

**Neoliberalism and Social Response:
A Preliminary Study of the Peasantry in Alfaro Ruiz,
Costa Rica**

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Introduction

Not a single farmer in Zarcero depends on the government. They depend on their capacity to produce and to market their produce but no one depends on the government.

-- Gerardo¹, *Organic Farmer, APODAR, 2009*

The larger system cannot be understood without looking at its “pieces” and how they fit together. Neither can any “piece” be understood outside of how it fits into the larger, and encompassing, system.

-- William I. Robinson, *Transnational Conflicts: Central America, Social Change and Globalization, 2003*

The “system” that Robinson refers to represents the processes by which globalization and the forces of an expanding global economy are increasingly influencing the way we live. In recent decades it has become clear that local changes and interactions can no longer be understood by an isolated analysis without considering the larger structural conditions that surround them.

This study examines how peasants of Alfaro Ruiz, Costa Rica, have responded to the powerful forces of globalization (see Appendix 1 for methodology).² The main parts of discussion in this study focus on state reform and social responses in Costa Rica during a thirty-year period from the world economic recession of the early 1980s through the passing of the Central American Free Trade Agreement (CAFTA) in 2007. The study concludes with suggesting that there are various ways the farmers of Alfaro Ruiz relate to the global economy. This variety could be seen as an outgrowth of the legacies created by the old Partido Liberación Nacional (PLN) and the difficulties and social frictions inevitably entailed in adapting to larger structural changes.

¹ All informants in this paper are referred to by pseudonyms to protect their identities.

² Since the term ‘peasant’ carries loaded and negative connotations its use requires some justification. As opposed to ‘farmer’, ‘peasant’ places the landholders of Alfaro Ruiz in a greater historical context, in which their labor and relationship to the land have constantly found new means to invent themselves and survive in a global economy in which the percentage of the rural labor force is drastically plummeting. The use of the term ‘peasant’ then, is used to instill in my informants and the people of Alfaro Ruiz an historical and enduring agency by connecting them to their pre - and post industrial counterparts.

Theoretical and Historical Discussion

It has long been agreed upon among scholars of Central and Latin America that developments within the region cannot be fully comprehended without an understanding of the external forces that shape its political, social and economic dynamics. One of the main endeavors of this study is to connect the global to the local by emphasizing the role of globalization as a major initiator of social change. The theoretical framework applied stresses the role of globalization as defined in William Robinson's ambitious study of the global economy and Central America: "[G]lobalization, theoretically perceived, is the near culmination of a centuries-long process of the spread of capitalist production around the world and its displacement of all pre-capitalist relations" (Robinson 2003, 10).

The Global Economy and Transnational Elites

Though the emerging global economy is manifested in seemingly invisible super-structures and International Financial Institutions (IFIs), it is not an autonomous entity created by its own terms and conditions. The global economy is a human construct fostered and promoted by people who wish to strengthen the institutionalization of its ideology, neoliberalism.³ Robinson marshals ample empirical evidence for how the global economy is ushered in and enforced by a rising class of transnational elites.⁴ These transnational elites have, since the start of the financial crisis of the 80s, put Central on the path of neoliberalism and come to occupy important positions in government

³ Neoliberalism is defined in this study as a political and economic ideology based on the suppression of state sovereignty in favor of the complete and unfettered flow of transnational capital.

⁴ For a full discussion on this theoretical perspective see, William I. Robinson, *Transnational Conflicts: Central America, Social Change and Globalization, 2003*.

from which they can promote their agenda of politicizing the economy, facilitating the free market and merging the accumulation of domestic with transnational capital.

The processes by which neoliberalism has developed since the beginning of the 80s have, however, differed radically from country to country and region to region based on structural conditions specific to each one. Robinson argues, “each country and region enters global society on the basis of specific national histories and structures, and therefore the worldwide transition has taken a myriad of different forms and specific dimensions in each region” (Robinson 2003, 57). The structures in discussion here refer to political and economic histories, as well as cultural and social values, that neoliberalism and the transnational elites had to face in their initial stages of usurping state apparatuses. Even though Central America, and much of the world in general, has made the neoliberal turn the last thirty years, this was not a homogeneous process and we must expect to see great varieties in its manifestation. This logic applies not only to the global insertion at the state level, but also to regions *within* these states seeing that domestic regions develop in various forms and take different (and unequal) paths on the historical continuum much to the same degree as states do.

One must stress that an ideology like neoliberalism cannot rise to the dominant global status it has today without the consent of the public. David Harvey discusses “the construction of consent” in his book, *A Brief History of Neoliberalism* (2005). Neoliberalism did not emerge as a natural remedy to the economic crisis of the 70s, Harvey argues, but was instead a carefully planned project that had taken place in numerous social institutions (Harvey 2005, 39-64). Media, corporations, universities, churches and public associations were gradually taken over by an academic, political and economic elite. This elite aimed at penetrating societies and cultures in order to render neoliberalism the ‘common sense’ mentality. “The capture of certain segments of

the media, and the conversion of many intellectuals to neoliberal ways of thinking, created a climate of opinion in support of neoliberalism... These movements were later consolidated through the capture of political parties, and ultimately, state power” (Harvey 40, 2005).

Cultural consent was an antecedent for the development of neoliberalism and the following capture of state power by the transnational elite. This notion of constructing cultural consent was, however, only important in transitions in which the elites had to go about the turn by democratic means, such as in Costa Rica. The construction in these democratic societies was tricky and required the displacement, manipulation and restructuring of several traditional factions of government and old state apparatuses as Harvey illustrates through his case studies of the Reagan and Thatcher administrations in the 80s (Harvey 2005, 39-64). As the following historical discussion will show, Costa Rica did perhaps pose additional and unique difficulties to the neoliberal ideology and its transnational elites.

The Costa Rican Insertion Into the Global Economy

The Costa Rican experience exhibits three aspects in its insertion into the global economy that distinguishes it from other countries in Central America; 1) its social democratic welfare history, the institutionalization of which commenced with the PLN in the 50s; 2) the domestic resistance the transnationals and the neoliberal project met, which can be said to be contingent on the first aspect of a strong social democratic history; and 3) the policies pursued by the U.S and the IFIs during the restructuring period.

The social democratic welfare model institutionalized by Jose “Pepe” Figueres and the early PLN created an extensive state apparatus that penetrated all levels of society. This period was characterized by a growing role of the state in the economy as shown by the nearly 200 public

institutions that existed by the end of the 70s. This new model of development recognized the importance of the agricultural sector in diversifying what in reality had been a two-crop export economy based on coffee and bananas and farmers were given an elevated role in the economy (Edelman 1999, 57). Edelman points to two critical aspects of the development of the social democratic welfare model that deserve particular attention. The first, the increased role of the state in the economy, and the second, the inclusive mechanisms it initiated to respond to and meet the demands of all social groups (Edelman 1999, 57). The significance of the model pursued by “Pepe” and his followers can be seen when comparing the GDP per capita of Costa Rica to other Central American countries pre and post 1948. Wilson writes, “it was only after the end of the 1948 civil war that the country’s economic growth significantly overshadowed that of its regional neighbors...before the civil war, Costa Rica’s economy grew at much the same rate as the other economies of other countries in the region, but after the war a considerable gap emerged” (Wilson 1998, 82). A highly stable and democratic government, as well as a relatively high standard of living accompanied this post-war economic growth.

Some of the major public institutions created under the PLN model were the Instituto Costarricense de Electricidad in 1949 (ICE), which still is the main provider of electricity and telecommunications in the country (though the passing of the CAFTA has opened it up to foreign competition since the treaty was put into effect on December 31st 2008); Instituto Nacional de Vivienda y Urbanismo in 1955 (INVU), which provides low housing income and urban planning; and the Instituto Costarricense de Acueductos y Alcantarillos in 1961 (ICAA), which is in charge of water supply and sewerage (Wilson 1998, 55). In addition to these there were also several institutions geared towards agrarian reform, land distribution, municipal development, price supports (such as the Consejo Nacional de Producción (CNP)), and funding for welfare programs

(Wilson 1998, 55). Another major policy initiated by the PLN was the nationalization of the banking system, which ensured subsidized credits to the country's farmers.

These institutions were perhaps more flawed than perfect; they often overlapped in duties and could cause additional work and worry for the average citizen, in that they had to deal with several institutions offering them similar services (Edelman 1999, 69). The point is, however, that these services existed and created a bond between government and citizen and a forum for public discourse.

The public institutions and developmental plans initiated by the PLN in the thirty years before neoliberalism are important to understand in order to grasp the social and cultural situation that neoliberalism faced in Costa Rica and, by extension, the way the farmers of Alfaro Ruiz have attempted to situate themselves. The social project initiated by "Pepe" and his PLN was based on ideals of solidarity and inclusiveness that constructed a 'national project' and 'identity' to which the majority of Costa Ricans could relate. Though disagreements existed in partisan politics of the time, the PLN model of development was so heavily institutionalized through public institutions and patronage that opposing parties found it extremely difficult to change the course set out by "Pepe" and the early PLN. Thus, over a thirty-year period the people of Costa Rica became accustomed to a benevolent state that provided social services and goods through public institutions and government intervention.

This development model based on Import Substitution Industrialization (ISI) had, however, its limitations due to among many reasons the high social expenditures. The state spent more resources than it could possibly generate and when the economic crisis in the late 70s hit the model broke down; Costa Rica was the first country in Latin America to default on its debt, which it did in July 1981. "Between 1977 and 1982, the external debt rose to \$4 billion, un and

underemployment increased from 11 per cent to 24 per cent, inflation topped 90 per cent, and real disposable income plummeted by more than 40 per cent, as GDP contracted by 3.6 per cent in 1981 and by another 6 per cent in 1982” (Robinson 2003, 136). This economic devastation created a window for the neoliberal IFIs such as the U.S Agency for International Development (USAID), the International Monetary Fund (IMF) and the World Bank to intervene in the Costa Rican economy by offering several cross-conditional loans and grants among them the structural adjustment loans (SALs) – SAL 1 in 1983, SAL 2 in 1989, and SAL 3 in 1995. The conditions imposed were geared towards opening up Costa Rican markets to imports, privatizing the several public institutions created by the interventionist state, and initiating severe cutbacks in government spending.

Due to the strong social democratic history of Costa Rica, and the citizenry that was accustomed to the interventionist state, the neoliberal reforms suggested by the IFIs and the U.S met stronger internal social and political resistance in Costa Rica than anywhere else in Central America. State institutions and political cultures are, once integrated into society, not easily removed or replaced no matter the scope and fervor of the incoming structure that attempts to initiate change.

Paradoxically, it was the PLN, the founding ‘father’ of the old development model of Costa Rica, which showed public support for the new reforms. Newly rising transnational elites, of whom President Oscar Arias might be the best known example, had managed to climb their way to powerful positions within the PLN and from there could propose policies aligned with the wishes of the IFIs. The battle over the party was not easily won, however, and the transnational faction of the PLN met strong resistance by those loyal to the old economic development model. The PLN was riven by an internal ideological struggle; some deputies showed considerable skepticism

towards several of the conditions put forth by the IFIs and the SALs. As Raventos argues, “these deputies must somehow solve the conflict between their party’s ideology in the past, and the present policies” (Raventos 1995, 114). Thus, the traditional faction of the PLN and its old state institutions put a lagging effect on the neoliberal project in Costa Rica.

The U.S and IFIs recognized this internal social and political resistance and adapted their policies accordingly. All foreign loans to Costa Rica must be approved in the Legislative Assembly, which, due to the extraordinarily bureaucratic organization of the state, often took a longer time than the IFIs could be bothered to wait and they became frustrated with the slow progress of the economic reforms. The U.S and IFIs therefore commenced granting, rather than loaning, aid money. Wilson writes, “institutional constraints on changing the economic development model, which thwarted earlier attempts by anti-Liberación administrations, were also partially reduced with help from enormous injections of economic assistance from the U.S government” (Wilson 1998, 120). By the mid-1980s, Costa Rica was the second largest recipient of U.S aid after Israel.

One major motivation for the U.S granting such an amount to Costa Rica was the latter’s privileged geo-political position. Its northern neighbor, Nicaragua, had just emerged from a civil war between the Somoza dictatorship and the Sandinista communist rebels. By injecting huge amounts of financial aid into the Costa Rican economy, the IFIs and the U.S government hoped to depict Costa Rica as the international ‘success story’ of neoliberalism and democracy. By that they aimed at putting the Sandinistas in an unfavorable light and hopefully increase international support against the communist revolution.

Despite heavy external and internal transnational pressure, economic restructuring was slow to manifest itself in Costa Rica. In reality, very little took place in terms of economic and political neoliberal reforms before Oscar Arias rose to presidential power within his own party of

the PLN in 1986. SAL I, for example, was passed by the Legislative Assembly in 1983 under President Monge, but the economic and political effects were minimal as President Monge was still unsure of his support for the neoliberal project. The worries of the doubtful Liberacionista deputies were gradually, however, subordinated to the transnational elites and the increasingly neoliberal ideology of the party. Thus, privatization and neoliberal reform took their toll on the old development model, yet slowly paced compared to other Central American countries.

The Neoliberal Turn

In 1983, the U.S made the unilateral decision of opening up its markets to Central American consumers by passing the Caribbean Basin Economic Recovery Act (CBERA). This tightened the trade relationships between the U.S and Central American countries by mainly establishing duty free access to the US market on a number of goods (Sánchez-Ancochea 2008, 4), and was a part of the initiatives aimed at fighting leftist movements within Central America in the form of free trade and aid.

The privatization of the banking system, which commenced under President Monge in 1984, ensured that the credit once offered through the National Banking System would no longer be available to the farmers. Following the passing of the Currency Law in 1985, 1 billion *colones* of external funds entered the Central Bank for redistribution as credit. Of these, 900 million were granted to private banks, which supported non-traditional and export oriented products, while only 100 million went to the state banking system (Robinson 2003, 141). In 1986, President Oscar Arias initiated what has been called the “agriculture of change” in which there was an extensive reorientation of the agricultural sector towards non-traditional exports such as melon, macadamia, strawberry and cut flowers just to name a few. The World Bank program, as a part of the SAL 2,

required the reduction and eventual elimination of crop price supports and subsidized production credit, (Edelman 1999, 80) which left many farmers highly vulnerable to fluctuating prices. In 1992, encouraged by the IFIs, the Costa Rican government carried on further eliminations of credit programs for small farmers through the National Bank, which offered preferential credit with low interest rates to farmers (Robinson 2003, 257) (see appendix 2 for data on credits and agricultural expenditure in the 1990s).

What naturally ensued following these radical changes was the huge redistribution of support and credit from small and medium-size farmers to larger and newer exporting sectors. The overall result of the last thirty years of neoliberal reform, even though relatively slow and gradual, has been the dismantling or privatization of several of the public institutions and a general weakening of Costa Rican sovereignty due to global regulations such as those stated in the CAFTA.

The CAFTA

The CAFTA, passed on October 7th 2007 after a national referendum gaining a little over half the vote in favor from the Costa Rican people, is an economic and political treaty representing the spread of neoliberalism as the prevailing ideology by which states and societies are organized. It involves the reduction or complete elimination on tariffs on several goods and agricultural produce. It aims at denying the state the right to intervene in the economy, for example by imposing taxes for protectionist reasons, and puts heavy constraints on the freedom of the state to operate under moral or social codes - all, of course, with the effect of elevating the free markets. It is absolutely vital to perceive the CAFTA as a continuation and institutionalization of the neoliberal changes taking place in the 80s. Sánchez-Ancochea, argues that:

The signing of the DR-CAFTA comes in the midst of a dramatic transformation in the region. Starting in the early 1980s and accelerating in the 1990s, Central

America has witnessed the consolidation of a new economic model (NEM) based on Neoliberal principles. In addition to implementing standard measures of liberalization, deregulation and privatization, Central American countries focused on the creation of EPZs [export promoting zones] to promote new exports. Export expansion was facilitated by preferential access to the US (Sánchez-Ancochea 2008, 7).

These EPZs are zones specifically designed for exporting and enjoy favorable tax treatment and, “duty-free import of inputs and capital goods on all goods used for production in the zones and exported to the rest of the world” (Sánchez-Ancochea 2008, 9). CAFTA was of vital importance for the transnational elites of Costa Rica. The transnational faction of the PLN had the ample financial means and free access to the media through which it could channel its propaganda in favor of the treaty, while opposition parties worked from the social and grassroots level. This fits Harvey’s argument of how segments of the media and major PR apparatuses were captured in order to create the necessary public and ‘democratic’ consent. It is important to note, however, that in the years leading up to the CAFTA the PLN was still divided internally in its stance to the treaty (even though its public image was one of unfaltering support). In 2002, for example, the Partido Acción Ciudadana (PAC) was formed as a split off group from the PLN and showed public opposition to the treaty.

This factionalism within the PLN reflected a broader social and political ‘impasse’ in Costa Rica between proponents of neoliberalism and proponents of the interventionist state. There still seems to exist a momentum of confusion and disillusionment among the Costa Rican citizenry, which prior to the neoliberal turn had a clear ‘national project’ with the social, political and economic development model of the old PLN. Now, after the neoliberal turn, this collective project seems to be lost and there is an ongoing attempt at constructing a common path of development that the people of Costa Rica may follow jointly. The prospects of this path coming

into place anytime soon are vague, however, considering that neoliberalism is an ideology based on rendering collectivity inferior to notions of personal and individual freedom.

Peasant Resistance

Discussed in the previous section were the specific structures present inside Costa Rica at the time of its insertion into the neoliberal global economy and some of the obstacles neoliberalism as an ideology had to overcome. This section will focus on the processes that unfolded on the local level and the peasant mobilizations that commenced as protests to the neoliberal turn and the following eliminations of price supports and subsidized credits. The first mobilizations took place in early 1981 when onion farmers from the Tierra Blanca region reacted to skyrocketing inflation rates and onion imports from Panama. These onion farmers traveled to the Panamanian border to physically prevent the imports. “Some dumped toxic agrochemicals into trucks, forcing importers to throw the onions away, while others marshaled support in the Civil Guard and the Judicial Police, who helped detect and arrest onion smugglers” (Edelman 1999, 93). The onion and potato producers from the Tierra Blanca and surrounding Cartago region would later by mid-1981 form the Unión Nacional de Pequeños y Medianos Productores Agropecuarios (UPANACIONAL) By 1984, this newly formed peasant union counted some 12,000 members (Edelman 1999, 94, 97).

In August of the same year, UPANACIONAL staged a protest in which supporters marched on the Casa Presidencial in San José, calling for a, “refinancing of members’ debts, more favorable terms for future loans, formal representation in the National Banking system, fertilizer and fuel price freezes, better quality control for inputs, provision of agricultural insurance for vegetable crops, and measures to end contraband onion imports” (Edelman 1999, 94). On December 15th, the members of UPANACIONAL staged an extensive strike involving the

blocking of eight highways, which prevented food from reaching the urban centers until the government had agreed to meet their demands for improved credit conditions and initiatives to regulate chaotic perishable produce markets (Edelman 1999, 94). In addition to these early demonstrations came extensive, and at times violent, peasant marches and mobilizations by other unions throughout the country (Edelman 1999)

Despite these radical initiatives from UPANACIONAL, it must be clarified that this was perhaps the most moderate of the peasant unions to emerge out of the 80s. It consisted mainly of middle-class farmers who were strongly Catholic, fiercely anti-communist, and proponents of the old social democratic welfare model, historically attributed to the PLN. This caused government officials to take less of an intransigent stance towards UPANACIONAL and gave the peasant union more leverage in negotiations (Edelman 1999, 95). However, that UPANACIONAL initiated and partook in extensive peasant mobilizations as a response to the economic crisis and the free market reorientation can be viewed as a sign of the severity of the economic crisis (Edelman 1999, 95).

The initial achievements of UPANACIONAL were impressive. By 1981 the union had managed to circumvent the use of intermediaries by purchasing wholesale large quantities of inputs and selling them at cost to members. It also convinced legislators to authorize the creation of a peasant-controlled marketing company for perishable products. “Within two years, UPANACIONAL had also obtained social security coverage for its members, preferential loan rates for small- and medium-size farmers, and reduction in fertilizer prices” (Edelman 1999, 97). Though the neoliberal reforms and privatization measures were overall extensively damaging to the peasantry in Costa Rica, one must also stay sensitive to the number of concessions the peasantry managed to obtain from the government. This dynamic, again, must be traced back to the specifics

of the Costa Rican experience and its long history of political moderation and public discourse through its numerous public institutions. These historical, cultural and structural reasons facilitate our understanding of why Costa Rica has still managed to maintain important parts of its social welfare programs. Transitional periods never occur on the behest of one isolated actor but always in the complex and interacting relationship between (historically and culturally determined) structures and agents in which one conditions the other until a transformation on the historical continuum has taken place.

The previous discussions have narrated the specific conditions met by neoliberalism in Costa Rica and the structures to which it had to adapt in order to gain enough ground to capture (partial but sufficient) public support and state power. To recapitulate, these conditions were; 1) a heavily institutionalized social democratic welfare model; and 2) large social resistance, such as peasant mobilizations and partisan factionalism, which pertain back to the first factor. These specificities caused the IFIs and the U.S to adopt more benevolent neoliberal monetary policies towards Costa Rica in an attempt to speed up the implementation of the economic reforms.

This study follows Edelman's conclusion on the peasantry and social movements in Costa Rica in the 80s by perceiving it as a group of survivors who despite the onslaught of neoliberalism has managed to create and recreate themselves by adapting to fluctuating circumstances and superstructures like the global economy. When a country experiences such profound economic and political reorganizations as the Costa Rican state since the 80s, one must also assume that the social and cultural dynamic within that country changes in tandem.

Even though farmers should be theoretically perceived as survivors in a changing global structure, it does not logically follow that they have not experienced drastic shifts in their way of relating to and interacting with surrounding conditions such as the lack of price supports and

subsidized credit. By merging the perception of farmers as survivors who constantly play a vital role in transitional periods of society with the theoretical framework of an expanding global economy, which in many ways conditions that same restructuring, this study offers an interesting insight into the farming community in Alfaro Ruiz and how it has attempted to situate itself against and with neoliberalism.

Alfaro Ruiz

Alfaro Ruiz is a canton located in the Northern Valley region of Costa Rica, a two-hour bus ride north of San José, with most of its districts situated between 1700 and 2000 meters above sea level (see map below). Zarcero is the main municipality of the canton and by far the most urban. The other districts are fairly small in comparison and rarely have a lot more than a church, soccer pitch, local market, *pulpería* and a *cantina* (where karaoke often can be heard).



Alfaro Ruiz, just like Costa Rica in general, has its own specifics that need consideration when analyzing its farmers' insertion in the global economy. The main economic activity in the region is dairy production and farming with perishable produce such as potato, onion, lettuce, cabbage, tomato and *chile dulce*, most of which go to the domestic market. Alfaro Ruiz has long been known to be a region of stability and prosperity (Zarcero is known as the *tierra de la paz y tranquilidad* - the land of peace and tranquility) it scores high on several social indicators, and has a relatively even land distribution. It has a long history of political moderation and the canton also has one of the historically highest voter turnouts in the country. How the farmers there relate to the

global economy and politics in general, therefore, must be seen as much as possible in the light of these specificities.



Picture 1. My host father, Don Mario, working his land.

Field Findings

Before presenting the field data it will be helpful to introduce a peasant-politics typology, which draws an important distinction between the forms of politics that farmers deal with on three related, but separate levels; 1) that of party politics; 2) that of the state and public institutions; and

3) that of the global economy such as the logic embodied in the CAFTA. The information I collected from the different peasant unions was diverse and yielded a large variety in their ways of dealing with these different forms of politics. There arises, therefore, an immediate problem when trying to neatly classify these sentiments within this typology. However, it still facilitates an analysis and understanding of the complex relationship the farmers have to the larger political and economic structural changes.

The first one of party politics seems to be treated with a large degree of indifference, which seems to have caused a general gap between the government and the farmers. Party politicians tend to say one thing and do another, a perception that might be even more salient among the farmers. The second type of politics, that of states and public institutions, seems to be marked by a high level of resentment on behalf of the farmers at the same time as they are dissatisfied with lack of public support and government intervention. The farmers' attitudes towards the third type of politics of the global economy and the CAFTA are ones of extensive opposition. It is important to keep in mind that these sentiments are generalizations and that there exists variation across the different unions in their *specific* ways of relating to the typology.

Some of the issues I deal with in this section are: the peasants' perception of the CAFTA, the problematic peasant-intermediary relationship in the area, the relationship between the peasantry and the government, and a discussion on the political moderation in the canton and how that might have affected its encounter with the neoliberal reforms.

Perceptions of the CAFTA

The CAFTA did and still does meet large opposition in Alfaro Ruiz. The peasantry here, the majority of which produces for the domestic market, has its reasons to not embrace the free

market policies so vigorously supported by the transnational faction of the government and domestic exporters. Though the U.S is known as the global flagship of neoliberalism, historically so ferociously opposed to taxes, tariffs and government intervention, its peasants still receive the support and credit denied to Costa Rican farmers. These uneven global dynamics bring with them a skewed trading relationship in which the farmers of the U.S may produce goods cheaper than their Costa Rican counterparts. When the former then exports to Costa Rica for a lower price, and with lowered or eliminated tariffs as provided in the CAFTA, the Costa Rican farmers will not be able to compete in their own local markets.

“UPANACIONAL has always said that the CAFTA has a lot of disadvantages,” Marco, the cantonal leader of UPANACIONAL and former Liberacionista mayor of Zarcero told me in his offices. “It is not beneficent to us. Why? Because the CAFTA doesn’t include equal competition and chances. The national production of the two countries are completely different and, thus, we don’t have a chance to compete under these conditions and obviously we will lose.” Mario, who is president of the cooperative COOPEBRISAS in Las Brisas, agrees with Marco on this matter:

In reality, the CAFTA isn’t any good for the agricultural sector in Costa Rica because we feel that the conditions around the CAFTA with the U.S are largely in favor of the U.S farmers while damaging us. All of the producers from the U.S are subsidized in both the agricultural and dairy sectors, they are strong, we in Costa Rica don’t receive anything. So, they can bring products to Costa Rica while at the same time getting subsidies with the effect of causing a lot of damage for the farmers here. (Interview, 4/23/09, Mario)

The global economy and the free market, thus, pose profound structural problems for the average farmer in Costa Rica. This is a well-known dynamic in the peasant community of Alvaro Ruiz, especially among the more politically aware. The CAFTA represents a clear threat to their everyday life by importing goods from the U.S. It transcends the government and the state by putting forth global regulations and conditions that change the politics of the two. Thus, the

CAFTA, and the global economy in general, restructures the weaker states in the transnational system to be nothing more than overseers and organizers of the laws of the market (as stated in good neoliberal doctrine) and the social contract between Costa Rican farmers and the state is perhaps put in a precarious position.

A study conducted in 2008 analyzed the influence of political parties to change votes during the CAFTA referendum in Costa Rica (Milner et al 2008). The study analyzed economic incentives for voting one way or the other and suggested that where the PLN had had a strong electoral domination during national and local elections, the chances of that canton voting yes for the CAFTA, no matter the economic incentives, were greater. This suggestion has great implications for Alfaro Ruiz seeing that the PLN has a strong history in the canton. In both national and local elections the PLN has had large public support and the several last mayors, including the current one, were Liberacionistas. Still, Alfaro Ruiz was one of the cantons with the highest “no” vote in Costa Rica, approximately sixty per cent (<http://www.tse.go.cr/>). This suggests a peasantry with increasingly weaker ties to the government and the patronage the PLN had historically represented. The farmers’ opposition to the CAFTA, then, introduces an interesting dynamic in which the political interests of the farmers are displaced from the level of party politics and the state to the transnational level of global economic regulations such as those embodied in the CAFTA.

The Gap Between the Peasantry and the Ministry of Agriculture

The interviews and field data collected on this relationship yields results that tell of an alienated peasantry that cares little about government politics and carry resentment towards the state. “I think that the agricultural sector around here feels abandoned by the political system,” Marco says.

“This concept has been the same for many years. The agricultural sector does not receive any help from the government.” He explains the situation further:

Never has there existed any help from the government. Right now there are so many alternatives that do not exist...and there are a lot of problems with the credits, there aren't any credits. The government has created a couple of programs for development but they don't work either so there are a lot of problems for the farmer, you know. For example, farmers are exposed to a lot of external circumstances like natural phenomena and the climate. Here in Zarcero in this canton, we lose [a lot] because of causes like the climate and natural phenomena and the government does nothing to help us out. There's no help. If I lose and my friends lose their crop there is nothing for us. No security (Interview, 4/15/09, Marco).

The Ministry of Agriculture, Alfaro Ruiz (MAG), which is located right down the street from the offices of UPANACIONAL in Zarcero, has the responsibility of promoting rural development and alleviating the problems of the peasantry in Alfaro Ruiz. The MAG, I was told however, does not do much more than take statistics of damages done and write up bills that the farmers will have to pay for out of their own pockets i.e. the MAG does not offer any proper resources or help. The relationship between the farmers and the MAG seemed to be very different prior to the neoliberal reforms. According to a former Peace Corps volunteer who spent three years with the MAG in Zarcero between 1975 and 1978, the relationship between the farmer and the MAG was strong and built on cooperation. Back then, the farmers would have enough faith in the MAG to call it up and ask for assistance with crops such as fertilizing and insemination. (This faith seems to have vanished over the years, which might be partly due MAG's available resources; between 1979 and 1984 MAG's budget relative to total government expenditure decreased from 3.4 to 1.2 percent (Robinson 2003, 257). Gerardo agrees wholeheartedly with Marco but shows more of a fervor in his resentment towards the government and the MAG:

I have been in this business for nearly 40 years and there hasn't been any help from the government. The government never helps and this is even more the case for

organic farmers. This has always been the case. Politicians come and talk to farmers about this and that but when they are elected presidents they forget about the farmer. It does not exist one clear agrarian policy to help the farmer. There is nothing. We have one Ministry of Agriculture, which at the moment is closed and that is a favor to the country because they don't do or help anything at all [this interview was conducted during *Semana Santa*, when all ministries and government posts were closed] (Interview, 4/12/09, Gerardo).

The bulk of my interviews point towards a peasantry feeling it has *never* received any help and that takes a strong pride in being independent from the state, which indeed supports the notion that the public institutions in place before neoliberal restructuring were flawed. The main point, however, is not that these public institutions were flawed, but that they at least were in place. By being in place they created a bond between the peasants and the government by working as a forum in which disagreements could be expressed; today these institutions are severely damaged, however.

Other conversations with organic and traditional farmers alike suggest a widespread dismay with the efforts of the MAG. One reason Gerardo believes the MAG does more for the country when closed than open, according to an organic agricultural engineer working in Tapezco, is that its employees drain a lot of money from the government budget when traveling throughout the region and the country that could have been spent alleviating the costs for farmers in maintaining and cultivating their farm. After an interview with Luis, an official from the MAG, the gap between the ministry and the farmers became even clearer as this was the reply he gave me when asked about the lack of credits in the country:

Well, you know the people here they work with a lot of credit and this is true primarily in produce with high production. We are talking basically about potatoes, melon and cabbage that have the highest production. These have high production intensity and are worked with the most and need the most investment. (Interview, 4/13/09, Luis)

Don Diego, however, a potato farmer, was constantly complaining about the lack of credit offered from the banks. None of the other potato or cabbage farmers I talked to would agree with Luis'

claim either, and because of the high altitude and cold climate of Alfaro Ruiz there are nearly no melon farmers in the region, except one that was located on the outskirts of Zarcero. The fact seems to be that nearly all farmers of Alfaro Ruiz perceive themselves as working on their own terms and relying on nothing but their own capacity to cultivate, harvest and market their produce. One story that demonstrates the gap in discussion is that of when Jose María Figueres, the son of 'Pepe' Figueres, came to visit Gerardo. He narrates:

Jose María Figueres was here on my farm right here in this house for about two hours. When he left he asked me a question. "Why haven't you asked me for anything," like money or stuff like that. And I said, "no because I am not concerned with you. I depend on my capacity to create, investigate and all of that is on me." I don't depend on the politicians or on the government for my capacity to produce, all of that is me. Why? Because they don't have one clear policy to the benefit of the *campesino* (Interview, 4/12/09, Gerardo).

The PLN has long been known to travel around the country and hand out patronage and offerings to anyone willing to vote for them in upcoming elections. This story, as well as the PLN's inability to convince Alfaro Ruiz about the benefits of the CAFTA, shows the peasantry's increased indifference towards the PLN apparatus.

The PLN could once count on unfaltering support from several rural communities like Alfaro Ruiz and could marshal votes on command in both national and local elections. We see, then, that the social indifference of the government might breed a political indifference on behalf of the farmers, which backfires on PLN when the time comes for gathering votes for elections. Thus, the gap has consequences not only for the farmers but for the electoral success of the PLN as well. Indeed, a large proportion of farmers seem to have lost confidence in partisan politics and are still struggling to find a political alternative.

This relationship should be seen as an outcome of the neoliberal state reforms and the specifics of the socio-political impasse in Costa Rica. A pivotal principle of neoliberal advocates

diminishing the state in favor of the free market. Supposedly the market may substitute for the state in providing for the well being of its citizens. No matter one's opinion on the achievements of the free market, there is still one vital virtue that the market cannot provide, namely citizenship and the natural rights and duties that come with it. When the state deteriorates, or is recreated in the image of neoliberal doctrine and the market takes over social responsibility, what is weakened is the tie between the reoriented state apparatus and its citizens. It is not only the tie that becomes weakened but also the direct capability of the state to provide social goods and services. Why should a peasantry ask of the state what the state will not, and cannot, provide? The new center of power, thus, goes beyond politics on the state level and is relocated to the dispersed hands of the market and abstract global structures, which impossibly can provide the same security and bond with or among the Costa Rican citizenry and, by extension, peasantry as the old state apparatus managed.

The Peasant-Intermediary Relationship

The peasant-intermediary relationship is very salient in Alfaro Ruiz and is a perennial problem in farming communities in Costa Rica. As will be shown in this section, it imposes by far the largest restriction on the economic well being of the farmers, and draws into question their self-proclaimed independence. The relationship, in its most basic terms, goes as follows: the peasants cultivate, work the land and harvest the crop and then sell the crop to an intermediary who brings it to the market. Most of the produce goes to places like the *ferias*, supermarkets, hotels and restaurants both in the area and nationwide. *Ferías* are the equivalents of farmer's markets and the permission to have a stand and sell in these market places is granted to the farmers from the

MAG. There are several reasons for why the farmers cannot market the produce themselves.

Among them are:

- 1) The average workday of a farmer ranges between 10 and 12 hours and often for six or even seven days a week. This leaves very little time for transporting the produce, which often travels large distances.
- 2) Being an intermediary requires a different type of entrepreneurial skill seeing that it is primarily a *business*. Thus, many of the farmers of Alfaro Ruiz find it difficult to start up.
- 3) Starting up also requires hard capital to buy a truck big enough transport the produce. Moreover, the economic risks involved in starting up are often greater than many farmers perceive the possible benefits to be.
- 4) Hotels, restaurants and supermarkets (especially the latter) normally want to buy large quantities of at least forty products from the same seller to get a discount price. One single farmer rarely has the capacity to produce all of these while an intermediary can travel around the community and pick up the desired quantity from several different locations.

The main problem of intermediaries is that they often offer prices that below the actual cost of production. In general, the farmer feels that he puts in all the work only for an intermediary to come and make all the profit. Gerardo explains the situation, “[W]e farmers work hard for three months to produce a crop, and one of these intermediaries, one of these *coyotes*, come and take all our hard work. It is not fair.” He continues, expressing his resentment for the intermediaries he once used to sell to:

What is the problem with the intermediary? They only think about profit, profit. They don’t care about the farmer. Only profit. I used to sell to an intermediary; there are many intermediaries here in Zarcero. I wanted to sell lettuce for five thousand, when the intermediary came to pay me he would give me four. Where does that leave me? A thousand *colones* poorer, and I believed it right...we tried that system for a little while. Later we said, that [we] will never more sell through intermediaries! Why? Because I had the feeling they robbed me and they robbed us (Interview, 4/12/09, Gerardo).

Gerardo and APODAR made it a main focus to eliminate the intermediary from their business.

One main logic of organic farming evolves around strengthening the connection between producer

and consumer and APODAR believes cutting out the intermediary is a big step in this direction. According to APODAR, their power of being able to sell directly lies in their organization and a fierce sense of independence. When organized and united, the farmers have more of a capacity to produce a greater variety of goods and they also have more resources to get their produce out to the market. APODAR now has a storage house in Las Brisas where its members bring their produce and where the consumers may come and buy.

The fact that APODAR chose to utilize its own means to get rid of the intermediary, instead of requesting services of the state, again suggests that the gap between the peasantry and the government has increased. Recall that one of the main demands of the peasantry during the mobilizations of the 80s was the regulation of chaotic perishable produce markets; APODAR circumvented this problem without the support of the government. These farmers, thus, seem to perceive themselves as no longer relying on the state to create favorable conditions for either cultivating or marketing.

However, considering the extensive scope of the peasant-intermediary relationship and its historically problematic role for the peasantry in Costa Rica, it would be wise to question how instructive the APODAR case really is. APODAR is an NGO that depends on an ambiguous form of financial support from other non-governmental organizations. The viability of such independent enterprises is, therefore, dubious. If there is one factor that directly influences the wellbeing of the farmers, more so than the more complex dynamics of the CAFTA, it is the relationship they have to their intermediaries. One study conducted in 1996 stated that 60 per cent of all farmers in Alfaro Ruiz utilized intermediaries to get their products out to the markets. (Gómez Barrantes 1996) Peasants I talked to, however, suggested a higher number ranging between 80 and 90 per cent.

The power relation between the intermediary and the peasant is lopsided. First, the peasant *has* to sell to the intermediary in order to get the product out on the market because he cannot do it himself. Second, the produce of peasants in Alfaro Ruiz is perishable. Beans, rice and maize may be stored for long stretches of time and can wait out the market conditions until they are more favorable. Perishable goods must be sold immediately. Thus, the peasant must sell to the intermediary at whatever price offered. Some farmers try to avoid the intermediary by bringing their produce directly to the *feria*. The produce brought to the *feria*, however, only brings in a small earning because the quantity brought here is always smaller than that brought to larger markets. Therefore, it is only on a small scale that individual farmers can circumvent the intermediary without facing the problems outlined above.

One must also take a critical approach to how free this market relationship between peasant and intermediary really is. Farmers depend fully on these intermediaries to get their produce to the market mostly because there exists no price supports or public institutions to assume this role. In essence, it is this relationship of 'need' that makes it difficult for the farmer to bargain with the intermediary and the farmer is nearly always left with the worst end of the deal. Most small- and medium-sized farmers of Costa Rica now sell products to intermediaries they once would have sold to a public institution and the entrepreneurial ambitions of the intermediary have taken charge of responsibilities once held by the state. Full competition implies that actors are able to enter and exit markets as they see fit; peasants do not have this freedom as they are forced, by structures like a state that does not offer price support, to stay in the market even though conditions are highly unfavorable.

The peasant-intermediary relationship is local in nature. It is based on acquaintance that has been built up over years by doing trade with the same partners. The government is not

involved. The intermediary imposes by far the largest restriction on the self-sufficiency and independence of the peasant, to a much larger degree than does the government. Even Don Diego, the potato farmer who was one of the few I talked to who believed the state did some good by land distribution and the Instituto de Desarrollo Agrario (IDA), agreed that the intermediaries are considered to have far more influence in the region than the government. “Not a single farmer depends on the government”, said Gerardo, but everybody agrees that nearly every farmer depends on an intermediary.

The question that arises, then, is: does the independence gained from trying to remove oneself (as APODAR) or being removed (like the majority of the farmers) from government influence outweigh the disadvantages of being at the financial mercy of others? The independence and apparent shrewdness of APODAR must not come in the way of a more general analysis of the position of the average farmer. Moving beyond the first impression of peasant independence and self-sufficiency yields the image of a peasantry that still desires price regulation and freedom from the intermediary, preferably in the form of a public institution equivalent to the old and abandoned CNP. Since the onset of the neoliberal privatization measures public institutions such as these are nowhere to be found for the farmers in Alfaro Ruiz; submission to the market seems to be the only option.

Political Moderation and Market Principles

Political moderation is a cultural and sociological trait in Alfaro Ruiz. The only protest that still rests fresh on people’s minds is that of when President Oscar Arias came to visit Zarcero to talk about the CAFTA in 2006. The commotion that was caused then, however, was more due to the political and leftist ideological activism of the grassroots organization the Patriotic Committee than any initiative taken by the farmers.

Problems brought up in dialogues between the government and UPANACIONAL in the region are geared towards finding new alternatives and activities that can benefit the average farmer. Leaders from UPANACIONAL, like Marco, meet with government officials once every month to discuss these matters but the current relationship between the two is fragile. New activities and alternatives include increasing access to the Internet in rural areas and enhancing human capital through education and technological training. As a matter of fact, UPANACIONAL in Alfaro Ruiz has initiated local classes in English and basic computer knowledge. As Marco puts it, “here in the canton we are trying to increase the capacity of the farmer to know, learn and become informed...there are things that we have never had access to as farmers, we have been marginalized” (Interview, 4/21/09, Marco). Despite this perceived marginalization, there has yet to be even one large peasant mobilization in Alfaro Ruiz, and neoliberalism still has caused no major upheavals in the community despite the major threats it poses.

This lack of demands for government support can be viewed as an adherence to market principles. UPANACIONAL and Marco, for example, seem to view the situation of the intermediary as one conditioned by the “invisible hand of the market”, which one can do little about. When asked about the intermediaries, Marco answered me with a brief summary on the principles of supply and demand. Considering the already present political moderation in the area and long history of intermediaries, one should not be too surprised by Marco’s adherence to the market. Sitting down with a farmer from Alfaro Ruiz and being lectured on supply and demand, however, might point towards a cultural passage through which neoliberalism could have entered, which builds its own perpetuation not only on an elite few, but also on the uncritical consent of the public. Perhaps the most important aspect of Harvey’s argument of cultural consent is the notion created by neoliberalism that there exists ‘no alternative’ to its organizing principles. Harvey argues

that, “the effect in many parts of the world has increasingly been to see it [neoliberalism] as a necessary, even wholly ‘natural’, way for the social order to be regulated” (Harvey 41, 2005).

The market, thus, is the social order of the farming community in Alfaro Ruiz and the way by which the peasant-intermediary relationship is fatalistically, yet bitterly, perceived. The same logic may be applied to the farmers’ position to the CAFTA. COOPEBRISA’s and Mario’s reasoning for why the CAFTA is detrimental for farmers was not that it prevented government intervention, but as he explained in economic terminology, that the market conditions involved in the CAFTA are highly unfavorable. Economic and political interests, then, seem to have been displaced from the state and are now fixed at the market both locally with the intermediaries and globally with the CAFTA.

Differences Between UPANACIONAL and APODAR

The natures of the two main peasant unions discussed in this paper are completely different. The APODAR is a fiercely anti-governmental organic peasant organization (Gerardo declared himself “*un enemigo de la patria*”-- an enemy of the state), while UPANACIONAL has a long, politically moderate history not only in Alfaro Ruiz but also in Costa Rica more generally. Moreover, the cantonal leader of UPANACIONAL in Alfaro Ruiz, Marco, is a PLN official and served as the mayor of Alfaro Ruiz from 2002 to 2006. The fact that Marco is a Liberacionista was a main reason APODAR and the Patriotic Committee were not interested in cooperating closely with UPANACIONAL and Marco because, according to a Patriotic Committee organizer in Zarcero, he has, “his own political aspirations.” When I asked Gerardo why APODAR would not cooperate with the UPANACIONAL, he just shook his head and replied, “they have a government deputy in their organization.” Marco looks at his own situation as unproblematic

because first and foremost he perceives himself as a farmer with the obligation of bettering the situation for his counterparts.

On one hand, APODAR represents a new wave of NGOs that attempt to create a path of development on which there is little space left for the government and that simultaneously creates an alternative option to the global free markets. . As discussed above, the sustainability of such an enterprise is uncertain. UPANACIONAL, on the other hand, represents a union attempting to maintain its traditional politically moderate ties, especially so in Alfaro Ruiz, while at the same time assisting its members in adapting to the structural changes over the last thirty years. The peasant-government gap discussed in this paper, then, is more readily available for analysis in APODAR, while the adherence to market principles is easier to spot in UPANACIONAL, which is logical due to the dynamics and relations of each union.

Conclusion and Final Reflections

The specificities that met neoliberalism in Costa Rica in the early 80s conditioned the way it manifested itself in its society, politics and economy. Nevertheless, manifest itself it has done just like in most other parts of the world, but with a comparatively gradual and slow process. Due to the resilient social democratic history, neoliberalism still meets social and political resistance, which is visible at the highest level of politics in the factionalism within the PLN, and at the very local level in grassroots organization such as the Patriotic Committee.

The field data presented here suggests that the farmers of Alfaro Ruiz deal with the presence of neoliberalism in various ways and that they pursue different developmental directions under the larger structural changes that have taken place over the last thirty years. Some, like APODAR, choose to detach themselves completely from the structures of the global economy and

the state and have tried to cope by their own means as an independent actor with a distinct vision of organic farming and strengthened producer-consumer ties. Others like UPANACIONAL and COOPEBRISAS display signs of adhering to notions of the market and the global economy by trying to adapt to them. One thing they all share, however, is a dissatisfaction with and resentment towards the government and lack of clear agrarian policies. This seems to have created an overall gap between the farmers and the government, which I argue, must be seen as an outgrowth of neoliberal reforms and the diminishing role the state now plays in the lives of the farmers.

The national project as envisioned by “Pepe” might have been lost in the myriad of confusing neoliberal reforms and the following public disillusionment, but the legacy it created and the sentiments it instilled in a majority of the people are still very much present. This dynamic has created the social and political impasse in Costa Rica, which can be seen in the farmers of Alfaro Ruiz as they do their best in either rejecting or adapting to the larger global economy that surrounds them.

REFERENCE MATTER

Appendix 1: Methodology

Research Methods

The research and fieldwork conducted for this study took place over a two-month period (March-April) in which the first was spent in San José reviewing literature and preparing a methodology for the field, and the last spent realizing the fieldwork in the districts of Tapezco, Zarcero, and Las Brisas, which make up a part of the canton of Alfaro Ruiz. The fieldwork consisted mainly of interviews with peasant organization leaders, organic and traditional small farmers, commercial intermediaries and political figures of Alfaro Ruiz.

I conducted 12 formal interviews i.e. interviews in which a recorder was used and later transcribed, and numerous informal interviews with anyone kind enough to offer some spare time to a student wanting to talk about the government and political perceptions in Alfaro Ruiz. Many of the interviews were conducted in the busy offices or homes of my interviewees and lasted for everything between 30 and 90 minutes. The bulk of quotations used in this paper are mainly taken from three or four of my interviews seeing that these were conducted with people of high social status and that their opinions and sentiments are likely to reflect those of the majority in the community.

Development of the Project

This project started completely different from how it turned out. It was first aimed at studying political freedom under the CAFTA as a function of labor relations. My hypothesis was that small holders (that is, small- and medium-sized farmers with their own land) had more political freedom

than wage laborers employed for either domestic exporting companies or transnationals. I was put on this trail first by my own interest in how global structures, such as the CAFTA, in many ways condition sociological interactions such as our relationship to politics. When I heard about the Memorando del Miedo and that the ‘wage labor vs. small holder’ hypothesis could be valid, I decided to pursue it out in the field and chose Alfaro Ruiz as the place for my research for the following reasons: First, it has a strong farming community and a long history of small holders and even land distribution. This would provide for me one side of the equation. Second, I also believed there were some exporting companies there, both transnational and domestic. Third, Alfaro Ruiz is a well-off canton. By being a well-off and having a strong farming community it would provide a nuance to the abundant globalization literature focusing on ‘depeasantization’.

Once arrived in Alfaro Ruiz and having arranged a couple of interviews, my questions were geared towards finding out the organization of the economy there (who produced what for whom?) and the political and social sentiments around the CAFTA (who was in favor, who was opposed?). It proved problematic to get find clear information on the economy of Alfaro Ruiz beyond the obvious that it consisted mainly of farming and dairy. I visited the municipality, the Ministry of Agriculture and the businesses themselves, the last of whom did not seem willing to yield any data. To demonstrate the difficulty of the task it will suffice to say that when enquiring in the municipality about economic data I was sent to the ‘*El Gollo*’ electronics store down at the corner, because the people there, I was told, could possibly help me.

In the meanwhile I was conducting interviews with members of the Patriotic Committee and farmers around in the community and it turned out to be difficult talking to anyone who was at all in favor of the CAFTA, never mind sufficiently in favor to actually force anybody into voting for it. Moreover, there turned out to be few exporters in Alfaro Ruiz and actual wage laborers were

difficult to find. Those few I talked to, moreover, did not give any signs that would imply the lack of political freedom. As my hypothesis headed towards refutation in the canton of Alfaro Ruiz, I was still interviewing and talking to those farmers willing to talk to me about matters such as the CAFTA and politics in general. As such, I was introduced to the idea of focusing only on the farmers and how they are dealing with globalization, as could be seen through the CAFTA, and, thus, leave out the wage laborers of my project.

Many of my contacts were provided to me through my host family and members of the Patriotic Committee. Though my family seemed to be indifferent towards politics, their contacts were strongly opposed to the CAFTA, and naturally, the members of the Patriotic Committee were opposed as well. This led to the majority of my informants being opposed to notions of globalization and the CAFTA specifically. This has also something to do with the fact that those organizations that were self-proclaimed CAFTA supporters were more difficult to get in touch with. Moreover, once I had gotten in touch with them they also seemed less voluble and open for interviews than the anti-CAFTA people, such UPANACIONAL, COOPEBRISA, APODAR and the Patriotic Committee.

The reason for this apparent discrepancy in the willingness to talk between proponents and opponents is not easily understood, and though it is wise to refrain from any judgments towards either part, there still might be some logical reasons for why this discrepancy presented itself to me. First, the social tensions around the referendum were still present in Zarcero and there seems to be some resentment between the two sides; it is understandable that a large company or coop does not want to take the risk of perhaps having its moral and political values judged by a nosy foreigner. Second, grassroots organizations like the Patriotic Committee are in general known to be more open and talkative than larger associations and businesses -- the organizational structures tend to be

more horizontal. Because of the difficulty of getting in touch with pro-CAFTA organizations my project took the definite turn to focusing on the role of farmers under the global economy and the CAFTA, who seemed more accessible for interviews and for whom I held a genuine interest.

This shift did not cause too many problems because of two significant elements I could adopt from the first project. First, farmers would still play a huge role in my second project, if not bigger than in the first, and second, my theoretical framework of the global economy would still be applied so questions of the CAFTA would still be very relevant. A shift like this does, however, inevitably cause certain problems and did probably damage some of the quality in my interviews seeing that for a little time my questions were geared towards both my first and second project. Nevertheless, the answers I obtained from all interviewees still lent themselves to analysis and interpretation to such a degree that it was possible to construct a coherent framework and logic around them for me to build on in this paper.

One of the main epistemological assumptions of this paper evolves around local and social changes occurring in tandem and in response to global events. Thus, changes at local levels should be possible to trace up to conditioning structures of the global economy seeing that globalization is perceived as propelled first and foremost by global capitalism. In order to do an analysis such as this requires, however, a perspective of time and a possibility of comparison between how it once was and how the social situation appears to be now after the global (and possible local) changes have taken place. My data focuses only on Alfaro Ruiz in the twenty-first-century and I do therefore not have any basis for comparing the *changes* in perceptions, mentalities and sociological interaction of the farming community. My analysis of the farming community in Alfaro Ruiz is, therefore, of a static nature and does not consider notions of social development in relation to time but rather sets out to describe how these farmers have situated themselves today without

comparing them to any historical counterparts. This study could, therefore, be built on by scholars who hold the same epistemological views as myself and who wish to pin down a relationship between globalization and social change by using Alfaro Ruiz as a case study.

Why the CAFTA?

First, by being a free trade agreement between Central America and the U.S it connects the global economy to local events, not least because it was the first referendum in Costa Rican history and the most recent event in which the people were asked to vote. Moreover, CAFTA being the first referendum in Costa Rican history it is likely to have left a more enduring imprint on people's memory and, thus, my interviews were conducted with people with fresher and more vivid memories. Finally, The CAFTA gives salience to the social and political dynamics existent within neoliberal Costa Rica and creates an interesting context in which the social, political and economic position of the farmers can be seen. The tensions inherent in an issue like the CAFTA were apparent when I presented my field research and myself; both the proponents and opponents met me with everything from smiles, frowns, suspicion or indifference. One would think that such a tense topic would pose problems in terms of approaching people for interviews and getting people to open themselves and talk freely. Despite the seemingly unwillingness of the pro-CAFTA people, this was generally not the case during my interviews and most people would be happy to talk and to help further if that proved necessary. For that I am forever grateful to the kind people of Alfaro Ruiz.

Appendix 2: Graphs of Price Supports and Credits

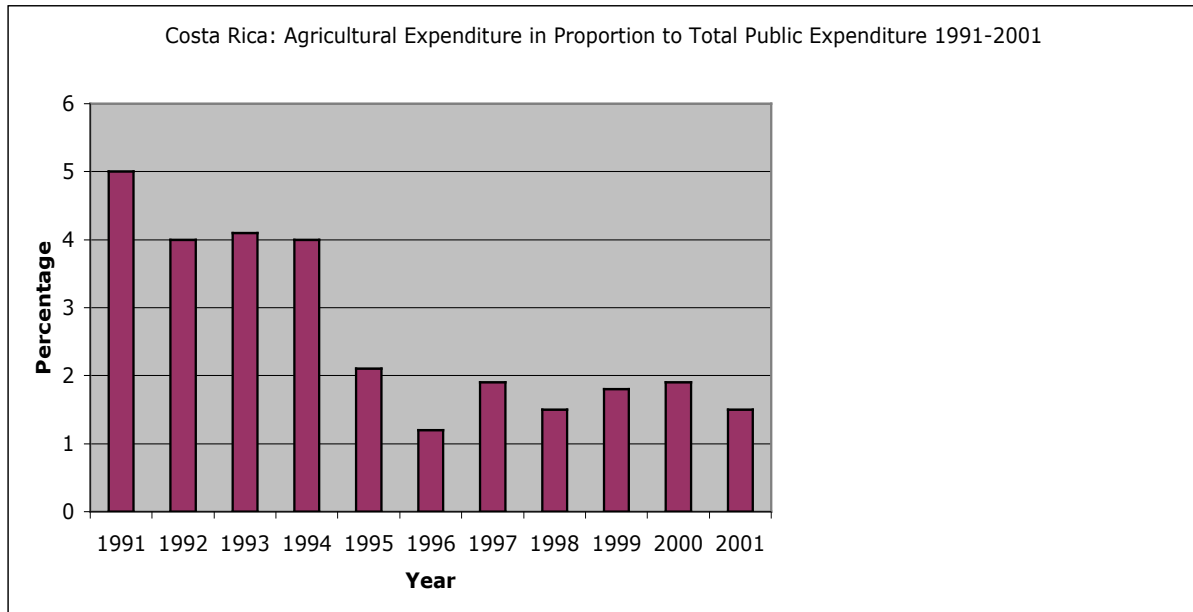


Table 1. Source: Estado de la Nación 2001, 183

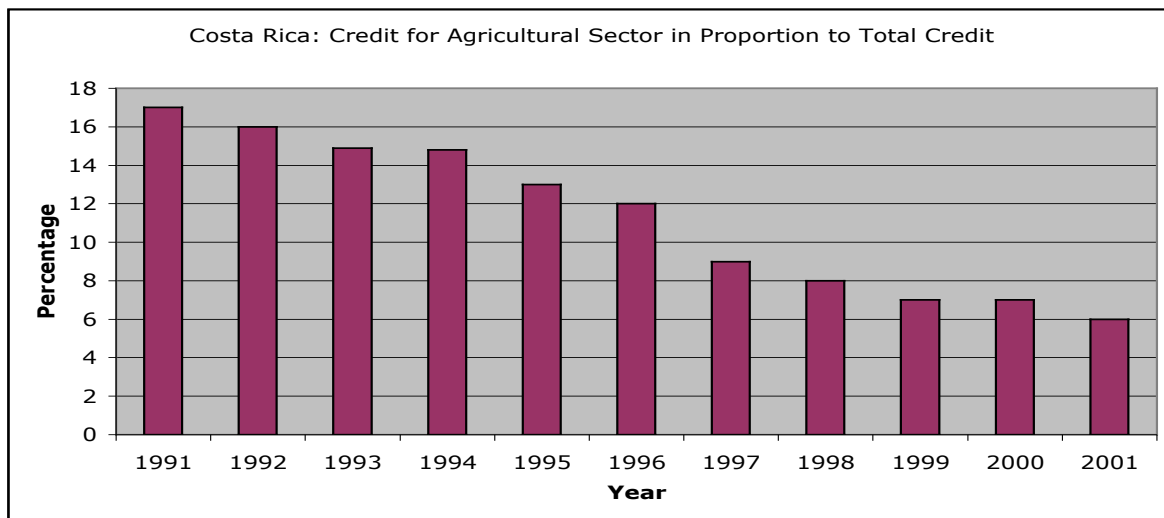


Table 2. Source: Estado de la Nación 2001, 184

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