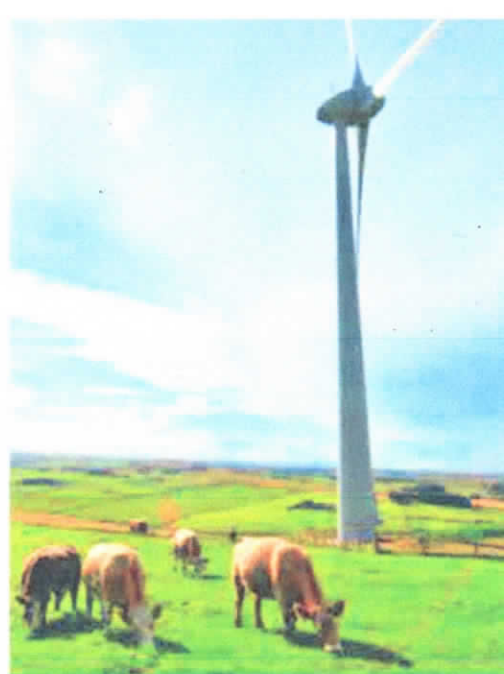


# XXVI European Society for Rural Sociology Congress



## On-line Proceedings

### Places of possibility?

Rural Societies in a Neoliberal World

**18–21 August 2015**

Aberdeen, Scotland



L-A. Sutherland, K. Brown, M. Currie, R. do Carmo, J. Duncan, M. Kohe, A. Koutsouris, R. B. Larsen, D. Maye, E. Noe, T. Oedl-Wieser, L. Philip, P. Pospěch, E. D. Rasch, M. J. Rivera, M. Schermer, S. Shortall, P. Starosta, S. Sumane, R. Wilkie & M. Woods.



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# Rural poverty and empowerment processes. How global neoliberalism is restructuring local economies.

M. Fama<sup>1</sup>

**Abstract** – In the neoliberal paradigm the “poor” are often presented as the only responsible for their own condition as well as the only who can really do something to improve it. The neoliberal discursive order is reflected in the poverty reduction strategies put in practice by the global governance apparatus, where a new approach, oriented towards the so-called empowerment principles, is taking over classical welfare policies. Empowerment-based development interventions are here critically analysed with the support of empirical evidence from Nicaragua. The paper shows how development industry is restructuring local economies through the manufacturing of entrepreneurial subjectivities, exposing smallholders to new risks.

## INTRODUCTION

Social inequalities have grown considerably since the early 1970s, due to processes strictly connected to the recent evolutions of capitalism (Piketty, 2014). The financialisation of the economy, resulting from the crisis of Fordism, produced an increasing concentration of wealth. Global neoliberalism has gradually dismantled the welfare apparatus, worsening work conditions even in the Western societies and enhancing poverty in the most marginalized rural areas (Harvey, 2005).

Notwithstanding the structural roots of poverty and inequality, the hegemonic neoliberal discourse focuses on individuals, who are conceived as the only responsible for their own condition. This tendency is reflected in the poverty reduction strategies put in practice by the development industry, increasingly oriented towards the so-called *empowerment* principles. In fact, empowerment-based development interventions incorporate a specific set of discursive practices that incite individuals to critically reflect on themselves and to put aside some of their behaviours judged as “bad”, as incompatible with the tenets of the market (Sharma, 2010).

The paper addresses these issues starting with the following hypothesis: as a consequence of the crisis of Fordism, the poor are not simply used as an “industrial reserve army” anymore, but are rather object of a “governmental” strategy – alluding to the Foucauldian category (Foucault, 2007) – that directly refer to their social, communicative and creative skills. Said governmentality can be interpreted as an attempt to reactivate the accumulation process,

by directly stimulating the self-entrepreneurship of individuals.

In this scenario, the proliferation of microfinance and other empowerment tools seems highly emblematic. Such instruments – warmly supported by international development agencies – have the potential to depoliticize poverty, manufacturing new subjectivities willing to reproduce market dynamics even in the most marginalized and relatively self-sufficient rural areas. These, we argue, are pushed to interiorize the neoliberal discourse and to reorganize their economic structures in order to produce value for the global market. The risk, as critical observers claim, is to incorporate smallholders into new power relationships in which debt is used as an instrument of control and dispossession (McMichael, 2103).

## METHODOLOGY

The theoretical analysis is supported by empirical evidence from some Nicaraguan rural communities. The empirical research is based on participant observation, as well as on 10 focus group and more than 50 open interviews collected in a mountainous area that extends from the City of Matagalpa to the Región Autónoma del Atlántico Norte. Respondents are smallholders who actively participate in projects – carried out by various organisations – whose stated purpose is to improve the productive capacities of the inhabitants of the area, by providing them training courses, loans and other tangible and intangible inputs.

## RESULTS

The critical discourse analysis we made shows how the language employed by many NGOs, Microfinance Institutions and multinational development agencies is concretely interiorized from the subjects targeted by empowerment interventions. Most of the respondent gave us the impression of reproducing a point of view on their condition imposed from outside, according to which inhabitants of rural communities are poor “by definition”, because of their lack of initiative and education, or even, due to an inappropriate culture.

In an economic context mainly based on self-subsistence, empowerment interventions are playing a key role in the dissemination of the capitalistic work ethics and *homo oeconomicus* rationality. Moreover, by providing loans and other inputs es-

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essential to the strengthening of smallholders productivity, they are contributing to the restructuring of local economies, stimulating the emergence of a new social division of labor and developing specific productive chains which are enhancing the communities dependence on exports.

At the same time, a deep ambivalence has emerged throughout the whole research. In a very fragmented territory with low population density, empowerment interventions – such as the training courses provided by a local NGO – have linked people that live dozens of kilometers away from each other and have helped to establish a tight social network from which has emerged an organized movement protesting against the mining companies that operate in the area. This is only one example that shows how the introjection of the dominant discourse of capitalistic development is constantly called into question by the activism of subjects who, during the described processes, experience new forms of participation and conflict.

#### THE NEOLIBERAL GOVERNMENTALITY

Empowerment strategies reflect a specific "regime of truth" in which the ideas of development and modernity are still central. These two concepts are, however, accompanied by the element of individual responsibility, since individual initiative is considered as crucial to the implementation of development processes. Unlike classical liberalism, hinged on the *laissez-faire* dogma, neoliberalism consists of a set of positive actions, aimed at "governing beings whose subjectivity must be involved in the activity they are required to perform" (Dardot and Laval, 2014).

Two main interrelated effects are produced by neoliberal governmentality: on a discursive level, a real "metaphysics of poverty" is imposing itself, i.e. a system of thought in which the notion of poverty ends up being totally depoliticized (Sharma, 2010); at the same time, from a material point of view, the industrial expansion projects of the past are being replaced by a sort of "microphysics of development", aimed at reunifying the producers with their means of production (Sanyal, 2007), with the intention of incorporating them into new decentralized productive chains.

Finally, these processes seem to be strictly connected with the increasing spread of the so-called *value-chain agriculture*. We refer to a new development frontier that allows global capital to generate profits through the simple provision of credit, seeds and other tangible inputs, shifting the risks connected with the production process onto the smallholders. As a result, smallholders run the risk to find themselves entangled into new relationships of dependency (McMichael, 2013).

#### CONCLUSION

Starting from the 1970s, empowerment-based development interventions have gradually emerged as a new frontier of international cooperation. The state-driven development projects which characterized the post-colonial period are being replaced with a new governmental strategy, aiming to stimulate the self-activation of those conceived as "poor", not being enough involved into the capitalistic valorisation processes.

Empowerment tools, especially those based on credit, promote the rise of a sort of local neoliberalism (Bateman, 2009) which insist on the responsibility of individuals, thereby generating a dynamic of poverty depoliticisation. Aiming to help the poor in the path of their "productive redemption", empowerment interventions disseminate market principles and credit/debt relationships even in the most marginalized rural area. In doing so, they restructure local economies paving the way for new *accumulation by dispossession* processes to the detriment of the poorest. Nevertheless, as Aradhana Sharma (2010) argues, empowerment strategies also generate specific and important contradictions. In fact, by strengthening the relational skills of individuals – in addition to the productive ones –, they can lay the foundation for the emergence of new experiences of participation and conflict.

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