou, who participated with a paper about the soybean expansion in Uruguay at a soybean congress in Argentina in 2006: “As risks for development [of soybeans in Uruguay] I see fundamentally cultural problems. Uruguay has resistance towards changes and what is happening in the agrarian sector right now is profoundly transformative”(Guigou 2006).

In a similar way, local grain cooperatives and national firms expressed that the arrival of “foreign” investments and firms had mainly implied increased business opportunities and while multinational traders and multinational agrochemical firms were taken increasingly bigger shares of both commercialization and input markets, the important increase of these markets in absolute terms were argued to in the end provide benefits for all. This line of thinking was clearly expressed by the director of the national inoculant firm Lage y Cia, who claimed that the falling share of the firm in the inoculant market was compensated for with a wide margin through the explosive growth of the market:

“I mean right now even the big transnational agrochemical importers have started to bring inoculants. They started with that when the soybeans started to expand, before that they were not interested in this market. Still, we have 35-40 percent market share and another national firm is also very important, because the sellers of the multinational firms do not know really what they are talking about when it comes to inoculants. The producer who calls for a technical consultation will not always receive a satisfactory answer as they are not specialist in inoculants. It is really the same thing, but inverse, when I sell glyphosate, in relation to Monsanto [who developed it] who really knows what glyphosate is. [...] I call this new laboratory and industrial plant that we finished here two years ago for “the soybean”, because we have been able to construct this due to the benefits of the soybean business in Uruguay. We have been able to expand due to the soya-boom, to afford more research and development of biological products, seed treatment and inoculation. We could renovate, build new buildings... It allowed for us to grow very much. It has been the best years in the history of the firm [since the 1960s]. We always had 18 persons employed and now we are 33” (Director and co-owner of Lage y Cia 2009-03-05).

As illustrated in above quote, the loss of market shares can be perceived as not so much of a problem since the markets have grown so much in absolute

terms. He also hints that the potential advantage for a smaller company such as Lage y Cia lies in the possibility of being specialists in a smaller segment, and in being close to producers in a way that the big multinational firms cannot. According to the director the new foreign crop firms had brought more “professional” ways of doing crops, which implied that they invested more in the seeds, inoculants, agrochemicals, machines, technical know-how, etcetera to boost yields. This was explained to have pushed the national producers to do the same. In this way, the use of inoculants had become a widespread practice among all producers. This was further described as creating business opportunities also for smaller national actors. The small actors were also argued to be able to take advantage of their higher local embeddedness, closer ties with producers and their possibilities engage in niche production.⁶⁷⁴ When asked what would happen in the case of market retraction, the director expressed that the investments made by the big multinationals (in infrastructure, silos, warehouses, plants and port terminals), could possibly help the future competitiveness of Uruguay in the regional crop-boom and thus hinder such a retraction (Director of Lage y Cia, 2009-03-05). This way of reasoning reflects the assumptions of the immanent development perspective on both technology transfer and “trickle down”.

When talking about the expanding soybean business and its increasing demands on logistics, and the increasing presence of multinational firms, the director of the shipping agency Schandy (handling all grains of ADM in the port of Nueva Palmira), was asked if he saw and threats with the evolution of events and the increasing participation of foreign giant firm, and the very question seemed to surprise him:

“Threats? I don’t know... I think in general it is all beneficial. I have not thought of threats... The threat is the lack of infrastructure and that Uruguay has not invested enough in infrastructure in 100 years and we have lost a lot of capacitated young people since the crises in 2002. When we overcome these problems all would be benefits. I think all investments that are well planned are welcome and very good. For example putting the pulp mill so close to Fray Bentos was not well planned.⁶⁷⁵ The state bureaucracy in relation to the port and transport is also too big. It is important that more private actors enter the scene. It is a lot of corporativism, very strong Unions holding on to old and bad solutions to conserve the interest of their members”. (Director of Schandy 2009-02-16).

⁶⁷⁴ However, most national firms also expressed concerns over the rapid expansion of the multinational firms in the Uruguayan markets and feared that when the markets stop growing, or even retract, many national firms would be in worse positions than before the expansion (Cadol).

⁶⁷⁵ The Pulp mill that caused conflicts with Argentina; see chapter five.

The quote from the director of Schandy is illustrative for a view where the advancement of the “foreign” multinational firms is perceived as exclusively beneficial, while the only threats are linked to the state’s bureaucracy and corporativism. Here, it is not the foreign firms that represent a narrow self-interest, but the Unions. In general, several agribusiness firms and ARU (and sometimes FRU) tend to impose the binary identity construct private sector versus public sector as the most relevant difference, instead of the “national” versus “foreign” construct. The “we” of the private sector in these articulations is (re)constructed as equivalent with “generator of true wealth”, effective, fast, evolving, competitive, meritocratic, demanding constant hard work, innovation and high quality from all participants. These identity constructions are made possible through the “immanent” basic assumption on the market as “truth-teller”. Based on this assumption, all actors that are doing well within a market based system are by definition doing things better than the rest. The public sector is by contrast constructed to represent what the private sector is not – wealth consuming, ineffective, slow, distorting, “false”, bureaucratic, stagnated, creating corporativism and free-riders. Around the nodal signs “private sector” and “public sector”, other signs are tied in chains, in which the signs are constructed equivalent to each-other through their common differentiation to what they are not. The configuration of signs here leans heavily on the same concerning market versus state within the immanent development perspective. By stressing the binary construction private – public, the binary national – foreign become less relevant. In a similar way, both ARU and FRU often construct their main “we” as equivalent with “the rural interest”, filled with similar meanings as the “private sector” above, articulated in contrast to the “urban”, filled with similar meanings as the public sector.

The new “foreign” crop firms tend to differ from the “traditional” producers’ organizations and agribusiness firms involved at other stages in this respect. When they talk about the soybean expansion they tend to not (re)construct antagonistic identity-constructs based on private versus public, but rather talk about private-public partnership and dialogue. As mentioned in the past subsection, El Tejar and ADP tend to stress the dichotomy modern-traditional as the most relevant social categorization, and suggest that the desirable modern identity is rather inclusive and open for all actors (public and private, big and small, foreign and national) that are adaptive, willing to work hard and strive for “what is best for all”.

Many of the other interviewed agribusiness actors, however, such as those representing the traders, the seed companies and other agribusiness segments talked explicitly in national terms, in which the social category *Uruguayan* was constructed as inferior to the *foreign*. An illustrative quote comes from the merchants of Dreyfus, when asked about the possibilities for Uruguayan soybean complex to add more value:

“For me, Uruguayan people are not prepared to add value to any kind of raw material. My personal opinion is that we lack high standard academics. So, we can produce commodities in a competitive way, but I don’t see that Uruguay can add value, which for example would require systems of traceability for the commodity“ (Traders of Dreyfus 2008-02-19).

As illustrated in above quote, the respondents representing Dreyfus did not share the nationalist framings that appeared central in the stories told by most other actors. In a similar way, the country manager of Cargill (re)constructed the Uruguayan producer:

“The Uruguayan crop producer for some years ago was someone who knew a lot about machines and iron things and now the producer which manages to succeed is the one that is more like a businessman. He is not so much up in the machines. That has changed. This is pretty much due to the soybean expansion, but also to globalization in general. Before, In Uruguay all sophistication was centered in the big cities and Montevideo. The people of the countryside had severe limitations in the academic (scholarly) and cultural formation. That people could not keep pace with the process.... I do not know if I make myself clear... Let’s see: The Uruguayan producer does not work with agronomists, he works on the basis of his tradition. In addition, here the state provided extension services for free, through MGAP, Plan Agropecuario, etc. So the Uruguayan producer is used to receive extension service for free, but these services have increasingly been cut back. The Uruguayan producer had not learned to value this service and was not set to pay for it. In change, the people who arrived from Argentina always delegate all the technical part to an agronomist and works more professional” (Country Manager of Cargill 2007-11-26).

The country manager of Cargill contrasts the backward Uruguayan producers to the advanced people who arrived from Argentina. This way of (re)constructing the Uruguayan producers reflects a view on knowledge that rejects experience as a legitimate source of valid knowledge (in opposition to the postdevelopmental knowledge view) and exclusively values the formal scholarly knowledge (in accordance with both immanent and intentional development perspectives). As presented in chapter six, several other respondents representing agribusiness eventually (re)created the nodal sign and identity *Uruguayan* as linked to lack of capital, lack of knowledge, lack of excellence, lack of hard-work, lack of technology, lack of risk-taking, lack of business mentality, while *foreign* was positively linked to the same signs.

This sub-section has presented accounts that articulate a binary identity construction “foreign” versus “Uruguayan”, but in contrast to the accounts presented in subsection 8.1.3 they defy the negative meanings given the “foreign” firms in relation to the Uruguayan. On the contrary, they re-

articulate the meanings so that the “foreign” is reflected as superior to the “Uruguayan”.

8.3 Concluding competing and complementary meanings of “foreignization”

This section has showed how respondents have been providing the nodal sign “foreignization” with different meanings. The different positions expressed are intimately tied to the perception of what it means to be Uruguayan and what it means to be foreign⁶⁷⁶. Identities are always floating signifiers, which is why the articulatory practice, intending to “reduce” and “fix” meanings become central in all discursive struggles. Besides complementary and competing (re)constructions of “Uruguayan” and “foreign”, it is clear that also several other alternative social identities are (re)constructed in the discussion. An essential part of all discourse is the construction and identification of a ‘we’ created in opposition to what a (‘them’). To be something is, according to Laclau and Mouffe always not to be something else, and in this sense identity is always relational.⁶⁷⁷

When it comes to the reflections over national identity a very recurrent articulation in the threat-oriented positions involves the Uruguayan producer as equivalent with “traditional producers”, commitment, special bonds with the land, experience, care for people and nature in contrast to the foreign firms as equivalent with agribusiness, profit maximizing no bonds to the land other than to make it yield short-term profit, no interest or care for non-pecuniary values (people and nature). Some of these articulations also construct the Uruguayan producers as equivalent in some vague nationalist way with all Uruguayan citizens, and accordingly when Uruguayan producers leave the land for a foreign firm it is as if all Uruguayans symbolically lost something they previously had. These ways of constructing “Uruguayanity” are often expressed by the respondents talking from the subject positions of “traditional crop producers”, socio-ecological NGOs and CNFR. However,

⁶⁷⁶ However, in some critical texts about the soybean expansion, foreignization is mentioned without any further reflection of “we” or “them”, or any other explanation to “the problem” of foreignization. In these texts, foreignization is nevertheless always mentioned together with “concentration”, which typically more explicitly is argued to cause displacement, exclusion and inequality. This close “fixation” implies that an implicit problem formulation of foreignization is constructed. It becomes substitutable for “concentration” and thus also equivalent with displacement and exclusion and inequality.

⁶⁷⁷ However, no social identity is ever totally acquired, so the system of relations does not reach the point of being fixed as a stable system of differences and is therefore constantly changing (Laclau and Mouffe 2011, 137-142). Thus the diverging ways of constructing a “we” in contrast to a “them” is at the core of the discussion.

also politicians of FA and several respondents representing the subject position “researchers” often reflect this way of national (re)construction. In common for all problems-oriented meanings ascribed foreignization is an underlying value of the land as something special, something that in a symbolic sense represents the nation, the history and the people and that consequently cannot simply be valued in terms of “market-price”. This is in clear contrast to the basic view on land expressed within the immanent development perspectives. This way of seeing the land is nevertheless not exclusively expressed by and among the accounts that are critical towards the foreignization, but was also reflected among those who claim that the main problem is not the nationality of the firms, but the concentrated features of land. As I have shown, even subjects positions representing agribusiness could eventually express a view on land that remarked it as essentially different from everything else, as something particularly “emotional” (i.e. not only corresponding to “rational” values).

One of the most common ways to challenge foreignization as a problem, is to stress the “foreign” firm as a contingent and differentiated social category, and/or as more linked to the economic structures (capitalist firm) than to the nationality of the same. This was often stressed by respondents within the subject positions politicians and grain cooperatives. In a similar way the new crop firms themselves seem to pose alternative binary constructions, such as new versus traditional ways of doing agriculture (modern-advanced-professional-progressive vs old-simple-experience based, backward) to down-play the common “foreignization” framing. Another common attempt to disarticulation is to stress the historical continuity of immigration. This articulation rests on an alternative construction of “Uruguay”, where the current arrival of “foreigners” is made equivalent with the settlers that arrived during the great migratory wave during the late 19th century and early 20th century.⁶⁷⁸ This “disarticulation” was expressed by positions within agribusiness, producers’ organizations and politicians. A particularly strong dismissal of the expressed concerns over foreignization, was discursively constructed by suggesting that it was an expression of xenophobia. By linking the critique of foreignization to xenophobia, the aim illegitimacy of the second is made to spill over on the first.

I have also showed that there are accounts that use the same dichotomy national-foreign as in the “threat-oriented” accounts, but fill them differently. In this articulation, the Uruguayan producer is constructed equivalent with lack of capital, lack of knowledge and lack of business mentality in contrast to the “foreign” actors that are constructed to positively correlate with the same, with particularly emphasis on superior management skills

⁶⁷⁸ People of European ancestry comprise 91 percent of Uruguay's population according to the official Census (INE) 2011. See: Resultados del Censo de Población 2011: www.ine.gub.uy/censos2011/resultadosfinales/analisispais.pdf (Accessed in August, 2014).

In the discursive struggle over meanings of foreignization also other social identities appear as relevant. It is not least notorious how the actors representing the FA government intends to fill the state with particular meanings that justify their regulation in relation to the changed social relations in the wake of the soybean expansion in general, and in relation to “foreignization” in particular. The social category “state” or “government” (often used synonymously) is central also in the critical accounts about foreignization. In these accounts, however, the state is often reflected seen as a disappointment. It is described to be too permissive and passive and allowing “pure” market mechanisms to reign within the agrarian sector, including the land market, not taking into consideration “the social function of land” (Interview researcher linked to Redes 2008-02-10)

This chapter has dealt with different meanings provided to “foreignization”. However, as in the case of all other analytical separations of this thesis, the dividing line between what is expressed in relation to concentration, displacement and foreignization is blurring and contingent in most of the empirical material. I have still found it fruitful to hold them separated for the analysis, to be able to enter deeply in the competing meanings involved. In the next and final chapter of this thesis, however, I will address the main competing views on the soybean expansion at a more aggregated level, as “structured totalities”, or discourses.

9. Competing main discourses about the soybean expansion in Uruguay

This study has analyzed to which extent the soybean expansion in Uruguay can be seen as a floating signifier attributed to different complementary and competing meanings. In the public debate in national media, much of the discussion is reduced in line with a polarizing dramaturgy in which problem-oriented accounts on the soybean expansion are followed by “responses” and/or “counter-views”. The study took a step further, to show how the soybean expansion has been diversely conceptualized among different actors and themes. Apart from the differences, it has also identified some more or less shared meanings ascribed to the expansion, which partially determine what can be said about the same (social facts, or shared values). The various chapters in the study demonstrate that the (re)created meanings to the expansion are contingent and full of variance. While there is no hegemonic fixation of the soybean expansion, some important regularities in the variation (recurrent patterns) in the relations among signs can be observed. This last chapter will present the identified regularities articulated in relation to the soybean expansion at a more totalized level. In contrast to the previous chapters, that presented recurrently stressed arguments in the specific interplay of central themes linked to the soybean expansion, this chapter aims to outline the main structured totalities or discourses that have been identified in the debate about the soybean expansion in Uruguay.

The three main discourses identified within the discursive field correspond to three basic normative positions taken in relation to the soybean expansion. Although threats and problems of the current soybean expansion in Uruguay are expressed in many different ways, it is possible to identify a single structured system of meanings that most of the critical arguments draw upon and (re)construct. I have labeled this totality as the *agroecology* discourse. On the opposite side of the spectrum, most of the accounts defending and favoring expansion are found to represent structured totality which is labeled *pro-market discourse*. Finally, the “in-between” position expressing moderately critical and moderately optimistic accounts about the soybean expansion were found to mainly represent a particular structured system of meanings that is labeled as *pro-public regulation discourse*. This discourse articulates a reformist view of the soybean expansion, reflecting upon it as a phenomenon providing new opportunities and threats, and that the state needs to take active action to enhance benefits and mitigate costs.

Given the breadth of these discourses, each includes important internal variations. In the (re)construction of these I have prioritized the most recurrent and central meanings creations and their regularities while not giving much space for contingency and internal difference.⁶⁷⁹ I do not claim that these three discourses cover all articulated views about the soybean expansion in Uruguay. However, I do argue that they represent a reasonable range since that they appear dominant and recurrently drawn upon.

At a schematic level, it was possible to identify these three main positions taken in relation to the soybean expansion at an early stage in the research process. However, it was not until the end of the research process after searching the texts for wider patterns that this study was able to identify the discourses involved in a more systematic way – i.e. how they were configured in terms of nodal points, chains of equivalences where the nodal points are strategically linked to other signs, scope and interplay with other discourses. Since the debate about the soybean expansion was found ultimately address wider societal concerns about what is good, appropriate and desirable, the discourses reflect more than a mere normative position in relation to this recent change in land use. Instead, an important part of the controversies over the soybean expansion were found at a deeper level to reflect different basic views and their underlying values and assumptions on future ideals for Uruguay and how to get there. While expressing their understandings of the soybean expansion, the respondents also provided clear information on how they constructed their identities and how they position themselves in relation to other social identities – i.e how they constructed a “we” in contrast to a “them”. The (re)creations of some of these social identities – agribusiness, “traditional” producers, family producers, Uruguayan and foreign – appear as central signifiers in the discursive field of the soybean expansion. These identities were found to be contingent, contested, and reversible, with no clear demarcation between the internal and the external, which is why the articulation striving for fixity, unification and order becomes central (Laclau and Mouffe 2001, 86).

The process of aggregating the myriad contingent views about the soybean expansion expressed in large number of texts produced in different arenas for different purposes and at different times into three fixed structured totalities constitutes an important simplification of the field. This step would not have been possible without reducing some of the complexities involved in the field by identifying shared values or “social facts” (chapter 5), and by outlining the interplay of competing and complementary meanings given central themes in the discussion (chapters 6, 7 and 8). More specifically, by

⁶⁷⁹ The texts I have used in the (re)construction of the discourses include more contingency and variance than I show in the presentation of this aggregated level, where I have chosen to give priority to regularity, unity and stability (fixity). The reader can nevertheless bear in mind the more fluid accounts that were presented in the thematically organized sections of chapter five.

searching for regularities in the specific ways “social facts” about the soybean expansion have been linked to other signs through articulation, I have been able to identify the contours of the three competing meanings (re)constructions of the soybean expansion, which at the same time reflect wider views about desirable and non-desirable change. This way of (re)construction of the discourses was aided by the categorization and identification of broad global development perspectives with diverging core values and assumptions involved; viz. immanence, intention and post-development (chapter 3).

The contention of this study is that these controversies over soybean expansion at a deeper level basically reflect different views on development. I argue that conflicting basic values about how the desirable future (development) should look like constitute the core of the competing ways of giving meaning to the soybean expansion. This manifests itself in several ways – what is regarded as legitimate knowledge, the role of economic growth, what sustainable development is, who are considered to be the legitimate actors of change, and the basic assumptions on *how* to get there (market, the state, the local community and new technology). Not surprisingly, the main fault lines between the “theoretical” development perspectives about the desirable future were also reflected and articulated in the discussion about soybean expansion in Uruguay. For example, the Uruguayan agroecology discourse shares some of the basic assumptions and values with the localist approaches of the post-development perspective. The Uruguayan pro-market discourse shares the values and assumptions of the immanent development perspective. And the Uruguayan pro-public regulation discourse shares the values and assumption of the intentional development perspectives. However, there are some discrepancies between the national debate about the soybean expansion and the more generalized and abstract discussion about development at the global level. What is expressed about the soybean expansion in Uruguay does not exclusively rely on antagonistic values and assumptions about development, but also on particular “local” notions wherein “what Uruguay was in the past” seems to play an important role (presented schematically as the national agrarian history narrative in chapter 4). The similarities and differences between the views reflected on development at “local” and “theoretical” level will also be addressed in this chapter.

The three discourses are presented in this chapter. The first section deals with the agroecology discourse (section 9.1), the second with the pro-market discourse (section 9.2) and the third with the pro-public regulation discourse (section 9.3). There are logical reasons for presenting in in this particular order. First, in the debate in national media the most recurrent dramaturgy in published texts followed a presentation of some problem-oriented arguments often drawing on an anti-capitalist agroecology discourse. This was followed by an explicit or implicit antagonistic “responses” often drawing on the pro-market discourse. Finally, the identified pro-regulation discourse was often

expressed by actors linked to the state who in their articulations related to the other two as markers of some kind of endpoints of the field.

Each of these sections start with a brief presentation of the most basic views expressed about the soybean expansion and the main voices (re)constructing the discourse. This is followed by a subsection presenting how the main meanings are attributed to the soybean expansion. The shared starting point for the respective discourse is the “social facts” about the soybean expansion outlined in chapter 5. Within each discourse, these “facts” are related differently to other signs. In this way, the uncontested aspects about the soybean expansion can be seen as elements that have been turned into moments (become more fixed) through the ways they are linked to other signs in the articulations. Each section also includes a subsection presenting how the most central social categories/ identities of each discourse are (re)constructed. Social identities are important signifiers in all discourses. In this way, depending in how central social categories involved in the discursive field are constructed, the meanings that can be given to the soybean expansion changes. The individual presentation of the discourses is followed by a section that situates them in a wider power landscape in Uruguay, discussing what is outside them, the similarities and differences among them concerning basic values and assumptions, and how these national discourses diverge from the wider global development perspectives (section 9.4).

9.1 The agroecology discourse

This section presents what the study identified as the most common structured meanings (re)construction among the most critical expressions about the soybean expansion. It is labeled the agroecology discourse and is mainly (re)constructed by the NGO’s identifying themselves as part of the Uruguayan socioecological movement such as Redes and RAP-AL (see section 5.5.3). Another finding of this is that the second-grade organization for small and family producers –National Commission for Rural Development (CNFR) – talks about the soybean expansion in Uruguay in a similar way (re)producing the same structured totality. In addition, there are also several researchers of the state university (Udelar) whose writings express similar configurations of signs and similar meanings (Alfredo Blum, Narbondo, Piñeiro, Rossi and Chiappe). Some of these researchers are also authors of the texts published by these organizations and evidently there are significant amounts of interrelations and fluidity between different positions within this discourse. These organizations seem to increasingly become part of the same advocacy network with dense exchange of information, shared values and a

common discourse.⁶⁸⁰ It should be mentioned, that the main focus of CNFR has traditionally been to improve the economic conditions for family producers within the capitalist system rather than to foment a completely different productive logic, while the socioecological NGOs in many texts suggest a more inherently antagonistic relation between capitalism and self-reliant family producers.

I will in the coming section sketch out how the floating signifier “soybean expansion” is filled with a particular meaning through the main stories told about the soybean expansion in Uruguay within this discourse. This includes a presentation of its main nodal sign and how these are filled with particular meanings while excluding alternative meanings.

9.1.1 Core narrative about the soybean expansion within the agroecology discourse

The soybean expansion in Uruguay is within this discourse constructed to represent a radical break with previous production models in the countryside and a serious threat for the future. The soybean expansion is reflected upon as a symbol for current “neoliberal corporate globalization” which in turn is made equivalent with a particularly savage, oligopolistic, short-term and speculative capitalism. In this way, the arrival of soybean production to Uruguay is seen to represent the advancement of capitalism into new territories and sectors “where it monetizes relations and proletarianizes independent producers” who become subsumed in the agribusiness firms controlling the organization of labor (input suppliers and processing industries) and the most productive agribusiness farmers (Oyhantçabal and Narbondo 2011; Blum 2008). The exclusive “winners” of this model are the big agribusiness firms described as the driving actors behind the soybean expansion and the advancement of capitalistic agriculture in general. Agribusiness represents capital searching for higher returns with no consideration for “local” social and ecological “costs”. In Uruguay, the leading agribusiness firms behind the expansion are described to be mainly local subsidiaries of multinational capital groups operating in different segments of the global agricultural complex (increasingly vertically integrated), and also in many other segments of the economy such as in energy, biotechnology and finance. The extractive activities of agribusiness are described to leave behind nothing but “green deserts” of eroded land with no people on it. Evidently, the deep anti-

⁶⁸⁰ In this network many family and small producers’ organizations and social movements from other countries in the region participate, and also international organizations such as Vía Campesina and Friend of the Earth International. In this way, it is possible to identify them as part of an emerging transnational advocacy network.

capitalist values underlying most articulations of this discourse are discernable.⁶⁸¹

This evolution of events is explained by the ability of big agribusiness crop producing firms to extract value from smaller units by imposing a productive model where family producers participate from a disadvantaged position. This value extraction is described to act in multiple ways. It is often mentioned that the soybean model is particularly intensive in capital rather than labor and working against family producers who are relatively labor abundant (adjustable, flexible and unpaid family labor) and capital starved. For example, labor is argued to be substituted by capital through the technological package of HT seeds, no-tillage and glyphosate, which is “labor-saving” reducing on-farm activities of previous systems and complete reliance on external inputs. In addition, there is a constant need for adoption of new technologies to keep pace with the “technological treadmill”. The model is argued to involve economies of scale. The production costs per hectare are significantly reduced for the big units as the big firms can negotiate better deals, pay less for inputs, sell the harvest for higher prices, pay less for transport and storage, and a prioritized client (timing, supply, quality).⁶⁸² Besides the ability to negotiate better deals as “important” clients, the big crop firms enter strategic alliances with other agribusiness firms involved at other stages of the chain (input suppliers and traders) to reduce costs and increase profits, often in addition to acting as retailers for smaller firms and producers. This “business model” crowds out national producers and out competes national agro industrial businesses, since it leaves no room for local production of inputs or for local “intermediaries” such as cooperatives and/or local retailers. This export-oriented soybean model of the agribusiness firms is thus argued as not generating local business opportunities or value added but serves to reinforce Uruguay as a simple commodity provider to the international markets. This model is reflected upon as an impossible path for inclusive, independent, and sustainable development in Uruguay.

In addition, the agribusiness firms minimize risks through geographical diversification, while the small units always risk getting their entire harvest ruined by geography-specific drought, flood or plague. These “disadvantages” interact with each other and at some point to prevent family producers from replenishing inputs and machinery, and with the added debt repayment burden end up selling or leasing their land to the “new agribusi-

⁶⁸¹ These anti-capitalist values are not always explicitly spelled out by the use of the term capitalist. But most proposed “solutions” to the expressed “problems” reflect a rejection of allowing the market relations to play any decisive role in agriculture.

⁶⁸² The big firms do not only pay less, but have special deals, so when for example there were several times lack of soybean seeds in Uruguay during 2004-2007 (as Uruguay were not producing any soybean seeds with the HT trait (RR) stacked in them, and the Argentinean seed firms had higher demand in Argentina than expected and prioritized the much bigger domestic market, than tiny Uruguay) the big firms received seeds, while many small producers did not access seeds in time.

ness firms” (Blum et al. 2008). Agribusiness is therefore constructed in an antagonistic relationship with family agriculture, and the progress of the former implies displacement of the latter. Even before their final expulsion from agriculture the producers are described as subjected to a process of “proletarianization”. The producer is seen to gradually lose autonomy and decision-making capacity as a consequence of the soybean expansion even becoming a service provider, wage worker, unemployed, or to retired (Oyhantçabal and Narbondo 2011). The high land rents induced by the soybean “boom” forces producers to specialize in soybean production since it is the only activity with enough high margins to cover land rents and an overall higher cost structure brought by it. Once entering the soybean complex they become subsumed under those who control the organization of labor (input suppliers and processing industries) and the most productive farmers (Blum et al. 2008).

The technological package of RR soybeans is seen as reducing the decision space for producers and increasing their dependence since the soybean RR seed is designed to be combined with glyphosate as a total herbicide. This determines how soybeans can be produced and leaves no scope for independent and experience-based decisions, but only to adopt the scheme imposed by the technological package based on chemical reliance for pest, weed and plague management, and no-tillage farming. The farmers are accordingly argued to lose control over their farming systems and become dependent on outside sources of seeds and the inputs needed to grow and protect them (CNFR 2008, 2010). This has increased their vulnerability and compelled them to over-exploit natural resources. Technology is argued to give power in the hands of transnational agribusiness firms that have designed them and hold their patents, particularly Monsanto, while the current intellectual property rights regime forces the producers to pay the price premiums for the technology involved including saved seeds from previous harvest. (Cirio 2011, Oyhantçabal and Narbondo 2011). In this way, new technologies are not seen as neutral within this discourse but as reflecting the interests of agribusiness, and constituting one of the mechanisms of dependence, environmental degradation and exclusion.

Increased concentration and dominance of new crop firms (such as El Tejar and ADP) and the displacement of “traditional producers” are thus explained by material constraints facing the family producers reflecting inherent economic structures of agrarian capitalism. Non-material aspects such as willingness to take risks, “adaptive capacity”, more knowledge or better management practices are not at all mentioned as relevant explanations to concentration and displacement, but rather the “traditional producers” are doomed to get a decreasing share of profits irrespective of what they do (Flavio Pasos 2008, Galeano 2009, Cirio 2011). The displaced producers are in turn linked to marginalization, increased poverty and urbanization. Besides the material loss, this shift in position is argued to represent loss of

identity, independence, dignity, creativity, experience-based knowledge and autonomy (Researcher Cereals and Industrial Cultivations 2007). In addition, to provide agrarian services to others is described as an activity entirely subjected to the short-term decisions of the big companies free from all risks and complications of fixed assets and can decide to leave at any point of time. To provide services is also argued to be subjected to the mechanisms of technological treadmill and downward pressure on prices.

This shift is also argued to bring devastating consequences for the entire agrarian “system”. The displacement of traditional producers is linked to rural depopulation and destroying local livelihoods. The countryside is described to gradually lose family producers, the rural schools, equal opportunities, access to public support, infrastructure, and the nodes for community organization and exchange (Co-founder of Eco-Comunidad 2007-12-07). The displacement of family producers is also argued to imply loss of experience and knowledge on alternate production methods other than the technological package designed by corporate agriculture. The potential for “another type of agriculture” is stifled and kill the knowledge of producing in diversified systems that had evolved over time. In this way, the soybean model is argued to imply irreversible effects which will end with no other agriculture other than corporate farming in a “sea of green desert”.⁶⁸³ This discourse argues that the displacement of “Uruguayan” producers and the foreignization in the wake of the soybean expansion poses a threat to national sovereignty, which in the long-run is also poses as a threat to national food security.

Since the foreign agribusiness firms are only interested in short-term gains, they specialize in the crop with the highest returns, which has been the soybean. Therefore agribusiness is argued to often practice monoculture of soybeans or only rotate it in simple crop schemes with wheat. This model causes rapid soil erosion, loss of nutrients and soil compaction, which most foreign firms are argued to ignore. In addition, specialized land use causes biodiversity loss and increased reliance on the use of chemical pest and weed control, which again benefit exclusively agribusiness as owners of the patents. The actual land is seen to be quite distanced from the decisions taken on how to work it since on-farm work is subcontracted to service providers who only follow the protocols of the technological package under the supervision of in-house agronomists. Each agronomist at the big firms manages several thousands of hectares and only occasionally visits the land. This prevents them from learning to read the environmental “feed-backs” in a proper

⁶⁸³ See the film “desierto verde” (green desert), Retrievable at <http://www.lahoraverde.com/2013/11/desierto-verde-trailer-que-expone-en.html> (Accessed in August, 2014).

way, nor do they “learn” to feel any commitment for the land.⁶⁸⁴ In this way, the “foreign” firms are reflected upon as short-term and extractive in contrast to the “Uruguayan” producers.

The soybean expansion is also described to have important indirect effects on other agrarian sectors and ways of doing agriculture. One of the most threatened sectors by the soybean expansion is the beekeepers as the insecticides used in the soybean production is argued to kill the bees. The prohibitions of Endosulfan and Fipronil by MGAP are argued to have come too late and too little in control of compliance (Text writer Redes and Rap-AL 2009-02-04).⁶⁸⁵ The most mentioned “side effect” of the soybean expansion intensification is increased competition for land resulting in higher land prices and rent, which have created a strong pressure for increasing yields per hectare (a break with the traditional extensive model). In this way, the environment is argued to bear double loss: First because of the erosion, increased pesticide use and biodiversity loss linked to the conversion of natural pastures or mixed systems into soybeans. Second, because of the environmental problems linked to intensification of the livestock production linked to increase agro chemical dependence and irrigation, increased dependence on feeds (such as soybeans), and/or heavy nutrient loadings on the land owing to large concentrations of animals with less hectares available per cattle of head (implying increased environmental pressure, additional fertilizer inputs, etc). By contrast, the moderate grazing of the extensive livestock system is argued to go hand in hand with high species diversity and protection of wildlife biodiversity (Project Coordinator of Vida Silvestre 2010-12-24).

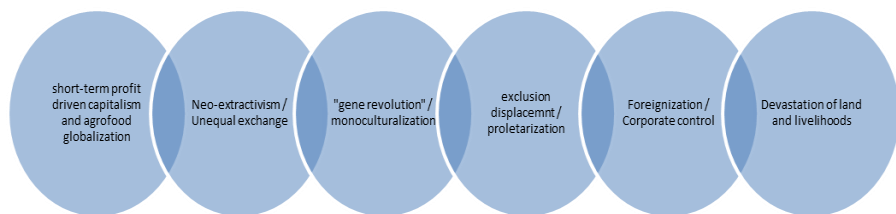
In this way, the potential meanings of the floating signifier “soybean expansion” is within this discourse reduced by linking it in a signifying chain to proletarianization of farmers, monetization, land concentration, capital intensive and labor-saving model, multinationals, agribusiness, Argentinean expansion, neoliberalism, capitalism, absenteeism, expulsion, dependence, inequality, poverty, polarization, “foreignization”, corporate total control and dominance, subordinated insertion (of Uruguay) in international market, social exclusion, loss of local knowledge, loss of autonomy, loss of tradition, loss of culture, rural depopulation, and displacement of traditional producers. It is also equivalated with environmental degradation in the form of biodi-

⁶⁸⁴ Even CNFR which positions family agriculture as in direct opposition with agribusiness mentions that the Uruguayan family agriculture is not the ideal type model for family agriculture, but rather includes several elements from the agribusiness model.

⁶⁸⁵ The discussion of the mass death of pollinators of course transcends the specific problems facing the beekeepers. But due to time constraints I have mainly focused on things expressed in relation to the social consequences of the soybean expansion and not outlined in depth the ardent discussions about ecological consequences. The boundaries between “social” and “ecological” consequences are nevertheless contingent and peoples’ meanings creations of the soybean expansion cannot be completely separated from how they conceptualize the ecological effects. Accordingly, ecological accounts have been allowed to enter this analysis when they have appeared as relevant for the positions taken.

versity loss, erosion of the soils, toxicity, genetically modification and monoculture (ref interview Redes, Vida Silvestre, Eco-Comunidad. CNFR, Rap-AL). Less frequent, but nevertheless recurrent, is the soybean expansion's link to financial speculation, ecological debt and unequal ecological exchange (Redes).⁶⁸⁶ These consequences are reflected upon as unjust, unsustainable and illegitimate. Below is a model where the most recurrent signifiers linked to the soybean expansion are remarked:

Soybean expansion =



This narrative is composed of the specific ways soybean expansion is recurrently linked to other signs in a particular configuration, reducing the potential meanings possible to ascribe the soybean expansion into a structured totality. More specifically, some of the social facts of the soybean expansion outlined in chapter 5, such as increased concentration and foreign participation at producer level and the new technological package and management forms are here articulated through a chain of equivalence to other signs such as displacement of traditional farmers, social exclusion, “foreignization” of land, rural depopulation, corporate control, neo-extractivism, sovereignty loss, biodiversity loss, autonomy loss, erosion and intoxication. These articulations tend to create the current soybean expansion as equated with devastation of humans and nature.

9.1.2 (Re)constructions of main social identities

It is clear from the preceding discussion that the soybean expansion in Uruguay is described to represent an extreme case of neoliberal agro food glob-

⁶⁸⁶ In the word of the researcher and freelancing text writer to Rap-AL, Redes and CNFR: In the soybean exports we are exporting nitrogen, phosphorous, potassium etc., which is taken from the soil.

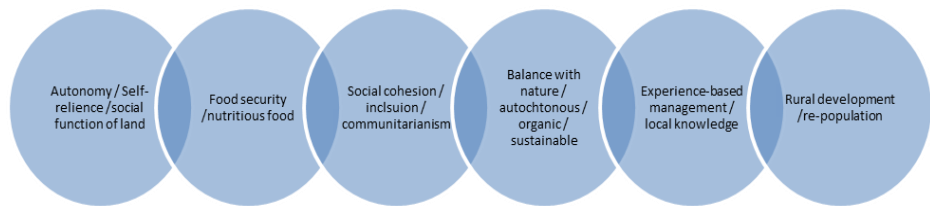
alization, which exclusively enriches the big agribusiness firms and marginalizes family farmers and exhausts the environment. The most important social categories involved in this discourse about the soybean expansion are the foreign agribusiness firms constructed in an antagonistic relation to the Uruguayan family producers.

In this dichotomous construction, the family producer is reflected as someone living on the small piece of land producing healthy food for self-consumption and for the domestic population, in labor intensive, organic and diversified systems (Cardozo 2010). Agriculture driven by family producers is constructed as equivalent to increased producer's control of the technology allowing for high capacity to adaptation and technological autonomy (in contrast to genetically modified seeds with price premiums to the multinationals, owner of the patents, and tied up to specific agro-chemical products). Family agriculture is further described as more than a mode of production representing a mode of living: a proper culture of relation with nature and a differentiated form of communitarian life (CNFR 2009). The family producer feels commitment to the land and knows how to "read it" properly and adapt management systems to the unique characteristics of each plot. This is described to allow the countryside to flourish and evolve along the lines of the needs of local people, adapted to the possibilities and constraints by the local biophysical ecology. In this way, it is quite clear that the agroecology discourse about the soybean expansion in Uruguay is very similar to the outlined "localist" perspectives of post-development presented in chapter 3. It is also clear that the same assumptions of diversity, sustainability and harmony are expressed as inherent features of the production systems that would emerge out of the actions taken by sovereign and autonomous local producers. Many texts reproduce the current soybean expansion in contrast to an alternative peasant-based agricultural model. This alternative model pictured the Uruguayan countryside spawned by cooperating small family producing units in control over the technology and producing healthy food in diverse systems for local markets. In this way, the potential meanings of the floating signifier *family producer* (constructed as threatened by the soybean expansion) is within this discourse reduced by linking it in a signifying chain to the other signs and contrasted with the main adversary *agribusiness* filled with the opposite meanings.

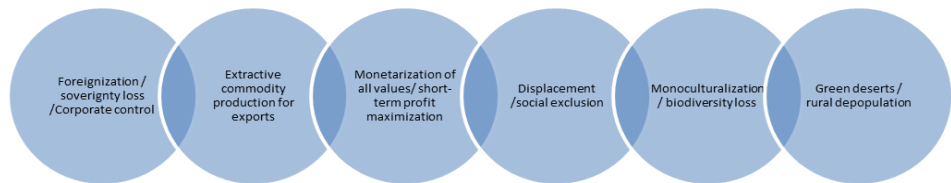
Agribusiness is not only "the other", but it is constructed in an antagonistic relation to the family producer since it displaces the latter. Agribusiness is mostly reflected upon in a rather undifferentiated way including all big firms involved at different stages of the soybean complex. The discussion has nevertheless provided most attention to the big foreign crop producing firms typically specialized in soybean production either in "pure" monoculture or rotated in simple crop schemes to boost short-term profits exported directly in its simplest form as beans. Agribusiness is mainly constructed to represent what the family producers are not. In a synthesized way, the potential mean-

ings of the social categories and nodal signifiers of this discourse - family producers and agribusiness are within this discourse reduced by linking them in signifying chains in the following ways:

Family Producers



Agribusiness



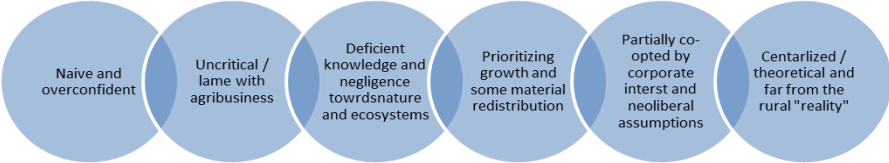
In this way, the meaning of agribusiness is reduced to above chain of equivalence, ultimately suggesting the destruction of social communities and local ecosystems. Each ton of exported soybeans is argued to leave a local “footprint” or “cost” in terms of an impoverished countryside, soil erosion and displaced producers. The profits are seen mainly repatriated outside the country (Fernando López 2009-03-05; CNFR 2009; text writer and activist, 2009-02-04). These identity constructions are central in this discourse and serve the purpose to underline the illegitimacy and injustice that the soybean expansion is seen to symbolize.

While the main antagonist of this discourse is agribusiness, the Uruguayan state under current FA administration is criticized for being too permissive and internalizing neoliberal premises and assumptions about development, allowing for a type of “neo-extractivism” in the wake of the increased global demand for natural resources. The Uruguayan state is not found to regulate the soybean complex in an adequate way, but leaning towards corporate interest. A clear symbol of subordination to corporate interest is the recent

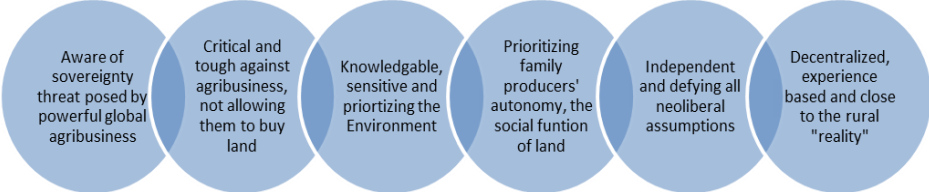
alliance between INIA and Monsanto. In addition, the government is criticized for lacking environmental consciousness, given primacy to strong property rights to land before sustainable management of the land and social function (Text writer Redes and Rap-AL 2009-02-04).

The current government is recurrently constructed in explicit or implicit terms to contrast an imagined “ideal” national government / state, reflected upon as the social category that would potentially be able to put an end to the soybean expansion and the advancement of foreign agribusiness firms. In this way, the potential meanings of the social category “the current government” is within this discourse reduced by constructing it in contrast to an ideal government, and by the linking of these categories in signifying chains to the following signs:

The current government



The desired government



In the above social identity construction, the meanings of the current government become “fixed” as “market-friendly” and in tacit alliance with the agribusiness firms. It is clear that the current government gets reflected in negative terms when related to the “ideal” government of this discourse. However, the meanings provided to the current government change considerably when it is instead constructed in relation to previous governments (described as entirely “neoliberal”). In this relational system, the current FA

government is instead expressed as more environmentally responsible and socially just (President of CNFR 2009-03-05).

9. 2 The pro-market discourse

While an important part of the critique against the soybean expansion mainly draw on the above presented agroecology discourse, the majority of the defending pro-expansion accounts from the opposite side of the spectrum are identified to (re)construct a structured totality labelled as the pro-market discourse. As the labeling itself suggests, this structured totality represents a strong belief in the market mechanisms as creating and distributing wealth. This is mainly (re)constructed by agribusiness firms and the business organizations representing them from all stages of the productive and commercial soybean chain – cultivation, inputs, logistics, commercialization, processing and trade, as well as agribusiness actors of other agrarian chains. In the public debate, EL Tejar and ADP have become some kind of symbolic flagships for the agribusiness firms of the soybean expansion and are considered here. MTO plays an important role in the (re)construction of the pro-market discourse.⁶⁸⁷ Texts from agrarian consultant firms and the editorials of most private agrarian news media in general terms often articulate an understanding of the soybean expansion that reflects and (re)creates this discourse. A group of influential specialists and researchers linked to this discourse can also be identified. The 2011 book dealing with the recent changes in agriculture by the agribusiness program at the faculty of business administration at the Catholic University is a case in point (Errea et al. 2011, 12)⁶⁸⁸.

The coming section sketches how the floating signifier “soybean expansion” is filled with a particular meaning through the main stories told about the soybean expansion in Uruguay within this discourse.

⁶⁸⁷ One example is its explicit aims to “favor competitiveness of the Uruguayan oilseed chain, through coordinated management for quality improvement, environmental protection and social development” www.mesadeoleaginosos.org.uy/institucional.php and www.mesadeoleaginosos.org.uy/infoInteres/convenio_URU_EEUU/Convenio_MTO_USSE_C_ASA_USB.pdf (Accessed in August, 2014)

⁶⁸⁸ Although the study is transparent, systematic, and rigorous, I still find that the main arguments, analysis, and conclusions are quite similar to ones expressed directly by the agribusiness firms. The list of interviewed respondents at pg. 40 includes predominately actors representing the big agribusiness firms, of which several are the same as in this study.

9.2.1 Core narrative about the soybean expansion within the pro-market discourse

The soybean expansion in Uruguay is within this discourse constructed to represent a radical break with previous productive models in the countryside representing a blessed opportunity for the future. As in the agroecology discourse, the soybean expansion in Uruguay is reflected upon as a symbol for current agro food globalization, which in turn is characterized by increased global demand (and prices) for soybeans and other agricultural commodities for food, fuel and fiber. This is expressed to provide new possibilities for Uruguay as a country with abundant productive land, which is described as utilizing sub-optimal ways by emphasizing extensive grazing instead of more intensified systems than generate more wealth. In this narrative, soybean expansion arrived at the Uruguayan countryside that was caught sleeping and heavily indebted. It brought new business opportunities and wealth for all who were willing to work hard, “adapt” and take some risks. Thus, in contrast to the other discourse, the pro-market discourse reflects contemporary agro food globalization as a positive force and a symbol for ultra-modernity bringing in foreign direct investments, state-of-the-art technology and increased competitiveness in Uruguayan exports.

This optimist story is explained by the arrival of professional agribusiness actors who through their innovative management practices of cultivations and commercialization created new opportunities for everybody. This discourse strongly rejects the zero-sum vision of the agro ecology discourse where agribusiness is argued to make profits at the expense of others. Instead, the “win-win” scenario is emphasized. It is argued that the new agribusiness firms create important positive externalities through capacity building, information sharing, creation of new infrastructure, creation of new markets (through demand of inputs and services). The innovative management forms of the new crop firms with wide use of contracts with third parties are described as important opportunities for all kinds of firms and producers to take part in the bonanza by linking themselves to the most dynamic business actors.

Increased concentration among producers and poor participation of “traditional producers” in the soybean complex are accepted as “social facts”, but these are explained in such a way as to reconcile with the “opportunities for all” message. This is made possible by arguing that most of the traditional producers who left the activity did so because they saw an opening for making money from selling land (hiked up prices), or by living well from land rent without having to take any risks or to work the land themselves (see Chapter 6). The smaller producers with or without land who were willing to adapt, specialize, integrate with the new business networks, and work hard were argued to gain from the changes brought by the hardworking, risk-taking and modern agribusiness firms. In this way, the “social facts” of increased concentration and poor participation of traditional producers is made

legitimate as it is constructed as purely “meritocratic” mechanisms, which within this discourse is equivalent with justice. It is clear that an implicit assumption within this discourse is that social justice is the same as equality of opportunities, but not of outcome. Along this line of reasoning, the spectacular expansion of agribusiness actors in the wake of the expansion are reflected upon as a direct consequence of hard work and long-term vision rejecting or down-playing the idea of material advantages as explanations to the changed social relations.

It is also recurrently expressed within this discourse that it is too narrow to discuss the social consequences of the soybean expansion in exclusive terms of the changed relations among producers or on-farm labor generation instead of the most important positive “externalities”. The economic dynamism of the soybean production is argued to have brought dynamism and competitiveness for all agrarian sectors due to a shift in management towards more “professional” and “intensive” production systems. This is induced by the increased land prices in the wake of the expansion (greater investment and management of land), the availability of vegetable protein for feed (increasing the productivity in the livestock sector), new infrastructure reducing storage and transport costs (the big firms bringing silos, warehouses and terminals to new places), and increased knowledge and capacity building (transparent and information sharing activities of the new firms). The soybean expansion is in addition not only argued to have resulted in growth of the agrarian sector as a whole, but to have sustained growth in all the Uruguayan economy (Errea, Peyrou et al. 2011). The small rural towns are particularly described as being revitalized after decades of dormant existence through the increased demand for labor, machines, infrastructure, knowledge, land and services. This has transformed these towns to become important nodes of commercialization and service. In addition, knowledge, capital, and technology transfers are emphasized to represent an overall in-ducement for creating “spill-overs” to the rest of the economy.

The pro-market discourse thus rejects the notion that the expansion of agribusiness firms implies “traditional” actors necessarily being out-competed. Instead, everyone benefits from the expansion even as “the cake” can be made to continuously grow. Although productive land is acknowledged to be a non-expandable asset (no agricultural “frontier” left), which by definition implies that expansion of territories for crops means less territory for something else, it is still argued that the sectors losing land (livestock and dairy) can benefit from the soybean expansion due to the increased availability of vegetable protein for the animals, and increased investments in the land (higher land rents provoking increased incentives for intensification of land use), which makes it produce more per hectare (improved pastures, irrigation and feed supplementation, and less extensive grazing on “natural” pastures). Drawing on the mainstream narrative of Uruguayan agrarian history, the soybean expansion is constructed to symbolize the prolonged late modernization for the technologically backward, extensive and low yielding Uru-

guayan agriculture. This discourse also rejects the notion of the agro ecology discourse that livestock intensification would be more environmentally harmful. Instead, it is argued that that intensive animal farming is the best way to reduce the Green-House Gas (GHG) emissions from livestock (breeding for high yields, permanent housing and concentrate feeding of animals).⁶⁸⁹ The GHG footprint of the life cycle analysis is lower per kilogram of meat when output per animal is higher as the animal gains slaughter-weight faster and emits less.

The technological package involved in the actual soybean production is argued to be environmentally beneficial. The “new” technological package is mostly constructed in contrast to the “old” technological package of conventional (not GM) soybeans. In this way, the herbicide tolerant seeds are argued to have allowed for the substitution of the much more toxic atrazines to the more environmentally benign glyphosate. The use of glyphosate as a total herbicide has also allowed for no-tillage farming instead of ploughing, which is argued to bring environmental advantages in the form of reducing risks of soil erosion and compaction. The package is also argued to have reduced costs due to the low price of glyphosate and the labor and fuel-savings via no-tillage techniques (Director of CUS 2008-12-11). The pro-market discourse agrees with the agro ecology discourse that the new technological package is decreasing the need for on-farm labor, but this is reflected upon as a major benefit in line with neoclassical / immanent assumptions about new technology and employment. Not least, the new technological package is argued to have boosted productivity per hectare and more efficient use of the land by producing more. In addition, the new biotechnology linked to the soybean expansion is argued to be knowledge-intensive and creating opportunities for the Uruguayan economy to “link up” to the new global knowledge economy or “cognitive capitalism” where the high quality jobs are generated (Director of CUS 2008-12-11).

It nevertheless recognizes that the soybean expansion involves environmental negative externalities such as risk of long-term erosion despite no-tillage techniques in pure crop systems and risks of weed resistance. But it is argued that these problems will be solved in due time together with the maturation of the soybean complex in Uruguay which will lead to improved adaption to Uruguayan climate and soils. It is also argued that new seed varieties will emerge on the market that will make production even more sustainable and effective and locally adapted (Managing director of Navíos 2009-02-25). At the same time, the big crop firms will improve their management practices as more knowledge and experience is collected and shared among the firms. These changes will be taken through the firms’ adoption of

⁶⁸⁹ Beef and milk-cow are responsible for an important amount of GHG emissions (14.5 percent of all human-caused GHG releases, according to FAO, <http://www.fao.org/news/story/en/item/197608/icode/>). Particularly methane and nitrous oxide emissions are released during digestion by cows.

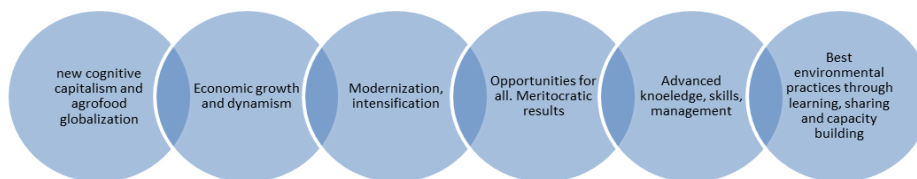
voluntary regulatory schemes to increase the sustainability in the system such as environmental monitoring, environmental certification and rotations schemes to avoid erosion (El Tejar Uruguay 2009). In this respect, several initiatives taken by MTO are mentioned, such as shared events for environmental capacity building and information sharing organized with FAGRO and INIA. MTO together with MGAP has also published a guide for “good agricultural practices”. This optimistic vision of the firms as self-adjusting, regulating, and “solving” immanently environmental problems by themselves rests on the assumption that firms need to take good care of the assets (land and ecosystem services), since their long-term profit (economic sustainability) depends on a healthy environment. In line with this assumption, it is also expressed that there is a higher premium on land and greater incentive for the land owners to take care of it. In this way, this discourse draws heavily on the assumptions of the immanent development approaches like the rationality of actors who want to maximize benefits, which under a strong private property rights regime will result in “best practices”. Therefore the best of possible world can be achieved through voluntary corporate greening under the market principle.

In the same way, it is reflected that all other potential risks and negative externalities will be resolved in due time “immanently” by the business actors themselves. The mechanism stressed behind this auto-regulation when it comes to “social” aspects is that the most important asset of the companies is “trust”. Thus, in order to generate profits the firms need to show that they can be trusted and that they are doing things in a correct way. One illustrative example of this mechanism was provided by the country manager of El Tejar when talking about labor relations and labor regulation. While not explicitly criticizing the state initiated rural tripartite wage councils and other public regulations, he remarked that the company had already improved salaries and other conditions of the rural workers above the requirements established by law. By taking care of workers and contracted service providers, the manager argued that they become motivated to do a better job and take more responsibility, which in the end also benefit the firm. Accordingly, it was in the firm’s own interest to have people around who had the capacity, healthy and loyal (win-win). It was remarked that to have good relation with service providers was one of the most important pillars for increased competitiveness of the firms, and therefore it was hinted that state-centered intentional regulation was unnecessary (Country manager of El Tejar 2008-02-19). He nevertheless acknowledged that the working conditions of the rural poor in Uruguay had traditionally been awful, but these relations were linked to the “traditional” and “paternalist” agrarian models in Uruguay reflected upon as oligarchic rather than capitalist. He also remarked that through word of mouth from people working for El Tejar and other “modern” agribusiness firms sooner or later generates a chain reaction of higher expectations and demands among the rural workers. This would immanently “force” the sys-

tem to change into the advanced, progressive and modern model that the new crop firms represented.

The potential meanings of the floating signifier “soybean expansion” within this discourse is educed by linking it to: advanced technology - economic growth - knowledge generation - employment generation - foreign direct investment - local development - technology transfer - new business opportunities for all - general agrarian modernization - advanced management - corporate social responsibility – professionalism – intensification - innovation - cognitive capitalism. As mentioned in the introduction to this chapter the pro-market discourse is found to be articulated in a way that shares many basic values and assumptions with the immanent development perspective. Not least through the assumption of markets as self-adjusting, as “true” creators and “fair” allocators of wealth. In line with immanent assumptions it is also underlined that the soybean expansion reflects Uruguay’s comparative advantage and therefore the country benefits from specializing in it. Below is a simplified model where the most recurrent signifiers linked to the soybean expansion are remarked:

Soybean expansion =



This narrative is composed by the specific ways the soybean expansion is recurrently linked to other signs in a particular configuration, reducing the potential meanings possible to ascribe the soybean expansion into a structured totality. More specifically, some of the social facts of the soybean expansion outlined in chapter 5, such as increased concentration and foreign participation at producer level and the new technological package and management forms are here articulated through a chain of equivalence to other signs like increased inflow of capital, increased knowledge transfer and creation, increased use of cutting-edge technology, growth, innovation, dynamism, modernization, upgrading, diversification of the export basket, wealth generation, professionalism, meritocracy, intensification and more efficient use of natural resources. Thus, by linking the uncontested aspects about the soybean expansion to completely other signs than the agro-ecological dis-

course, the meanings of soybean expansion become different. Consequently, these articulations tend to create the current soybean expansion as equivalent with progression and modernity.

9.2.2 (Re)construction of main social categories

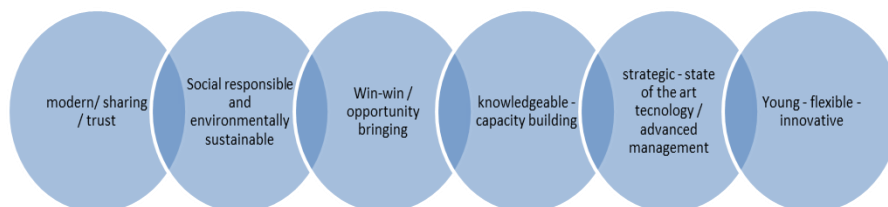
The most important social category portrayed within this discourse is the innovative new crop firm constructed in contrast to “traditional” forms of doing agriculture, most often represented in the form of the “traditional” landed ranchers. This relation is not constructed as antagonistic but the “traditional” producers are constructed to represent what agribusiness is not. The main purpose of this construction appears to portray the dominating role of the “new” agribusiness crop firms as legitimate. This identity construct can be seen as an implicit response to the critique posed against the concentrated features of the soybean expansion. In this way, it is centered on the agribusiness firms involved in the cultivation stage of the soybean complex, since the concentration at this stage has been the most contested throughout the discursive field.

In this binary construction “agribusiness” or in particular “the new crop firm” is reflected as hard-working, risk taking and visionary, while the “traditional” producer is reflected as change reluctant and risk avoiding. The emphasis is put on the superior organizational and management capacity that is argued to make the “traditional” ways of doing business, inefficient (Errea et al. 2011, 30). The “new” management is based on tacit knowledge instead of fixed assets. It is also based on organization in networks where the firm is responsible of coordinating multiple actors and resources through formal and informal contracts linked to input providers, service providers, commercial agents, insurance companies, investors, etc. This is contrasted with the vertical organization of the traditional family firm mainly based on experience and family labor where “the producer” does all processes and decisions – planning, planting, monitoring, commercializing – (Errea, Peyrou et al. 2011:67; 96-97; 102). Within this discourse, the typical Uruguayan traditional crop producer is further characterized as someone who knows a lot about machines and nothing about agribusiness, who takes decisions based on experience rather than agronomic knowledge, and has severe academic limitations. The key to success for the traditional firm is to change: The traditional small- or medium-size firms have to get involved in networks that allow them to specialize, improve competitiveness, and reduce costs (Errea et al. 2011).

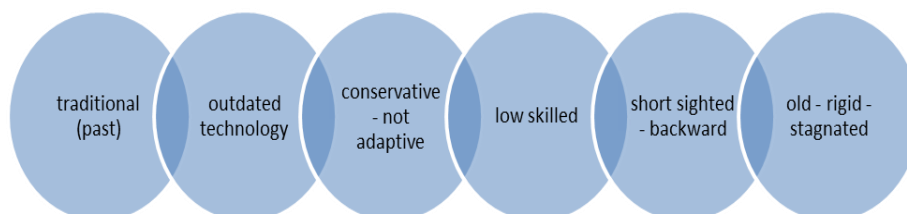
The new crop firms within this discourse are not constructed in contrast with “traditional” crop firms, however but with the “traditional” ranchers. This construction draws heavily on the mainstream agrarian history narrative in which the landed ranchers are mainly described as conservative, stagnant,

risk-minimizing, technologically backward and “anti-developmental”. In this way, the traditional producers are constructed to represent the past and status quo, while the agribusiness crop firms of the soybean complex are talked about as “new”, innovative, dynamic, high-tech, advanced, progressive and “modern”. The new crop firms are accordingly described as being “in constant movement”, “leaders in technology and organizational innovation”, bearers of “adaptive capacity”, “reinvention”, and part of the “new” cognitive capitalism. Being “modern” constitutes one of the most legitimate forms of hegemonic nodes of our time, while to represent the past is stagnant and backward. In this way, “traditional” is here linked to many strong illegitimate nodes of our times. This includes conservatism, outdated, low skilled, old and stagnated, backward, rigid, unaware of environmental concerns, hierarchical and exploitive relations with rural workers – inherited wealth – extensive –risk adverse. At the same time, the new agribusiness firms are (re)constructed as equivalent to modern, environmentally sustainable, corporate social responsibility, long-term, young, knowledgeable, advanced, strategic, network (nonhierarchical), win-win, information sharing, wealth generating, flexible, innovative, and risk taking. These identity constructs are thus used as providing explicit explanatory values to the relative absence of “traditional producers” of almost all sizes in the crop expansion. The most basic difference stressed is that the “old” rancher elite lived on inherited wealth (land), while the new dominating firms are expanding on created wealth. This is further described to create positive externalities for all other actors that are prepared to work and seize the new opportunities. In the final analysis, the potential meanings of the social categories and nodal signifiers of this discourse, viz. new crop firms and traditional producers, are within this discourse reduced by linking them in signifying chains in the following ways:

”New” Crop firms



”Traditional” Producers



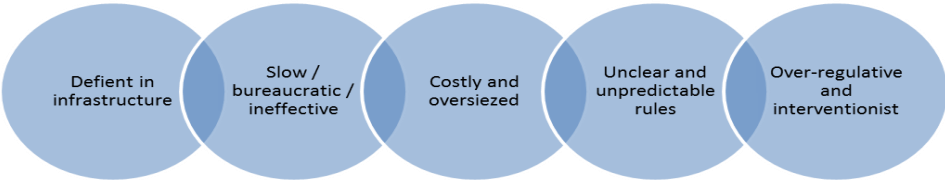
This binary identity construction is central in this discourse and serves the purpose to underline that the “social fact” of concentration is the result of merit of the biggest firms, and therefore it is also legitimate and just within this discourse. This rests on the underlying value of justice as equivalent with meritocracy and therefore highly unequal outcomes can be argued “just” provided they are “proved” to be the result of merit.

While immanent assumptions about rationality, markets and change are reflected in most of the things expressed within this discourse about the soybean expansion, most new agribusiness actors do not enter into a polemic against the state, and are far less confrontational than the “traditional” producers’ organizations of ARU and FRU. Rather, a post-Washington consensus view on the state is reflected and several agribusiness actors point out that many of the regulations in fact are good for the soybean business – the strengthened environmental regulation of the soils (the mandatory plans of Responsible Management), increased public inspections and fines for compliance, tax reforms, infrastructure, investment in education, agrarian research and innovation, etc. Nevertheless, the repeated mantra is that the regulations of the state need to be clear, predictable and long-term, and “changing the rules of the game” is often mentioned as the worst thing the government can do for development. In this respect, it was often mentioned that

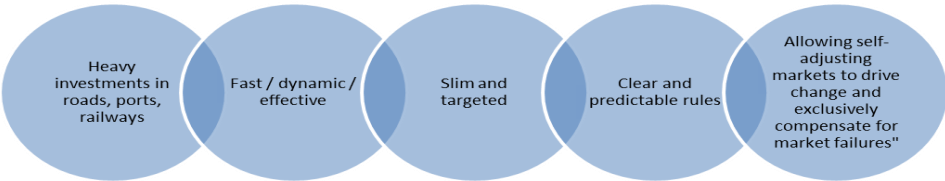
the government used unclear and “floppy” indicators, and changed regulations too often to give business a fair chance to adjust. It was also mentioned that the government sometimes either listened too much to the “ecological movement” or were too bound by “leftist” ideological assumptions to act pragmatically. One example often mentioned in this respect was the moratorium on new transgenic events (2008-2009), which implied that Uruguay risked falling behind in yields gap with Argentina and thus losing competitiveness. On the other hand, Uruguayan public policies were reflected upon as generally more “serious” and “respectful” than the Argentinean counterpart (see Chapter 5).

Thus, the meanings provided to the current government shift depending on what kind of “other” government it is constructed to be different from. I argue, that the most recurrent way of talking about the national government is in implicit contrast to an imagined “ideal” national government / state, reflected upon as the social category that would potentially boost and support the soybean complex by setting clear and stable rules, investing more in (applied) research, infrastructure and I&D. In this way, the potential meanings of the social category “the current government” is within this discourse reduced by constructing it in contrast to an ideal government, and by the linking of these categories in signifying chains to the following signs:

The current government



The desired government



In above figures, social identity construction the meanings of the current government become ”fixed” as ineffective, unpredictable and interventionist.

It is clear that the current government becomes reflected in negative terms when contrasted with the “ideal” government of this discourse. However, the meanings provided to the current government change considerably when it is instead constructed in relation to the Argentinean government. In this relational system the current FA government is instead expressed as more serious, respectful and beneficial (Director of URUPOV 2008-12-11).

9.3 The Pro public regulation discourse

Within the discursive field of the soybean expansion there are many different accounts expressed that stress both new threats and new opportunities brought by the soybean expansion. Among these “in-between” positions I have identified one dominant structured way of regularities in the relations among signs. This is called pro-public regulation discourse and emphasizes that to curb threats and boost opportunities, the state needs to take a proactive role. It is mainly (re)constructed by actors related to the Uruguayan state apparatus and the sitting coalition government, Frente Amplio (FA).⁶⁹⁰ However, it is not the exclusive privilege of FA to express beliefs in the necessity of an interventionist state to boost gains and avoid threats with the soybean expansion. As mentioned in the agrarian history context, Uruguay has a rather long and strong tradition of an actively interventionist state and this notion is rather central in a wide range of texts. Accordingly, several researchers, journalists and “traditional producers”, were found to mostly draw on and (re)create this discourse. This section sketches out how the floating signifier “soybean expansion” is filled with a particular meaning through the main stories told about the soybean expansion in Uruguay within this discourse. This includes a presentation of its main nodal sign and how this is filled with particular meanings, while alternative meanings are excluded.

⁶⁹⁰ Within the state apparatus, there are many different offices with competing aims and traditions. In addition, many of the public officials entered their posts under earlier governments. According to actors from FA, many of them got their positions based on party loyalty rather than skills. In addition, there is important ideological and “cultural” variance among the different branches and “lists” within the FA coalition. I have here focused on the most central FA documents (the electoral platforms) and the highest authorities considering agrarian policy matters. I have also prioritized unity over variance.

9.3.1 Core narrative about the soybean expansion within the pro public regulation discourse

The soybean expansion in Uruguay is within this discourse constructed to represent a radical break with previous productive models in the countryside, and reflected as both a threat and an opportunity for the future. As in the two other discourses the soybean expansion is reflected as part of a current globalization process with increased demand in agro food commodities (food, fuel and fiber), and where the countries of the Common Market of the South, Mercosur, are increasingly consolidating their central roles as food exporters. As within the other discourses, the soybean expansion in Uruguay is initially understood to represent an exogenously driven process forming part of current agro food globalization. But this is expressed to provide new possibilities for Uruguay as a country with abundant productive land to use the favorable conjuncture as a spring-board for long-term transformation of the productive structure towards increased diversification and increased incorporation of innovation, knowledge and advanced technology. It is also reflected to bring new risks in the opposite direction – i.e. reinforcing the insertion of Uruguay into global markets as a simple raw commodity provider, adopting technologies developed in the North and competing on the volatile global commodity market with price and not quality. The role of the state here is seen to adopt long-term “development” strategies and to create new “tools” to regulate the soybean complex in “upgrading”. As part of the advancement of agrarian capitalism it is also seen to represent uneven and polarizing relations that pose a threat to family producers, and hence these relations need to be “balanced” by an intervening state. The core message of the pro-public regulation discourse is that the soybean expansion could generate benefits for the country if it can be properly regulated. It includes important similarities in meanings creation with both the agroecological and the pro-market discourses, except that it considers different aspects. In many ways, it is the most ambivalent discourse with the biggest internal variance (particularly over time).

The social facts of changed social relations in the wake of the soybean expansion with the features of increased concentration and displacement of traditional producers are explained to reflect inherent structural features of the advancement of capitalism in agriculture, in a similar way as in the agroecology discourse. Along this line of reasoning, the soybean agribusiness firms are described as powerful, imposing a productive logic on all other actors that mostly benefit the big firms, and where capital substitutes labor. The relation between the giant agribusiness firms and all other local firms, producers and neighbors is described as highly unequal, which also leads to an unequal exchange between these actors under “pure” market conditions. Agribusiness is often described as driven by profit and assumed to “externalize” costs upon others which often lead to both ecologically unsustainable and socially unjust consequences. This assumption is based on the

perception of how all firms in a capitalist system work and is less tied to the nationality of the actors than in the agroecology discourse. The soybean-boom is explained to have brought higher land values and these have resulted in higher barriers to entry and disappearance of traditional producers from activity. In this way it is linked to increased land concentration, which is argued to be a main problem and is discursively linked to rural depopulation, loss of “local knowledge”, urbanization and exclusion. These features are argued to require strong government responses for “compensation” like differentiated policies for family farmers⁶⁹¹ (Tommasino and Bruno 2005, Robles and Quintans 2012), differentiated taxes (Tambler 2012, Tambler 2010, 2009), decentralization of MGAP, and the strengthening of the division within MGAP working with rural development (Paolino 2012, Buxedas, Perera, and Barrios 2012). In this respect, it is also argued that increased land for distribution under the land reform institute INC will strengthen the vulnerable actors in the wake of the advancement of capitalism.⁶⁹² In order to stop the trend of increased land concentration and generate more tax revenue for rural roads and INC, FA launched a new progressive land tax against concentration (ICIR, Law 18.876).⁶⁹³

The profit maximizing interest of the soybean firms is not only seen to generate concentration, but also growth in a sector that was stagnant. Drawing on the mainstream agrarian history narrative, some parts of the “agrarian” Uruguayan economy, especially within the extensive livestock sector are described to have represented some kind of “pre-capitalist” logic were status-quo reigned over growth. By contrasting the current soybean model to this “stagnant” model, this discourse reflects that a “productive” capitalism can actually be quite beneficial to Uruguay. As illustratively remarked by the vice minister of MGAP: “You know, we need growth down here!! Although growth in itself is not enough, we also need distribution. In this framework,

⁶⁹¹All productive units with more than 2,000 ha of Coneat 100 or more had to pay higher tax per hectare www.presidencia.gub.uy/Comunicacion/comunicacionNoticias/mgap-registro-productores-familiares-desarrollo-olascuaga and [http://www.elobservador.com.uy/noticia/3091/mgap-destino-u\\$s-55-millones-a-la-agricultura-familiar/](http://www.elobservador.com.uy/noticia/3091/mgap-destino-u$s-55-millones-a-la-agricultura-familiar/)

⁶⁹²In 2012, INC bought and distributed 15,000 hectares <http://presidencia.gub.uy/Comunicacion/comunicacionNoticias/colonizacion-instituto-berterreche-fracciones-tierra>. In 2013, the government created a trust fund linked to the Uruguayan pension funds (AFAP), with funds destined to INC <http://www.lr21.com.uy/comunidad/1103678-gobierno-prohibira-a-estados-extranjeros-comprar-tierras-en-uruguay> (2013-06-10).

⁶⁹³The law “Impuesto a la Concentración de Inmuebles Rurales” (ICIR) No 18.876, can be read at <http://www.parlamento.gub.uy/leyes/ AccesoTextoLey.asp?Ley=18876&Anchor=> The rural producers associations (ARU and FR) strongly opposed and took the new law to the Supreme Court of Justice where it was found to be in conflict with the National Constitution. A renewed law against concentration was presented by the government and taken by the Congress in June 2013: www.iprofesional.com/notas/162917-El-Congreso-uruguayo-aprob-un-nuevo-impuesto-a-la-tierra-para-desalentar-concentracin

all activities that can come and that help to achieve that goal are excellent in that sense” (Vice-Minister of MGAP 2009-02-19). Growth is in this way established as a necessary means for development, albeit not sufficient.

Besides growth, one of the most important dynamism of the soybean complex within this discourse is that it has intensified all agrarian activities. In this way, the soybean expansion is reflected to have helped the livestock sector to have overcome some of its previous constraints to growth (dependent on seasonable natural pastures). Despite the fact that soybean has “taken” land from livestock, this increased competition for land is found to be beneficial and argued to have forced the stagnated livestock sector to increase its productivity per hectare by investing more in the land to make it productive and supplement vegetable feed (Oil-seeds and agro-industrial specialist at Opyya-MGAP 2010-12-08, Vice-Minister MGAP 2010-12-20). In this way, the shifts are argued to have put an end to the historically dominant practice of extensiveness with low yields per hectare (of both livestock and crops) and investments away from the land. Now, the pressure to make the land produce as much as possible has increased yields in all sectors. This aspect of the soybean narrative resembles the win-win framing of the pro-market discourse.

Not all firms that arrived in the wake of the soybean expansion are reflected upon as beneficial or productive. It is recurrently remarked that “speculative” capitalist firms who “distort” land prices in the estate markets will not be accepted. The “productive” and “long-term” capitalist enterprises are reflected upon as welcome, but these can be made more beneficial through active public policies. By weeding out the bad capitalists from the good ones, and by making the good ones better, the soybean expansion and the interests of agribusiness can be reconciled with the “development” interests of the government. However, the ultimate long-term aim within this discourse is not growth with “redistribution” but “national development”. This is argued to require change in the productive structure rather than natural resources – move beyond commodity exports, diversify the export basket, incorporate more added-value, producing goods and services that are more intensive in innovation, knowledge and technology (Garín 2010-12-20). Consequently, the most recurrently mentioned problem with the soybean expansion within this discourse is that most of it is exported as beans and the technology used in the production is developed elsewhere. It is often remarked that in order to be more “developmental” the soybean complex needs to incorporate more domestic technology, processing within Uruguay, and in other ways add value (add-value ‘*agregar valor*’ appears as a particularly nodal sign, endlessly repeated, within this discourse).

The core assumption behind the centrality given to “value-added” is the notion that “real” development requires competitive domestic production of complex knowledge-intensive manufactured goods, which are assumed to have higher returns and based on resources that are not depleted. It is accordingly recurrently expressed that “historical evidence” suggests in order to

emerge as an advanced country in the world system, accumulation of technological capacities, innovation and knowledge are needed, and this transition cannot be made exclusively on the basis of natural resources (Productivo 2010). This echoes several traditions within the intentional development perspectives that have emphasized different types of “resource curse”, including the notion of few linkages between agrarian growth and the rest of the economy and the belief in long-term falling terms of trade of commodities in relation to manufactures. However, the perception of agrarian activities as essentially different (inferior) from industry with few backward and forward linkages has started to change within this discourse. A recent paper from the year-book of Opya-MGAP (2013) argues that activities dependent on natural resources can favor long-term development, partly because it can support the transition of the long-term productive structure through incorporation of value-added and upgrading, but also because the “new” agriculture is more knowledge-intensive and “industry-like” than what agriculture used to be. In addition, it is often remarked that the high global commodity prices seems to represent a “structural” and not just a cyclical shift (Paulino, Mondelli, and Pittaluga 2013). In this way, the long-term declining terms of trade for agriculture in relation to manufactures stressed by ECLAC are considered to be incorrect. It is thus argued that the increased reliance on agro commodities in the export basket under the FA governments (since 2005) may not necessarily be problematic (Paolino, Pittulaga, and Moncelli 2014).⁶⁹⁴ With this “new” view on agriculture as more “sophisticated”, the soybean expansion becomes less at odds with the “development vision” of FA. It is argued along this line of reasoning that resource extractive activities can also represent the means to achieve social justice providing they are combined with policies of upgrading and redistribution (Cadenas productivas 2010).

In the final analysis, it is argued that the soybean growth can play a central and beneficiary role in the development strategies of Uruguay provided the government succeeds in incorporating more value and upgrade it to involve the more “advanced” segments. A recurrently mentioned strategic key in this respect is to retain a larger share of the soybeans in the country to be crushed into meal and oil (ALUR 2012). In this regard, the national biodiesel program led by ALUR is recurrently stressed as an illustrative example of how state policies could add value and upgrade the soybean complex in Uruguay, and thereby boosting the development potentialities. In a similar way, the inter-ministerial and public-private sector councils established un-

⁶⁹⁴ According to a recent ECLAC/Cepal publication (May, 2014), agriculture, timber and tourism have gained weight in the export basket in 2012 in comparison to 1990. At the same time, textile, leather and transport service have lost weight in the basket. The same report notes that the export increase 2003-2012 has been larger in volume than in prices (in contrast to the average trend in Latin America). See Cepal 2014, 13-14. This represents a reverse trend from what FA stipulated as desirable in the electoral platform for the government period 2005-2010.

der the “Productive cabinet” (since 2005), for the oilseeds productive chain aim at more added value through a combination of clusters and public industrial policies. The aim is to incorporate more advanced technology, innovation and knowledge to be streamlined with the general plans of industrial policy and “upgrading”. Other often mentioned tools in this respect are the changes in the investment law and the new law of joint-stock companies which are designed to induce the big agribusiness firms to invest in projects that generate well-paid jobs, technology transfer, decentralization and value-added. The tax system is built up in line with the same logic, providing exemptions for “investments” in this direction (Tambler 2013). The government itself has increased budgets for fostering biotechnology and other agrarian research. It is argued that Uruguay should participate in the seed breeding development and export high quality soybean seeds stacked with traits from the giant biotech companies from the North to the other countries in the region. In this way, the state led incorporation of value added to the soybean complex is expressed to illustrate the potential superiority of the state to generate wealth. The expressed belief in the pro-market discourse of market mechanisms as the most effective and fair resource allocator is rejected not only because they are argued to accentuate polarization and social injustice, but also because they are potentially less effective in generating growth and development compared to a strong state adopting long-term strategies in favor of industrialization and diversification. In conclusion, a report from the Ministry of Industry, Energy and Mining (MIEM) stated that commodities come and go, but if the state acts strategically it can make these agrarian activities to line up with the long-term policies of economic development through upgrading (Gabinete Productivo 2010).

The strong focus on economic growth, intensification and “value added” as the main path to development involve tensions with the agroecology approaches as it often suits big scale modernized agriculture providing standardized products on scale.⁶⁹⁵ Some environmental problems linked to the soybean expansion are recognized, but here the state is again argued to have the regulative capacity to prevent the perverse environmental effects of market model. The most recurrently mentioned public policies in this respect are restrictions on the use of some insecticides, regularization of commercialization (allowing only registered agronomist to buy),⁶⁹⁶ mandatory rotation schemes for all crop production to avoid soil erosion (Plan de rotación de suelos), and stricter laws for soil protection (Ley de Suelos). In addition, this discourse shares a general faith in new technologies and modernization with the pro-market discourse. Considering the particular case of biotechnology,

⁶⁹⁵ However, the state-owned ALUR has also fostered small farmer participation as main suppliers to the biodiesel plant. It has also fostered a bigger share of sunflowers instead of soybeans.

www.gudynas.com/publicaciones/articulos/GudynasEcolPoliticaProgresismoSP10.pdf.

⁶⁹⁶ See all resolutions from the fitosanitarian division of MGAP

http://www.mgap.gub.uy/dgssaa/Normativa/NORMATIVA_ULTIMAS_INCORP.htm

FA moved from being critical to embracing the new technology. In talks with Monsanto and other biotech actors operating in the territory, the main position of the government has been to make the multinationals cooperate more with local research and firms, to allocate more of R&D in Uruguay, and to employ more Uruguayans (President of INASE 2009-02-10).

While economic “development” is seen as the goal it is also reflected upon as inevitably leading to environmental degradation. Several actors representing the government seem to suggest that long-term environmental degradation is an inherent part of the current hegemonic capitalist system and an inherent feature of a culture where humans are seeking constant “improvement” of material well-being. This makes complete harmony and sustainability an utopia, and a bleak picture of an unstoppable one-way path is provided (Vice-Minister of MGAP 2009-02-19, Vice-Minister MGAP 2010-12-20). The companies claiming to achieve total sustainability are expressed to be lying in order to make things appear better than they actually are.⁶⁹⁷ “The people” is reflected upon as mainly interested in improved material standards and the government will have to accept some environmental losses to achieve poverty alleviation, increased social security, and increased purchase capacity (Vice-Minister MGAP 2010-12-20). It is also expressed that the most environmentally damaging and wasteful activities are typically the ones in which the peripheral nations in the global capitalist system are allowed to participate. Although it is stated that another type of insertion in the global markets would be preferable, Uruguay will have to sell natural resource products while it builds up competitiveness in a broader range of sectors (of smaller ecological “footprint”).

The pro-public regulation discourse describes the soybean expansion to represent oligopolistic capitalist agriculture under unequal terms. But in contrast to the agroecology discourse, the national state is understood to have at least some capacity to balance and make the soybean expansion provide benefits for the whole society. Accordingly, the state is the nodal sign in this discourse which is constructed as the most legitimate and potential driver of change. Strong public regulation can minimize costs and optimize benefits. At the core, the articulations of this discourse tend to (re)create the current soybean expansion as ultimately equivalent with unleashed market forces that can generate important growth, but need to be tamed. The state as regulator of different social forces and redistributor of wealth are argued as crucial to make the soybean expansion more inclusive and “developmental”. The role of the state is not exclusively linked to *redistribution* of wealth

⁶⁹⁷ From the interview with the vice minister of MGAP:

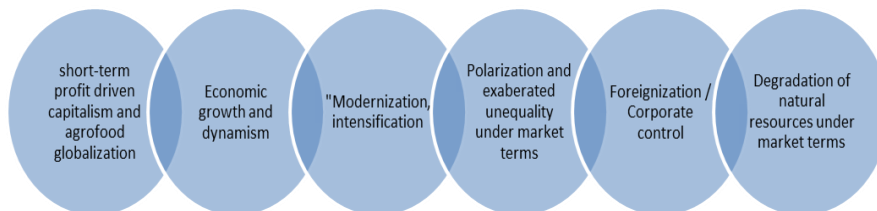
Vice-Minister: “Certifications in general improve things, but I do not believe in them”. [referring to environmental ISO standards]

Researcher: “You say they improve things, but are they not enough? Or what do you really mean?”

Vice-Minister: “There are more controls, they fulfill some requirements, but from there to achieve sustainability... No way. Those are lies” (Vice-Minister of MGAP 2009-02-19).

(generated by the business sector), but also as *generator* of wealth by making the soybean complex incorporate more value added. This discourse articulates a reformist view on the soybean expansion projecting it as a phenomenon providing new opportunities that needs state regulation to yield benefits and minimize costs. The pro-public regulation discourse shares some of the expressed critique articulated in the agroecology discourse about the problems linked to current neo-liberal model of agro food globalization that the soybean expansion is described to represent. At the same time this discourse shares with the pro-market discourse greater technology optimism and the belief in economic growth as essential part in any development project. Differing with the two other discourses, the national state is reflected upon as the main vehicle for desirable and legitimate change. In this way, the soybean expansion is created as equivalent with concentrated wealth generation, dynamism, foreign direct investments, advancement of capitalism, advanced management forms, displacement of traditional producers, uneven relations, opportunities for late modernization, resource extractive activities, environmental costs, and possibilities of upgrading. Below is a simplified model where the most recurrent signifiers linked to the soybean expansion are remarked:

Soybean expansion =



This narrative is composed by the specific ways the soybean expansion is recurrently linked to other signs in a particular configuration reducing the potential meanings possible to ascribe the soybean expansion into a structured totality. More specifically, some of the social facts of the soybean expansion exposed in chapter five are here articulated through a chain of equivalence to other signs: increased inflow of capital, advancement of capitalist relations in agriculture, polarization of wealth, displacement of family farmers, foreignization, increased use of advanced technology, intensification, risk of erosion, possibilities of upgrading and value-added, risk of de-

pendence and vulnerability. In this discourse, the “social facts” about the soybean expansion are linked to some of the signs of the agroecological discourse, some of the signs of the pro market discourse, and some other signs that are exclusive to this discourse.

9.3.2 (Re)construction of main social categories

The most important social category within this discourse is the “developmental state”, but “agribusiness” and “traditional producers” are also important (re)created categories. In order to follow the same structure as in the other discourses, I will first outline how this binary identities are constructed and later present how the current government / state is constructed.

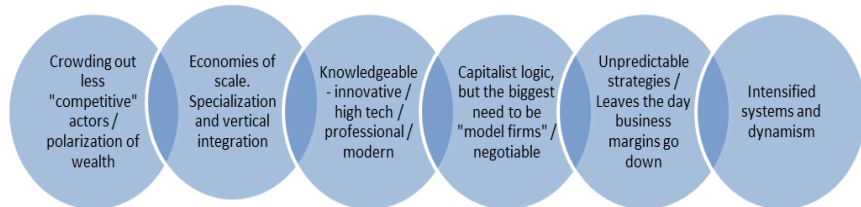
As mentioned, the characterization of agribusiness within this discourse shares several elements with the agroecology discourse. In short, agribusiness is big firms representing the interests of owners who often come from outside agriculture and are exclusively interested in high and rapid returns. The big size of these firms allows them to make better deals, be more productive, and diversify risks which increases their profits. This generates economic growth but also displacement of “traditional” producers. As all capitalist enterprises want to reduce costs and increase profits, the firms are assumed to adopt management practices that externalize costs on society and the future. The biggest and most well-known crop firms are nevertheless under constant observation by media, NGOs, general public and politicians, which compels them to show that they act in accordance with what the majority finds to be “good agricultural practices” as well as responsible social relations (including labor standards). For example, by adopting voluntary schemes like the ISO certification. However, market mechanisms of “self-regulation” are seen to involve important amounts of “green washing” and double standards and therefore it is argued to never be able to substitute public control.

Agribusiness is often constructed in contrast to “traditional” producers, especially “family producers”. While the former is constructed as driven by profit, the latter is mainly constructed as driven by commitment. At the same time, agribusiness is in this discursive constructed as dynamic, intensive and innovative, in contrast to the “traditional” as stagnated, extensive and conservative. The construction of the “family producer” within this discourse is a bit ambivalent. There are many texts and policies explicitly supporting “family agriculture”. These often reflect this social category as equivalent with local knowledge, living libraries, a way of living, commitment, rural vitalization, decentralization, and community-based. At the same time, it is often remarked that the Uruguayan family producers are not the same as the “Latin American” *campesino*, but small capitalist enterprises that pollute the

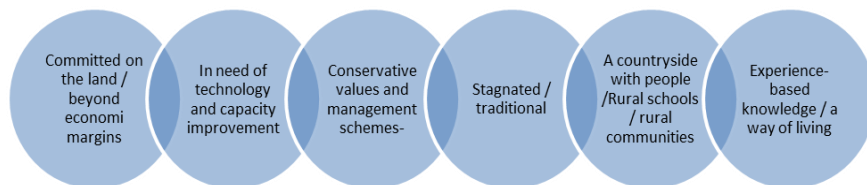
land and compete with each other. The Uruguayan family producer is reflected as someone who has more in common with the big agribusiness firms than with a Paraguayan *campesino*, since he is totally incorporated into capitalist markets and owns both land and machines. The most important difference between agribusiness and a family producer is the organization of work as the family producer depends on unpaid family labor and capital constraints. At the same time, several texts mention that many traditional family producers who owned a piece of land have gained a lot from the soybean expansion, without having to move a finger for it (DIEA-MGAP 2009-02-26, Presidencia 2009). It is also stressed sometimes that the working conditions of family members and wage workers within family agriculture are worse off than in any other agrarian firm. This has generated a tension within MGAP and there are competing views whether the state should support the rural wage worker or the family producer. Policies' aiming to strengthen the rural worker such as stipulating resting hours, better equipment, higher safety standards, longer term working contracts, shorter working days and higher salaries, goes strongly against the interest of most family farmers who want to hire extra "help" at low costs during seasonal and unpredictable peaks (Vice-Minister of MGAP 2009-02-19). In important contrast to the agroecology discourse, "family agriculture" is not seen to present any true alternative path to social justice, environmental sustainability, harmony and total inclusion.

The analysis is that the potential meanings of the social categories "agribusiness firms" and "family producers" are within this discourse reduced by linking them in signifying chains in the following ways:

Agribusiness firms



Family Producers



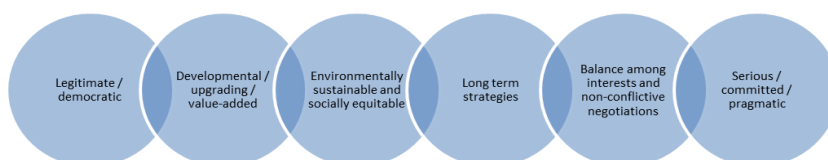
The most important social category projected within this discourse is the “developmental state”. This is mainly constructed in contrast to the “neoliberal” or laissez-faire state argued to exclusively benefit the strong agribusiness firms. An illustrative quote for how the binary identity construct is made comes from the Vice-Minister of MGAP:

“All these are tools that we have developed where the state intervenes. Before the prevailing vision was that the market will regulate, but we don’t believe in that, we believe in a state that intervene, act and negotiate. I don’t think that we have managed to create the ideal world, when I close my eyes and think I do not see things exactly the way I would like them to be, but I believe that they are a bit better than before FA entered the government” (Vice-Minister of MGAP 2009-02-19).

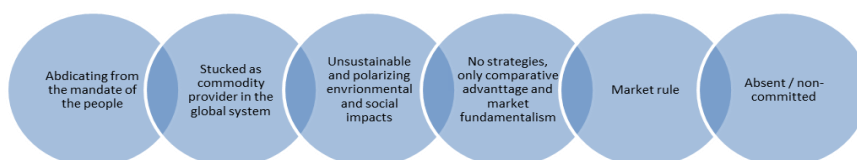
The above quote is a clear example of how the current “developmental” state is constructed in contrast to the “neo-liberal” state. However, in some contexts the current government is instead constructed in contrast to an entirely “anti-capitalist” state model, which is argued to be demanded by the ecolog-

ical movement. The meanings provided to the “developmental state” shift depending on what kind of “other” state/government it is constructed to be different from. In contrast to the “anti-capitalist” state, the “developmental” state appears as consensus seeking, pragmatic, serious and balance contrasted to high levels of conflict (with the private sector), symbolic frustrations, populism, and loss of opportunity for growth and “development” (as all “foreign” firms would simply leave). I argue that the most recurrent way of talking about the developmental state (the current government) is in implicit contrast to the neoliberal government reflected upon as the social category that would “abdicate” from the mandate of the people to ensure increased well-being to the citizens. The neoliberal government would allow for the strongest firms to out-compete all the rest without any concerns for social and environmental values. By contrast, the role of the “developmental” state in relation to the soybean expansion is to “balance” the relations between big agribusiness firms and family producers, and to “upgrade” the soybean complex,] so that it incorporates more advanced technology, knowledge, value to generate more positive externalities to rest of the economy, as well as reduce the negative externalities. In this way, the potential meanings of the social category “the current government” is within this discourse reduced by constructing it in contrast to an ideal government, and by the linking of these categories in signifying chains to the following signs:

The “Developmental” state



The neoliberal state



The analysis is that the role of the state is to provide “correct” incitement structure and “rules of the game” through laws, taxes and other regulations, to promote the soybean complex to evolve into something more “developmental” and socially just. In this way, the state is argued to have the capacity to make the soybean complex less unequal and more advanced with increased backward and forward linkages with the rest of the economy, than under pure market relations (Vice-Minister of MGAP 2009-02-19).

9.4 The discourses situated in space and time

The previous sections of this chapter presented the three main competing discourses identified in the discursive field about the soybean expansion in Uruguay. As mentioned in chapter two, full totalization or fixity is impossible and that is why there is always the scope for articulation. As mentioned in the introduction to this chapter, I have here given priority to relative “internal unity” and not stressed minor differences between articulations. The presentation has focused on the main meanings given the soybean expansion within each discourse which also involves “reactions” upon the articulations posed in the other discourses, and how main social categories are construct-

ed. These meanings have been presented as if they were “static” and without change during the past decade, and they have also been presented without any consideration of the power asymmetries between them. This section will add these aspects to the analysis and also discuss alternative articulations about the soybean expansion that do not fit into any of the three main discourses. In addition, some of the underlying values and assumptions that can explain the most central fault lines in this discursive field will be discussed.

It has been contended that an important part of the controversies over the soybean expansion are at a deeper level reflecting different views on development. Ultimately, I argue that divergent views on what development *is*, as well as *how* to get there, is at the core of the competing ways of giving meaning to the soybean expansion. I further claim that the notion of what development *is* built upon antagonistic basic values expressed in divergent narratives about the soybean expansion and divergent construct of main social identities. The main fault lines between these discourses correspond to the different theoretical perspectives on development; viz. immanence, intention and post-development. Since the main expressed difference between the theoretical perspectives can be tracked to the same antagonistic basic values and assumptions on development related aspects this correspondence was expected. However, there were also some discrepancies between the national discourse about the soybean expansion and the more generalized and abstract discussion about development on the global level. This section will address some of these differences. The first subsection will say something about the differentiated reach of the discourses, as well as analyze trend in how they have evolved over time (9.4.1). The second subsection will address main differences between the identified discourses and the development perspectives (9.4.2). The third and final subsection concludes with a discussion of the main values and fault lines involved in this contested fields (9.4.3)

9.4.1 Differentiated reach and changes over time

The presentation of the discourses in this chapter has been analytically separated from the power relations into which they are inserted in. There is an important amount of power differentiation between the discourses where different articulations have differentiated reach. These asymmetries seem to reflect the differentiated power relations among the main actors who represent them. It is also clear that while the discursive field of the soybean expansion is emergent in the sense of involving new actors and new “soybean-specific” aspects, it also involves many aspects where the contested accounts concur with already established dividing lines.

In a schematic way, it is possible to denote that the *pro-market discourse* is represented by actors who have some kind of “positive” power, in the sense that it can “construct”, “expand” and “create”. These are the agribusiness actors that throughout the discursive field are described to have driven the soybean expansion and “responsible” for the model. The *pro-public regulation discourse* is represented by actors who mainly have “negative” power in the sense of using laws, taxes and regulations to hinder, stop and/or induce private actors to behave differently. There is also some “positive” power involved, as for example expressed in the early and leading role in biodiesel and applied public research in seed improvement. Finally, the *agroecology discourse* is represented by actors who have “only” in-direct power in the sense of advocacy to influence public opinion and public policy.

While this description can be fruitful at a schematic level, it is important to see that all three discourses are to a certain extent dependent on some amount of public acceptance and legitimacy, and therefore, all of them struggle to capture the public opinion. While the anti-capitalist agroecology discourse appears to be the most powerless, it is clear that it has become the agenda setting agent compelling the other voices relate to the problems of exclusion and environmental hazards. This can be observed in the pro-market discourse which has often been defensive and reactive (particularly during the first years) and in its response to the critique articulated by the agroecology discourse. Consequently, its main narrative about the soybean expansion including its main constructs of social identities involved in the field is centered on rejection (disarticulation) of the articulations portrayed in the agroecology discourse and providing a re-articulation of meanings through a redefinition of some of its moments.⁶⁹⁸ In a similar way, the pro-public regulations discourse is clearly expressed with constant reference to the critiques and demands of the agroecology discourse. Many of the actors involved in the agro-ecology discourse have also been involved in FA, and the common history of “joint” opposition against the “neoliberal” governments during the 1990s still seem to influence the agroecology and the pro-public regulation discourses.

It should be mentioned that there is also an important power differentiation between actors representing the same discourse. Within the agroecology discourse, CNFR has a more established role and longer history (since 1915) in the national agrarian policy discussions than the organizations of the ecological movement. It also has a more institutionalized role within the state apparatus of agrarian policies with representations in many public entities and commissions. All actors approached in this study reflect upon CNFR as

⁶⁹⁸ Besides the anti-capitalist agroecology discourse, there also exist many other problem-framed articulations about different aspects of the soybean expansion, for example by the pro public regulation discourse where the articulations of the pro-market discourse also intend to change the meanings.

a legitimate stakeholder in the field. This is an important difference with the socioecological NGOs who are definitely not considered to be legitimate stakeholders by the agribusiness actors. Within the pro-public regulation discourse, the actors representing the highest position in the government have more opportunities to influence than grassroots activists of FA or others that (re)produce this discourse. Within the pro-market discourse, the biggest firms (or “market-makers”) who control the assets and having capacity to impose a scheme of work on others have greater impact than small specialized firms.

In sum, while involving important conflictive interpretations and power asymmetries, I still find that the discussion about the soybean expansion in Uruguay could be characterized by relations of struggle between opposing hegemonic projects.

What were the things expressed that did not fit into the three main discourses?

The categorization presented in this chapter does not pretend to be exhaustive. Throughout this study, many things have been expressed about the soybean expansion do not neatly fit in any of the three main discourses. For example, the traditional producers typically draw on different discourses considering different themes discussed. While many producers spoke about consequences of soybean expansion that in ways resembled the agroecology discourse but still they differed from this discourse by not linking these signs to agrarian capitalism, technological treadmill, loss of autonomy, or proletarianization. Another important difference between the ways of talking about the soybean expansion among “traditional producers” (including grain cooperatives) and the agroecology discourse is that the producers recurrently talked about being “competitive” (under mainly market conditions) as something highly desirable and potentially achievable supported by state help to manage the risks (i.e. climate insurance). Finally, the traditional producers did not call for any radical policy changes like prohibiting agribusiness firms buying land or further expand, but rather stressed reformist ideas of increased support for traditional producers. One illustrative example comes from a producer from Dolores, who is also a board member of the local producers’ organization AAD:

“There has been important structural changes in the Uruguayan production during the past years, it has been impressive from all point of views; technological; social; economical, everything. It is like a bulldozer, you see? I always say that we - the smaller producers - will never be able to halt the bulldozer, I will only try to find a way to situate myself in such a way that the bulldozer does not run over me, and perhaps the bulldozer pass, mills and perhaps I can even

manage to use some of what the bulldozer milled. That is my theory” (Board member of AAD 2008-02-11).

The quote reflects a dejected notion of the recent changes where the soybean expansion is symbolized as a “bulldozer” as an unstoppable force that smaller producers need to cope with. Iza expresses that is impossible to stop it and therefore the best thing to do is try and find a way to gain something from it. It is interesting to note that this little narrative only provides an alternative (to adapt) and resistance is expressed as impossible. Many traditional producers also draw on aspects of the pro-market discourse when addressing the state as over-seized and as excessively taxing the agrarian sector. This way of talking about the state was even more pronounced among the ranchers who recurrently stressed that “the government” was ignorant and negligent towards the agrarian sector. In this way, the “traditional ranchers” represented by ARU and FRU expressed a more antagonistic position towards the state/government than what the “new” agribusiness firms typically reflected. “Traditional” crop producers, grain cooperatives and ranchers also differed substantially from the pro-market discourse in their construction of central social categories involved in the soybean field, clearly defying the view on “traditional” producers as conservative and risk averse.

In general, the actors who mostly represent the pro-market discourse seem to share some type of epistemic community with the traditional business organizations in Uruguay where ARU and FRU are important members. The political opposition of the “traditional” parties can be seen as part of this community.⁶⁹⁹ However, while there is a wider (contingent) alliance among actors in Uruguay who reflect a shared view on the benefits of “immanent” market-led “development”, there are also important differences within this group in the articulations of what is good, appropriate and desirable, as well as the construction of social identities. There seems, as hinted, to be an important dividing line considering what is expressed about the state, the unions and about progressive taxes between the positions that represent the “traditional” agrarian business sector and the “new” business groups. Particularly with ARU and FRU as main spokes-organs is a long history (since Batllismo) of antagonizing against the central state which is constructed as extracting wealth from the countryside (the backbone of the economy), and

⁶⁹⁹ The advocates of free market approaches and liberalization within the political parties mostly form part of the Colorado or Blanco parties who implemented liberalization reforms since re-democratization and until FA took over the government in 2005 (Julio María Sanguinetti (Colorado, 1985-1990), Luis Alberto Lacalle (Blanco, 1990-1995), again Julio María Sanguinetti (1995-2000) and Jorge Batlle (Colorado 2000-2005). Both Blancos and Colorados include less market-oriented segments from social-liberals (Ballistas) to conservatives. Considering views on the “market” and some other aspects, these actors sometimes also reflect aspects of the pro-market discourse. They have, however, been rather silent in the public discussions about the soybean expansion and therefore not approached in this study.

reflecting more conservative social values.⁷⁰⁰ The “new” agrarian business groups, however, seem to avoid antagonism and instead stress win-win and shared aims also vis-à-vis the state. The pro-market discourse presented in this chapter exclusively represents a particular way of meanings construction about the soybean expansion that is not shared by all actors advocating “immanent development”, but seems particularly expressed by actors who claim to be part of a “new” type of capitalism.

What were the main changes over time within the discursive field?

The presentation of the discourses has not considered changes over time, and this thesis has mostly treated articulations as expressed in an undifferentiated “presence”. I have mentioned “time-bound” shifts like the changes in expressed perceptions of the soybean expansion triggered by the financial crisis. If taken in a more systemic view of the changes within the discursive field during the past decade, it is possible to discern some general trends. It is for example possible to observe that during the early years of the soybean expansion (2003-2006) land use change was not discussed in the public debate. However, between 2007 and 2008 the expansion began to be discussed throughout Uruguayan society and in the news media. The threat-centered and critical accounts were dominant wider circles involving researchers, politicians, producers’ organizations and NGOs. The agribusiness firms “responded” cautiously by emphasizing opportunities and benefits of the expansion. The tone within the pro-market discourse has gradually changed to more confidence and less “reactive” accounts.

In the case of FRU, the sudden slump in commodity prices triggered by the financial crisis in mid-2008 appears to have become an inflection point changing the threat portrayal from soybean expansion to soybean retraction. A similar change can be observed within FA where the “early” texts are most critical and threat centered about the soybean expansion. In public speeches and in the background texts to the new legislation, the soybean expansion was often constructed as equivalent with foreignization, concentration displacement of family producers and the dairy sector, and no added-value. As minister of MGAP, José Mujica, in 2008 talked about eventually imposing special taxes on soybean to make it contribute more to the econo-

⁷⁰⁰ How the main “we” are constructed against the state among the “traditional” agrarian organizations can be illustrated from the following quote from the annual declaration of FRU in 2009: “in order to fulfil the mandate of our statute FRU daily moves beyond the strictly economical and transcends into the moral, into the political - in the broadest sense of the word - and also the universal; since the progress of the countryside impact the progress of the Nation, imposing in our institution, the proud duty to provide a strong resistance, an impregnable citizenship, where the richness and the culture of the country is put far away from demagoguery and the unlimited Statism” (FRU 2008).

my and finance programs to support other agrarian sectors.⁷⁰¹ The tone has changed considerably in the government texts about the soybean complex from 2012 and onwards. In 2012, Mujica (now President) participated in the second Global Conference on Agricultural Research for Development hosted by CGIAR-UN in *Punta del Este*. He stressed that the soybean expansion in Uruguay had brought prosperity to the country, helped solve the problems of indebtedness, and taught the livestock oriented country how to cultivate crops.⁷⁰² In general, the pro-market and the pro-public regulation discourses about the soybean expansion have apparently come closer to each other as both increasingly emphasize the need to improve infrastructure (roads, terminals, ports) and incorporate the well-paid and technologically advanced segments of the soybean complex in Uruguay.

An illustrative example of shared visions and cooperation between the agribusiness firms involved in the soybean complex and the public actors is a new public-private conglomerate for the oilseeds chain (since 2012), created within the program for improving competitiveness of the agro industrial chains (PACC) of the office of budget and planning (OPP).⁷⁰³ It is a conglomerate integrated by all the 17 firms of MTO (see section 5.1), and by the public policy and research entities INIA, LATU, UDELAR, MIEM and MGAP. The explicit assumption behind the program is that clusters and networks for cooperation and articulation between private and public actors will increase export performance and improve the way Uruguayan products enter global markets (Pérez Quesada and Carrazonne 2013). The program is further argued to help overcome market failures such as information asymmetries and facilitate the implementation of public development policies to strengthen the firms. The aim of the oilseeds conglomerate is to search for comparative advantages for the Uruguayan soybean production in international markets through improved strategic articulation and cooperation between actors. The involvement of the ministries in the productive sector is argued to allow for streamlining the sector with public policy “which facilitates the convergence of interests and objectives from both parts.” Thus, an

⁷⁰¹ See news articles, http://historico.elpais.com.uy/08/07/22/pecono_359201.asp

⁷⁰² See Presidencia, 2012 “Mujica analizó la realidad agropecuaria nacional con jóvenes periodistas extranjero”

<http://www.presidencia.gub.uy/comunicacion/comunicacionnoticias/mujica-aguerre-jovenes-reporteros-temas-agropecuarios-gcard> (Accessed in August, 2014).

⁷⁰³ OPP is the economic and social policy advising organ to the government. The director is appointed by the president (currently Gabriel Frugoni) and led by a board with members from all ministries linked to development. <http://www2.opp.gub.uy/principal.php#> (2014-04-30) PACC (Programa de Competitividad de Conglomerados y Cadenas Productivas) was launched by OPP already in 2005 and it received funds from the Inter-American Development Bank, IDB. See <http://pacc.opp.gub.uy/> Anuario Opypa 2013, “La construcción de gobernanza público-privada para el desarrollo competitivo de las cadenas agroindustriales promovidas por el Programa PACC-OPP”, by Gabriela Pérez Quesada (PACC-OPP) and María Eugenia Silva Carrazonne (Opypa-MGAP), chapter 11 www.mgap.gub.uy/opypa/ANUARIOS/Anuario2013/material/pdf/11.pdf

explicit goal is convergence of interest between the parts and search for a shared vision in developing the conglomerate. Through a participatory project the program has taken a strategic plan for the oleaginous conglomerate for 2013-2020.⁷⁰⁴ This program is an illustrative example of a new emphasis on creating networks as a solution to market failure. Another illustrative public-private alliance in the soybean sector is the already mentioned agreement between INIA and Monsanto, where the aim of the government is for Uruguay to stop importing seeds from Argentina, and instead take the regional lead as seed exporter (with “Uruguayan” genome and Monsanto trait).

The agroecology discourse seems more stable over time, even though it is clear that the attention given the soybean expansion has dropped, and the socioecological NGOs have diverted attention to the open-pit mining project Aratirí in the past few years. The mobilization against Monsanto and the new partnership between INIA and Monsanto has nevertheless received a lot of critique, as previously mentioned.

9.4.2 Main differences between national discourses and theoretical development perspectives

The national discourses about soybean expansion share important values and assumptions with the more generic perspectives on development outlined in chapter three. However, as the various chapters in this study have shown, the mainstream national agrarian history narrative plays an important role in the national discussions about the soybean expansion. In this way, the particularities of Uruguay with its long history as exporter of agrarian commodities to the world markets, reliance on natural pastures, early concentrated land structure, and early urbanization, are features that putting constraints on all discourses for what meanings the soybean expansion can be filled with. The dominating agrarian model since the 1950s has been described as rather

⁷⁰⁴ The plan is centered in four areas: Institutional development (internal and external communication strategies and improved cooperation with other sectors of the economy); development of R&D&I (human capital formation to address the lack of labour force, development of national biotechnology research; diffusion of better plague management capacity and of precision agriculture); quality and good practices (diffuse knowledge about rotation schemes in line with the policies of MGAP, environmental sensibilization and implementation of the Guide of good agricultural practices); International market insertion (improve identification of new products derived from soybeans and new markets, and improve national transport system). El Plan Estratégico del Clúster Oleaginoso de Uruguay. The projects are financed 60 percent to 80 percent by the funds of the program, while the private actors have to finance 20 percent. Anuario Opyya 2013, “La construcción de gobernanza público-privada para el desarrollo competitivo de las cadenas agroindustriales promovidas por el Programa PACC-OPP”, by Gabriela Pérez Quesada (PACC-OPP) and María Eugenia Silva Carrazonne (Opyya-MGAP) www.mgap.gub.uy/opypa/ANUARIOS/Anuario2013/material/pdf/11.pdf

stagnant and unjust, and in this way the possibilities to criticize the soybean expansion for any “lost Eden” becomes reduced.

One general difference between the national discussion about the soybean expansion and the more generic discussions about “development” is the centrality of “nationalist” assumptions in the Uruguayan discussion, where all discourses most of the time underlined how much they represented the interests of all Uruguayans and how important “Uruguayanity” was for their positions taken in relation to the soybean expansion. In this way, while the critique against the soybean expansion expressed in the agroecology discourse share many features with the general critique of “agro-food globalization” within the postdevelopment perspectives, it is much more centered in the “foreign” aspects of the agribusiness firms, which often are contrasted to “Uruguayans”, which conceals some of the differences among the “Uruguayan producers”, and sometimes the problems related to the “foreign” firms (short-sighted, profit maximizing, no feelings for humans or nature) in contrast to Uruguayans (taking care of the land, producing for love and not profit, long-term thinking) seem to be more linked to nationality than by structure and organization of the firm/producer. It was striking that many “foreign” agribusiness firms who generally (re)constructed the pro-market discourse talked for long about commitment to the people and the local places, the benefit of participatory processes and generation of high quality jobs for “Uruguayans”. Within the pro-public regulation discourse it was likewise remarked how regulations needed to be designed for national benefit, often drawing on strong national symbols such as the independent hero, Artigas. The nationalist framing was also very strong within the agroecology discourse. The critique against “agro-food globalization” was in this way very centered in the “foreign” aspects of the agribusiness firms, which often were contrasted to “Uruguayans”, which conceals some of the differences among the “Uruguayan producers”, and sometimes the problems related to the “foreign” firms (short-sighted, profit maximizing, no feelings for humans or nature) in contrast to Uruguayans (taking care of the land, producing for love and not profit, long-term thinking) seem to be more linked to nationality than by structure and organization of the firm/producer.

One identified difference between the agroecology discourse and the postdevelopmentalist perspectives is that the Uruguayan texts talk less about “neo-colonialism”, “land-grabbing” and food versus fuel⁷⁰⁵ compared to the critical localist texts from outside Uruguay (Brown 2011). This has probably to do with the social fact of the soybean expansion in Uruguay as mainly driven by Chinese demand (not demand in the US or Europe) and Argen-

⁷⁰⁵ Considering particularly soybeans the critical texts from outside Uruguay talk more about soybean-based biodiesel for fuel in conflict with agricultural production for food (the food vs. fuel debate)

tinean farmers and firms, as well as the shared notion of the US as the biggest soybean producer in the world (more difficult to make fit with the idea that the rich countries externalize wasteful activities to poor countries). In Uruguay, instead, more attention is given to that fact that most soybeans are exported in the simplest raw commodity form as beans to be crushed to meals and oils (which can be transformed into bio-diesel) elsewhere. Some expressions within the Uruguayan agroecology discourse, however, posed that the soybean expansion in Uruguay was driven by the search for biofuels in the North and some explicitly linked the soybean expansion to neo-colonialism⁷⁰⁶. In addition, the texts from outside Uruguay, within the localist agro-ecological perspective, that particularly talk about the soybean expansion in the South, link it more directly to poverty, food insecurity and hunger⁷⁰⁷, than in most Uruguayan texts within the agroecology discourse, where these signs appear much more sporadically. In the same way, there is a relative silence about the green revolution in the Uruguayan texts, while important space is given to criticize the same in the more generic texts about “development” from outside Uruguay where the new biotechnology is often stressed to imply a mere continuation of the first. While the critical texts about the soybean expansion in Uruguay argue fiercely against GMO, they talk little about the drawbacks of the green revolution. This has probably partly to do with the shared notion of Uruguayan agrarian history as characterized by a very low and partial adoption of the technologies of the green revolution (see the agrarian history context).

Another important difference between the agroecology discourse and the postdevelopmentalist perspectives is that articulations within the agroecology discourse in Uruguay often pledge for more state action, and reflect some of the policies taken by the government in relation to the soybean expansion as positive, albeit not enough (the prohibition of endosulfan, the prohibition of anonymous joints-stock companies as owners of land, the differentiated policies to family producers; the strengthening of INC; the requirements to present responsible management plans for crops and increased fines for erosion, etc). The government is urged to apply stronger instruments for differentiated policies for family producers, including better credits, insurance and agrarian services. In addition, the land reform institute INC is argued in need of more resources and in general the agroecology discourse pledges the gov-

⁷⁰⁶ This was for example expressed in the interview with Ceriani from FA Paysandú and the interview with López from CNFR. This is also expressed in the film “Desiertos verdes – el neocolonialismo” (green desserts – the neo-colonialism). The film is produced in Argentina, but co-produced by the Uruguayan social movements’ activist Raúl Zibechi. See <http://vimeo.com/35100904> (Accessed in August, 2014)

⁷⁰⁷ See all English texts containing “soybean” and how it is linked to other elements at the website for Friends of the Earth International http://www.foei.org/en/@_@search?b_start:int=40&SearchableText=soybean and Pesticide Action Network <http://www.panna.org/search/node/soybean> (2012-08-31)

ernment to regulate land-use in line with “the social function of land ” considering the both the specific agronomic potentialities of each land plot and the societal needs of the same (CNFR 2010). By contrast, the texts written within the localist approaches of postdevelopment are either rather silent about the state, or reflecting it as co-opted by agribusiness and/or weak (in developing countries) and with no space of maneuver in relation to the big corporations and the (neoliberal) international policy agenda.

The pro-market discourse in Uruguay is also more state-centered than most of the mainstream texts within the immanent development perspective. For example, when I asked Torres from Cargill if it still could not be true that many Argentinean firms had less sustainable management practices (not because of essentialist cultural differences, but because many of the new firms leased land through short term contracts which could make it “rational” to care less for the long-term sustainability of the soils), he answered that in that case it was a problem that should be handled by the state, since soil conservation was the responsibility of the state.⁷⁰⁸ This illustrates that notion that the state is the ultimate responsible for soils, and that it is not to expect of the “business” actors to be entirely “self-regulative” or be able to internalize all environmental costs, and therefore the state is needed to be able to regulate some aspects of the soybean expansion forcefully. Another illustrative example comes from the manager of agrarian insurances at *Surco*, who expressed the following; “Uruguay is a society with a strong state. Here we have a very state-centered model – which i think is good – I voted against the privatisation of public enterprises in the referendum a couple of years ago – but in some cases this model is taken too far, and you can have public enterprises without necessarily have state monopoly” (The agricultural manager of the insurance company Surco 2009-03-05). Above quote is illustrative for how many respondents representing agribusiness or related firms, expressed that Uruguay had long traditions of a strong state, which is reflected upon as something mainly positive, while it is also remarked that it can easily go into excesses.

9.4.3 Contested fields

In synthesis, the soybean expansion is throughout the discursive field linked in a fixed relation to advancement of agro-food globalization, which is constructed as equivalent with increased trade, population growth, urbanization, new biotechnology, increased demand on agro-fuels, increased concentration

⁷⁰⁸ Researcher: “One highlighted argument is that the foreigners lease through short contracts which leads to less preoccupation with the soil or whatever...”

Daniel: “Yes, but then it is a problem of the state. The state ought to take care of the soil conservation. But it does not do it properly”.

and vertical integration among multinational agro-food actors, increased financialization of agrarian markets, changed world food consumption patterns (increased meat consumption with increased demand on vegetable feed) and geo-political changes with Chinas as a new global “super” player. Above picture is constructed as “social facts”, and as the main explanations to the high margins on HT soybean production, which is seen to have made several big crop producers from Argentina to expand their cultivations into Uruguayan territory (induced by low land prices and absence of export taxes). “Everybody” agrees on this background, and there is also agreement on some of the main consequences (rapid expansion, increased land prices, increased exports, concentration, intensification), but the meanings of those consequences have throughout this thesis been showed to be diverging and contested. I have in this chapter outlined what I have identified as the three main competing structured totalities involved in the discussion about the soybean expansion. I will now further analyze how throughout the field nodal signs with positive connotations are filled with divergent meanings and how these can partly explain some of the main fault lines between discourses. The nodal signs considered are knowledge, social justice and well-being. All three discourses claim to represent these signs.

Knowledge

Knowledge represents one of the most central signs in the discursive field about the soybean expansion. All three discourses claim their positions to be based on “knowledge” (in opposition to emotions, values or opinions). The agroecology discourse stresses “experience”, tradition and practice as legitimate sources to knowledge. Also the pro-public regulation discourses talk about “family producers” as bearers of a highly valued and easily lost (if leaving the practice behind) type of knowledge, grounded in practice and making the family producers to represent “living libraries”. However, the central texts of all three discourses, heavily diffused and used to persuade “others” about the “factual” consequences of the soybean expansion, exclusively rely on arguments that reflect a specific “knowledge” culture, with vast references to “science” and “facts”. In this way, the most “valid” and legitimate arguments seem to necessarily be based on scientific knowledge. This can for example be observed in almost all public activities addressing different aspects of the soybean expansion with researchers invited to talk. Independently of if the events are organized by MTO, CNFR, the grain cooperatives, or the government, they are all “dressed up” more or less in the mode of a scientific seminar. In a corresponding way, MTO has paid researchers to do studies about specific aspects of the soybean expansion and CUS has paid researchers to study specific themes linked to genetically modified crops (Interviews with Carballo; Blum; Arbeletche; Baycé). In a corresponding way, researchers have written articles and other texts for CNFR and Redes. The view on “scientific knowledge” as something objective and

pure is also strongly reflected in many texts of the pro-public regulation discourse. An illustrative example comes from a broadcasted radio interview with Ernesto Agazzi (MPP-FA), deputy of the lower chamber and former minister of MGAP (2008-2009), who stated that “the most important things I have learned from my family is affection and solidarity, and the most important thing I have learned from the academy⁷⁰⁹ is the method”.⁷¹⁰ This rigorous “scientific” method was further explained to have guided the politician in all his acts.

A common way of delegitimizing the arguments of the contrarians is accordingly, within all discourses, to call their claims to be merely based on values and emotions and not on “facts”. Accordingly, the pro market discourse claim that the people against genetically modified crops are “irrational” since there is no scientific study that can show that GM is dangerous. In a similar way the agroecology discourse claim that the business sectors are not guided by scientific knowledge, but by the overarching value of profit-maximization which “distorts” their capacity to judge “facts” in an objective way. When arguments posed within one discourse is based on legitimate sources to facts such as “international research”, the contrarian discourses tend to focus on different aspects, rather than to contest the “facts” stressed in the other discourse. For example, the agroecology discourse argues that the intensification of livestock production in the wake of the soybean expansion is environmentally harmful as it reduces biodiversity, increases agrochemical reliance, uses more water and the increased supplementation of grains implies an overall higher pesticide use and erosion problem. The pre-market discourse instead says it is more environmentally benign not by explicitly arguing that the above mentioned “facts” are wrong, but by focusing on different aspects. It is for example mentioned (in explicit reference to the recent arguments from the international “conference of parties” on climate change within UNFCCC) that intensified livestock systems are superior to grass-fed if taken on a lifecycle analysis. This is because the intensive animal farming (based on a large proportion of concentrate feeding of animals) implies less Green-House-Gas emission per kilogram meat (as the animal gets slaughter weight much faster, it gets to emit less methane gases during lifetime). Thus, by focusing on totally different indicators for what is “environmental” both claim to base their conclusion on uncontested “facts”.

⁷⁰⁹ Agazzi told that he grew up in a very poor, but hard working family, who encouraged him to study, and he ended up with a degree in agronomy and he also worked several years in research and teaching at EEMAC, FAGRO Paysandú.

⁷¹⁰ Radio Espectador, 2030 (2011) “La concentración y extranjerización de la tierra en el agro uruguayo” www.espectador.com/cultura/225166/la-concentracion-y-extranjerizacion-de-la-tierra-en-el-agro-uruguayo These things are expressed between minute 05:48 and 06:05. (Accessed in August, 2014)

Social justice and well-being

Social justice represents another legitimate sign throughout the discursive field, and consequently all the three discourses claim to represent these values. The agroecology discourse stresses that the soybean expansion is unjust, since it has increased polarization among producers and concentrated wealth into the hands of the few. Inequality is often stressed to be a “problem of its own right” and always unjust independently of how it emerged. This is in important contrast to many texts of the pro-market discourse that claim that the soybean expansion is just, since it has increased business opportunities for all and the differences in outcome are seen to reflect differences in “merit”. This in turn draws on the notion of justice as equivalent with a strong property right regime that ensures the right to take benefit from “the fruits of labor”. However, many texts within the agroecology discourse put a lot of effort in arguing that the advancement of agribusiness is not to be explained by “merit”, but by inherent structural constraints imposed on the traditional producers. In this way the notion of difference as a consequence of “merit” is disarticulated. At the same time, this way of arguing could be interpreted as a partial and implicit “acceptance” of the legitimacy of “meritocracy”, which implies a view on justice as equivalent with equality of opportunity, rather than equality of outcome. In a similar way, the pro-public regulation discourse seems to accept “the right” of private actors to receive the benefits of their own creations, but it is underlined that behind the wealth generated by the soybeans, there are important public contributions and goods, such as ports, roads, agrarian research, free education at the public university (Udelar), etc. In addition, the Uruguayan soils are reflected upon as partially a collective good which needs to be produced in line with “the social function of land”. Accordingly, wealth from the soybean business is not seen to have been generated exclusively by private firms. Therefore it is considered unjust if benefit is appropriated by the firms and no “reattributed” to society. The pro-market discourse reflects that while the private firms are the generators of wealth, they also generate wealth to others. In addition, the big firms engage in community “development and work with “Corporate Social Responsibility”, particularly with rural schools. The main stipulated reason provided is to equalize the opportunities between people (so that all difference is a product of merit and not unequal opportunities).

All discourses involved in the field also claim to social justice means increased overall well-being. This sign is nevertheless also filled in very different ways. The agroecology discourse claim that the soybean expansion decreases well-being by destroying the environment and by increasing dependence on external inputs and agribusiness. “Real” well-being is instead constructed equivalent as increased autonomy, self-reliance, independence and healthy environment. Both the pro-market and the pro-regulation dis-

course mostly reflect on well-being as closely linked to increased material welfare, which in turn is linked to economic growth.

Soybean expansion and beyond

I noted already in the introduction to this dissertation that the rapid soybean expansion in Uruguay has generated a lot of debate and diverging interpretations. Early on in the research process I thought that the differences could depend to an important extent on misunderstandings, or lack of information. As I went deeper into the discursive field and listened carefully to many different voices talking about the soybean expansion, however, I became certain that the discordant views about the soybean expansion had very little to do with any “information asymmetries”. Instead, I found that different positions taken in relation to the soybean expansion at a deeper level reflected irreconcilable values about what is good and desirable, as well as assumptions on how change is brought about. While I found that some aspects of the soybean expansion appeared as more or less shared views (chapter 5), the meanings of these turned out to be rather open. These were accordingly subjected to a corresponding discursive struggle, which ultimately reflected the same deep fault lines linked to basic values and assumptions about desirable and just change (chapter 6, 7, 8 and 9). In short, I found that people disagree about the soybean expansion, because people disagree on what kind of Uruguay they want for the future; they disagree on what Uruguay was in the past; they disagree on who are the legitimate drivers of change and they disagree on the meanings of central social identities. It is nevertheless beyond doubt that the central position of agrarian commodities in Uruguayan export basket has been strengthened with the soybean expansion. The future will show if this will become a source for increased wealth and well-being for all; as in the pro-market discourse, or a springboard for “upgrading”; as in the expressed hopes of the pro-public regulation discourse, or a dead-end creating wealth only for the few; as in the agroecology discourse.

Sammanfattning på svenska

Grön öken eller nya möjligheter?

Stridande och kompletterande betydelser av expansionen av sojaproduktion i Uruguay

I Uruguay har produktionen av sojabönor på drygt ett decennium utvecklats från praktiskt taget icke-existerande till att bli landets näst viktigaste exportprodukt. Denna extraordinära expansion anses ofta representera djupgående förändringar med konsekvenser för hela samhället och sojaproduktionen har blivit väldigt omdebatterad. Expansionen av sojaproduktion har inte bara debatterats i nationell media utan även bland NGO's, företag, akademiker, jordbrukare, politiska partier samt inom stora delar av statsapparaten. Trots att åsikterna som uttrycks påstås handla om expansionen av sojaproduktion speglar de även djupare värden och uppfattningar om vad som är bra och eftersträvänsvärt. Berättelserna i denna diskursiva kontext formar disparata alternativa visioner och pekar på olika vägar vad gäller utveckling. Denna avhandling beskriver och analyserar dynamiken mellan olika, kompletterande och konkurrerande, perspektiv på sojaproduktionsexpansionen i Uruguay mellan 2002 och 2013. Dessa perspektiv relateras till bredare debatter kring utveckling vilka har djupa historiska rötter inom samhällsvetenskaperna.

I stället för att endast förlita sig på de genom media förmedlade åsikterna vilka uttryckts i den allmänna debatten och ofta framstälts på ett relativt ytligt och antagonistiskt sätt bygger denna studie på omfattande kvalitativa intervjuer. Detta tillvägagångssätt inkluderar inte bara åsikter och uttryck som endast indirekt representerats i den allmänna debatten utan möjliggör också en djupare, mer komplex och nyanserad förståelse av debattens olika positioner. I avhandlingen analyseras således de huvudsakliga överenskomelserna och konflikterna som uttryckts i relation till sojaproduktionsexpansionen genom att de fogas in i ett bredare sammanhang. Även med hänsyn tagen till att positionerna ibland är motsägelsefulla och inte alltid entydigt fixerade identifieras tre huvudsakliga breda konkurrerande världsåskådningar, eller diskurser, genom en analys av återkommande mönster i artikuleringar angående sojaproduktionsexpansionen. Den första rubriceras i avhandlingen som en "agroekologisk diskurs", och speglar anti-kapitalistiska idéer och en tilltro till lokal autonomi. Den andra benämns "pro-marknads

diskurs”, och speglar en tilltro till marknaden, tillväxt och meritokrati. Den tredje benämns “pro- reglering diskurs” och speglar en tilltro till utveckling genom statliga ingrepp och en uppgradering av sojaproduktionen genom exempelvis mera inhemsk förädling. Avhandlingen visar att de olika tolkningarna av sojaproduktionen grundas i underliggande värderingar som spänner över vidare fält än enbart Uruguays sojaproduktion.

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Agronomist at Calmer. 2008-02-16. Cooperativa Agraria Limitada de Mercedes (Calmer). Mercedes.
 Agronomist at CUSA. 2009-02-27. Cámara Uruguaya de Servicios Agrarios (CUSA) - Uruguayan Chamber of Agrarian Services. By Telephone, 2009-02-27.
 Beekeeper. 2008-02-11. Beekeeper linked to Cadol. Dolores.
 Board member of AAD. 2008-02-11. Sociedad Agropecuaria de Dolores, Consulting agronomist and producer. Dolores, 2008-02-11.
 Board member of ARU. 2009-03-03. Asociación Rural del Uruguay. ARU head office, Montevideo.
 Co-founder of Eco-Comunidad. *Comunidad del Sur* 2007-12-07.
 Country Manager of Cargill. 2007-11-26. Cargill; Crop Uruguay. Paysandú.
 Country manager of El Tejar. 2007-12-04. El Tejar; MTO. IICA - Montevideo.
 Country manager of El Tejar. 2008-02-19. El Tejar / TAFILAR; Mesa tecnológica de oleaginosos. Young.
 Crop producer, 290 ha. 2008-02-11. Crop production in family owned small plots (suming up to 290 ha) managed jointly by three brothers (less than 80 ha each). Most of the land is owned. No debts. . Dolores.
 Crop producer, 400 ha, and service provider. 2008-02-23a. One agrarian productive firm and one service firm,. On a farm plot in the state of Soriano, close to the town Mercedes., 2008-02-23.
 Crop producer, 450 ha, and service provider. 2008-02-23b. Owner of 450 ha. Formerly mixed production. Currently only crops. Outside of Mercedes.
 Dairy producer, 350 ha. 2008-02-11. Traditional mixed producer; 350 ha owned non-arable land, 200 ha owned arable land currently rented out to specialized crop firm, . Outside Dolores, 2008-02-11.
 Dean of FAGRO and soils professor. 2007-12-04. Faculty of Agriculture of State University, Udelar. IICA Uruguay - Montevideo.
 DIEA-MGAP, Director of statistics at. 2009-02-26. Division of agrarian economical statistics (DIEA) at the department of Livestock, agriculture and fisheries (MGAP) Montevideo, 2009-02-26.
 Director and co-owner of Lage y Cia. 2009-03-05. Lage y Cia. Montevideo.
 Director and head of commercialization of Cadol. 2008-02-11. Cooperativa Agraria de Responsabilidad Limitada de Dolores (CADOL). Dolores.
 Director of ALUR. 2010-12-13. Director. Montevideo, 2010-12-13.
 Director of Calprose. 2007-11-29. CALPROSE, Cooperativa agraria de responsabilidad suplementada de productores de Semillias. Calprose, Tararissras.
 Director of CUS. 2008-12-11. Uruguayan Chamber of Seeds (CUS). Montevideo, 2008-12-11.
 Director of local office of MGAP - Paysandú. 2007-11-27. MGAP in the state of Paysandú. Paysandú, 2007-11-27.

Director of Marfrig. 2009-02-26. meat company Marfrig-Tacuarembó. Montevideo.

Director of Schandy. 2009-02-16. Schandy Shipping and Logistics. Schandy office in Montevideo.

Director of the National Rainfed Crop Program. 2008-02-14. Researcher, Agronomist, director Colonia, 2008-02-14.

Director of URUPOV. 2008-12-11. URUPOV - Asociación Civil Uruguaya para la Protección de los Obtentores Vegetales. Montevideo, 2008-12-11.

Head of office at the development division in Paysandú, FA. 2007-11-27. Development division of the Municipality of Paysandú (Departamento de Desarrollo de la Intendencia Municipal de Paysandú), Frente Amplio. Municipality of Paysandú.

Managing director of Navíos. 2009-02-25. Corporación Navíos S.A. Montevideo.

Mixed family producer, 300 ha. 2008-08-12. Family farmer. Owner of 300 ha arable land. Previously he has also leased land. Considering to rent out the land to crop firms and retirement. . Outside Dolores.

Mixed family producer, 350 ha. 2009-02-04. Member of the cooperative Cadol. Formerly more livestock. Now all arable land under crops. 70+50 ha non-arable land with livestock. Owns 150 ha mainly livestock land and leases 200 ha arable land Outside of Dolores, 12 km and one plot 7 km from Dolores.

Mixed family producer, 900 ha, and service provider. 2008-02-11. Establishment Los Ligustros, both dairy and cultivation (250 ha dairy and 650 ha crops) . Also a service providing firm. Outside Dolores, Ruta 21, Paraje Bizcocho,.

Mixed producer, 850 ha, and service provider. 2008-02-18. Four different firms: one productive firm based on ovine, bovine and cereal production, as well as ovine and bovine breeding; one service firm selling agrarian services to other firms; one agronomist consultant firm providing extension services; one horse breeding company. 250 ha owned non-arable land (currently dairy), 600 ha of owned arable land. Outside of Young (15 min).

Mixed producer, 1000 ha, and service provider. 2008-02-12. 600 ha are leased together with a partner. 400 ha arable land leased individually. Producer of semi-feedlot systems and cultivations. Providing service for others. In Dolores.

Oil-seeds and agro-industrial specialist at Opypa-MGAP. 2009-02-11. Technical Specialist on oil-seeds. Montevideo.

Oil-seeds and agro-industrial specialist at Opypa-MGAP. 2010-12-08. The Program and Policy Office (OPYPA) of the department of Livestock, agriculture and fisheries (MGAP). Montevideo, 2010-12-08.

President of Cadol. 2008-02-11. Cooperativa Agraria de Dolores,. Dolores, 2008-02-11.

President of CNFR. 2009-03-05. Comisión Nacional de Fomento Rural (CNFR). Montevideo.

President of Copagran. 2008-02-18. Copagran. Sucursal Young,.

President of FRU. 2009-03-03. Federación Rural del Uruguay. Head office FRU, Montevideo.

President of INASE. 2009-02-10. National Institute of Seeds (INASE). Montevideo, 2009-02-10.

Project Coordinator of Vida Silvestre. 2010-12-24. Project Coordinator. Montevideo, 2010-12-24.

Researcher Cereals and Industrial Cultivations, EEMAC-FAGRO. 2007. Assistant Professor, Agronomist. Paysandú, 2007-11-27.

Researcher and director of social science department EEMAC-FAGRO. 2007-12-04. Researcher at department of social science at FAGRO, Udelar in Paysandú. IICA Uruguay, Montevideo.

Researcher at the division Rural Sociology at FAGRO. 2007-12-04. PhD in Rural Sociology, department of social science at FAGRO - Udelar, in Montevideo. IICA Uruguay, Montevideo.

Researcher INIA and Procisur. 2007-12-19. Instituto Nacional de Investigación Agropecuaria (INIA) - National Institute for Agrarian Reserach. Edificio Mercosur, Montevideo.

Researcher social science and extension at EEMAC-FAGRO. 2007-11-27. Agronomist, Researcher, Extentionist and Lecturer. Paysandú.

Special ambassador MREE and Presidencia. 2014-03-06. MREE, Presidencia. Montevideo.

Technical Coordinator at MTO. 2008-12-11. Montevideo, 2008-12-11.

Technical manager. 2009-03-05. Technical Manager of the Agricultural Insurance Unit. Montevideo.

Technical specialist rural labor at Opypa-MGAP. 2009-02-18. technical specialist. Montevideo, 2009-02-18.

Text writer Redes and Rap-AL. 2009-02-04. Agronomist, researcher and activist. Montevideo.

Traders of Dreyfus. 2008-02-19. Louis Dreyfus Commodities, LDC. Young.

Vice-Minister MGAP, 2009-2012. 2010-12-20. Vice-Minister. Montevideo, 2010-12-20.

Vice-Minister of MGAP. 2009-02-19. Vice-Minister of MGAP 2008-2009, . Montevideo, 2009-02-19.

Appendix A. List of interviewed respondents

1. Agribusiness firms and organizations

<u>Firm /organization</u>	<u>Position</u>	<u>Date of interview</u>
1. El Tejar	Country Manager	2007-12-04; 2009-02-19
2. ADP / Agronegocios del Plata	Technical coordinator;	2007-11-27
	Commercial agent; Marketing responsible; Human resources	2007-11-27
3.MTO	Secretary	2008-12-11
4. CUS	President	2008-12-11
5. Camagro CropLife	Secretary	2008-12-11
6. URUPOV	Director	2008-12-11
7. Lage y Cia	Director and co-owner	2009-03-05
8. Surco Seguros	Technical Manager	2009-03-05
9. Cargill / Cropsa	Country Manager	2007-11-26
10. Dreyfus / LDC	Grain merchants (two)	2008-02-19
11. Cousa	Director	2010-11-27
12. Afratur-Biogran	Director	2010-12-08
13. Tacuarembó-Marfrig	Director	2009-02-26
14. Schandy Shipping	Director	2009-02-16
15. Navíos	Operations manager N.P.	2009-02-24
16. Navíos	Director	2009-02-25
17. Integran Consulting	Director	2010-12-27

2. Cooperatives, Producers' and agrarian services' organizations

<u>Organization</u>	<u>Position</u>	<u>Date of interview</u>
18. CAF	Project Coordinator	2008-02-07
19. Copagran	President	2008-02-18
20. Cadol	President	2008-02-11
	Sales manager	2008-02-11
21. Cadyl	Director	2008-02-18
22. Calprose	Director	2007-11-29

23. Calmer	Agronomist	2008-02-16
24. ARU	Board member	2009-03-03
25. FRU	President	2009-03-03
26. CNFR	President	2009-03-05
27. AAD	Board member	2008-02-11
28. CUSA *	Agronomist	2009-02-27

3. Individual producers

<u>Producers</u>	<u>Date of Interview</u>
29. Crop producer, 450 ha , linked to extension FAGRO	2008-02-23
30. Dairy producer, 350 ha, linked to Cadol	2008-02-11
31. Mixed producer, 850 ha, and service provider	2008-02-18
32. Beekeeper, linked to Cadol	2008-02-11
33. Mixed family producer, 300 ha.	2008-08-12
34. Crop producer, 290 ha, linked to Cadol	2008-02-23
35. Crop producer, 400 ha, and service provider, linked to Calmer	2008-02-11
36. Mixed producer, 1000 ha and service provider, linked to Cadol	2008-02-12
37. Mixed producer, 900 ha, and service provider, linked to Cadyl	2008-02-11

4. Non-governmental organizations

<u>Organization</u>	<u>Position</u>	<u>Date of Interview</u>
38. Vida Silvestre	Project Coordinator	2010-12-24
39. Eco-Comunidad *	Co-founder	2007-12-07
40. Redes / Rap-AL	Text writer and activist	2008-02-10; 2009-02-04

5. Government and state actors

<u>Ministries/Institutes</u>	<u>Position</u>	<u>Date</u>
41. MGAP	Vice-Minister 2008-2009 and Minister 2009-2010	2009-02-19
42. MGAP	Vice-Minister 2009-2012	2010-12-20
43. MGAP – PPR	Director	2008-02-21
44. MGAP – PPR - EIAR	Project Coordinator	2008-02-21
45. MGAP – RENARE	Director	2008-02-21
46. MGAP – OPYPA	Oil-seeds specialist	2009-02-11; 2010-12-08
47. MGAP – OPYPA	Rural labor specialist	2009-02-18

48. MGAP – OPYPA	Specialist agrarian taxes	2009-02-19
49. MGAP – DIEA	Director of Statistics	2009-02-26
50. MGAP- Paysandú	Director	2007-11-27
51. MGAP – Div. of rural development, Paysandú	Head of office	2007-11-27
52. MREE - Presidencia	Special ambassador	2010-12-14; 2014-03
53. INASE	President	2009-02-10
54. LATU	Laboratory Chemist and delegate of MTO	2007-12-04
55. ALUR	Director	2010-12-13
56. ANP	President	2009-02-19
57. ANP	Head of Commerce/ Finance	2009-02-17
58. ANP	Captain of Nueva Palmira port	2009-02-24

6. Researchers

<u>Departments/ Institutes</u>	<u>Position</u>	<u>Date</u>
59. FAGRO	Dean, Prof. in soils	2007-12-04
60. FAGRO – EEMAC	Researcher, Dept. of social sciences/ extension	2007-11-28
61. FAGRO - EEMAC	Researcher, Dept. of industrial crops and cereals	2007-11-27
62. FAGRO - EEMAC	Director, Dept. of social sciences/ extension	2007-11-23; 2007-12-04
63. FAGRO – CRS	Researcher Rural Sociology	2007-12-07
64. INIA – La Estanzuela	Researcher entomology, evaluations GM events	2008-02-14
65. INIA – La Estanzuela	Director of the rain fed crops program, Member MTO	2008-02-14
66. INIA – PROCISUR	Researcher soils	2007-12-19
67. Universidad de Montevideo-UDE *	Researcher Agrarian Economy	2009-03-05

- These interviews were not taped, or the quality of the sound was too bad to be able to transcribe them.

Appendix B, Interview guide

The function of this guide is to provide support for each interview situation. The quantitative parts will be standardized in their character, asking the same questions and in the same way for all the respondents. In the rest of the situations the guide is used more loosely, providing an overview of focus areas and a reminder of overall aims, as well as suggestions of specific formulations for each question. The aim is to understand the world from the eyes of the interviewee grasp the expressed meaning. Besides the diverging perceptions of the soybean expansion by each respondent, the guide also serves the purpose to identify aspects about the changes that appear as “social facts”, or shared views about the soybean expansion.

Interviews type A (Questions asked to all respondents)

Presentation of the project and the researcher

The respondents will be informed about the research project and the researcher.

Identification of the respondent / personal history

- Date
- Name, telephone, Address, E-mail
- Brief information about age and education
- What position is the respondent representing (Research, public policy, producer, type of firm, type of organization, etc)
- What is the role of this person within the organization, firm or other entity it represents? What is he or she concretely doing (daily routines and activities)
- When did he/she start doing the things he/she is doing? Why? What did he/she do before? What are the main differences?

Values and expectations on the soybean expansion

- In general terms, what are the main socio-economic impacts that you perceive in relation to the soybean expansion?
- What are the main impacts at individual, local, regional, national and global level?
- What is your role in the soybean complex? Who are your main partners/ alliances and who are your main adversaries / opponents?
- What are the main advantages of the soybean expansion?
- What are the main disadvantages of the soybean expansion?
- What are the main threats of the soybean expansion?
- What can be done to prevent the negative impacts and potentiate the positive impacts?
- Who are the main winners and who are the main losers of the soybean expansion?
- Are there any new tensions or conflicts brought by this land-use change?
- What are your expectations about the future of the soybean complex in Uruguay (personally, locally, regionally and nationally)
- Are there any factors putting constraints on the soybean expansion?
- Who do you perceive to be the main responsible actors for the ongoing agrarian transformation?
- What are your expectations on prices for soybeans, will prices go down, stay up or increase further? Are the high prices representing a structural shift or a price cycle?

- What is your perception of how the incomes generated in the soybean business are distributed? Is it fair?
- What are the possible effects of the increased land prices in the wake of the soybean expansion?
- How do you get informed about the soybean expansion? (information channels, networks, proper experience, news media, informal talks, research)
- Who are the actors involved in the discussion about the soybean expansion? What are the main dividing lines? Who says what? (to grasp each respondent's perception of the "field", including voices involved and main positions taken),

Interviews type B (Specific questions to producers and firms)

All questions will not be needed to ask all the respondents. First the same questions as type A (posed to all respondents).

Personal history

- Detailed explanation of what the respondent does in the PU or firm. (How many hours doing what)
- When did you start as a producer? How did you first get access to land? What is your personal and family history in relation to land? What is your main identification (livestock producer/ mixed/ crops, family producer, service provider, the firm you are working at, being an agronomist)
- Are you also engaged in other activities/firms/organizations? (provide services to other, sell consultant services, member of cooperative or producers' organizations or business organizations, political affiliation)
- Why do you do what you do? What did you do before? What are the main differences in income, working hours and conditions from before?

Property and activity data

- What is produced on how much land? (Total land area in ha, productivity of the land (Coneat), owner or leasing forms)
- Who manages the land? (Who plans, who buys inputs, who does agrarian services, monitoring, harvesting, commercialization). How many people is involved doing what? (paid/unpaid labor, category of workers¹, working hours, constant/seasonal, working conditions, relations)
- Name of the productive unit and place. Is the owner living on the land?
- How have your land-use, land-access and management forms changed over the years, with focus on the year 2000, 2005 and 2008. What explains these changes?
- If doing soybeans, why? If not, why not?
- How are your management schemes? Who decides? On the basis of what? What technologies do you use (purchased/saved seeds, no-tillage, rotation schemes, pesticide use, machines, etc.)
- What are your views on rotations? Are pastures needed with no-tillage? Do you find your own management practices sustainable over time? Why/why not?

¹In line with established categories of the collective agreements and rural wage councils: Peón común; Peón especializado (including the "capataz"); Técnico medio; Técnico superior.

- Is an agronomist used for the cultivations (in-house/cooperative/external)? Is there some other type of monitoring or supervision?
- Are there other ways of managing the agrarian activity? Are they superior/inferior? Who represent them?

Commercialization

- What do you sell? How much? To whom? For what price? Under what conditions (does it involve transport and storage)? Are you always using the same buyers? Why?
- Do you perceive the market as stable? Is it easy to find buyers? Are there any long-term contracts involved? Do you use future markets? (directly via traders or through other crop firms or cooperatives)? How much of future harvest is sold before harvest? Distance to markets?
- In total, how many people and/or firms are involved in your business model (including contracted on-farm labor and services)
- Do you also commercialize other producers' harvest, or buy input to others? (retailing or re-selling activities)
- What do you buy (inputs) How much? From whom? For what price? Why?

Socio-economic data

- What are the economic margins of the establishment? What are the margins of soybean production? What is perceived to be main costs and benefits? Income and Costs. Role of the soybean business within the overall income. What are the other incomes (from other crops, livestock, wage-labor, consultancies, retailing activities)?
- What are the changes in the economic margins of the establishment/firm Changes in income, 2000, 2005, 2008 (main trends, increase, reduction, the same). Perception of amount of risk involved in the same. Perception of evolution of costs for different items (land, labor, input, machines)
- Degree of Indebtedness in percent in relation to net income. Changes in levels of debt. Conditions for repayment.
- Labor conditions (formalized and inserted in the social security system, BPS, wages, Housing, food, working hours) Role of unpaid family labor.

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