

STRUGGLING FOR SURVIVAL IN THE VILLAGE AFTER THE  
DISTURBANCE OF TOBACCOLAND: TRACING NEW RURALITY  
BEHIND THE FOOTPRINTS OF TOBACCO FARMERS

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This thesis traces the impacts of neoliberalization of tobacco production and market on the rural households in tobacco producing villages in addition to the attempts of survival and patterns of restructuring of tobacco livelihoods. In search for answers, a field research was performed in the villages of Adıyaman, Soma (Manisa) and Fethiye (Muğla) which included in-dept interviews with the producers, local officials and representatives of subcontracting firms. Moreover, the qualitative data were combined with macro statistics on demography, population, production and socio-economic indicators. The findings are placed within the broader historical and theoretical framework in order to present a grounded, coherent picture of the phenomenon under scrutiny.

The thesis reveals two major patterns. Primarily, agricultural production does not yield sufficient income for the survival and recreation of the peasant household in arid and semi-arid tobacco villages which necessitates integration of off-farm income sources to the household budget. The result is either permanent migration- which is also troublesome for the peasants- or income diversification through pluriactivity, off-farm diversification, seasonal migration, and circular migration. Thus a constant movement of peasants between rural and urban areas takes place indicating a new type of rurality by undermining the conceptual relevance of dualistic terms such as “rural” and “urban”, “worker” and peasant”

Secondly the thesis reveals that inequality and poverty increase in the rural areas due to diversified diversification sites of the peasants. In villages with job opportunities in the near surroundings preservation and recreation of rural life is more likely than in the villages with less income opportunities in the near surroundings. Moreover, worse-off farmers diversify mostly in unfavorable and informal markets whereas better-off farmers diversify in better markets with opportunities to move other sectors. This phenomenon leads to the disruption of relatively egalitarian social structure in rural Turkey.

In addition, the thesis elaborates on indebtedness, dispossession and deprivation of the poor peasantry. Furthermore, the thesis argues that tobacco production will be transferred to poorer households with less income diversification opportunities and with exploitable labor reserve that is because high vulnerability levels of such households situate them to a weak position before profit seeking subcontracting firms and transnational tobacco industry enabling the firms dictate their terms along their interests over the weak peasantry with no alternative.

Bu tez Türkiye'de tütün üretiminin ve piyasasının neoliberalleştirilmesinin köylü üzerindeki etkilerini ve tütün üreten köylünün beka stratejilerini incelemektedir. Tezin sonuçları, Adıyaman, Soma (Manisa) ve Fethiye (Muğla)'nin tütün üreten köylerinde gerçekleştirilmiş olan saha araştırmasına dayanmaktadır. Araştırma kapsamında bu bölgelerde üreticilerle, yerel yöneticilerle ve tütün üretimi için sözleşme yapan aracı firma yetkilileriyle derinlemesine mülakatlar yapılmıştır. Ayrıca, kalitatif veriler nüfus, demografi, üretim istatistikleri ve sosyo-ekonomik göstergelerle desteklenmiştir. Veriler, geniş tarihsel ve teorik çerçeveye yerleştirilmiş böylelikle ele alınan konunun bütünlüksel bir analizi oluşturulmaya çalışılmıştır.

Tez, iki ana eğilimi açığa çıkarmaktadır. Bunlardan ilki, tütün üretilen kurak ve yarı-kurak köylerde tütün üretiminin sekteye uğramasıyla tarımsal üretimin hanehalkının geçimini sağlayamakta yetersiz kalması sonucu tarımsal üretim dışı gelirlerin hane bütçesine dahil edilmesinin bir zorunluluk haline gelmesidir. Bu durumun sonucu kente kalıcı göç olabildiği gibi daha sıklıkla hem tarım hem de tarım dışı sektörde çalışma, mevsimlik göç, dairesel göç gibi yollarla gelir çeşitlendirme olarak ortaya çıkmaktadır. Gelir çeşitlendirmek amacıyla köylünün köy ve kent arasında mekik dokuması yeni bir kır kavramsallaştırmasını işaret etmekte; "kır" ve "kent", "işçi" ve "köylü" gibi düalistik kavramların geçerliliğinin sorgulanmasının yolunu açmaktadır.

İkinci olarak tezde, tarımın neoliberalleştirilmesi ve köylünün gelir çeşitlendirme olanaklarının farklılaşması sonucu kırsal bölgelerde yoksulluğun ve eşitsizliğin arttığı öne sürülmektedir. Alternatif endüstri alanlarının geliştiği ve iş olanaklarına sahip bölgelere yakın köylerde kır hayatının korunması ve devam ettirilmesi daha olasıyken iş olanaklarından uzak olan köylerde bu daha zordur. Ayrıca, düşük gelirli üreticiler genellikle enformal piyasalarda geçici ve güvencesiz olarak çalışırken, görece daha iyi durumda olan üreticiler gelir çeşitlendirme konusunda daha iyi olanaklara sahip olmaktadır. Bu durum, kırsal eşitsizliğin artmasına yol açmaktadır.

Tezde, borçlanma, mülksüzleşme ve fakir üreticinin yoksunluğunun artması gibi konulara yer verilmekte; bunların yanısıra Türkiye'de tütün üretiminin, fakir ve kısıtlı gelir çeşitlendirme olanaklarına sahip ailelerce daha küçük ölçekte yapılacağı öne sürülmektedir. Köylünün gitgide artan kırılabilirlik düzeyleri onları taşeron firmalara ve ulusötesi tütün tekellerine mecbur kılmakta ve bu firmalarla ilişkilerinde zayıf bir konuma oturarak firmaların kendi şartlarını dikte etmelerinin ve köylünün kendi toprağında işçileştirilmesinin yolunu açmaktadır.

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## CHAPTER I: INTRODUCTION

Imagine a plant, a very special one, that has travelled the whole world, acquired new types and flavors and enchanted and seduced whole civilization; connected nature to human kind, took the value from the soil, and addicted humans to itself; shaped the lives of those who cultivate it; and lives of those who consume it. Hated and loved, blamed and sanctified, cursed and worshipped.

Imagine a crop, a very valuable one that long ago was discovered across the ocean; referred as “golden leaf”; golden not only in color, but also in value, as it concentrated the struggle for gold around it; struggle and death, hope and sweat, profit and survival.

Imagine a crop that entered the soil of a distant empire, and became indispensable to the rural man, as well as the urban man. A whole economy was formed around it, by millions producing it and millions consuming it. A whole economy was formed with traders and merchants, peasants and peasant workers, smugglers and police force, marketers and consumers, state and the farmers. A livelihood was settled under the regulation and support of the state in line with the spirit of the times until this livelihood was threatened and disturbed with a new phenomenon that emerged nearly three decades ago, that is neoliberalism.

Imagine a plant, baptized as tobacco, identified by its smoke, sometimes enshrouding the reality, sometimes crystallizing the inequality and sometimes blurring the actuality. This thesis is written with a premise to disperse the smoke that hangs over the ruins of the previous livelihoods under state regulation and shed a

modest light onto the lives, struggles and survival strategies of the tobacco farmers as a response to spread of neoliberalism.

### A Question

The initial ideas ultimately leading to the formation of this thesis stemmed from simple curiosity: “What about rural?” Predominant academic inclination towards revealing the transformative and destructive effects of neoliberalism on the urban problems creates a lack of enthusiasm, if not blindness, towards the rural areas in Turkey, for some reason. Academic interest on agrarian question diminished proportionately with the decreasing percentage of rural population. The rural is mostly seen as remote, distinct and isolated entity, important in its effects on and relations with the urban. This thesis looks from the opposite angle, aims primarily at looking at the rural per se and tries to understand the transformation from within, from the way peasants experience it. As unbelievable as it might seem, the number of works written with this premise is very low, almost non-existent in Turkey.

This thesis is in pursuit of the answer to simple question: “How a livelihood has in rural areas been sustained and recreated and in what ways has the ‘rural’ been transformed in the face of destructive effects of neoliberalism?”

This thesis appraises the diversity that exists in the actuality and avoids stating over-generalizing and teleological conclusions. Given this premise, the answer to this basic question had to be explored in a particular context, with the particular relations of production and already defined livelihoods. That is because it is believed that the desired diversity and analytical accuracy can be retrieved by

looking at the particularity. Therefore a commodity specific analysis is preferred in the search for the answers which made up this thesis.

### A Crop: Tobacco

A crop defines a particular type of relationship for those who are cultivating it with nature, with their locality and with the market. If this very relationship defines the basis of the livelihood, how was the rural livelihood formed and sustained? The selection of tobacco in search for an answer to how a livelihood was affected, recreated or sustained after neoliberalism is not coincidental. Because tobacco is a special crop in creating a special net of relations around its production; the pursuit of a livelihood from tobacco is more vulnerable to the negative effects of neoliberalism, which is one of the questions under scrutiny.

The rationale behind the instrumentalization of tobacco in this research stems from various considerations. Primarily, the market value of tobacco is unquestionable. It is among the major cash crops that have been produced, consumed and traded from the early phases of capitalism onwards. Like cotton or cocoa, tobacco production and trade played an important role in the spread and consolidation of capitalism. Tobacco enjoyed a constant high demand, tobacco consumption is widespread, and because of its addictive nature, the elasticity of demand is low. Moreover, smoking has also a ritualistic and social role which is important for non-smokers as well. By all means, the tobacco and cigarette industry is a highly profitable one, thus the power struggle over this profit is harsh. The profitability of the sector also implies that the penetration of transnational capital in

the domestic markets is obvious and destructive for the tobacco livelihoods proportionate to the profitability.

Secondly, before the spread of neoliberal principles, tobacco production was a profitable activity for the producers as well, because under state regulation, producers were supported by various means and earned sufficient incomes for the sustainability and reproduction of the livelihood, not only for the tobacco producer's household, but for the whole village and town because in these regions tobacco was the major crop and major income source of the economy. Oriental tobacco production brings income and employment for the whole family, because of the labor intensive nature of production process which demands the maximum use of household labor. Thus, the gradual decline and disappearance of tobacco economy constitutes a major shock for the household.

The third one stems from the botanical aspects of the tobacco as a plant. It should be noted that there are various types of tobacco; among them most popular are Virginia, Burley and Oriental types. These types dominate the consumer preferences and market. The main actor of this thesis is Oriental tobacco, which differs significantly from the other types. The geographical and biological characteristics of the plant, land, labor and capital requirements and the market potential of the commodity should be stated in order to be able to understand the structure of livelihood and extent of the shock and dislocation.

#### A Special Type: Oriental Tobacco

Oriental tobacco is a distinct type produced in the regions around Turkey, Bulgaria, Greece, and Russia and in the recent years efforts have been made to produce it in

China and India. Oriental tobacco differs from other types in the smaller leaf size, low nicotine content and the aromatic properties. Moreover, the curing method is different; Oriental tobacco leaves are dried in open air under direct sun light. Botanically, the Oriental tobacco is grown in soils with low and medium fertility levels and arid and semi-arid conditions. The soil has to be poor in organic substance and rich in minerals in order to produce the best tobacco. The best places for production are foothills and hill-slopes, where the surface layer is low and mineral content is high. Undoubtedly, tobacco can be grown on more fertile, irrigated plains, but under these conditions the leaves will be bigger and coarser; the nicotine level will be higher, which decreases the quality of and market value of the tobacco.<sup>1</sup>

The natural imperatives determine the structure of the livelihood and the vulnerability levels. The soil and climate requirements suitable for Oriental tobacco production, in fact, are not suitable for the production of any alternative crop with the same rate of market value and profitability.

Moreover, Oriental tobacco production does not require much capital, like fertilizers and machinery. Production is not suitable for intensive mechanization; to the contrary labor requirements are very high. The production process demands experienced labor because the quality of the final commodity depends to some extent on the care and expertise during the harvest, priming, drying and baling. The knowledge is reproduced from generation to generation, thus it becomes a defining feature of the household. The labor-intensive side of production makes the emergence of large scale production difficult, if not impossible. However, on the

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<sup>1</sup> Mustafa Koç, "Persistence of Simple Commodity Production in Agriculture: The Case of Tobacco Producers in Aegean Turkey" (Ph.D. diss., University of Toronto, 1988 ), pp. 106-136

other hand, small scale peasant household production might generate sufficient income for survival; at least it used to.

In the Turkish case, tobacco production, until very recently, was under the control of TEKEL<sup>2</sup>. Producers were protected from harsh competition by supporting and regulating policies of TEKEL. Therefore, tobacco production and the relations that emerged around it were formed in this relatively protected and safe environment. With trade liberalization under WTO agreements, IMF, WB policies and the neoliberalization of Turkish economy, significant changes in tobacco economy and tobacco land occurred which are worth analyzing. It is clear that the transformation has been profound and multifaceted. However, this thesis attempts to analyze the restructuring of the tobacco economy from the perspective of the producers; their experiences and survival strategies in the changing relations of production.

At this point, it can be argued that the relation between tobacco and peasant households is intense due to the uneven characteristics of production and the high market value of the commodity, which is could be replaced only with difficulty. Thus, I believe that looking at tobacco households is an effective strategy in order to pursue the survival, transformation and recreation of the rural households in the context of neoliberalism.

### Three Areas

As stated earlier, this thesis appraises and traces the diversity that exists in the real world in order to reach more accurate conclusions and the patterns of rural restructuring, transformation and the evolution of the rurality. Therefore, rather than looking just at one case, the research is designed to encompass an analysis of three

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<sup>2</sup> TEKEL is the governmental board which was responsible for the regulation of tobacco production, trade, cigarette manufacturing and marketing.

tobacco producing areas in order to be able to integrate different stories and different experiences into the analysis.

The areas are chosen with two concerns in mind. First, the widespread cultivation of tobacco at the dawn of the neoliberal restructuring, which was influential in the setting up of a livelihood, is considered. Second, differences in the socio-economic conditions of the areas are envisaged in order to reveal the causes and consequences of the emerging phenomena and foresee and comment on the restructuring trajectories.

The examined areas are Adıyaman; Manisa, Soma and Muğla, Fethiye. Both of these areas carry significant degrees of representation of the economic, social and natural aspects of their regions. Moreover, in both of these cities tobacco used to be major income source and now they are deprived of it to a large extent. On the other hand, these cities carry significant differences in terms of natural resources and the availability of alternative income sources yet show important divergences in the responses given to the very shock of neoliberalization; these enable a comparative analysis. More importantly, the trends emerging in both these areas are also important in providing a rough map for rural restructuring in Turkey after the transformation of agriculture.

Adıyaman is a city located in the south-eastern Turkey. Tobacco is the major crop produced in the city, and the economy is based largely on tobacco production. The climate is arid, especially in summer, rainfall is low and irrigation facilities are limited. The industry in the region is not developed. Therefore, tobacco cultivation in the city is the major and most important economic activity. Adıyaman sets a category which is more dependent on tobacco production and therefore is more vulnerable to the change.

Soma is a district in Manisa in the Aegean region. The city of Manisa is famous for the quality of the tobacco grown; the best type of oriental tobacco is grown there. Moreover, the climate in the region is suitable for agricultural production, and the amount of fertile and irrigable lands is larger compared to that of Adıyaman. Mining is an alternative industry in Soma because there are important coal mines. The city is also very close to Izmir, which is the third largest city in Turkey. Therefore, alternative job opportunities are more plentiful which decreases the degree of vulnerability compared to Adıyaman.

Fethiye is a coastal town in Muğla located in the Mediterranean region. In some villages and also in the city center, tobacco production was an important source of income until the development of tourism in the 1990s. The decreasing dependence on agricultural production and development of tourism in the city creating job opportunities are among the factors contributing to the research as a different category because in the region a smoother depeasantization has been seen. Therefore, the vulnerability levels of the households are assumed to be lower than those of the other regions, so different dynamics contributing to the restructuring patterns are expected.

### Methodology

On the pursuit of the answers to the restructuring patterns in the framework elaborated above, field research was performed in the villages of the Soma, Fethiye and Adıyaman. The research includes visits to villages in each of these areas, where tobacco production dominated the economic activity of the village and the peasant households, at least until the neoliberal restructuring.

At this point it should be noted that this study does not offer a mere comparison of rural restructuring in the mentioned three areas. It also aims to bring together diverse examples of rural tobacco livelihoods with diverse socio-economic structures and draw a bigger map of restructuring which may be useful in evaluating and speculating on the new rural structure in Turkey by using comparative methods in order to reveal the factors contributing to the emergence of different phenomena. Therefore, it is more accurate to say that the study is a village-based one, singling out some factors contributing to the restructuring in order to see the effects of other factors. Another point to be noted in context of the methodology is that the research offers more than a mere anthropology or a complete ethnography benefiting from the methods of these areas.

Data collected from the villages of the three areas constitute the major data source in the thesis. Since this thesis is written simultaneously with the transformation of the rural structure, especially in Adıyaman, field research enabled the author to seize the moment of change and to witness the reactions by the peasants when they were fresh.

The field research is based on visits to tobacco and former-tobacco villages where first hand data was collected from the interviews with peasants. By the peasant I mean small and middle scale owning with a maximum of 50 *dönüms* of land. Sincerely, the first visit to the first village in July 2009 showed that it is difficult to find many tobacco cultivators. Thus, the research was designed to include both current producers together with former-tobacco producers to the sample, in order to see in what ways they adjusted their livelihoods after quitting production and if they continue production, which circumstances compel peasants to do so. By doing so, the diversity in restructuring trajectories was tried to be attained.

Interviewees were selected through snowball sampling and the interviews were made with focus groups in the houses or courtyards of the peasants as well as the coffee houses in some villages.

The interviews were semi-structured, allowing the respondents to give details and tell anecdotes from their daily lives and their experiences. Focus groups were preferred because respondents are more comfortable in their own environment and more willing to talk to a stranger. The questions<sup>3</sup> were designed to reveal income sources, the patterns of livelihood diversification and alternative income sources in order to continue livings in the rural area after the major income source was damaged. Hence, the questions regarding the income made some of the interviewees feel a little uncomfortable. Efforts were made to be overcome in these semi-structured conversations and with the accompaniment of a villager or someone who was from that very locality. This especially was helpful in Adıyaman in overcoming the language barrier. The peasants were more comfortable speaking in their mother tongue and until a trust to some degree was established with the “stranger,” the conversation went on in Kurdish. It was interesting to see that small and seemingly unimportant signs like the wearing of a traditional head covering, giving a sign of ‘*köylülük*,’<sup>4</sup> or simply being from that rurality were factors facilitating the foundation of more intimate relations than that of interviewee and researcher. Thus, the data collection on the income sources and survival strategies of the peasants became easier when such an intimacy was founded.

However, field research with the peasants was not enough to present a coherent and well grounded analysis. In order to overcome this skepticism, I

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<sup>3</sup> See Appendix 1 for the List of Questions

<sup>4</sup> A sign of being a part of that rurality, like knowing a locally used word or coming from a peasant or an former-nomadic family.

conducted interviews with third parties, like a tobacco expert from a contracting firm, a TEKEL Official, a village headman or the teacher of the village, the mayor of the city, a writer from an former-tobacco village and a representative of Tütün-Sen<sup>5</sup> in order to hear different voices and integrate them into the research as control cases.

In addition, qualitative data supported with the quantitative data, with statistics from TUIK, the Ministry of Agriculture and Rural Affairs and provincial administrations, reports of TEKEL, from the newspaper articles and web sites of agricultural organizations. Especially, demographic and production statistics were used with an aim of widening the scope of the research in a way to encompass the villages in which field research could not be performed. Thus, the research is designed to reveal the survival strategies and patterns of restructuring from the field research and try to support them with the macro data

Preliminary field research began in July 2009 in villages of Fethiye to become familiar with the tobacco livelihoods and gain an insight into the villages. Later in August, a study in Adıyaman was undertaken in the harvest time, which made it possible to visit tobacco fields and talk to peasants when they were priming the leaves. Furthermore, the timing of the research enabled the author to identify the tobacco fields and then seek the producers. 2009 was the first year of production after the disappearance of TEKEL, which had been the major buyer in the region. Because of the factors that will be elaborated in Chapter IV it was difficult to find tobacco fields on the plain of Adıyaman, which had been famous for the smell of tobacco.

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<sup>5</sup> Tütün-Sen is the union of tobacco farmers which was declared in 2004 by the tobacco producers with an aim of uniting tobacco farmers under the umbrella of peasant organization to struggle for the rights and for a better bargaining power behind the transnational capital they were left alone with the disappearing of the State. Peasant unionization is not legal in Turkey, even though the EU accession process as well as some international agreements foresee the amendment of Turkish legal system in line with international principles in a way to legalize unionization among peasants.

The field research in Soma was performed in October 2009, coinciding with the baling period, proving the long production season of tobacco which lasts approximately 14 months followed by the field research in the villages of Fethiye in January 2010. Apart from the interviews, observing the villages provide insight into the structure and extent of agricultural production and allowed speculating about new order of the village, especially in Fethiye where agricultural production was rendered a secondary activity.

### Organization of the Thesis and Presentation of the Data

The thesis examines diverse examples of survival strategies and restructuring patterns of the rural livelihoods, in the particular case of tobacco production. Tracing the steps of the peasants, it aims to reach conclusions to form a definition of rurality in Turkey. A survey of the theory and the world literature on the agrarian change disclosed that the Turkish case is very much similar to what is taking place in other countries, especially in the Third World.

The following chapter draws a map of agrarian change and the transnationalization of agriculture with an aim to depict the position of peasant households and demonstrate the factors contributing to their vulnerability. It provides conceptual tools which are useful in interpreting the occurrences in Turkey. Chapter 3 looks at the short history of tobacco in Anatolia in order to understand the structure of the rural livelihood then it elaborates on the political economy of Turkey, paving the way to the triumph of neoliberal principles in tobacco market. Chapter 4 and Chapter 5 are the main chapters in which the results of the research are presented and answers to the research question are provided. Chapter 6 offers a brief

discussion of the important points of the research as well as the suggestions for further studies.

## CHAPTER II:

### GLOBALIZATION ONCE AGAIN: NEOLIBERALISM, TRANSNATIONAL AGRIBUSINESS AND AGRARIAN TRANSITION

Capitalist agrarian transition is protean in its manifest diversity.<sup>6</sup>

(Byres, 1996)

Thinking and talking about neoliberalism, I imagine a huge “satanic mill” that turns men into masses as Polanyi<sup>7</sup> helped the human imagination conceive of the industrial revolution as a phenomenon. In last three decades, the entire world has been being ground by that satanic mill and this time more “globally”. Now the triumphant is neoliberalism, reigning anywhere and everywhere and transforming the whole world once again, deeply and irreversibly.

Agriculture may seem as just one realm which is being transformed by neoliberalism; however, the transformation in agriculture is fundamental in the sense that it affects the other realms of life directly and profoundly. This thesis aims to shed light onto the lives and struggles of the “man,” rural man, behind that satanic mill. This chapter provides some conceptual tools necessary for understanding the impacts of neoliberalization on agriculture and on the peasant household and the possible reactions and adaptive strategies employed by them.

The story begins with the decreasing influence of state-pioneered strategies for development by the end of 1960s and the collapse of the Bretton Woods

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<sup>6</sup> Terence J. Byres, *Capitalism from above and Capitalism from Below: An Essay in Comparative Political Economy* (London: McMillan, 1996) p 478.

<sup>7</sup> Karl Polanyi, *The Great Transformation* (Boston: Beacon Press, 1957).

agreement in 1971. From then on, deregulation emerged as the word defining the Zeit geist of the time. The decreasing role of the state in regulating the market, the increasing mobility of capital, the emergence and expansion of multinational and transnational corporations and spread of this new order to developing countries, with the increasing importance of international financial institutions like the IMF and the World Bank, are counted as the crucial aspects defining the contemporary era. The tendency of capital towards globalization (creation of a world market) was long ago acknowledged by Marx in *Communist Manifesto*<sup>8</sup>; however, what we are experiencing today alongside globalization is “globalization of neoliberalism itself” as mentioned by Dumenil and Levy.<sup>9</sup> The spread of neoliberal principles of deregulation, trade liberalization and marketization to the developing countries lies at the core of the recent transformation because increasing the mobility of capital towards developing and underdeveloped countries ( towards the periphery) plays a crucial role in the fate of these parts of the world and the penetration of capital to geographically disperse regions tie them with *invisible knots*’ of the market, putting diverse and novel mechanisms and dynamism into action.

The emergence of *invisible knots* between geographically disperse localities of the world is a key phenomenon marking the difference of the contemporary era, the new phase of globalization which lies at the centre of the agrarian question as well. The principles of free-trade, deregulation, market liberalization spread as universal norms and keys for economic development through the activities of international financial institutions such as the IMF, the World Bank, the World Trade Organization. The emergence and strengthening of multinational and transnational

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<sup>8</sup> Marx and Engels, *The Communist Manifesto*. (New York: Penguin group, 1998)

<sup>9</sup> Gerard Dumenil and Dominique Levy , “The Neoliberal (Counter)Revolution” Manuscript, 2005 (PDF version of the document was downloaded in January 14,2010 from <http://sanhati.com/wp-content/uploads/2007/03/neoliberalcounter.pdf>)

Corporations went hand in hand with the process mentioned above, because elevation of the borders before the trade and structural adjustment programs implemented by governments as a way to attract capital and money by decreasing the quotas, tariffs, taxes and all kind of obligations for the capital owners dramatically contributed to the international mobility of capital. Keeping in mind the fundamental principle of the “profit maximization” of business corporations, in this increasingly globalized and free environment for the movement of capital, it is not unusually interesting to expect capital to look for “heavens” in which costs for production are lower, with no tariffs and quotas for trade, with low levels of social security measurements, low minimum-wage requirements and preferably with a good amount of informal sector providing cheaper sources of labor. The increasing influence of the international capital in a country interestingly creates a cycle for the economy and society of that country. The increasing liberalization of the market leads to the deterioration of the socio-economic conditions of society especially for the poor feeding the sources of cheaper labor and decreasing the costs of production, which attracts more capital. Friedman summarizes the transformation as follows:

To judge by the rhetorical celebration of “markets” in all nations and in international fora, and by the practices of austerity, privatization, deregulation and the like, the pendulum is swinging back. A new era is being constructed, in which people and the earth are forced to “adjust” to the “market” and it is the markets, not people that require freedom. The swing began a decade ago in the Third World and former socialist countries under the debt regime imposed by the IMF and other international agencies. Now, it includes the core.<sup>10</sup>

Both in the core and the periphery, transnational corporations are bodies carrying and reflecting the nature of this new phase of globalization and showing the concrete place of state in this order. Contrary to multinational corporations which have locations in a number of states yet are associated with a specific national orientation,

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<sup>10</sup> Harriet Friedman, “Food Politics: New Dangers, New Possibilities,” in *Food and Agrarian Orders in the World Economy*, ed Philip McMichael, pp. 15-33 (n.p., Praeger, 1995) p.17

transnational corporations are less concerned with a national interest. As William Friedland<sup>11</sup> write, transnational corporate entities cannot be controlled by a nation-state because many of their agencies such as production, manufacturing, and marketing are located dispersedly.

Agribusinesses are among the transnational corporations which operate in geographically dispersed localities and tie them to one another with *invisible knots*. Agribusinesses, like other forms of transnational capital, carry significant characteristics. First one is the decentralization of production in various localities. As Bonanno et al.<sup>12</sup> note, this process does not mean decentralization of capital; instead we observe a concentration of large capital which enhances corporate control over certain aspects of the productive process, like breaking up union activity, and the exploitation of cheap sources of labor.

The second one is the spatio-temporal compression facilitating the maximum extension and velocity of the economic processes as suggested by David Harvey.<sup>13</sup> New forms of transport, credit, communication and other innovative technologies linked geographically dispersed regions more than ever. This contributed to the formation of the term “global market” for agricultural commodities and the value of the commodity become isolated from its actual value on the ground. As Koray Çalışkan shows in his thesis titled “Making a Global Commodity”, he shows that prices of agricultural commodities in world market are prosthetic prices which are useful tools for the traders to interact with the market field because in this highly

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<sup>11</sup> William H. Friedland, “Agrifood Globalization and Commodity Systems,” paper presented to Agriculture and Human Values Annual Meeting, Austin, Texas, 2003; Actionaid, “Power Hungry: Six reasons to regulate global food corporations,” (Actionaid, 2004), [www.actionaid.org](http://www.actionaid.org)

<sup>12</sup> Alessandro Bonanno et al. “Global Post-Fordism and Concepts of the State,” *International Journal of Sociology of Agriculture and Food*, 4 (1994), pp.11-29.

<sup>13</sup> David Harvey, *The Condition of Post-modernity* (Hoboken, New Jersey.: Blackwell, 1990), pp.260-283

globalized environment bringing a spatio-temporal compression through innovative mechanisms as credit, transportation, communication, price is not determined by the simple coming together of supply and demand. He argues that “markets are intervened and maintained constantly which is their condition of possibility and the price is one of the major interventions in the process of price realization. Markets trade on perceptions, not on reality.”<sup>14</sup>

Stated as such, the phenomenon may seem complicated; however, keeping in mind how the trade of a global commodity like cotton or tobacco realized, the argument becomes clear. Çalışkan shows that the major trade is realized in the futures, options and stock markets according to the strategically made decisions of the trader. The trader does not necessarily need to own actual amounts of commodity in order to sell them. He/she can instrumentalize futures and options markets together with prosthetic prices and realize the trade. The spatio-temporal compression of the world enables global owners of the capital with this blessing. Because the increasing mobility of the capital, and increasing mobility of commodity, money and labor enables the trader to supply the amount of the commodity needed from any part of the world, from the most reasonable price for the capitalist. The policies, implementations and sanctions used in one part of the world may influence the decisions and lives in other part of the world. But, what does this incredible blessing for capital owners mean for the peasants of the world? This is a point which will be elaborated on after noting some more points on the nature of capitalism and globalization today.

The third point which is also noted by Bonanno is the fractured spatio-temporal unity of the polity and economy which is a result of the weakened state

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<sup>14</sup> Koray Çalışkan, “Making a Global Commodity: The Production of Markets and Cotton in Egypt, Turkey and the United States” (Ph.D. diss., New York University, 2005), pp.512-550

capacity to mediate between the market and the society. He outlines the consequence as follows:

The Fordist conception of market-centred democracy presumed the State's capacity to establish socio-cultural limits to capitalist development and provide community and national institutions with relative autonomy and safety from the forces of unrestricted economic rationalization. During the late 1970's and 1980's, the State was not able to assure growth and at the same time contain capitalist dynamism without eroding its capacity to limit socially unacceptable costs. In particular, post Fordism substantially reduced the local, regional and national State's control over its economic and non-economic environments. (Bonanno et al, 1994)<sup>15</sup>

The state's decreasing ability in assuring growth has resulted in strategies to attract business. Low wages, weak union power, tax abatements, a decrease of tariffs and quotes before trade and the structuring of government subsidies were instrumentalized in order to attract capital. The definition and quality of the work also has changed during this process. Low quality, part time, informal or flexible work definitions began to be dominant in the labor market in order to increase profitability of the business launched in a state, most of the time by transnational corporations.

Transnational corporations, as implied in the name itself, constitute as Friedland states :“(...)a new manifestation of capitalism which is only partially regulatable by nation-states, only to the extent that it has physical production and distribution activities within national boundaries.”<sup>16</sup>

In the realm of agriculture, the reality and dynamism are reflections of the caricaturized portrayal of the new era, which were summarized above. Agricultural production and market operates according to same rules, we have large agribusinesses dominating the world agricultural commodity markets mostly in the

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<sup>15</sup> Alessandro Bonanno et al. p.9

<sup>16</sup> William H. Friedland, “Transnationalization of Agricultural Production: Palimpsest of the Transnational State,” *International Journal of Sociology of Agriculture and Food* 1 (1991) p.54

form of oligopolistic competition. These businesses have significant bargaining power before the governments because their activities are perceived as crucial for the wellbeing of the national economy and governments try to create safe environment for the operations of agribusinesses.

Among the mechanisms for agricultural restructuring can be counted the abolition of trade barriers as a primary action thus the activities of transnational corporations in the domestic economy becomes liberalized. Moreover, diminishing the role of state as a regulatory body is another frequently used tool which includes the abolition of support buying, introduction of production quotas, and restructuring of government subsidies. These factors result in an increase in the level of insecurity for the producers of agricultural commodities and food. Moreover, all the aspects point to a concept which is vital in order to understand and recount what the small farmers are facing today which constitutes main subject of this thesis after a rather extended introduction depicting the factors contributing to the emergence of this very concept, which is vulnerability.

### Vulnerability

The increase in the levels of vulnerability experienced especially by small peasantry appears as the most important factor leading to the disruption of the rural livelihood and forcing the change. Speaking of vulnerability, what is referred is a situation that may harm and damage the livelihood settled by peasants due to increasing levels of insecurity during not only production and but also the marketing of agricultural products.

The vulnerability of the peasantry is not a novel phenomenon. Throughout history, vulnerability, especially from environmental and climatic factors, has always been present; however, what we are experiencing today is a multifaceted and multilevel vulnerability which occurs at three levels, seemingly distinct yet feeding one another, being environmental/climatic, domestic and global/transnational.

### Vulnerability at the Environmental/Climatic Level

Vulnerability stemming from environmental and climatic factors is a basic form of vulnerability which to some extent results from the nature of the activity by itself and the relations of human with the nature. The biophysical conditions of a particular geography to a large extent shape the structure of the production activity; however, the production process carries significant insecurities within itself. Differential amounts of rainfall during certain processes such as production, temperature levels, climatic changes, droughts, pests all affect the fertility, quality and the amount of the harvest which is directly linked to household income. However, the most important point which has to be noted in terms of environmental vulnerability in the framework of this thesis is not the intrinsic insecurity imposed on the production, but the degree to which it was felt by the peasants and affected household income generated from agriculture. The neoliberalization of the agricultural market and production increases the vulnerability at the environmental/climatic realm because peasants increasingly become deprived of insurance mechanisms which aim to cope with the contingencies of the production process. The decreasing role of the state as a regulatory body providing relatively secure conditions for peasants can be accounted for the increase in environmental vulnerability, a phenomenon which directs us to the domestic level.

### Vulnerability at the Domestic Level

In economic systems based on the principle of state intervention in the economy a subsidy system is instrumentalized in order to control the production and marketing of the agricultural products, simultaneously aiming at decreasing the costs of producers to maintain the relative welfare and stability of their households. Support payments, support buying, supports for fertilizers and seeds, the determination of minimum prices for the marketing of a commodity contribute to the competitiveness of the local agricultural production behind global markets. Such regulations are effective in minimizing the risks that producers may encounter.

In order to concretize, under an effective subsidy system producers are aware that state agencies will buy their products if not the merchants or other bodies. If a production process had not returned enough income to continue production, state agencies help the producers by contributing to input costs. Discussions about the agrarian and economic development under government regulation are profound, yet what matters at this point is the degree to which government subsidies and regulation are effective in reducing the insecurity. The alleviation of such security-ensuring mechanisms and the restructuring of subsidy system under neoliberal principles dramatically increase peasant vulnerability. Without the settlement of minimum price, the prices of a commodity left to the profit-seeking merchants and agribusinesses which are well-equipped enough to enforce the price they desire. In a deregulated economy, especially in transition economies trying to attract capital, peasants deprived of government support and collective body of their own with a bargaining power to counterforce the price enforced by the merchants, the

vulnerability increases dramatically. At this point, global/transnational factors that increase vulnerability come onto the scene.

### Vulnerability at the Global/Transnational Level

The principle of free international trade and the enforcement of this principle by international financial organizations to Third World economies lies at the heart of the phenomenon described above. For the peasants of these countries, these principles may mean a significant shock to their livelihoods, to the extent of bringing an end to it.

Many of the international traders operate in global markets and are equipped with various mechanisms of risk aversion and profit maximization. Frank Wolak in an article seeks to identify for a common tool used by the firms by asking the question: Why do firms purchase in spot and contract markets? He states his findings as follows:

1) to insure against unforeseen supply interruptions or purchase price variability, 2) to avoid the increased costs associated spot relative to contract transactions with geographically dispersed producers, 3) the use of spot transactions to reward or punish behaviour by either side of the transaction on the contract market.<sup>17</sup>

The findings shed light on how the peasants of the intertwining markets are affected. Intertwining markets mean that traders can supply a commodity from other markets if the peasants of one state fail to produce the desired amount or quality of that commodity or dare to bargain for a higher unit price or refuse to sell the amount they have produced. The access of the firms to geographically dispersed markets

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<sup>17</sup> Frank A. Wolak, "Why Do Firms Simultaneously Purchase in Spot and Contract Markets? Evidence from the United States Steam Coal Market," in *Agricultural Markets: Mechanisms, Failures and Regulations*, ed. D. Martimort (n.p: North-Holland, 1996), p.109.

radically increase the alternatives of the firms for acquiring the amount of the commodity needed, simultaneously increasing their ability to impose the prices and terms of the contract. Keeping in mind that neoliberalism imposes deregulation alongside the trade liberalization, peasants deprived of state subsidies become more and more vulnerable to the risks imposed by the market.

### How the Three Levels Feed One Another

The research of Marcela Vasquez-Leon, Colin Thor West, Timothy J. Finan<sup>18</sup> is exceptionally interesting in showing the interrelatedness of the interaction between the three levels. Initially they take two regions; each is semi-arid with highly variable precipitation and frequent droughts. The climate vulnerability is taken as given in these neighboring lands, in the state of Arizona, USA and Sonora, Mexico. The article aims at finding differential effects of access to resources, state involvement and factors like ethnicity. The authors elaborate on the adaptive strategies of the peasants given a particular biophysical context and argue that these strategies are more effective in societies with more access to resources. Thus it will not be groundless to argue that climate/environmental vulnerability becomes harder to cope with the conditions of increasing insecurity and vulnerability on the other two levels.

Moreover, I would argue that the increasing vulnerability of the peasantry in one country contributes to the vulnerability of the other in another country because of the spatio-temporal unity and increasing interconnectedness of the geographically dispersed localities. That is because the fewer products the peasants of a country sell

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<sup>18</sup> Marcela Vasquez-Leon et al. "A Comparative Assessment of Climate Vulnerability: Agriculture and Ranching on Both Sides of the US-Mexico Border," *Global Environmental Change* 13 (2003), pp. 159-173.

increases the vulnerability of the other by deteriorating their socio-economic conditions.

What do peasants do in this environment of perpetual vulnerability? How do they react to the increasing levels of insecurity encountered in the process of producing and selling the commodity they have produced? How are the livelihoods affected from the new developments and how do they react to this shock? What are the survival strategies of the peasants and to what extent can they be successful in maintaining a livelihood? What do the new phenomena imply in common for the peasants? In what ways do the peasants diverge from one another, stemming from which factors? The next section will seek the answers to these questions.

#### Peasant Responses:

##### How They Differ, What They Have in Common

##### (Strategies to Overcome Encroaching Poverty and Deprivation)

The neoliberal account has been criticized for presenting peasants as passive victims of globalization, a criticism which I agree with to a large extent. Undoubtedly neoliberalism has led to the disruption of the peasant livelihoods and production; however, that is not necessarily to say that all peasant reflections are imposed by emerging neoliberal conditions. Peasants should not be perceived or portrayed as victims, but as a segment of society who are affected dramatically by the changes yet as actors trying to make their way out of the trouble and earn their living. This very understanding lies beneath a rather extended account of increasing vulnerability and insecurity. The framework is proposed in order to leave a room for the differentiated responses and survival strategies employed by the small peasantry behind the

“Satanic Mill” of neoliberalism. Rather than presenting neoliberal principles as directly transforming the lives of peasants in a uniform way, it is important to present them as transformative factors; however deeply rooted and violently influential; in order to be able to recognize the peasant agency and resistance. On the other hand, we should acknowledge the manifest diversity of neoliberalism in different rural contexts. Concerning this debate, Winson proposes: “The unfolding of globalization in poorer countries is often portrayed as inevitable and inclusive by its proponents; a perspective which fails to reflect its often actor-specific origins, socio-economically exclusionary nature, and differentiated local impacts.”<sup>19</sup>

On the same debate, Anja Nygren and Outi Myatt-Hirvonen state “according to this view, marginalized peasants and rural poor manage to cope with scarcity through a combination of diverse sources of income and social creativity. Instead of seeing people as impelled by forces beyond their control, actor-oriented frameworks emphasize people’s capability to construct the meanings of their life worlds and to find room to maneuver.”<sup>20</sup>

Both these quotations emphasize a need to develop an actor-oriented approach in analyzing the peasant responses towards neoliberalization. Recognition of peasants as active agents trying to reshape and earn their lives behind neoliberalism is also necessary in acknowledging the degree of diversity taking place in the real world. Trying to attribute uniformity to the phenomenon taking place in the real world is an intrinsic attempt aiming to facilitate the perception. However,

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<sup>19</sup> Anthony Winson, “Theoretical Reflections: Transnational Capital and Its Alternatives,” in *Globalising Food: Agrarian Question and Global Restructuring*, ed. Goodman and Watts (London: Routledge, 1997) p.239

<sup>20</sup> Anja Nygren and Outi Myatt-Hirvonen, “Life Here is Just Scraping by’: Livelihood strategies and Social Networks among Peasant Households in Honduras,” *Journal of Peasant Studies*, 36 no.4 (October 2009), p. 829.

this tendency may lead to ignorance about the diversity and differentiated responses taking place in the actual world which are crucial for developing an extended understanding and perception closer to actuality. In order to reach the desired level of heterogeneity and actuality in analysis, Cristobal Kay emphasizes the implementation of a comparative approach in order to reveal the diverse experiences and specific tendencies in communication with certain factors. On this issue he cites White and quotes the following:

The comparative approach, requiring detailed analysis of the contrasting experiences of rural development in actual societies, with recognition of the particular historical, social and political contexts at national and local level in which agrarian changes take place, in which strategies and policies have been formed and introduced and have succeeded or failed. In this way we may hope to confront and come to terms with the diversity that exists in the real world – whatever uniform tendencies some abstract theories might suggest – and to learn from it, to see the ways in which general ‘tendencies’ interact with specific conditions to produce particular outcomes, and to understand in this way that ‘success stories’ may offer valuable lessons, but not directly transferable models for other societies to follow or for external agencies to impose.”<sup>21</sup>

On the same debate, a group of scholars introduced an approach aiming to reveal the diverse sources of income and diverse experiences of livelihood formation and re-formation named “Sustainable Rural Livelihoods.” The central question can be stated as such: Given a particular context (of policy setting, politics, history, agro ecology and socioeconomic conditions) what combination of livelihood strategies (agricultural intensification, extensification, livelihood diversification and migration) emerges with what outcomes?

A “sustainable livelihood” was defined in 1992 by the advocates of the approach when Chambers and Conway produced a working paper for the Institute of Development Studies. It is stated in the report that “A livelihood comprises of the

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<sup>21</sup> Cristóbal Kay, “Development Strategies and Rural Development: Exploring Synergies, Eradicating Poverty,” *Journal of Peasant Studies*, 36 no.1 (January 2009), p. 132

capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks maintain and enhance its capabilities and assets while not undermining the natural resource base.”<sup>22</sup>

The advocates of this approach argue that livelihood resources (natural, economic, human and social capitals) are combined in the pursuit of different livelihood strategies among which are agricultural intensification and extensification, livelihood diversification and migration, and they propose analysis of the range of formal and informal organizational and institutional factors that influence sustainable livelihood outcomes.

The central aim of the approach is to reveal the diverse sources of livelihood formation and in what ways rural communities respond to the shock disturbing their livelihoods. Diversity appears as the most celebrated word of the approach and challenging the single-sector approaches to livelihoods analysis was put as a major promise. As Scoones put it, the appeal of the approach is: “Look at the real world and try and understand it from local perspectives.”<sup>23</sup> In order to do so, the Sustainable Rural Livelihoods approach offers an integrated, multidisciplinary, multifoci analysis to understand complexity and dynamism of the rural communities by posing the questions of:

What are the trends in terms of availability of different types of livelihood resource?  
How are different capital assets being depleted and accumulated; and by whom?  
What are the trends in terms of access?

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<sup>22</sup> Ian Scoones, “Sustainable Rural Livelihoods: A Framework for Analysis,” *IDS Working Paper* (PDF version of the document downloaded October 4, 2009 from <http://www.uvg.edu.gt/instituto/centros/cea/Scoones72.pdf>)

<sup>23</sup> Ian Scoones, “Livelihoods Perspectives and Rural Development,” *Journal of Peasant Studies*, 36, no. 1(January 2009), p.173.

What new livelihood resources are being created through environmental, economic and social change?<sup>24</sup>

On the other hand, the approach was criticized for not attributing sufficient power and politics and not being in sufficient communication with the global macroeconomic dynamics of globalization and neoliberalism and declined during the last decade. Yet, the approach helped the researchers of rural transformation by offering a matrix of potential reasons leading to a disturbance of the settled livelihood and in what ways rural communities respond to the shock together with a quest for “a grounded, solid and field based empirical stance”<sup>25</sup>

It must be remembered that peasants are active agents trying to earn their livings. Hence, we must admit that peasants are trying to adapt their livelihoods to an increasingly volatile and insecure environment posed by the spread and deepening of neoliberal principles by attending a bunch of income generating and sometimes innovative activities with an aim of risk aversion necessary for the survival of the livelihoods. Diversification is the word defining the spirit of the survival strategies because it enables peasants to compensate for the possible risks and losses of one economic activity with the utilization of the other. Among these strategies, the first and most common way to cope with the stress is livelihood diversification.

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<sup>24</sup> Ian Scoones, IDS Working Paper 72

<sup>25</sup> Scoones.

## Rural Livelihood Diversification/ Pluriactivity

Rural livelihood diversification is defined as “the process by which households construct a diverse portfolio of activities and social support capabilities for survival and in order to improve their standard of living”<sup>26</sup>

While Ellis makes a more general definition of livelihood diversification, Ben Bradshaw puts the concept in context as follows:

In the context of declining government subsidization of agriculture, many analysts have predicted reversals in certain characteristic trends of post-1945 Western agriculture with positive implications for agro ecosystem well-being. One example, investigated herein, is the suggestion that, in the absence of government safety nets, farmers will seek to diversify their operations in order to buffer against production failures or market downturns in any one output.<sup>27</sup>

Also in the agricultural risk-management theory, diversification is counted as an effective strategy to manage market, climatic, and other risks in the absence of government safety nets, a phenomenon which was discussed under vulnerability at the domestic level. By diversifying their activities, peasants seek to form a self-insurance mechanism in order to survive in any risk decreasing their yields or in order not to be affected from price fluctuations or any case contingency in the marketing process.

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<sup>26</sup> Frank Ellis, *Rural Livelihoods and Diversity in Developing Countries* (Oxford: Oxford University Press, 2000), p.4.

<sup>27</sup> Ben Bradshaw, “Plus c’est la même chose? Questioning crop diversification as a response to agricultural deregulation in Saskatchewan, Canada,” *Journal of Rural Studies* 20 (2004), p. 35.

## Crop Diversification

Among the “diverse portfolio of activities,” crop diversification shall be analyzed first being the initial expected response at the farm level because peasants are expected to find an on-farm solution to the risks involved. As the name implies, allocation of lands to different kinds of crops is the strategy. When the yields or unit price of a crop is low, or there is any kind of risk of production, farmers seek to balance the loss from another crop, which is not expected to be affected from the same risk factor. The logic is simple: rather than leaving all the land vulnerable to contingencies of the production of a single commodity, allocating a part of it to the contingencies of the production the other. Hence, what is diversified is not only the crop but also the risk involved. In fact, diversification of the risk brings that of the crop.

On the other hand, contrary to the output specialization of the era of state regulation and government subsidies, output diversification may seem to be a natural outcome of the new era of deregulation. However, approaching the issue from this perspective leads to the naturalization of the phenomenon in mind, thus resulting in the disregard of some motives and results stemming from them. Primarily, diversification does not appear naturally. It appears with the aim of diversifying the risks, as mentioned above. Diversification may lead to replacement of the initially diversified crop with another generating more income. As the study of William M. Snell<sup>28</sup> demonstrates, peasants are more likely to produce crops which are more

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<sup>28</sup> William M. Snell, “The Volatile and Uncertain Outlook for Tobacco in Kentucky,” in *Exploring the Frontier of the Future: How Kentucky Will Live, Learn and Work*, ed. Michael Childress et al., (n.a: 1996), pp. 155-161

advantageous in the short-term and the diversification may result in the dominance of one crop.

Moreover, crop diversification also requires the existence of some circumstances in order to be a viable and profitable option for the peasants such as farm-size, topography, climatic conditions, irrigation facilities, and soil quality. In the arid or semi- arid conditions with low soil quality, crop diversification may lose its meaning for the peasants because the range and profitability of the crops which can be produced in the given conditions may be insufficient for the compensating the losses of the initially produced crop, thus crop diversification ceases to be a viable option leading to survival in the village.

#### Pluriactivity/ Part-time Farming

In many cases, crop diversification appears as an observed strategy, but most frequently it is insufficient for the survival in today's neoliberal world. When the on-farm diversification is not sufficient for survival, a combination of both on and off-farm activities appears to the scene as an effective strategy.

There is a significant deal of scholarly debate on how to define pluriactivity or part-time farming. As Bradshaw writes,

Following Ilbery (1991), diversification tends to depict the development of alternative or unconventional farm-based enterprises such as the production of organic crops or the provision of farm tourism services. Although less settled upon, the term part-time farming is generally limited to the selling of family labor off-farm, such as driving a school bus or working in the local post office. Lastly, following MacKinnen et al. (1991, p. 59), pluriactivity is typically used to describe “the phenomenon of farming in conjunction with other gainful activity whether on- or off-farm.” That is, farm diversification

and part-time farming are subsumed within the more holistic term pluriactivity.<sup>29</sup>

Simultaneously, Evans and Ilbery define pluriactivity as a phenomenon of farming in conjunction with other gainful activity whether on or off-farm.<sup>30</sup>

In the essence of the debate lies the motivation for generating alternative sources of income. The strategy is used by the peasantry for various reasons: in order for survival or for poverty alleviation for worse-off peasants; for effective use of household labor-force; for minimizing the increasing risks in agriculture; as a self-insurance mechanism against the side-effects of specialization; for richer peasantry, as an effective strategy for improving the assets of the household or for capital accumulation and market integration.

Frank Ellis<sup>31</sup> in an article on the determinants of livelihood diversification rejects the conventional dualistic classifications of the factors leading to diversification like the distinction between necessity and choice, and proposes six factors leading to diversification: seasonality for reducing seasonal income variations; risk strategies for achieving an income portfolio with low covariate risk between its components; labor markets for reducing the cyclical and insecurity threats to household income by offering non-farm opportunities for income generation differentiated by other considerations such as education, skills, location and gender; credit market failures as a factor necessitating the availability of cash from off-farm activities needed for the purchase of recurrent farm inputs; asset strategies for investing in order to enhance future livelihood prospects; and coping

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<sup>29</sup> Bradshaw p.37

<sup>30</sup> N.J. Evans and B.W. Ilbery, "Pluriactivity, Part-time Farming and Diversification Debate," *Environment and Planning* 25, no.7 (1993), pp.945-959

<sup>31</sup> Frank Ellis, "The Determinants of Rural Livelihood Diversification in Developing Countries," *Journal of Agricultural Economics* 51, no. 2 (2000), pp.289-302.

behavior and adaptation for strengthening survival capabilities against future eventualities.

Studies on pluriactivity show that the peasantry is becoming more and more pluriactive in industrialized and in developing countries. Crisobal Kay, citing the World Development Report of 2008, put forward that:

Small holders increasingly move beyond the farm by diversifying their employment and income opportunities. Whether small holders diversify their activities as a way out of distress or to grasp new opportunities is the pertinent question. Several studies have indicated that the increasing engagement of the peasantry in diverse activities is due to the crisis of peasant farming which is unable to compete with corporate agriculture in the era of globalization.”<sup>32</sup>

The motivation for pluriactivity may stem from various motives; however, as seen in the World Development Report, the main reasons leading to the increase in diversification attempts are globalization and the emergence of corporate agriculture. But how effective is livelihood diversification for eradicating poverty and rural development? What does this very strategy mean for life in rural area?

A study by L.R. de Silva and K.A.S.S. Kodithuwakku shows that worse-off households engage in a differentiated portfolio of activities in order to maintain their survival in the insecure and deregulated agricultural markets while better-off households with more access to capital and communication facilities are more inclined to engage in off-farm activities with a more entrepreneurial spirit. Thus, they argue that worse-off households are more dependent on agriculture than the better-off ones and better-off household encompass more potential for improving the household income. For the worse-off households, while admitting the positive effects of the strategy for survival, Ellis notes the following:

It is widely agreed that a capability to diversify is beneficial for households at or below the poverty line. Having alternatives for income generation can

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<sup>32</sup> Kay, p.126

make the difference between minimally viable livelihoods and destitution. However, diversification does not have an equalizing effect on rural incomes overall. Better-off families are typically able to diversify in more favorable labor markets than poor rural families. Total income and the share of income derived from non-farm sources are often positively correlated. Different income sources may have strongly differing impacts on rural inequality. For example, unequal land ownership may mean that a policy focus on crop income favours the rich above the poor; however, greater access to non-farm wage income would have the reverse effect.<sup>33</sup>

As evident in the above excerpt, the livelihood diversification may lead to the persistence of rural inequalities. The lower income earned by worse-off households from less favorable labor markets may not be sufficient for the survival of the rural poor. Migration in the most general sense emerges in this context.

### Migration

So far, livelihood diversification is elaborated on as a strategy for survival in the countryside. We also can locate the strategies of migration in this context of survival in rural areas. At first glance, migration seems like the end of the rural struggle and the starting point of urbanization. In analyzing migration movements attention was given to the pressures forcing peasants off their lands and attracting them to the cities. However, migration with the different shapes it takes also can be counted among the survival strategies for the small peasantry. Cristobal Kay admits the existence of this phenomenon and states:

Rural households have increasingly constructed their livelihoods across different sites, crossing the rural–urban divide and engaging in agricultural and non-agricultural activities. Straddling the rural–urban divide is a survival strategy for the poorer peasantry (‘distress migration’) or part of an accumulation strategy for the richer peasantry. Rural household incomes are increasingly made up from rural non-farm activities arising from outside agriculture (wage or salary employment such as working in agro processing

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<sup>33</sup> Frank Ellis, “Rural Livelihood Diversity in Developing Countries: Evidence and Policy Implications,” *Natural Resource Perspectives*, no.40 (April 1999)

plants and construction; self-employment such as marketing, rural tourism and other business activities; urban-to-rural and international remittances and pension payments.<sup>34</sup>

Here, we see the integration of urban-based income sources into the portfolio of the rural household. Migration may occur in multiple ways. As stated above, straddling the rural-urban divide is the strategy. Either one part or the whole family can engage in off-farm rural or urban activities in order to earn the money necessary for survival or reproduction of the rural household. The key here is continuing the family farm production.

Referring to the principle of *seasonality* proposed by Ellis, households may use the strategy of the seasonal, circular or permanent migration of one or more household members in order to be less affected by income fluctuations which occur seasonally. Given that household consumption is somewhat linear and income fluctuates, decreasing the gap between the two lies at the essence of the motivation.

As Ellis proposes:

This requires income earning opportunities, the seasonal cycles of which are not synchronized with the farm's own seasons. Seasonal migration to other agricultural zones may be one option, circular or permanent migration of one or more family members to non-farm occupations another (Alderman and Sahn, 1989). Under circumstances of barely sufficient survival from own-farm output, seasonal migration may occur not so much to supplement the incomes of the resident household, but to remove from it one mouth to feed (Toulmin, 1992: p.51)<sup>35</sup>

The seasonal migration of the family members is a frequently used coping strategy.

When the own-farm activities do not require much or any labor and the decline of the aggregate household income occurs proportionately in order to cope with the income

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<sup>34</sup> Kay, p: 122

<sup>35</sup> Frank Ellis, "The Determinants of Rural Livelihood Diversification in Developing Countries," *Journal of Agricultural Economics* 51, no.2, (2000).

fluctuation, members of households temporarily migrate in order to participate in the production and harvest of crops other than their own. Seasonal migration is often realized through the intermediation of labor contractors who enable the communication between the migrant workers and farmers. Hence, a market is established negotiating the daily wages and working conditions of the migrant farm workers. Having all the points discussed up to this point in the context of neoliberalism and agrarian transition, it is not difficult to predict that the bargaining power of the migrant workers is not strong both when we think of the income earned from own-farm activities, and also the structure of labor market with high levels of labor supply and low employment opportunities. As admitted by Ellis in the above quotation, given these circumstances together with low income earned from own-farm output, seasonal migration must be evaluated under attempts for bare survival, just to feed the household members rather than their recreation.

Seasonal migration can also be addressed within the broader concept of circular migration, which has to be elaborated at this point. It is defined as:

“(....) whereby, the movers do not change the place of residence in the village but are absent at an urban destination for periods longer than a single day. Again such movements can be associated with the full-time permanent employment at the destination but usually involves non-permanent informal work in the urban economy”<sup>36</sup>

The key issue is that in the context of circular migration the occupation in the village is reserved and the migrant is looking for additional job opportunities when labor demand in the village is low. At this point it corresponds to seasonal migration. The difference stems from the fact that circular migration is often associated with non-farm and urban work whereas seasonal is associated mostly with agricultural work.

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<sup>36</sup> Graeme J. Hugo, Circular Migration in Indonesia, *Population and Development Review*, 8, no. 1 (Mar., 1982), pp. 59-83 (p4)

Also circular migration may occur to remote areas for longer periods like working in coal mines for two years.

The permanent migration of one or more family members to urban areas is another coping strategy for rural households. The logic lying behind this is the same, bringing a together diverse portfolio of income earning activities together with trying to keep the expenditures at a minimum level. The migration of entire the household to the city is costlier than the migration of a part of it because the cost of living in the village is much lower than living in the city. In this context, most frequently those who are migrating are the young man of the household. That is because young man can live in worse conditions with cheaper expenses compared to the entire household. Furthermore, recognizing the fact that these migrant workers are most frequently employed in low income informal work, their subsistence in the city and contribution to household income staying in the village can be assured accordingly. Hence we should note that remittances from migrant workers, from international migration as well, are important sources of income for the rural household.

Up until now, the diverse dynamics of the agrarian transformation in the context of neoliberal globalization and diverse responses by the peasantry have been elaborated. But what do all these phenomena imply in sum? When we step back a little in order to look from a wider angle, how are all these dynamics perceived?

### Back to the Satanic Mill: The Emergence of the New Rurality

The satanic mill that turns the man into masses is grinding once more, and now turning the rural man not just into masses but into something else which cannot be explained with the existing conceptual tools of agrarian studies. Neoliberal

globalization took the existing structures, transformed and left them in a state of ambiguity. Bernstein, in his most recent work turning his attention to an old debate about the capitalist transformation of agriculture between Lenin and Chayanov and tried to derive some implications for the transformation by making the below stated observations.

(...) the majority of 'peasants'/'small farmers' (and of those in an ever expanding 'informal economy') in a globalizing 'South' are a component of what I term 'classes of labor', and a component that is neither dispossessed of all means of reproducing itself nor in possession of sufficient means to reproduce itself. The former is not exceptional (see note 18). The latter marks the limits of their viability as petty commodity producers. 'Classes of labor', then, comprise 'the growing numbers who now depend – directly and indirectly – on the sale of their labor power for their own daily reproduction' (Panitch and Leys 2000, ix, emphasis added). Classes of labor in the conditions of today's 'South' have to pursue their reproduction through insecure, oppressive and increasingly 'informalised' wage employment and/or a range of likewise precarious small-scale and insecure 'informal sector' ('survival') activity, including farming; in effect, various and complex combinations of employment and self-employment. Many of the laboring poor do this across different sites of the social division of labor: urban and rural, agricultural and non-agricultural, as well as wage employment and self-employment. This defies inherited assumptions of fixed, let alone uniform, notions (and 'identities') of 'worker', 'peasant', 'trader', 'urban', 'rural', 'employed' and 'self-employed.'<sup>37</sup>

What captures attention in Bernstein's observations is that we see a peasantry neither dispossessed of all means of reproducing itself nor in possession of sufficient means to reproduce itself. Thus we see neither the process of complete proletarianization of the peasantry nor the continuation of rurality as it used to be. What we observe is a strange combination of the two, a new kind of peasantry which cannot be classified with the uniform notions of agricultural – non agricultural, worker-peasant, employed-self employed or rural-urban.

For many scholars, the blurring of the distinction between rural and urban has raised question and turned their attention to this phenomena. As elaborated in the

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<sup>37</sup> Henry Bernstein, "V.I. Lenin and A.V. Chayanov: looking back, looking forward", *Journal of Peasant Studies* 36, no. 1. (2009), p.20.

entire chapter, what we see is the integration of urban-based income sources more and more into the economy of the rural household. Commuting or migrating household members are constantly moving between the rural and urban, tying the two and blurring the distinction.

On the other hand, not only rural households but also urban households that live in shanty towns and are employed in the informal sector are also straddling the rural urban divide by engaging in rural activities seasonally. Hence, a multilocational and multispatial household is emerging that cuts across the rural urban divide in both ways.

The term “rurbanization” also was coined in order to explain the backward movement of the urban population. Kay’s work trying to summarize the newly borne approach of New Rurality, *nueva ruralidad*, among Latin American scholars states the following on “rurbanization”:

Today, however, the situation is more fluid and varied: not only do peasants to cities, but urban inhabitants move to rural areas, and new urban settlements spring up in the countryside leading to what some have called its ‘rurbanization’ (...) processing plants and to a lesser extent some industries are established near villages and hamlets where employers can take advantage of the cheap source of rural labor, especially women. Thus urban labor practices are spreading into rural areas. The increasing fluidity between rural and urban labor markets is partially eroding real wage differentials between urban and rural areas. The growth of rural tourism and the penetration of the media and telecommunications have diffused cultural values, news and information across the rural–urban areas, thereby enhancing further their cultural convergence. Thus a double process of urbanization of the rural areas and the ruralization of urban areas can be observed, although it is the cities and urban values which are clearly dominant. Despite this closer relationship the rural and urban divide is still marked in terms of income, incidence of poverty and life chances, especially in the more remote rurality.<sup>38</sup>

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<sup>38</sup> Cristobal, Kay. “Reflections on Latin American Rural Studies in the Neoliberal Globalization Period: A New Rurality?,” *Development and Change* 39, no. 6, (2008), p. 926.

Furthermore, alongside the increasing fluidity of labor between rural and urban, that of capital and commodities can be observed as well. Kay states that:

(...) The increasing dependence on inputs purchased from industry, the continuing industrialization of agriculture through agro processing plants, the spread of rural industries, the expanding integration of agricultural producers into global commodity chains, the growing intrusion of agro food corporations and supermarkets into the countryside are tying the urban and rural sectors more closely together than ever (Goodman and Watts 1994, Reardon and Berdegue´ 2002, Friedmann 2005). Hence it becomes more difficult to draw a line between where one ends and the other begins. (.....) The social boundaries between rural peasants and urban workers, between poor, middle, and rich peasants, or between peasants and different classes of informal labor are thus blurred in the context of increasing globalization, under which peasant economies and rural societies cannot be separated from the wider flows of capital, commodities, and labor across different sites and social scales.<sup>39</sup>

Keeping the phenomena of the blurring and coming closer of social boundaries in mind, it is important to note that a phenomenon in the opposite direction is taking place simultaneously, that is the increasing inequality between rich and poor in the most general sense. It is observed in the context of the livelihood diversification and emergence of New Rurality that richer peasants have better opportunities for diversification and they use this strategy for capitalist accumulation whereas small peasants diversify for bare survival. On the other hand, peasants living in areas remote from the opportunities of diversification tend to become poorer than the others and survival for them becomes more and more difficult. Increasing involvement in the informal economy leads to the deterioration of security and low wages contribute to it. Thus we see a diffusion of poverty, a widening and deepening of inequality at all levels of the society.

Having all these frameworks and concepts required in order to attribute a meaning to the life at hand, the major aim of this study is to reveal the diverse

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<sup>39</sup> Kay, p.122

patterns of agrarian transformation in order to see if there are tendencies interacting with specific conditions and leading to similar outcomes. With this aim, the following chapters provide a comparative approach analyzing different historical, societal, economic, political and natural factors to see how they affected the patterns of rural transformation and restructuring after the neoliberalization of tobacco production in Turkey, and what they imply in general.

### CHAPTER III: GOLDEN LEAF IN ANATOLIA

This chapter is written to give background information on the neoliberalization of the tobacco economy beginning with the 1980s, as a part of the general trend in the Turkish economy deviating from state- pioneered developmentalism towards market-led neoliberalization. The information to be presented is believed to be necessary in order to understand the gradual decline of the state regulation and restructuring in the tobacco market along neoliberal principles as well as the changing ideological environment in the state apparatus on the role of state the in development and economy parallel to the new global doctrine.

However, following the advice written on the memorial package of cigarettes produced in order to celebrate the 20<sup>th</sup> anniversary of the foundation of the state tobacco monopoly TEKEL, “*Do not forget the past to better understand the present;*”<sup>40</sup> I find it necessary to go to an earlier period in history, to a point when tobacco first arrived on Ottoman lands, and give a brief account on the journey of tobacco in Anatolia in order to better perceive the nature, depth and the impact of the transformation that has taken place since the early 1980s.

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<sup>40</sup>Dünü unutma, bugünü iyi anlarsın.



Figure 1: The memorial cigarette package produced by TEKEL

Source: Fatma Doğruel and Suut Doğruel, *Osmanlı'dan Günümüze: TEKEL*, (İstanbul: TEKEL, 2000), p. 176

#### From Regie to TEKEL<sup>41</sup>

The arrival of tobacco into the Ottoman Empire dates back to the early years of the seventeenth century. The tobacco imports began through a treaty of commerce with Holland. The first tobacco was grown around Kırcaali and Yenice, in western Thrace. The consumption, production and exports spread quickly throughout the Empire. By the second half of the seventeenth century we see that tobacco began to be perceived as a commodity to be taxed by Ottoman state. The taxation of tobacco was practiced in different ways throughout the next two centuries including the

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<sup>41</sup> For a full discussion of the history of tobacco in Ottoman Empire:

Fatma Doğruel and Suut Doğruel, *Osmanlı'dan Günümüze: TEKEL*, (İstanbul: TEKEL, 2000), pp.1-199

Donald Quataert, *Osmanlı Devleti'nde Avrupa İktisadi Yayılımı ve Direniş, 1881-1908*, (Ankara, Yurt Yayınlar: 1987), pp. 18-42

Donald Quataert, *Anadolu'da Osmanlı reformu ve tarım, 1876 – 1908*, trans. Nilay Özok Gündoğan and Azat Zana Gündoğan ( İstanbul: Türkiye İş Bankası Kültür Yayınları, 2008), pp. 1-170

Şevket Pamuk, *100 Soruda Osmanlı-Türkiye İktisat Tarihi, 1500-1914*, (İstanbul: Gerçek Yayınevi, 1988), pp. 5-234

formation of a state monopoly over the production, consumption and trade of the tobacco. The main motive behind the taxation of tobacco trade was to find a new source of income to pay for the debts of the empire, internal and external, resulting from decreasing revenue and the increasing costs of the long wars. The most important role of tobacco in the Ottoman economy emerged in the period following the Crimean War of 1854, when the first foreign loan was borrowed from England and France. The period was marked by high levels of foreign indebtedness and failure to restructure the economy in a way to cope with the structural problems of generating income sources. In 1856, the Ottoman Bank was founded as an English enterprise and in 1862, Ottoman state borrowed 8 million lira from the bank in order to demonetize the devaluated '*kaimè*', the paper money. Some of the tobacco income was granted to the Ottoman Bank in return for the debt as well as the incomes of salt and stamps. This was the first time tobacco was used to pay off the foreign debt, a phenomenon which would repeatedly take place in the following periods.

The indebtedness deepened in time and resulted in the foundation of *Düyun-ı Umumiye*, Debt Administration, for the administration of public debts in 1882. Meanwhile, the bankers in cooperation with the Ottoman Bank initiated attempts for the establishment of a tobacco company on the basis of concessions granted by previous agreements and enactments. As a result, all the facets of domestic tobacco production and consumption were granted to the Regie Administration (*la Regie Co-interessee des Tabacs de l'Empire Ottoman*) founded in 1883.

The Regie Administration, being authorized to control all the aspects of production, manufacturing and consumption, brought about a dislocation and unrest in the Ottoman community. The sanctions on the production, like banning the

production of tobacco in a field less than 0.5 acres of land for self consumption, the dislocation of workers through closing factories and opening new ones in other regions, the high costs of production licenses and the low prices offered for peasants and supposedly being controlled by the foreign powers were underlying reasons behind this unrest. During the same period we observe a rise in tobacco smuggling decreasing the revenue of the Regie and the Ottoman authorities' unwillingness to cooperate with the Regie administration in order to prevent smuggling and which may be evaluated as a reflection of the discontent with the existence of a foreign company controlling the internal affairs.

The widespread smuggling (which was also preferred by the peasants) was considered as a form of resistance, a phenomenon the authorities tried to solve by increasing the number of surveillance personnel and armament. The following years were marked with a clash between the villagers, smugglers and Regie officials and surveillance personnel, during which government officials as well as the army troops of the Empire showed an active complicity towards the villagers, resulting in an increase in the grievances towards the State by the Regie. By the year 1899, a new agreement only slightly different from the original position was made carrying the relations to a smoother level. The dominance of the Regie over the tobacco economy somehow lasted until 1924, together with the discontent, attempts to overthrow it and debates to take the administration of the tobacco cultivation under a state monopoly. The ineffective role the state assumed in mediation the conflict between the corporation and the smugglers resulted in a loss of respect among the subjects. On the other hand, the attempts to increase the revenue and export capacity of the tobacco resulted in an improvement in the quality of Ottoman tobacco and put it in a more favorable market position.

## Tobacco under State Regulation

During the War of Independence and early years of the Republican era, we see that the debates on the options on the management of the tobacco economy were concentrated around two options: a state monopoly and the record label system.<sup>42</sup> The Debt Administration, thus the Regie, was rejected by the Turkish authorities during Lausanne talks and these institutions were abolished, tobacco affairs were taken under the control of the state with a special law ratified in 1925 until the new government decided to establish a state monopoly to control production, consumption and trade of the tobacco. The decision of the state was manifest in the speech of Ismet Inonu, in the parliament in 1928.<sup>43</sup>

As you know, the issue of monopoly has been practiced with a special legislation during the recent years. Our experience has proved that monopoly is the best option (in tobacco affairs) for Turkey. The revenue of the Regie around 4-5 million five years ago has reached the level of 22 million this year, under state control. Under these circumstances, it is meaningless and harmful to disrupt the operation of a beneficial institution with the assumption that the future of the monopoly is uncertain.<sup>44</sup>

The tobacco income in the young republic was used to pay for the debts inherited from the Ottoman Empire. On the other hand, contrary to the Ottoman Empire, a

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<sup>42</sup> For the background of political economy and tobacco affairs in Republican Era, until the 1980's: Mustafa Özçelik, *1930-1950 arasında tütünçülerin tarihi* (İstanbul : TÜSTAV, Türkiye Sosyal Tarih Araştırma Vakfı, 2003), pp. 8-155; Doğruel and Doğruel, 2000; Cangül Örnek, "Tobacco law: transition from state regulation to market regulation" (MA thesis, Boğaziçi University, 2004), pp. 30-85; Korkut Boratav, *Türkiye İktisat Tarihi, 1908-2002*, (Ankara: İmge Kitabevi, 2005), pp.1-288

<sup>43</sup> Aysu, Abdullah. *Tarlardan Sofraya Tarım: 1980-2002 Türkiye Tarımında Yapılanma(ma)*. 2002. p:184

<sup>44</sup> *Bilirsiniz ki Türkiye'de tekel konusu özel bir yasa ile birkaç yıldan beri deneyim dönemindedir. Deneyimler, tekel usulünün bu ülke için en doğru olduğunu kanıtlamıştır. Beş yıl önce ülkeye 4-5 milyon TL gelir bırakan Reji, devlet elinde içinde bulunduğumuz yılın gelirini 22 milyona bağlamak yolundadır. Görülüyor ki, devlet tekeli konusu bizim için çözüme kavuşturulmuştur. Durum böyle iken, Tekel'in geleceğinin belirsiz olacağı sanısı ile yararlı çalışanları sekteye uğratmak anlamsız ve zararlı oluyor.*

state support to improve the production and support the peasantry had initiated during this period. Tobacco was among the rare cash crops of the Republic. The agrarian structure mainly was composed of subsistence agriculture with non-intensive methods in scattered, small lands. The tobacco income was considered an important source of revenue and also raw material for the agricultural industry of the time, together with cotton and sesame. After the foundation of TEKEL, the state monopoly, in 1932, until the end of 1940s, different measures were taken by the state to develop the quality and production of the tobacco like establishing the Tobacco Institute in 1936 and organizing a Tobacco Congress in 1943.

The main improvements in the tobacco economy took place in the 1950s, under the policy of agrarian capitalism, and agrarian populism as well, of the DP government's liberal views. During this period, Turkish agriculture was commercialized rapidly thanks to the high prices of agricultural goods after WWII, favorable weather conditions and technological investment. Total tobacco output increased in that period with the opening of new lands for cultivation, price supports and thanks to good weather conditions. Some businessman in this period called for the liberalization of the tobacco economy by restructuring TEKEL, but no progress was made in that period because the restructuring of a state monopoly like TEKEL meant a loss of revenue as well as electoral support for the governments, especially in a sector with thousands of cultivators. Thus, the tobacco economy entered the protected environment of a period of import substituting industrialization intact.

In line with the world conjuncture, governments of the 1960s and 1970s implemented policies of central planning and import substitution. Domestic industry was protected from imports by high tariffs and custom levies, mainly urban consumers were supported by the state's policies to increase or assure the income

share of certain groups, including peasants whose consumption capacity was also increased.

Tobacco cultivators were among those who enjoyed the protected environment under the state regulated development strategy. The support of the tobacco producers under TEKEL dated back to the end of 1940s when TEKEL was assigned the mission of supporting tobacco producers.

The protection and support of the tobacco cultivators were implemented in various ways. The primary instrument was price supports. TEKEL was responsible for determining the minimum price for a kilogram of the tobacco. In the tobacco market, merchants also were buying tobacco from the cultivators, predominantly for export purposes. The demand for high quality tobacco by the merchants combined with the minimum price set by TEKEL formed an advantageous environment for the cultivators, who had the opportunity to sell their tobacco for higher prices. There was a regional differentiation in the extent of private sector demand for tobacco, which was a key determinant in survival in tobacco economy, a point to be elaborated later.

The second instrument was subsidies paid for the production costs such as diesel oil, fertilizers, and pesticides. Even though the use of fertilizers decreases the quality of the tobacco, especially subsidies for oil costs constituted an important support for the tobacco farmers. The subsidies gradually declined and gained an irregular character in application, which also decreased the opportunities for planning by the farmers which discouraged production.

The third instrument was support buying, which TEKEL instrumentalized in order to provide a secure environment for peasants who could not sell the crop to the merchants. Support buying not only provides a buyer for the extra quantities of

tobacco produced by farmers, but also ensures the producer an opportunity to sell the low quality tobacco affected by the contingencies in the production process. The supports and subsidies were later criticized for increasing the extent of cultivation, thus increasing the supply and leading to the accumulation of excess tobacco in TEKEL's depots without economic value. Hence, the burden of regulation and supports on the state budget appeared as a legitimizing rhetoric in the debates of the privatization of TEKEL and the liberalization of the tobacco market.

In the protected environment, agricultural commodity production fostered, not only in tobacco but also in sugar beet, cotton and wheat.<sup>45</sup> Tobacco production in this period reached a certain level of commercialization, especially in the Aegean region, that some cultivators began to hire extra labor and engage in large scale cultivation. Commercialization in tobacco production is more difficult than sugar beet or cotton production because oriental tobacco cultivation is labor intensive and does not permit large scale mechanization. However, with the dusk of Developmentalism under state regulation and protection, the relations of production and livelihoods that had settled on these relations were about to change.

Import substituting industrialization began to deteriorate in the 1970s with the oil crisis and world-wide economic recession. Domestic industry was enjoying tariff protection, state support and a domestic consumer market in the oligopolistic competition. Easy profits impeded the technological development in industries, and the economy became dependent on the import of intermediate and capital goods. The structural problems of the domestic industry, combined with a reluctance to improve the export capacity, foreign currency shortage ultimately leading to foreign exchange crisis, called for the downfall of the era.

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<sup>45</sup> Koç, p. 92

Re-making of a Market:  
From State Regulation to Market Regulation

The initial attempts at neoliberalization in Turkey appeared in the late 1970s. However, the determined implementation of neoliberal principles began after the military coup of 1980, under the auspicious of the army and in a political and social environment cleaned from popular resistance, active trade unions, and old political alliances. The neoliberal journey of Turkey has been long, multifaceted and multidimensional but, market in the framework of this thesis the focal point is the remaking of tobacco.

The transnationalization of agriculture is a phenomenon setting the background scene of tobacco restructuring. It would be misleading to portray the Turkish case as a unique one with less resemblance to other cases and independent from global dynamics. After all, neoliberalism is global and in spite of the fact that the scope of this thesis does not allow a detailed account of a comparison of Turkish with other cases, it is worth noting that Turkey shares a great deal of commonalities as well as causal ties with other examples of neoliberalization in remote parts of the world. The collapse of the post-war order and weakening of US power enabled the transnational corporations' to operate globally in the world market. The internationalization of Third World agriculture facilitated commercialization and industry. Zülküf Aydın<sup>46</sup> states that main function of the agriculture, mainly in the US, shifted from the production of final products for consumption to providing inputs for corporations. This phenomenon also contributed to the emergence and

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<sup>46</sup> Zülküf Aydın, *"The Political Economy of Turkey"* (London: Pluto Press, 2005), pp. 138-174

reign of transnational agro-food corporations, operating globally and gradually seizing and controlling the sequential steps of production, from seed to final product.

The world tobacco market is among the oldest and most important markets where we can see the dominance and penetration of transnational tobacco companies (TTC's) in/into the developing and underdeveloped countries. There are five TTC's operating in the world tobacco market: The British American Tobacco Co.(B.A.T); The Philip Morris International; Imperial Tobacco Co. (I.T.C); R. J. Raynolds, Japan Tobacco Inc. (JTI) and Altira.<sup>47</sup> Trade liberalization, structural adjustment programmes implemented under the auspices of the IMF and the World Bank, lobbying activities in nation states, merging with other companies, and the privatization of domestic monopolies like TEKEL all contributed to the allocation of the world market between these five companies enabling them to enjoy of the blessings of the oligopolistic market structure at the world scale. The biggest three, namely B.A.T, Philip Morris and R. J Raynolds, are in control of two thirds of the world market.

Tobacco is an important cash crop, a profitable export good, but after all, it is an addictive consumption item with a large and widespread consumption market. The penetration of transnational capital into protected domestic markets began with the smuggling of American Blend cigarettes in order to transform the consumer preferences.

Before WWII, the global demand for oriental tobacco was higher than that for American Virginia and Burley types of tobacco. In Europe, around 90 percent of the tobacco consumed was of the oriental type. In the post-war period, this amount gradually declined with the increasing influence of the USA in the European

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<sup>47</sup> Ian Gately, *Tobacco: A Cultural History of How an Exotic Plant Seduced Civilization* (New York: Grove Press, 2001) pp: 237-347

markets, especially through Marshall Aid.<sup>48</sup> In some sources, it is argued that the USA distributed Marlboro, a popular Philip Morris brand, in the aid packs in Germany.<sup>49</sup>

The blend cigarettes are chemically modified in order to ease inhalation, increase the burning and increase the absorption of nicotine into the blood in order to ease the addiction with the aim of creating a faithful consumer. Another strategy is product differentiation, in order to appeal different consumer profiles such as women and the young people. Smoking and cigarette is created as a part of the personal image, a status indicator or as an accessory. Slim cigarettes, minty cigarettes, hard cigarettes, king size and expensive ones, cheaper ones, those with special blend, those with special flavor and color etc. the cigarette industry designed in a way to appeal to people in all possible ways and keep their addiction at least at a stable rate.

In the Turkish case, it can be argued that tobacco smuggling created a basis for the penetration by the international capital by transforming the consumer taste. The 1970s witnessed the illegal entry of American blend cigarettes into the Turkish market. Smoking blend cigarettes became popular, even if the cigarettes could only be provided from the black market. Smuggling not only helps to transform the consumer preferences, but also provides tax-free revenue for the TTC's. The extent of cigarette smuggling reached such an extent that the government needed to take action against it. The chronic foreign exchange shortage was presented as a factor legitimizing the opening up of the market in the initial stage. In 1983, a cigarette factory named '*Bitlis Entegre Sanayi Aş.*' (*BEST*) was founded with the aim of exporting the products. This was the first factory founded independent of TEKEL.

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<sup>48</sup> Aysu p. 183

<sup>49</sup> Ali Bülent Erdem, 2 April 2010, *Tekel'den Küresel Kriminal Sigara Şirketlerine*, <http://www.karasaban.net/tekel'den-kuresel-kriminal-sigara-sirketlerine-ali-bulent-erdem/> [4 April 2010]

In 1984, the import of Virginia and Burley types of tobacco was liberalized because the large scale consumption of smuggled American blends transformed the consumption patterns TEKEL was forced to market a new brand of American and Oriental blends, called TEKEL 2000 in 1988. The evolution of the blended segment is closely monitored by the TTC's. Below, the chart from the documents of Philip Morris reveals the significant change in consumption patterns only in a two year period.

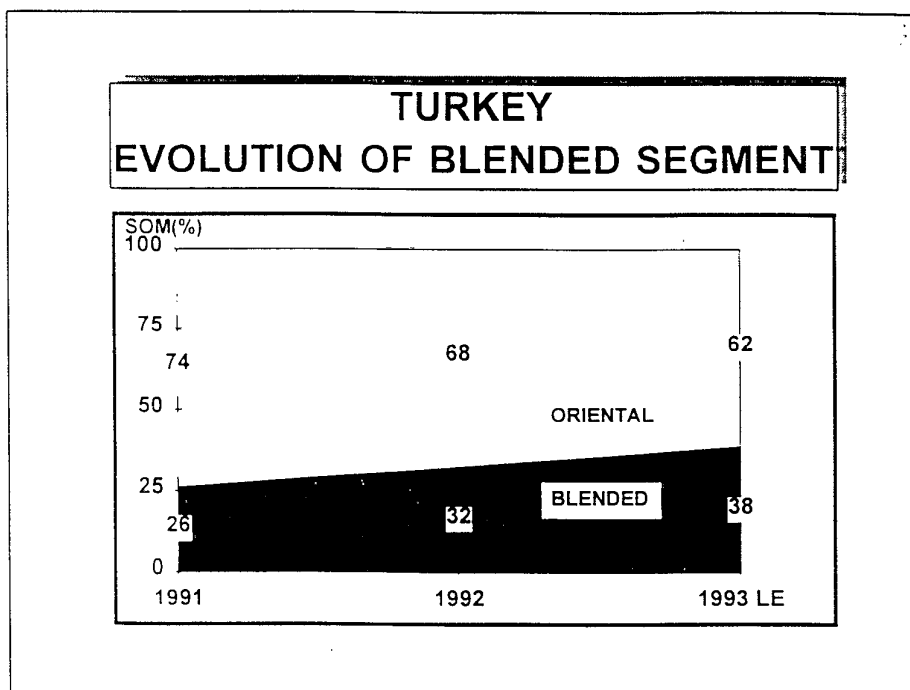


Figure 2: Evolution of Blended Segment in Turkey, 1991-1993

Source: [www.pmdocs.com](http://www.pmdocs.com) Document no: 2500107933-7968-0

At this very point two factors had to be mentioned which was revealed through a quick study on the archival material of Philip Morris International.<sup>50</sup>

<sup>50</sup> The documents are available at [www.pmdoc.com](http://www.pmdoc.com).

## The Struggle over a Market

A short look at the documents of the late 1980s and early 1990s is sufficient to reveal the determination of the company to gain influence in the Turkish tobacco market. The first point attracting attention is the search for an alliance with the local bourgeoisie, especially with those who enjoyed a bargaining power behind the government. The local partner in the case of Philip Morris was Sabancı Holding in the Turkish case. The joint venture formed between Philip Morris and Sabancı Holding was named PhilSa. In the documents, the close ties and good partnership between Sabancı Holding and PM International is reiterated and the good relations of Sabancı Holding with the Özal government are appreciated. It is clear that the corporation makes use of Sabancı Holding's influence on the Özal government in order to promote privatization and further liberalization of the tobacco market.

Secondly, the problem of advertising appears as a major concern in the PM documents reflecting the attempts to lobby for the lifting of the advertising ban appears as a repetitive phenomenon in the documents, which is also related to the first point. Indirect ways of advertisement had always been a solution for the TTC's. These included supporting films with smoking heroes or sponsoring popular cultural activities in order to maintain visibility. In the Turkish case, alongside the controversial sponsoring of PM in the restoration of the building of the first National Assembly, two other examples of indirect advertisement carrying the names of the major brands of PM International were the Parliament Cinema Club and Marlboro Classics.



Figure 3: The Logo of Parliament Cinema Club

Source:

[http://4.bp.blogspot.com/\\_f96N4ovDSDU/Ss55GTHWfLI/AAAAAAAAAK8/gSBJOSFvwLE/s400/parliament.JPG](http://4.bp.blogspot.com/_f96N4ovDSDU/Ss55GTHWfLI/AAAAAAAAAK8/gSBJOSFvwLE/s400/parliament.JPG)

*“Parliament Cinema Club Pazar Gecesi Sinemasi”* was a film session broadcasted on Sunday nights on Turkey’s first private TV channel. Therefore, it was a popular session for the people who had access to only a few TV channels with a single private one. The naming of the event with a new American brand was certainly an effective strategy of advertising, not to mention the use of similar colors. Marlboro Classics is a high profile fashion brand which is more appealing to members of the upper class. It is important in showing how a smoking brand is associated with status and how it is reflected to other status indicators such as clothing.

On the Way to Privatize:

Gradual Trade Liberalization and Penetration of TTC's

In 1986, a major legal change was ratified on tobacco affairs, ending the monopoly of TEKEL and enabling foreign capital to invest in Turkey.<sup>51</sup> The law came into force in 1991 and following this development the first foreign factory with a Turkish partner was founded by PhilSa in Torbalı, İzmir.<sup>52</sup>

The 1990s witnessed unstable coalition governments and the implementation of an IMF structural adjustment programme. The debates on the unprofitability of TEKEL as a State Economic Enterprise and the need for privatization dominated the economic realm in line with the IMF and WB policies as well as the lobbying of the TTC's. However, after all, tobacco is a political plant and state regulative instruments naturally are instrumentalized as populist tools. We see that in the election years the annual minimum prices set by TEKEL were significantly increased promoting overproduction by the farmers. On the other hand, as mentioned earlier, changed consumption patterns decreased the demand for oriental tobacco. Hence, the profitability of TEKEL decreased in these years, not because it was a cumbersome state enterprise as argued by many, but because of the changing conjuncture and market structure.

As a solution to the over production, the Çiller government introduced production quotas in 1993, 1994 and 1996. The quota was 200 kilograms per license, and combined with decreasing tobacco prices, the income yielded by production could not maintain the livelihood of the tobacco producer. This was the

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<sup>51</sup> The Law No 3291 amending the articles 20, 21, 38, 41 and 43 of Law 1177.

<sup>52</sup> Aysu, p. 187

period in which moving away from tobacco production began among the tobacco producers. This would continue at an increasing pace in the following years.

#### The Final Shot: The New Tobacco Law and the Privatization of TEKEL

After the 2001 crisis, in the context of the 2001 Economic Reform Programme and under the auspices the IMF, an economic restructuring attempt was initiated in agriculture. In the same year, TEKEL was taken into the scope of privatization.

The restructuring of government subsidies was an important hallmark in the Economic Reform Programme.<sup>53</sup> The indirect subsidies were replaced by direct income support in which agriculture subsidies were detached from production and linked to land ownership. Owning the title deed of the land cultivated and registration to the Peasant Registry System became the keys to having access to government support. This implementation was certainly problematic for Turkey, where the patterns of land ownership are complicated. Most peasants do not have formal title deeds because of the informal ownership of land through inheritance or simply because they are cultivating land which is not legally theirs. Moreover, the support paid is directly proportionate to the farm size. Given the general characteristic of the agrarian structure being composed of small and medium farms in Turkey, the amount paid per household would decrease proportionately. For the owners of large lands, direct income support would be more even if the land was not cultivated. The loss of government support made the sustainability of rural livelihoods more difficult including the tobacco livelihoods triggering turmoil in the countryside.

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<sup>53</sup> Aydın, pp.163-177

Tobacco livelihoods were hit by a major shock with the enactment of the so called Tobacco Law in 2002.<sup>54</sup> This highly debated law was ratified all of a sudden in the parliament when another law draft was being debated. The law was passed in the context of what is popularly called '*15 laws in 15 days*.'<sup>55</sup>

The law destroyed the previous order and setting up new relations of production in line with the neoliberal principles and demands of the TTC's. Primarily, the law eliminated the support buying which had served as a kind of insurance mechanism for the farmers by providing at least a buyer for the crop, regardless of the quality. Secondly, it introduced the contract farming system in production, which constitutes a fundamental effect in the restructuring of tobacco affairs.<sup>56</sup>

### Contract Farming

Contract farming is critical in the formation of new relations of production simply because a contract is binding for all parties, but more for the farmers because of the unequal bargaining power of the parties. Contract farming is the most preferred way to control and assist production by the transnational firms because the contract creates a legal ground for the implementation and enforcement of the terms of the contract. Simultaneously, it binds the producer to one single buyer while blessing the buyer with a number of potential producers. Before the introduction of contract

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<sup>54</sup> Law No: 4733 Official Gazette 9.1.2002- 24635 and <http://www.belgenet.com/yasa/k4733.html>

<sup>55</sup> *15 günde 15 kanun*: Famous idiom used in order to define the structural adjustment attempts in the Ecevit Government in which Kemal Derviş was the minister in charge of economic affairs. The government was strictly committed to the IMF programme in order to restructure the economy.

<sup>56</sup> Huricihan Islamoğlu, *Türkiye'de Tarımda Dönüşüm ve Küresel Piyasalarla Bütünleşme Süreçleri: Tütün Raporu*, forthcoming.

farming, the producers enjoyed a considerably more competitive market; at least they had a chance to choose between potential buyers. However, the contract, which is made before the production season, designates the buyer as the one and only option for the farmer. Moreover, the disadvantaged position of the producer is perpetuated after the harvest, which is the time for the assessment of the tobacco by tobacco experts of the firms and for the setting of the price because the pricing of tobacco is done according to the quality of the product, not to the labor.

Since the producers are bound by contract, they have no alternative but to accept the price offered by the firm. The contingencies in the production season such as droughts or pests are reflected to the producers. The legal agency in charge of regulating tobacco market and mediating the disputes is TAPDK. Farmers have the right to contest the firm to TAPDK, but contesting the firm most probably means losing the chance to produce tobacco because firms do not contract with the farmers who make “trouble.” Given these conditions, it can be argued that- and already is by some scholars- contract farming is a kind of disguised proletarianization, in which farmers work on their own land like the waged workers of a corporation. The implications and impacts of contract farming are crucial ingredients contributing to the restructuring of the tobacco order.

The Tobacco Law not only liberalized the import, export and production of tobacco, it prepared the necessary legal ground for the penetration by TTCs by *de facto* eliminating small and middle scale capital because the law foresees the foundation of high-tech factories with the minimum capacity to produce two billion cigarettes or manufacture fifteen tons of tobacco.<sup>57</sup> Thus, the article tacitly implies that the free market of tobacco in Turkey is only open to those who are capable of

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<sup>57</sup> Ibid.

setting up such facilities; that is to say, to big capital owners. The contracting firms are also mostly multinationals with close connections to the TTCs. The global scale of operation of these corporations and their intrinsic pursuit of profit relegates tobacco producers to a mere disadvantageous position and makes the sustainability of the rural livelihood based on tobacco production more and more difficult.

Ultimately, on 1 February 2010, it was decided that last instrument protecting the producers, the Tobacco Fund would be gradually eliminated.<sup>58</sup> The Tobacco Fund was put into effect in 1986 in order to support producers, increase the quality of tobacco, set up cooperatives, promote exports and develop TEKEL. The fund imposed a tax on the imports of the tobacco which the European Union announced as discriminatory and not in line with the Custom's Union agreement. The elimination of this very tax obstructing oriental tobacco imports meant that producers were deprived of the last protection and their relatively advantaged status before the oriental tobacco producers of other countries, like China and India, where prices are lower.

### A Quick Glance at the Global Tobacco Market

At this point the question of 'what is the global tobacco market' arises, that Turkey's tobacco market is being integrated. The discussion on the markets is complicated and multifaceted but what is important about the global tobacco market in the framework of this thesis is the simultaneous transformation of domestic markets of the tobacco producing countries all over the world. The transnationalization of tobacco economy brings a change for the major producer countries. The change does not necessarily take place in a similar fashion for all countries, but we can argue that

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<sup>58</sup> Tütün Ekspertleri Derneği Basın Açıklaması, 31 December 2009, <http://www.karasaban.net/tutun-fonu-kalkti-ekonomi-ve-saglik-tehlikede/> [03 January 2010]

a new division of labor is emerging as an outcome at a global scale, in line with the preferences of the TTC's.

The global tobacco market has to be analyzed under two main headlines, of consumption and production. As for the consumption, a prevailing belief suggests that tobacco consumption is diminishing due to widespread tobacco control, anti-smoking campaigns, and high taxes and increasing cigarette prices. Some argue that tobacco production will eventually come to an end as a result of diminishing demand. Nevertheless, comprehensive report prepared by Food and Agriculture Organization named "Projections of tobacco production, consumption and trade to the year 2010"<sup>59</sup> reveals a contrasting picture.

It is stated in the report that tobacco consumption is diminishing in the developed world, however in the under-developed and developing world consumption is increasing by almost 5% per annum. In the developing world total consumption increased by 70 % in the last thirty years, and this increase is attributed to population and income growth. In the report, trade liberalization is also mentioned among the factors leading to an increase in tobacco consumption because opening up of the markets resulted in competition among the cigarette manufacturers and lowering of the prices. As striking evidence, the report suggests that in the countries which liberalized their trade, cigarette consumption is ten percent more than that of protected markets especially in the poorer countries. That is to say, aggregate consumption is not diminishing, on the contrary consumption is fostering in the Third World economies which are gradually being integrated to the global market. Thus tobacco continues to be a highly profitable sector for the TTC's.

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<sup>59</sup> Projections of tobacco production, consumption and trade to the year 2010 Report by FAO document retrieved from <ftp://ftp.fao.org/docrep/fao/006/y4956e/y4956e00.pdf> [ 27.05.2010]

We see a similar pattern concerning the production of tobacco. Tobacco is a differentiated crop which is produced in approximately 100 countries in the world. Most of these countries produce tobacco primarily for domestic consumption. Major producer countries which produce around 80% of the world aggregate production are China, the United States, India, Malawi, Zimbabwe, Brazil, EU and Turkey. Recent trends in tobacco production, as shown in the below figure, indicate that production in developed countries are decreasing, but in underdeveloped world it is increasing which is not surprising considered the lower production costs in those countries due to considerably lower income, higher poverty levels, measures to deregulate market and attract foreign capital.

In developed world production shows a decreasing trend because of decreasing demand, declining support policies and policies to constrain production, particularly in the USA. Export potential in these countries is also decreasing because of the lower tobacco prices in the developing countries which are more attractive for the profit-seeking transnational conglomerates.

	Actual				Projected			
	1970-72	1980-82	1990-92	1997-99	Baseline		Policy	
					2005	2010	2005	2010
	'000 tonnes							
<b>World</b>	<b>4 269.4</b>	<b>5 455.3</b>	<b>6 936.2</b>	<b>5 938.3</b>	<b>6 809.4</b>	<b>7 160.0</b>	<b>6 098.1</b>	<b>6 430.7</b>
<b>Developed</b>	<b>1 797.6</b>	<b>1 959.5</b>	<b>1 659.0</b>	<b>1 178.6</b>	<b>1 180.1</b>	<b>1 195.7</b>	<b>1 081.9</b>	<b>1 115.2</b>
<i>North America</i>	<i>815.9</i>	<i>882.7</i>	<i>745.0</i>	<i>593.8</i>	<i>570.1</i>	<i>579.4</i>	<i>534.5</i>	<i>555.3</i>
<i>United States</i>	<i>729.7</i>	<i>795.5</i>	<i>682.7</i>	<i>536.6</i>	<i>516.1</i>	<i>526.8</i>	<i>480.6</i>	<i>502.7</i>
<i>Europe</i>	<i>544.6</i>	<i>648.3</i>	<i>602.5</i>	<i>418.8</i>	<i>460.3</i>	<i>467.2</i>	<i>418.2</i>	<i>435.9</i>
<i>EU (15)</i>	<i>248.9</i>	<i>320.3</i>	<i>397.7</i>	<i>278.9</i>	<i>297.8</i>	<i>300.9</i>	<i>258.2</i>	<i>272.8</i>
<i>Other Europe</i>	<i>295.7</i>	<i>328.0</i>	<i>204.8</i>	<i>139.9</i>	<i>162.5</i>	<i>166.3</i>	<i>160.0</i>	<i>163.1</i>
<i>Area of the former USSR</i>	<i>249.0</i>	<i>258.6</i>	<i>55.2</i>	<i>85.3</i>	<i>69.8</i>	<i>70.0</i>	<i>61.0</i>	<i>61.0</i>
<i>Oceania</i>	<i>19.4</i>	<i>15.0</i>	<i>11.7</i>	<i>6.3</i>	<i>6.0</i>	<i>6.0</i>	<i>5.4</i>	<i>5.4</i>
<i>Other developed</i>	<i>168.7</i>	<i>155.0</i>	<i>94.4</i>	<i>74.4</i>	<i>73.9</i>	<i>73.1</i>	<i>62.8</i>	<i>57.6</i>
<b>Developing</b>	<b>2 471.8</b>	<b>3 495.8</b>	<b>5 282.3</b>	<b>4 759.6</b>	<b>5 629.3</b>	<b>5 964.3</b>	<b>5 016.1</b>	<b>5 315.5</b>
<i>Africa</i>	<i>157.7</i>	<i>218.8</i>	<i>362.0</i>	<i>391.3</i>	<i>463.0</i>	<i>503.3</i>	<i>422.5</i>	<i>462.5</i>
<i>Malawi</i>	<i>23.8</i>	<i>49.1</i>	<i>109.3</i>	<i>102.5</i>	<i>125.4</i>	<i>137.9</i>	<i>114.3</i>	<i>132.7</i>
<i>Zimbabwe</i>	<i>56.0</i>	<i>88.7</i>	<i>156.1</i>	<i>174.7</i>	<i>213.0</i>	<i>232.8</i>	<i>198.5</i>	<i>217.0</i>
<i>Latin America</i>	<i>489.7</i>	<i>652.8</i>	<i>679.3</i>	<i>714.4</i>	<i>846.2</i>	<i>889.0</i>	<i>692.7</i>	<i>724.4</i>
<i>Brazil</i>	<i>225.4</i>	<i>357.3</i>	<i>430.6</i>	<i>450.6</i>	<i>545.1</i>	<i>584.7</i>	<i>421.3</i>	<i>450.7</i>
<i>Near East</i>	<i>203.7</i>	<i>237.8</i>	<i>312.8</i>	<i>268.3</i>	<i>317.3</i>	<i>337.3</i>	<i>279.2</i>	<i>298.0</i>
<i>Turkey</i>	<i>151.1</i>	<i>181.2</i>	<i>261.4</i>	<i>210.5</i>	<i>250.2</i>	<i>268.8</i>	<i>218.6</i>	<i>237.2</i>
<i>Far East</i>	<i>1 620.7</i>	<i>2 386.2</i>	<i>3 927.9</i>	<i>3 385.6</i>	<i>4 002.8</i>	<i>4 234.7</i>	<i>3 621.7</i>	<i>3 830.6</i>
<i>China</i>	<i>755.2</i>	<i>1 413.6</i>	<i>2 780.4</i>	<i>2 345.6</i>	<i>2 806.2</i>	<i>2 972.5</i>	<i>2 505.1</i>	<i>2 653.5</i>
<i>India</i>	<i>335.4</i>	<i>431.8</i>	<i>507.6</i>	<i>514.1</i>	<i>628.4</i>	<i>685.4</i>	<i>596.5</i>	<i>650.6</i>
<i>Indonesia</i>	<i>62.6</i>	<i>92.1</i>	<i>122.5</i>	<i>108.4</i>	<i>117.9</i>	<i>119.6</i>	<i>107.8</i>	<i>109.0</i>

Figure 4: Tobacco Leaf Production, Actual and Projected 1970-2010

Source: <http://ftp.fao.org/docrep/fao/006/y4956e/y4956e00.pdf> p.46

Among the developing countries, major producer and consumer country is China. China's total tobacco production is expected to constitute 42 % of the world total production while that of USA only counts for 7%. After China; India, Brazil, Malawi, Zimbabwe and Turkey come. Turkey demonstrates a divergent pattern among these countries. As mentioned earlier, tobacco is a differentiated crop; it has various types affecting the structure of production and demand. According to 1998 statistics; flue cured types, mostly of Virginian types constitute 60% and Burley types constitute 15 % of all the production whereas oriental types comprises only %10 of all the tobacco produced in the global scale.<sup>60</sup> Turkey is the major producer

<sup>60</sup> Ibid. p.26

and exporter of oriental tobacco, accounting for %65 of all the oriental tobacco produced. Demand for oriental types is less than that of Virginian and Burley types. While tobacco production is declining in Turkey, it is increasing in other major producer countries like Malawi, Zimbabwe and Brazil. The divergence can be accounted for the differentiated demand as well as the structure of the domestic markets. Turkey's globalization experience is analyzed in detail in the framework of this thesis; the major dislocation is taking place in the period following the enactment of tobacco law of 2001. In the FAO Report, a decline in production is expected as a result of introduction of contract farming and a decline in the subsidies in case of Turkey but it is also stated that the production will continue because the tobacco continues to be among the major profitable export crops.

The change in the demand for oriental tobacco is also effective in the tobacco restructuring of Turkey. On the other hand, we see that production is immensely increasing in especially in Malawi and Zimbabwe. The production is made mostly in big farms, with more developed technologies and foreign direct investment levels are high. Having these qualities, Malawi and Zimbabwe represents the examples of countries where capitalized farm production is fostered and integration to global market is completed. However, under this 'success' picture we see starvation, poverty, income inequality, high levels of infant mortality, low life expectancy thus misery. The case speaks for itself, increase in the production in these states results from low labor costs and poverty which are appealing for the profit seeking TTC's but high levels of production does not bring development for the country's rural poor. This is a point that has to be kept in mind when rural restructuring is under scrutiny.

## Back to the Regie?

The developments which have taken place in the last twenty years inevitably raise an idea in the minds of those who are familiar with the history of tobacco in these lands, “Is this the beginning of a Neo- Regie Period?” In the current market structure, TEKEL’s privatization has been completed; British American Tobacco bought this complex and profitable entity. The tobacco trade is totally liberalized, imports of Virginia and Burley tobacco rose from 600 tones in 1988 to 90,000 tons in 2009, <sup>61</sup> while the production of oriental tobacco gradually declined.

The state abandoned its role of regulating production and supporting the peasantry, and left the market to profit-seeking entities. Ironically, it assumed a role on the other side of the coin, that is, consumption, with a smoking ban and anti-tobacco campaigns. By all manner of means, tobacco control attempts do not seem sincere while leaving the market totally to profit maximizing corporations.

In the villages, the farmers are once again left alone with foreign corporations, as in the time of Regie Administration. The state has given up its mission of protecting the peasants and has left them alone in the teeth of the huge and powerful TTCs, enjoying the blessings of the world tobacco market. The vulnerability and insecurity of the tobacco households gradually have increased, paving the way to large scale dislocation and restructuring.

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<sup>61</sup> Tütün Eksperleri Derneği Basın Açıklaması

## The Extent of Dislocation

In order to concretize the extent of dislocation, we should consult the numbers. The extent of the “turmoil in tobaccoland”<sup>62</sup> in the context of the policies aiming to neoliberalize the tobacco market is evident in the statistics showing the annual changes in the number of cultivators.

Table I: The decline in numbers of cultivators and the area cultivated, 1997-2009

Years	Area cultivated (Ha)	Production (Tonnes)	Number of cultivators
1997	322,500	302,008	560,380
1998	278,350	258,811	622,063
1999	270,751	251,070	568,121
2000	237,722	208,002	583,474
2001	198,827	152,571	478,022
2002	199,458	161,314	401,236
2003	183,719	148,216	334,296
2004	192,711	192,711	285,444
2005	185,460	147,612	255,753
2006	146,166	117,634	222,414
2007	144,904	117,883	207,051
2008	146,872	118,872	194,282
2009	116,149	92,615	80,766

<sup>62</sup> With reference to the title of the article by John Fraser Hart and Ennis L. Chestang. “Turmoil in Tobaccoland” *Geographical Review* 86, no. 4 (October, 1996), pp. 550-572

Source: TAPDK Statistics

In order to visualize the decline in the number of cultivators, below chart is also beneficial.

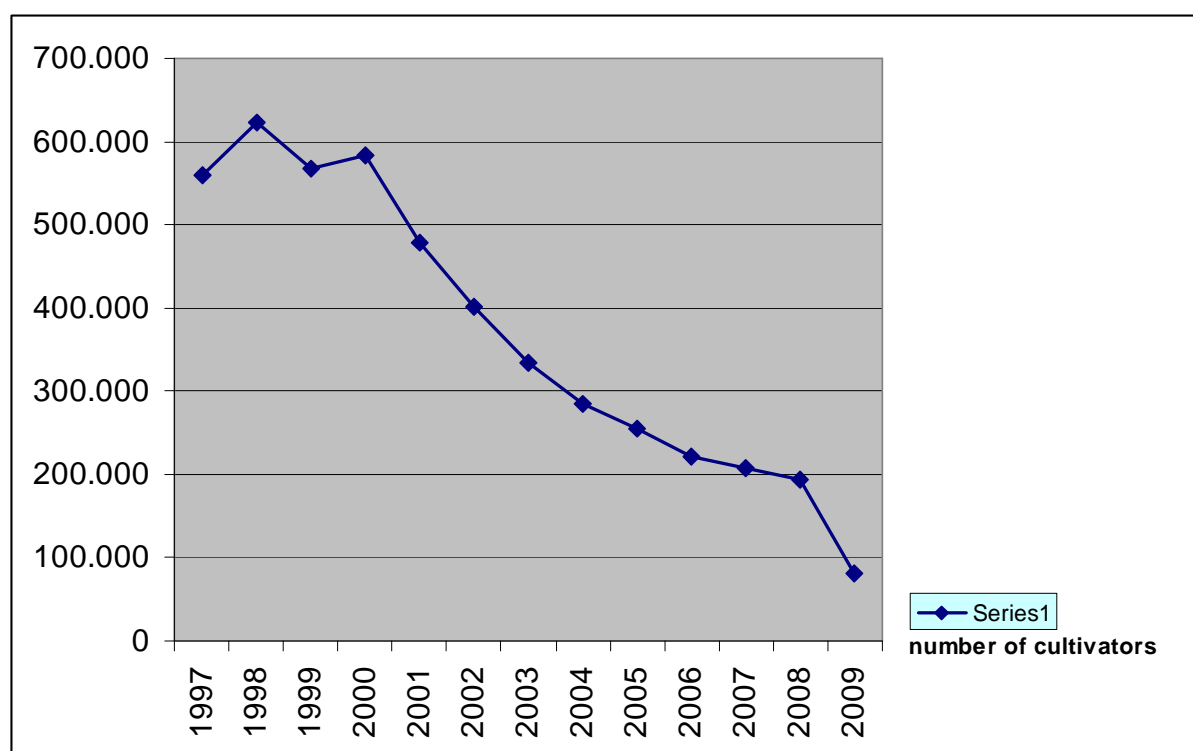


Figure 5: Number of cultivators between 1997 and 2009

Source: TAPDK Statistics

Here we see a dramatic decline in the number of the cultivators in 12 years. The number, which was around 560,000 in 1997, declined to the level of 80,000 by 2009. Hence, the statistics show that around 460,000 households gave up tobacco farming between the indicated years. However, we should note two factors leading to this sharp decline for the sake of accuracy.

Primarily, the number of cultivators prior to 2002 may not reflect the actual number of household engaged in production. The introduction of quota limitations on production in 1994 marked a turning point in the tobacco production. The farmers were allowed to cultivate 200 kilograms of tobacco. The income earned from 200 kilograms of tobacco was far from being a meaningful contribution to household income, yet it could only pay for the costs of production. With the introduction of the production quotas, many small farmers gave up producing as an initial response. Landless peasants who produced as share croppers were the ones who quit production at this time. In the following years, flexibility in the quota system accompanied by a tricky strategy of the peasantry managed to keep the number of producers at a certain level. The strategy was as follows: One household member acquires license for production in the name of his/her sons or more frequently one producer buys the right to cultivate tobacco of the former-cultivators therefore the producer overcomes the quota barrier, simultaneously creating an alternative source of income for a peasant who has been deprived such an alternative in terms of capital. Hence the above-mentioned numbers prior to 2002 do not reflect the exact numbers, but they are not too far from accuracy. Yet, the decline in the number of cultivators after 2002 with the introduction of the contract farming system may to some extent be attributed to cancelling these additional licenses.

Nonetheless, the dramatic decline in the number of cultivators is manifest in the diagram. A central point on the nature of the tobacco production has to be reiterated here in order to make the extent of the turmoil more perceivable. Oriental tobacco production being a labor-intensive activity is carried out as a family activity in order to minimize the costs of hiring additional labor. In other words, production is profitable only when the labor costs are minimized and output is maximized with

the given labor. The production concerns not only a few members of the household, but the entire family. As the producers themselves emphasize constantly during the interviews “We are all in touch with tobacco, from the youngest to the oldest; from 7 to 70”<sup>63</sup> Thus, noting that approximately 460,000 households quit production from 1997 onwards taking that a household is comprised of four people on the average, we obtain a number of approximately 1,800,000 who were deprived of their important, mostly their major, income source. Moreover, it also should be noted that by 1997 around 2.5 million people were engaged in tobacco production, a number which should be expected to have been higher before the implementation of quota limitations so as to realize the value of tobacco for the peasants.

Another striking point in the Figure 5 is the immediate decline that occurred in the production year of 2009. We see that around 100,000 households quit production in 2009, which is obviously an uneven instance that carries us slowly to a deeper analysis away from the intangibility of numbers. The following chapters are dedicated to giving a voice to tobacco households, in order to be able to make known the struggle over a livelihood and strategies of survival in the highly insecure environment created by the satanic mill of neoliberalism. Let us lend an ear to the voices from Tobaccoland, in order to investigate the extent of the turmoil, patterns of restructuring and clues of a newly emerging rural order.

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<sup>63</sup> *Gencinden yaşlısına, yediden yetmişe kadar herkes tütünle meşgul olurdu.*

## CHAPTER IV:

### VOICES FROM TOBACCOLAND: WHAT ARE THEY TELLING US?

In the previous chapter, the emergence of the transnational oligopolistic tobacco market in Turkey was elaborated in the framework of the privatization of TEKEL, the restructuring of the subsidy system and the gradual decline of the state's capacity in regulating the tobacco market. The introduction of contract-farming in this setting marks the beginning of a new era with no state intervention and the direct encounter of the merchants with the producers deprived of state support.

The capitalization of production relations have never been to this extent in the history of Turkey. Producers have never been left this alone in the highly competitive environment of global trade posing immense levels of vulnerability and insecurity. The problem for the small peasantry is no longer accumulation any more, it is bare survival. This section provides first hand data on the experiences of the tobacco producers and the coping strategies developed by them in order to survive in this capitalized and competitive environment, in a comparative sense. Before going into detail with the peasant experiences, one point should be noted which is the regional differentiation of tobacco production and the differentiated role of TEKEL to set a major difference between the regions to the way peasants are experiencing it.

#### The Ultimate Disappearance of TEKEL from the Village

2009, being the year that this research was carried out as well, marked the ultimate year of TEKEL as an actor in the tobacco market. In order to concretize it should be

stated that TEKEL bought the tobacco produced in 2008 and withdrew from the market which surfaced the regional differences in terms of market demand and acquaintance to private sector. The table below shows the decline in the number of cultivators with the withdrawal of TEKEL on a regional basis.

Table 2: Number of Cultivators on a Regional Basis, 2008-2009

REGION	Number of Cultivators (2008)	Number of Cultivators (2009)
AEGEAN	62,805	55,631
BLACK SEA	24,506	12,874
MARMARA	1,201	6,768
EASTERN ANATOLIA	20,289	1,334
SOUTH EASTERN ANATOLIA	85,481	2,603
MEDITERRANEAN	Not indicated	1,556
TOTAL	194,282	80,766

In the Table 2, the regional differences in production account for the sharp decline alongside the general trend from quitting production. This decline is the key to understanding the differentiated role of TEKEL in different regions. As TEKEL bought the harvest of 2008 and left the market completely to private firms the drastic decline in the number of cultivators in eastern and south-eastern Anatolia meant that the private sector demand for the semi-oriental types of tobacco is very low, almost non-existent whereas in the Aegean Region, despite the decline which occurs as a

general trend, we see that the private sector demand and cultivators acquaintance with the private buyers are far more than the other regions. Hence, it is fair to argue that TEKEL performed differentiated roles in different regions. By buying semi-oriental tobacco in eastern and south-eastern Anatolia which have a low quality tobacco, TEKEL supported the peasants of these regions and aimed at contributing to regional welfare where the job opportunities are very few compared to other regions. However, in the Aegean and Black Sea regions, especially in the Aegean where the field research for this thesis is completed, the quality of the tobacco is very high and there is a certain amount of global demand for this type of Oriental tobacco. TEKEL served as a price assuring mechanism in these regions, setting the minimum price and being a security ensuring body for the peasants who experience disputes with the private buyers. The table below clearly shows how the private sector demand and TEKEL's role differentiated on a regional basis.

Table 3: Sectoral distribution of the tobacco produced in 2007 and 2008 <sup>64</sup>

SECTOR	REGION	CULTIVATORS (2008)	CULTIVATORS (2009)
PUBLIC	AEGEAN	612	254
	BLACK SEA	12,995	7,830
	MARMARA	1224	561
	E. ANATOLIA	19,684	18,848
	SE. ANATOLIA	79,484	80,126
	TOTAL	113,999	107,619
PRIVATE	AEGEAN	49,926	59,277
	BLACKSEA	12.691	12.763
	MARMARA	1763	1363
	E. ANATOLIA	957	316
	SE. ANATOLIA	433	250
	TOTAL	65,770	73,969

Source: TAPDK Statistics

The regional contrast between the Aegean and south eastern Anatolia is evident in the numbers. The production for the public sector was around 400 as the average of

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<sup>64</sup> The number of the producers indicated on yearly basis in fact shows the number of the producers of the previous year who had made contract because the tobacco bought and sold in a given year is the product of the previous year. Therefore the numbers of cultivators indicated in the 2008 tobacco yields are the contracted cultivators of 2007 and those of 2009 are the contracted cultivators of 2008.

two years while that of the private sector contractors was around 55,000. On the other hand, we see an adverse situation in southeastern Anatolia where around 80,000 cultivators produced for the public sector whereas only 300 were producing for the private sector.

This very contrast lies at the heart of the differentiated peasant attributes towards the contract farming and degree of capitalization of production relations. In the Aegean, the peasants are more used to selling their products to private firms therefore their attributes are dissimilar to the peasants of the southeastern Anatolia whose acquaintance with the private firms in the pre-privatization period of TEKEL formed on rumors and distrust, as demonstrated in the interviews.

Ali from Adıyaman said the following on the relation with the private firms after the disappearance of TEKEL.

What can be done when TEKEL is not buying tobacco? The only alternative is selling to the merchant. He says 5 liras at the beginning and then buys your tobacco at 2 liras. You are doomed to sell, what else can you do? Shall we burn the tobacco? Once, the merchant arrived and said that he would buy our tobacco. We did everything to cultivate it and we prepared the bales. Then he arrived and said that he had bought the tobacco needed so he could not buy our tobacco. There is no trust left for the merchant.<sup>65</sup>

İsmail, on the question about the possibility of engaging in the production of the Aegean type of Oriental tobacco, which is the only type to be produced in the context of contract farming, stated the following:

Tobacco was a major source of income at the time of TEKEL. What will the people do now? Merchant buys the yield which he likes and leaves which he dislikes. (...) We are not thinking of producing Aegean tobacco. Some people have already been producing it in the last years in order to try. We

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<sup>65</sup> Pseudonym, interview by the author, tape recording, Adıyaman, Turkey, 12 August 2009

*TEKEL almayınca adam ne yapsın, ancak tüccara satar. Tüccar da başta 5 der sonra 2den alır. Mecbur vereceksin ne yapalım. Yakalım mı? ... Tüccar geldi dedi ki ben sizin tütünlerinizi alacağım. Biz herşeyini yaptık, balyasını yaptık sonra geldi dedi ki ben almayacağım ihtiyacım kadarını aldım. Tüccara güven kalmamış.*

shall wait and see if they are content, if they will laugh or cry. If it is good, then many people will cultivate it. Yet, this is the private sector we are talking about, the doubt is if the merchant will give the money or not.<sup>66</sup>

This very phenomenon also was admitted by one of the experts of the private firms operating in the region who stated “Here, private sector experience is low, and in the past producers experienced negative incidents with the private firms. Therefore, the producers are sceptical about all the firms. They think that all the firms are the same. There is no way that they believe completely in what we say without experiencing it. We are working hard to promote our firm, but it does not work.”<sup>67 68</sup>

On the other hand, Aegean farmers to a large extent dislike making contracts before the production period and being bound to it in terms of conditions and the prices. They long for the competitive market environment of the previous era during which TEKEL actively contributed to the market by setting the minimum price and by making support buying as indicated by Bekir, who said “Before the Tobacco Law 2001, there was competition for tobacco. There used to be ten private firms and also TEKEL. TEKEL used to declare the minimum price, perform support buying. In

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<sup>66</sup> Pseudonym ,interview by the author, tape recording, Adıyaman, Turkey, 12 August 2009

*Tütün o zamanlar için büyük bir gelir kaynağıydı onu da kestiler. Millet ne yapacak bi tüccar beğendiğini ya alır ya almaz. (...) Ege tütününü yetiştirmeyi düşünmüyoruz valla biz. Bu Ege tütününü bir kaç sene yapmışlar deneme için, onlar bakalım ne yapacaklar, sonunda memnun olacaklar mı? Ağlayacaklar mı gülecekler mi bilmiyoruz. Sonu gelsin bakarsız, eğer iyi olursa ilerde çoğu yapar. Özel sector bu, adamların şüphesi değerini verecekler mi?*

<sup>67</sup> Interview by the author, tape recording, Adıyaman, Turkey, 13 August 2009

*Burada özel sektör deneyimi az, daha önce de kötü deneyim yaşamışlar. Darbe yemiş o anlamda özel sektöre uzak olduğu için hepsi öyle sanıyorlar. Bir türlü bizim dediğimize tam inanmıyorlar. Görmeden inanmıyorlar, biz sip gürlüyoruz kendimizi tanıtmak için biz şöyle iyi bir firmayız isterseniz şunlara şunlara sorun diye ama olmuyor.*

<sup>68</sup> Here, a point should be made clear which will be elaborated further in the following sections. Since the private sector demand for semi-oriental tobacco is not existent in the region, TEKEL initialized the program of cultivating Aegean type Oriental Tobacco in the region in order to see if it could be an alternative for the peasants. The yield and the quality is not identical to the tobacco produced in the Aegean region yet it managed to form some degree of private sector demand and firms are willing to contract for this crop.

order to buy the high quality tobacco, the firms used to increase the price. Tobacco production was good back then.”<sup>69</sup>

On the same phenomenon a 84-year old farmer, Nuri Dayı, said the following:

There is a need to reform the tobacco policy. Under these circumstances tobacco production will not develop. You will make the contract from the winter, and then what happens? They abolished TEKEL, TEKEL was a support and there were ten more firms. We used to visit all and decide to sell our crop to the most appealing one. Now you are bound my daughter, impelled to sell to that one firm. We are left to his mercy. No, there is no way that tobacco production can develop.<sup>70</sup>

The peasants from Manisa described their strategies to please the tobacco experts from the firms, as well as TEKEL officials, in order to ensure they pay higher prices for the crops by stating, “In the time of TEKEL, there were ten firms. We used to buy the experts drinks, we served them and, consequently, we used to sell our tobacco from the maximum price.”<sup>71</sup>

In a focus group interview, the respondents also conveyed that they employed the same strategy in order to be paid higher prices in the current system of the contract farming by spending time with the experts, going to taverns and buying

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<sup>69</sup> Pseudonym, interview by the author, tape recording, Soma, Turkey, 26 October 2009

*Tütün kanunu çıkmadan önce rekabet vardı 10 firma ve TEKEL vardı. Fiyatı TEKEL açıklardı. Destekleme alımı yapar ve fiyat belirlerdi. İyi tütünü alabilmek için firmalar yüksek fiyat verirdi. O zaman iyiydi.*

<sup>70</sup> Pseudonym, interview by the author, tape recording, Soma, Turkey, 26 October 2009

*Tütün politikasının değiştirilmesi lazım bu vaziyette üremez. Sen kıştan kontrat yapcan sonra ne olacak. TEKEL’i kaldırdılar, TEKEL destektı. 10 firma vardı. Biz dolaşırdık en cazip hangisindeyse ona verirdik, şimdi bağılsın kızım, mecburen ona vereceksin. O da insiyatıfıne kalmış. Tütüncülüğ gelişmez.*

<sup>71</sup> Interview by the author, tape recording, Soma, Turkey, 26 October 2009

*Tekel zamanında 10 firma vardı, Adamlara içiriyorduk, hizmet ediyorduk bizim fiyatlar baş fiyat oluveriyordu.*

them drinks. Nevertheless, the acquaintance with and familiarity to private sector does not necessarily imply that the relationship between the farmers and merchants is an equal or mutually beneficial one. As demonstrated in the experience of Mehmet, a story which is popular among other peasants also when talking about the perceptions about the private firms:

One year, the merchants came to look at the tobacco before the making of the bales. The merchant said that they would buy the tobacco at the maximum price. We were happy for sure. We took the yield, they paid the maximum price but if they accepted one bale, they left two of them out without payment. If someone tried to oppose, they increased the number of left outs. In my turn, the experts looked at three of my bales left out not the low quality ones the most beautiful and heaviest ones. I caught him by his neck and asked “why this bale, not the other one?” He shouted to leave one more bale out. Not the peasants, only a woman with a little child supported me. She had only four bales of tobacco, half of them were taken in, half were left out. I called for the boss, he came. I asked him “Do you have any idea about how this tobacco is grown?” “Do you have any idea that how this woman is raising her child?” She takes the child and goes to the tobacco field at 3 or 4 o’clock at night in order to collect the leaves in that chilly weather. Then you come and try to buy two of the four bales without paying money. She is producing under these circumstances. You are exploiting her labor. He tried to defend himself by stating that do we need to quarrel for 40 kilograms of tobacco but I responded: I kill people over 40 kilograms. They did not leave a single leaf of tobacco out after that.

Then a man came and told me “You do not have debts my son, if you had, you could not defy like this.” He is right, the more indebted the peasants are, the more obedient they are and the State knows it.”<sup>72</sup>

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<sup>72</sup>Pseudonym, interview by the author, tape recording, Soma, Turkey, 26 October 2009

*Bir sene tüccarlar daha tütünü basmadan baktılar. Tüccar girdi baş fiyattan alacak. Seviniyoruz biz tabi. Teslim etmeye gittik. Baş fiyat ama iki balya dışarı. Sesimiz çıkmadı. Bi kalabalık toplandı dağılıyor. Bir balya içeri iki balya dışarı. İtiraz eden olursa dört balyaysa beş balyayı dışarı atıyorlar. Sıra yavaş yavaş bize geldi. Adam bakıyor hangi balya ağır. Bizim üç balyayı dışarı attı, hani rengi kötü marazlı vs. olsa neyse. En güzeli en ağırını dışarı attı. Yakaladım ensesinden neden bu değil de bu diye. Adam da dört balya dışarı diye bağıyor. Köylü değil, bir tek bir kadın çıktı destek için, yanında küçük bir çocuğu var. Onun 4 balya tütününü var yarısı içeri yarısı dışarı. Ben tütün teslimine geldim dedim patronunu bul dedim. Patron geldi. Kadın da çocuğuyla birlikte yanımda. “Mustafa Bey” dedim” bu millet bu tütünü nasıl yetiştiriyor biliyor musun?” dedim. “Bu kadın çocuğu nasıl yetiştiriyor biliyor musun?” dedim. Gecenin üçünde dördünde çocuğunu da alıyor tarlaya gidiyor. Ceketini çıkarıyor çocuğa örtüyor, kendisi titreye titreye tütün kırıyor dedim. Sen de gelmişsin iki balya içeri iki balya dışarı diyorsun dedim. 4 seferdir de bu kadın bu tütünü getirip götürüyormuş dedim. Bu şartlarda üretiyor bu kadın. Şimdi sen akşam götürüyorsun çocuklarının önüne ekmeği yiyeceğini diyorsun da senin getirdiğin ekmeğin sadece zehir, sadece haram dedim. İnsanların hakkını yiyorsun sen. Canım 40 kilo tütün için dedi, ben dedim adam öldürürüm 40 kilo için dedim. Bir yaprak dahi tütün atmadılar ondan sonra. Bir adam geldi yanıma sonra ‘senin borcun derdin yok’*

The incident is also striking in showing the unequal position of the peasantry in entering into contract and in defending their rights stemming from the contract as well as in coping with the insecurities of the production process. Indebtedness and being bound to the imperatives of survival restricts the peasants' ability to enter into more equitable contracts.

In the contract farming system, producers mostly noted the disadvantages of being bound to one firm, not only about losing the bargaining power, but also on being left alone in the oligopolistic market without any effective body. Formally, TAPDK operates as the institution accountable for solving the disputes between the two sides of the contract. However, oligopolistic nature of the market and the communication between the firms prevents peasants from suing the firms to TAPDK because the peasants were afraid of losing the opportunity enter into contract again. Below quotations show the dependence and fear of the peasants.

The peasants cannot contest the firms. They neither have the money, nor the time. Moreover, all the firms are in communication with each other. If someone sues them, they will not make contract with him again. You cannot cultivate tobacco in such a case. A peasant who could not get his money, we took him to a lawyer in order to sue the firm, but he could not, he was afraid though he was in a grave situation.<sup>73</sup>

The vulnerability of the peasantry in producing tobacco is multifaceted and the impacts are deep. The introduction of contract farming and disappearance of the state

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dedi. Senin borcun olsa böyle kafa tutamazsın dedi. Ama bi taraftan da hak veriyorum adama, köylü ne kadar borçlu olursa o kadar sesi çıkmıyor. Devlet de bunu biliyor.

<sup>73</sup> Ali Bülent Erdem, Interview by the author, tape recording, Soma, Turkey, 26 October 2009

*Şikayet edemiyorlar, itiraz merci yok. Hem milletin uğraşacak zamanı parası yok bir de bütün bu şirketler birbirleriyle bağlantılı. Herhangi birini siz şikayet ettiğiniz zaman bir daha sizinle sözleşme yapmazlar. Ondan sonra tütün işletemisiniz. Parasını alamadı itiraz etmek için avukata götürdük korktu. O kadar da zor durumdaydı.*

as a security ensuring body has intensified the vulnerability of the tobacco producers. The yield and quality of the tobacco cultivated in a production season can be affected by such things as high levels of rainfall, low levels of rainfall, from pests and from the types and amounts of the pesticides used, from curing, and storing and baling processes. In the contract farming system, the burden of all the external factors affecting the yield and the quality of the tobacco is left to the producer. The firm only determines the unit price which is absolutely lower than the expected price. Therefore, the ambiguities of the production process were totally left to the peasant.

In this context, two phenomena are striking. The first one is the detachment of the peasant's labor from the income they earn. A peasant is working even harder in case of the an externality imposing vulnerability in order to rescue his crop yet, in the end of the season he is paid less compared to the labor and capital spent for the production. This phenomenon may be valid for many other production relations; however, in an environment posing domestic vulnerability; as elaborated in Chapter II; and isolating the peasant from state support, the affect and the degree it was felt by the peasants is higher in the framework of the contract farming. Mustafa from Manisa most sincerely acknowledged this by asking "Am I stupid? I am planting and harvesting. The result is debt. I am planting and harvesting and selling two fields for a season."<sup>74</sup>

Gülümser from Adıyaman said: "We have cultivated tobacco to 7 dönüms of land. The yield will be around 500 kilograms. Think about it, you are working for twelve months and you earn only 3500 TL."<sup>75</sup>

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<sup>74</sup>Pseudonym, interview by the author, tape recording, Soma, Turkey, 26 October 2009

*Ulen bu milletin enayisi ben miyim? Ekiyorum biçiyorum; borç. Ekiyorum, biçiyorum bir sezon iki tarla satıyoruz.*

<sup>75</sup>Pseudonym, interview by the author, tape recording, Soma, Turkey, 26 October 2009

The second phenomenon which is worth noting is the inapplicability of the basic law of economics in the context of contract farming, which is the supply and demand mechanism. For example, in the case of drought, the amount of tobacco produced happens to be lower than the amount contracted by the firms: that is to say, the amount demanded by the cigarette factories either for cigarette production or for exports. Nonetheless, the low supply compared to demand does not mean an increase in the unit price; to the contrary, the price is determined on the basis of the quality of the tobacco. The shortage of the tobacco in that case used to be compensated from the stocks of TEKEL. Now, all the stocks have been transferred to British American Tobacco since the privatization of TEKEL. Thus, the firms enjoy the security mechanism in case of the shortage of the supply of which peasants are deprived. Moreover, the lately ratified legislation provisioning the gradual elimination of the tobacco fund further decreases risks for the firm's simultaneously increasing vulnerability for the peasants. The fund provisioned the implementation of additional tax on the imported tobaccos, especially on the oriental types; therefore it constituted a mechanism protecting domestic producers. With the latest decision issued in February 2010, this last protection for the tobacco producers was eliminated, deepening the vulnerability of the peasants by liberalizing the import of oriental tobacco from abroad for cheaper unit prices. China and India are major countries exporting oriental tobacco. Even though the quality of the oriental tobaccos produced in these countries are low, the blend cigarettes enable their consumption blended with high quality types. When the trade of tobacco is

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Valla biz yedi dönüm ektik, 500 kilo tütün çıkar ancak. Düşün 12 ay boyunca uğraşıyorsun ve yıllık kazancın 3500 lirayı bulmuyor.

liberalized, the unit prices may be expected to be lower and the peasants will become more vulnerable to climatic and environmental factors. Thus, their vulnerability will be perpetuated, which is, undoubtedly, a factor leading to transformation of production relations, rural livelihoods and structure of agricultural production in Turkey.

### Crop Diversification

Increasingly volatile and insecure environment for the tobacco producers urged the attempts of risk-aversion and income portfolio diversification among which we can count crop diversification and shifting to alternative crops. It is the initial expected response for some peasants and an already employed strategy for others. The fertile soil of Manisa and Muğla and suitable climatic conditions enabled most of the peasants in these regions with an opportunity to produce two crops in a year on the same field. Yet, in Adıyaman, arid conditions and lack of irrigation facilities impede peasants from profitable diversification activities. This statement seems over-generalizing, and it already is to some extent. A village-based analysis may be more accurate for crop diversification. In villages with fertile and irrigable lands, crop diversification becomes more profitable, thus agriculture is more likely to be a major activity for the households in these villages. On the contrary, peasants on arid and semi-arid lands are more likely to be affected by the shocks to the livelihood like decreasing commodity prices and disappearing state support and crop diversification may lose significance as a survival strategy.

In this context, the conditions for oriental tobacco production must be reiterated. Oriental tobacco is generally produced in soil with low amounts of organic materials and high amounts of inorganic material; that is to say, in infertile

soils. Moreover, the tobacco produced on arid land is of the highest quality compared to irrigated lands. Thus, almost non-arable lands are the most precious for tobacco production and lands precious for tobacco production are not fertile for many other crops, especially for the profitable ones. Among the crops alternative to tobacco in these lands, we can count grains (wheat, lentil, barley, and chick pea), olive trees, grapes and melons. Environmental conditions are not uniform in every village thus the portfolio may differ slightly according to differences in the levels of rainfall, irrigation facilities and quality of the soil. Despite these differences, the global and economic dynamics in the context of the neoliberal transformation are flattening the ground, thus crop diversification experiences very much resemble each other.

Here is a diversification experience of Ali's household from a village in Adıyaman, To reiterate, with the ultimate disappearance of TEKEL from the market and as a result of non-existence of private sector demand to semi-oriental tobacco peasants cannot produce tobacco in Adıyaman except for a few who made contracts in order to produce oriental tobacco. Hence, tobacco is not generally in the crop portfolio, at least "officially."

"We do not have any other alternative to tobacco. We are producing wheat and lentils, and also a little '*kaçak tütün*'<sup>76</sup>. I bought 400 kilograms of fertilizer for 1 lira, and sold the kilogram of wheat for 35 kuruş. I made calculations and saw that I made a loss. I will not do cultivation anymore, why should I. We cannot cultivate tobacco anymore; we do not have the water to cultivate melons. We do not have water even to drink, not to mention for irrigation. The fields are empty.

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<sup>76</sup>*This kind of tobacco is produced for direct consumption without processing and it is sold informally in the domestic market and smuggled as well. Irrigation is necessary for the production of this type of tobacco the leaves are big and the yields per decar is high. The peasants in Adıyaman with irrigation opportunities produce this type of tobacco and sell them in the informal market. The unit prices are much more than the oriental tobacco and it is easier to be produced. (Between 20-50 TL according to the quality) It cannot be produced in the arid villages unless the household owns fields close to water in other villages.*

I sewed chick peas in 80 *dönüms* of land; I could not get a yield because of the weed. We tried to plant grapes. Because of the pests it also did not work. Not only me, are everyone in the region is in the same situation.

(...)

I have one *dönüm* of land in another village where we have a little water. We have cultivated *kaçak tütün* there; maybe we can harvest 200-300 kilograms. Last year the prices of that tobacco was high, I do not know that of this year.

I have three cows. The dairyman buys the milk and then sells it to the factories. We sell one kilogram of milk for 40 kuruş. You drink one cup of tea for 50 kuruş and we sell one kilogram of milk for 40. Where on the earth do you have exploitation to such extent?<sup>77</sup>

İsmail, as well, draws the same picture on crop diversification:

“We were producing tobacco since TEKEL was founded. Tobacco was the basis of our livelihood. We have 40-50 dönüms of land. Now we cannot produce tobacco and other crops are not yielding profit. They only pay for the labor spent. We do not have water, only a bit of land in the mountainous region where we cultivate ‘*kaçak tütün*.’ We get 200-300 kilograms of tobacco from one dönüm. We sewed wheat to the rest of the fields but the harvest could only compensate for the cost of production, not to mention the profit.”<sup>78</sup>

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<sup>77</sup>Pseudonym, interview by the author, tape recording, Adıyaman, Turkey, 12 August 2009

Yani başka bir geliri yok, buğday ekıyor, mercimek ekıyor, kaçak tütün var biraz. Buğdayın gübresinin kilosunu 1 liraya aldım, 35 kuruşa sattım kilosunu. 400 kilo gübre aldım, ben bu işin hesabını kitabını yaptım ben tamamen içeri gittim. Yani artık tarla ekmeyeceğiz, niye ekeyim ki. Tütün de kalktı, bizim suyumuz yok ki bostan yapalım. Yani içme suyumuz yok, onu da bir su getirdiler 1 gün geliyor 10 gün gelmiyor. 10 gün geliyor 5 gün gelmiyor. Su da yok ki içelim. Sulama değil de yok ki içelim. Tarlalar boş, tarlada ne var. 80 dönüm nohut ekdim, bir tohumunu çekmedim. Yabancı ot bastı o da gitti. Bağ yaptık o da olmadı. Hastalıktan dolayı herşey mahvoldu. Sadece ben değil bölgenin tamamı aynı şekilde.

Köyde benim bir kuyum var, 1 dönüm tütün yaptık. 200-300 kilo çıkar da çay şeker parası olur bize diye. Valla belli değil geçen sene iyi para etti.

Üç tane ineğimiz var. Sütü sütçü gelip fabrikalara veriyor. Biz bir kilo sütü 40 kuruşa veriyoruz yeğenim, bir bardak çayı 50 kuruşa içiyorsun biz 1 kilo sütü 40 kuruşa veriyoruz. Dünyanın neresinde böyle sömürge vardır

<sup>78</sup>Pseudonym, interview by the author, tape recording, Adıyaman, Turkey, 12 August 2009

Tekel kurulduğundan beri tütün ürettirdik. Geçimimizi ondan sağlıyorduk. 40-50 dönüm tarlamız var. Tütün yok artık başka bir şey de birşey de ekmedik, hiçbirşey kendini kurtarmıyor ki. Ancak giden emeği kurtarıyor. Su yok ki, birazcık sulu tarlalarımız var dağ tarafında orada da kaçak tütünden yapıyoruz. Bir dönüm tarladan 200-300 kilo tütün alıyoruz. Diğer tarlaları buğday arpa ekdik. Masrafının çıkarmadı. Ektik biçtik gittik sattık sonra hesap ettik ki ettiğimiz masrafı ancak çıkardı. Kar yok.

Gülümser, while repeating the same phenomenon on the cultivation of grains, adds the following on the production of melon: “We cultivated melon, in case it yields profits, all the melons rotted in the field. We are selling each for 25 kuruş, they do not buy.”<sup>79</sup>

Olive, pomegranate, apple, cherry and walnut production are among the alternatives suggested in the framework of a regulation issued by the Ministry of Agriculture and Rural Affairs. However, the supports are not sufficient to build a fruit farm, yet if they had been fruit trees at least 3-4 years are required to give fruit. Moreover, the payments were only made to the peasants registered to the Farmer’s Registration System. The peasants with title deeds can be registered with the system and benefit from the supports. Given the problematic nature of land entitlements in Turkey and keeping in mind that some peasants are producing as share croppers without formal entitlement to the land they are cultivating, it can be argued that a significant percentage (reaching 50 %’s according to report by Islamoğlu)<sup>80</sup> cannot get support. Therefore, it can be argued that supports are neither effective because the payments are very low (120 TL per dekar), nor equitable. As the statistics show, only 4532 farmers applied for the support and they were paid 270 TL.<sup>81</sup>

In Manisa, the diversification opportunities are more varied and the processes are more complicated. On the other hand, it should be underlined that tobacco producers in this region are more integrated into capitalism and the market economy. Moreover, tobacco continues to be a viable crop in the range of the crops cultivated

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<sup>79</sup> Pseudonym, interview by the author, tape recording, Adıyaman, Turkey, 12 August 2009

Biraz kavun ektik biz bu sene iyi para tutar belki diye onların hepsi tarlada bozuldu. 25 kuruşa veriyoruz almıyorlar ya.

<sup>80</sup> Islamoğlu, forthcoming

<sup>81</sup> Statistics from Adıyaman Provincial Administration for Agriculture (İl Tarım Müdürlüğü Verileri)

in the region. The tobacco producers whom I have interviewed with were producing tobacco not in the form only in the form of household production, but making larger scale cultivation by hiring seasonal workers.

Above is the diversification adventure of Ahmet, a middle aged farmer, who employed the strategy of crop diversification in order to compensate for the losses of the previous year. The story is significant not only in the sense that it shows the ineffectiveness of the strategy, but also in shows the vulnerable position of the tobacco producer before the contracting firm.

As two partners, we cultivated 45 *dönüms* of tobacco, 40 *dönüms* of wheat, 17 *dönüms* of chick peas and 15 *dönüms* of common vetch in order to feed the sheep I was planning to buy. A friend of mine, who was working in Allianz One [One of the major contracting firms], told me to cultivate as much as I could and guaranteed the prepayment. The firm gives money in advance, without interest. Anyway, we cultivated 45 *dönüms* of tobacco at a cost of 20,000 TL. I hired four-five families in order for production. I fed them when I was hungry myself. It is not an easy job to deal with seasonal workers. One asks for flour, the other for money. We took 12.000 TL from the firm. I was happy. Hence we spent 20,000 TL, there was a drought that year and we harvested 1910 kilograms of tobacco. I went to deliver the tobacco to the firm; they also added 650 TL of pesticide cost to my account. After calculations we ended indebted to the firm for 700 TL. Anyway, because we are friends with the expert, he increased the price and in the end all we earned was 50 TL. We ended tobacco production with a loss of 7000 TL. 40 *dönüms* of wheat yielded only 3 tons. We ended with a good deal of deficit. I sold the kilogram of wheat for 34 kuruş. As for the chick pea, I sowed 17 *dönüms*, I also gave fertilizers, and spent 250TL for harvesting 17 *dönüms* yielded only two sacks. Moreover, I could not store common vetch to feed the sheep, I could not buy sheep anyway. We ended the season with a loss of 25,000 TL in total. In the previous year, I had lost 30,000 TL from olives. The interest of the credits I borrowed doubled the loss. Now, I am indebted with 80,000 TL.’’<sup>82</sup> [He laughs]

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<sup>82</sup>Pseudonym, interview by the author, tape recording, Soma, Turkey, 26 October 2009.

45 dönüm tütün ektik iki ortak, 40 dönüm buğday. 17 dönüm nohut 15 dönüm de kurbanlık kuzu alırım diye ot ektim, fi. Allianzda çalışan arkadaşımın görüşmem işi yokuşa sürdü. Ek sen dedi para kolay. Önceden avans veriyorlar ya, faizsiz. 45 dönüm tütünü ektik, 20 milyar masraf. 4-5 aile baktım yanımda kendimaç duruyorum onlara bakıyorum. Onları çekmek de çok zordur ha, gördüğü gibi değildir. O diyor un bitti bu diyor para bitti, ver Ahmet al Ahmet. O şirketten 12 lira para aldık. Havaya uçuyorum tabi. Neyse biz 20000 masraf yaptık kuraklık oldu. 1910 kilo tütün var bizde. Geldim teslim ediyorum. 650 liralık ilaç yazmış bana 12 lira da avans 13400 bi hesap tuttuk 700 lira biz şirkete borçlu kaldık. Neyse dostluğumuz var diye fiyatı yukarı çektik, 50 lira kazandık. O sene, yazılmayanlar da var. 7000 eksiyle tütünü bitirdik. 40 dönüm buğdaydan 3 ton buğday aldık. Orası

The experience of Ahmet is very significant in a myriad of senses. The insufficiency of the rain fall in that year laid the background of the story, leading to a major decline in the productivity rates in every crop he produced because dry land production is dependent on the amount of rainfall contrary to irrigated production. Hence the dry land farmers are more vulnerable to climatic and environmental conditions which used to be compensated with government supports, higher prices paid by TEKEL to tobacco and support buying. Now, the vulnerability is perpetuated by the lack of crop-based insurance which protect peasants against climatic contingencies. On the other hand, given the conditions of the dry land farming, it is obvious that crop diversification is not an effective strategy. That is because all the crops are affected from the differences in the amounts of the rainfall, if not the prices of the crops produced in these regions are low in any case. Moreover, the borrowing mechanisms and interest rates are putting additional burden on the peasants, not only by increasing the costs of production but also in the sense that peasants need to be indebted in order to be able to continue production with the aim of compensating for the losses of the previous year. Ahmet, himself notes that he embarked on the adventure of crop diversification in order to compensate for the loss of the previous year.

Normally, tobacco is not produced in large lands, a household of 5-6 people can cultivate around 10-15 *dönüms* of land and the prices were considerably high

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da aynalı bir eksiye gitti. Kilosunu dost olarak, 34 kuruşdan sattım. Nohut 17 dönüm yerden 200 lira da yoldurma parası verdim. Bak sürüyorm sürgülüüyom tohumunu atıyom gübresini atıyorum 50 lira da harmanı yaptırđım iki çuval nohut çıkmasın mı?

Ot, bir dal hayvana yedireyim diye koyamadım bi kenara. Hayvan da alamadım ya. Yani o yılın eksisi 25.000 lirayı geçti bize. Bir önceki yıl da zeytinden zarar ettik 30.000 lira, zeytini kurtarayım derken yaptım ben bunları. Kullandığım kredilerin faizleri de çalıştı. Hadi ondan sonra takla attık. Sonra mı? Şimdiki halini soruyorsan 80.000 liranın üzerinde bir borçla seyr ediyoruz. ( Gülüyor)

providing a meaningful income for the household. In many interviews, peasants emphasized that the income tobacco yielded was their major income source not necessarily because the prices were high but they were paid the money as a lump sum, providing a noteworthy sum to be spent in order to be spent for expenses of the family and to increase the productive capacity of the household by buying land or tractors etc. However, in the contract farming, the unit prices are low and in order to earn that sum, the scale of the production has to be increased beyond the labor supply of the household. Thus, the costs of production increase proportionately with additional cost of hiring labor. The more the scale of production, the more destructive any contingency becomes for the peasantry because the scale of borrowing and indebtedness increase accordingly a situation which ultimately leads to handover of land and a change in the structure of land ownership, a phenomenon to be elaborated on in the next section.

Being able to continue tobacco production may also appear as another objective of crop diversification. The income earned from cultivating wheat, melon etc. is used as a sort of credit per se, instead of taking loans this amount is spent for the production costs of tobacco. Below is a luckier experience of crop diversification.

We have produced 1500 kilograms of tobacco this year. It rained a lot; we could not plant tobacco properly because of the mud. When the time passes, you cannot plant tobacco any more. I will cultivate 30 *dönüms* next year. We have a daughter and a son to be married. The firm gives the pesticides, but not for free. The maximum price is 8,425 TL this year, but surely they will cut some of it. We have cultivated wheat; we sold a kilogram of it for 38 kuruş. It would yield better if the price would be around 60 kuruş. You buy a loaf of bread for 1.5 liras and sell the kilogram of wheat for 30 kuruş. Where is the devil in it? The sack of fertilizer is 30 TL; we cannot buy and fertilize the crop to increase the yield. We have changed the tractor last year; we are paying for the debts.

I have paid 2500 TL for the farm workers, 300 TL for pesticides with the other costs added the sum was around 3500-4000 TL.

If you cultivate tobacco on small scale, you cannot feed yourself. If you do it in a large scale, the cost of hiring labor is added. I do not count our own labor. At this point, wheat and melon contributes to pay the cost of producing tobacco. I have harvested 12 tons of wheat and sold it for 38 kuruş per kilogram. The cost of production is around 3000 TL. I have spent the rest 1500 TL to pay for the seasonal workers. Moreover, we cultivate melon. I earned 2500 TL but paid in bits. I have not received the whole amount yet.<sup>83</sup>

In-depth interviews revealed that the main concern of peasantry is maintaining their productive capacity and staying in the village rather than trying to improve it. The insecurities of and low income yielded by the tobacco production accompanied by the low yields and high production costs of alternative crops render agricultural production a subsistence function rather than one of accumulation. Under these circumstances, production costs especially the costs of fuel and fertilizers impose a great burden on the peasants. Irregular state supports and unplanned production resulting in a excess production of certain commodities produced in this arid and semi-arid environment like grains, olive and melon lead to a decrease in prices, making crop diversification a less viable option for the peasants. In Manisa, high

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<sup>83</sup> Pseudonym, interview by the author, tape recording, Soma, Turkey, 26 October 2009

1500 kilo tütün oldu, çok olmadı bu yıl. Yağmurlar fazla yağdı çamurda dikilmedi. Vakit de geçti mi dikilmiyor sonradan. Seneye 30 dönüm yapıcım, iki tane evlendircek çocuk var. İlaçları da firma veriyo da, bedava mı veriyo, paradan kesiyor. 8425 lira sözleşme var, geçen sene 150 lira kırdılar bu sene kırarlar mı bilmiyorum. Buğday, da onda da fiyat yok. 380 liraya buğday sattık, 600 falan olsa. Zeytinin kilosunu 500 lira. Ekmeği alıyorsun 1.5 liraya buğdayı satıyorsun 30 kuruşa, şeytan bunun neresinde? Şimdi gübrenin 30 milyon torbası, alamıyoruz, atamıyoruz ki gübre buğday çok olsun. Aktara döndüre gidiyor, Geçen sene traktörü değiştirdik borçları var. Ben ameleye 2.5 verdim. 300 ilaç parası. İpiymiş falan 3.5- 4 milyar. Daha mazotu ve tarla icarını koymuyorum. Naylonunu katmıyorum 315 lira verdim. İcara 500 lira verdim. 2 pulluk 3 çapa yapıldı, bir de dikerken.

Az yaparsan karın doyuramazsın, amele masrafı oluyo öteki türlü de. Kendi emeğimizi saymıyorum zaten. Devreye buğday bostan giriyor. Yan gelir oluyor tütüne bakarsak biz temelli açıkta kalırız. 12 ton buğday kaldırdım ben 380 den hesap et. (4560) biçme parası gübresi 3 milyar. 1500 milyon tütüne işçi parası oluyor. Bir de kavun yapıp satıyoruz 2500 milyara sattım sakız parası. Gıdım gıdım para alıyorum. Hepsini alamadım.

costs and low income lead to indebtedness for the peasantry and land selling becomes frequent not only in order to pay for the debts but also in order to be able to continue production whereas in Adıyaman peasants did not note a significant degree of land selling. The below quotation from Mustafa demonstrates this feeling.

Be anything in Turkey, but not the producer. Once you produce, you begin to go bankrupt. You should manage to keep what you have, otherwise it dissolves and dissolves. Look at Ahmet, he sold a field for 10,000 and for 64,000 sold another one. I have sold my vineyard for 15,000 this year.

His brother Mehmet intervenes:

“If he could not sell the vineyard, he would not be able to pay for the costs of fuel oil. He paid 6500-7000 TL in oil cost this year. What will happen if he cannot find any more fields to sell? X will also sell his lands now. Buyers do not pay even 2000 TL for a dönüm.”<sup>84</sup>

Nuri summarizes the contrasting situation as follows: “In 1974, I organized a wedding celebration for my son. I spent an armful of money, around 50,000 TL in today’s money. Now, everyone in the village has debts. Every field is burdened with mortgage. There is not a penny in the village.”<sup>85</sup>

In land selling, two different phenomena emerge, both very significant in the framework of this research. Primarily, some peasants noted that some private banks like Şekerbank and Finansbank are eager to give credits to the producers. Indeed, they have special promotions for peasants and credits are granted in return for the

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<sup>84</sup>Pseudonym, interview by the author, tape recording, Soma, Turkey, 26 October 2009

Türkiye’de üretici olma da ne olursan ol. Ürettiğin anda batmaya başlıyorsun. Elinde olanı tutabilirsen tutacaksın, tutmazsan o da gidiyor, eriyor eriyor. Ahmet’un durumu. Adam 10 milyara bi tarla sattı, 64 milyara başka bi tane sattı. Ben 15 milyara bağı sattım bu sene. 15 dönüm bağı satmasaydı mazot parasını ödeyemeyecekti Davut. 6.500-7000 mazot parası ödedi bu sene. O toprak da biterse ne olacak. Ahmet satcak şimdi tarla, 2000 vermiyorlar dönümüne. 1-1500 lira

<sup>85</sup> Pseudonym, interview by the author, tape recording, Manisa, Turkey, 26 October 2009

1974’de oğlana düğün yaptım, kucak dolusu para götürdüm, şimdi 50.000. Şimdi nerde, şu köyde herkes borçlu. Herkesin malı ipotekli, metelik yok.

encumbrance of the lands of the peasants. To the contrary, state banks like Ziraat Bank which was founded with the aim of supporting peasants with cheap credits, requests a title deed from the city in order to grant credits. Therefore, private bank credits are more frequently used. If peasants fail to pay the credits they have taken from these banks, it is probable that they will lose their lands which may lead to the transfer of land to larger entities. The below statement by Ahmet whose crop diversification attempts failed with a considerable debt burden in telling in this context:

I cannot sell my land because of the mortgage reservations. Private Banks give producer credits, if I cannot pay for the credit, I will lose all my lands. They encumbered my lands for 22,000; I offered to pay 25,000 in return for the elimination of the encumbrance. I have talked with the lawyer, they demanded 39,000, but the last price they offered was 46.000. If you sell the whole village, you could not find this money.<sup>86</sup>

#### Pluriactivity, Off-Farm Diversification

The second phenomena in this respect carries the analysis to a another level; that is, the combination of both on and off-farm diversification strategies in order to maintain the livelihood. That is what may be called pluriactivity or part-time farming ultimately leading to the emergence of the New Rurality.

In the age of neoliberalism, it is argued by many scholars that the distinction between the urban and the rural has blurred and an increasing number of people are now constantly straddling the rural-urban divide, merging both on and off-farm income sources in order to maintain their livelihood. Reading the phenomenon from

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<sup>86</sup> Pseudonym , interview by the author, tape recording, Soma, Turkey, 26 October 2009

İpotekten satamıyorum toprakları. Özel bankalar çiftçi kredisi veriyor, ödeyemeyince hepsi gidecek. 22 000 ipotek yaptılar. 25 dedim vereyim ipoteği kaldırım. Avukatla konuştum 39 000e fit oldular, en son gelen fiyat 46000di, Ulan Kadıncöy'ün tabanını satsan bulamazsın bu parayı deli.

the other side, the lands in the villages are also bought by city dwellers who cannot subsist on the wages they earn in the city and seek another income earning activity.

The farmers of Manisa noted in this respect that teachers, doctors, civil servants are buying lands from the near by villages in order to cultivate most frequently olive because olive production does not require much labor. In the harvest time, they pick up olives and either sell them or use them for their needs. Thus urban dwellers form a tie with the village, adding another income source in order to maintain their subsistence. This novel phenomenon, which may be called rurbanization, is a facet of blurring of the border between the rural and the urban in the neoliberal era. Constant movement of people between rural and urban sites, as argued by scholars of rural livelihoods, is the primary definitive aspect of the New Rurality we are trying to attribute a meaning and invent conceptual tools to define be able to define it. I would argue that the constant movement between rural and urban emerges as a inevitable solution when on-farm subsistence for the household becomes impossible, as in the cases I have summarized above with reference to crop diversification attempts of peasants of the tobacco land. It is fair to argue that on-farm diversification is not enough to sustain the rural livelihood yet continuing production also is attempted by the peasantry with incorporating alternative off-farm income sources.

Up to this point, the destructive effects of the neoliberalization of tobacco economy on the peasants and on-farm diversification attempts of the peasantry has been elaborated based on the field research in Adiyaman and in Manisa Soma. Nevertheless, the third field of the research has not yet been incorporated in the analysis, which is Muğla, Fethiye. That is because the tobacco farmers of this region had to a large extent quit tobacco production with the implementation of production

quotas in the years following 1994. The impact of the development of tourism as an alternative sector in the region has given the rural population with diverse off-farm diversification opportunities. Moreover, the mortgage sector in the region and the spread of alternative vacation sites in the rural areas close to most attractive touristic places have lead to increases in the values of the lands peasants own, land selling has become frequent not only from the indebtedness, but from the extremely high amounts offered to the peasants.

It is important to note that the conditions are not equal for the nearby villages and remote villages in this respect. Nearby villages enjoy more opportunities of off-farm diversification than the remoter ones. In addition, worse-off peasants in remote villages are more inclined to diversify in informal and low quality jobs whereas better-off farmers are more likely to develop an entrepreneurial skill and move out of agriculture. Worse-off peasants are more dependent on agricultural production, which is a crucial factor in analyzing the restructuring of tobacco economy in Turkey.

Off- farm diversification opportunities also affect migration trajectories. In the villages where on and off-farm diversification opportunities are low, the tendency to migrate, either in the form or rural-urban migration or in seasonal or circular kind, is higher than in the villages with more diversification opportunities.

In Adıyaman, as argued above, crop diversification opportunities are low due to the environmental conditions, as well as the lack of water in tobacco producing areas. On the other hand, off-farm diversification opportunities are also limited. In the report, prepared by *Adıyaman İl Tarım Müdürlüğü*, provincial directorate of agriculture, on the importance of tobacco production in the region, it is stated that around 75% of the population of the city is directly or indirectly engaged in

agricultural and livestock production. The city's remote location to industrial and commercial centers is counted among the factors leading to such high degrees of rural population. Moreover, the report also reiterates that most of the arable land is arid and semi-arid, thus crops other than tobacco cannot be produced successfully. Limited job opportunities in the non-agricultural sector also limit off-farm diversification attempts; hence migration emerges as a dominant phenomenon in the region.

Both the statistics and the interviews demonstrate that rural-urban migration and seasonal migration are very frequent in the region. Migration from villages to city centre reaches the degree of outmigration from the city. In the above mentioned report it is stated that the city centre population was 100,045 in 1990 rose to 212,475 in 1997 and to 282,510 in 2000 due to the production restrictions. The city centre population reached 329,965 by 2008.<sup>87</sup> The rate of urbanization unfortunately cannot be attributed to the pull of cities, but rather to the push of the villages as a result of tobacco restructuring. Especially in the last two years, migration levels appear to be considerably high. Around 39,000 people migrated to other cities between 2007 and 2009.<sup>88</sup> According to statistics of the 2000 census, the net migration from Adıyaman came out as -40.745 with the net migration rate of -7.23 %.<sup>89</sup> Considering that the migration in the 2000 census period is almost equal to the migration occurred between 2007 and 2009, it can be argued that people's propensity to migrate has increased during the recent years. Moreover, according to the 2000 census results, the net migration rate happened to be positive in Manisa and Muğla, meaning that in

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<sup>87</sup> The report by Adıyaman İl Tarım Müdürlüğü named "Adıyaman'da Tütün ve Tütünün Adıyaman Ekonomisindeki Yeri" and also [www.tuik.gov.tr](http://www.tuik.gov.tr) supports the same data

<sup>88</sup> Source: [www.tuik.gov.tr](http://www.tuik.gov.tr)

<sup>89</sup> Turkish Statistical Institute. Accessed 15.04.2010, from [http://www.tuik.gov.tr/VeriBilgi.do?tb\\_id=38&ust\\_id=11](http://www.tuik.gov.tr/VeriBilgi.do?tb_id=38&ust_id=11).

these cities out-migration was lower than in-migration, a phenomenon which is essential to underlining the differences between the three cases in terms of migration trajectories and off-farm diversification opportunities.

### Seasonal Migration

In the interviews, the peasants noted that alternative income sources mostly were derived from seasonal migration, the migration of some members of the household to cities and also from the daily wage work opportunities. Seasonal migration is very frequent in Adiyaman, especially among the larger households with many children. Landless peasants who formerly cultivated tobacco as sharecroppers and peasants with small land holdings are also more inclined to seasonal migration. Given the unequal distribution of land in southeastern Anatolia, the amount of small holders and landless peasant are at a level not to be ignored, hence the disruption of the tobacco economy has resulted in a significant level of seasonal migration, not only from villages, but also from the city centre. The seasonal migrant workers frequently migrate to Malatya for apricot, Adana for cotton and to Ordu for picking nuts in the summer and in the winter work as daily wage workers in jobs such as construction if they can find such temporary jobs. Those who have moved to work in other cities seasonally were not in the village at the time of field research. Those who had stayed stated, “Some go to Istanbul to work; those who have children go to other regions as seasonal migrant workers. Some go to pick nuts, some for apricots or apples. At this time, they go to collect grapes and also potatoes. They move up until the winter.”<sup>90</sup>

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<sup>90</sup> Interview by the author, tape recording, Adiyaman, Turkey, 12 August 2009

During the summer time, when I performed the field research in Adıyaman, it can be said that the city was on the move. The city centre and also the villages were quiet and almost empty. The neighbors were either in Malatya picking apricots or in Ordu picking nuts. They worked in families, and the amount they earned mostly constituted the major income source of the family. In winter, they returned to their villages or to their homes in the city centre and used the income earned in summer for subsistence in the winter alongside the minor income sources earned from the jobs such as construction. The seasonal migrant workers find jobs through labor intermediaries called '*dayıbaşı*,' therefore those who want to find seasonal work need to have networks in order to find it. The ones, who were left, whom I met in the courtyard of a mosque, were waiting to find temporary works in order to earn daily salaries.

### Villages for Protection

In the arid villages of Adıyaman, the peasants also noted that the young men migrate to big cities, especially to Istanbul, in order to work as porters seasonally. They often take low-quality jobs. This type of circular migration is among the survival strategies of the peasantry, keeping most of the family members in the village where they can continue agricultural production and also where the costs of living are considerably low. In other words, the subsistence of a young man in the city is cheaper than that of the whole family; the men can live in worse conditions in order to accumulate more money for the family living in the village. The remittances of these workers provide an important income source for the villagers. Moreover, the

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Kimisi İstanbul'a çalışmaya gidiyor. Mevsimlik işçiliğe çocukları olan gidiyor. Kimisi fındığa, kayısıya, elmaya, işte gidiyorlar. Bu mevsimde üzüme gidiyorlar, patatese elmaya. Ta kışa kadar gidiyor işte iş oldukça ne yapsın.

migration of the young men is also considered the precursor of the permanent rural-urban migration, deteriorating working conditions; increasing insecurity and rising informality in the urban labor market, leading to the emergence of new poverty in the neoliberal era render migration as a seasonal activity because full-time job opportunities are decreasing gradually in the cities. The decreased rate of rural population in recent years, increasing rates of urban poverty and the chronic unemployment problem in Turkey are among the factors obstructing permanent migration for the rural poor.

The cheaper subsistence costs in the village gain importance for the urban poor as well. One of the village dwellers noted that their family had to migrate back to the village from the city centre because the family had lost all the money they had. “We were living in Adıyaman. Someone stole all our money and escaped. We had to return to the village from the city. My husband is working in Istanbul and I am taking care of the field and the trees.”<sup>91</sup>

In this case, we see that the village is not economic unit for this very family, instead it is a place for survival, like a shelter for the household with cheaper costs of living and with the activities of subsistence farming. The five children of the family and the mother stay in the village when her husband works in Istanbul in the market place as a porter. On the other hand, this experience demonstrates that job opportunities, even as porters, are so rare in the centre of Adıyaman that the inhabitants find the

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<sup>91</sup> Interview by the author, tape recording, Adıyaman, Turkey, 11 August 2009

Ben Adıyaman’da oturuyordum adamın biri paramızı aldı kaçtı gitti, biz de şehirden tarlaya geri döndük. Beyim İstanbul’da çalışıyor ben de burada bahçeyle ağaçlarla uğraşıyorum.

solution in moving their family to the villages and in migration to other cities for the survival of the household.

The re-definition of the village as a protective unit rather than a productive one is emerging as a striking phenomenon in this context. For the landed peasants, even if the holdings are small, the village constitutes a place for sheltering and subsistence that the cities cannot offer anymore. A comparative analysis of the population statistics of the villages in 1990, 2000 and 2009 demonstrate that the major decline the populations of villages in Adıyaman took place between 1990-2000 and for some villages we cannot talk about a decline in the last 10 years during which important restrictions on tobacco production has imposed on the peasantry. To concretize, the population of Dardağan Village, where I performed field research, which had a population of 560 in 1990 declined to 377 in 2000; however in 2009 we see that 388 people were living in the village which means in the last 9 years we do not see a decline, but a slight increase.<sup>92</sup>

The phenomenon can be attributed to two things. It is fair to argue that landless peasants who cultivate tobacco as share croppers had migrated primarily with the introduction of the production quotas; most of them became seasonal migrant workers living in the city centre during the winter of 1990 and 2000. On the other hand, after the introduction of contract farming and the decreasing role of TEKEL as a regulative body, landed peasants also began to incorporate off farm income into the income portfolio, keeping the family in the village. This is sustained through seasonal and circular migration. In order to reiterate, seasonal migration is a household activity, whereby all the members of the household incorporate to wage-earning activity. Therefore, peasants with children engage in the activity in order to

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<sup>92</sup> Turkish Statistical Institute. Accessed 23.03.2010, from [http://report.tuik.gov.tr/reports/rwservlet?adnksdb2=&report=idari\\_yapi\\_2008.RDF&p\\_il1=02&p\\_yil=2008&desformat=html&ENVID=adnksdb2Env](http://report.tuik.gov.tr/reports/rwservlet?adnksdb2=&report=idari_yapi_2008.RDF&p_il1=02&p_yil=2008&desformat=html&ENVID=adnksdb2Env)

be paid for the labor of the children as well. It is important to note that the women and children are not paid equally as the men as seasonal migrant workers, but the aggregate income of the family is more important for the household in this context and in order to be paid a reasonable sum for survival of the household during the winter, the engagement of the maximum number of household members is a must.

Circular migration, a broader term including seasonal migration as well, is defined as the movement in which:

The movers do not change the place of residence in the village, but are absent at an urban destination for periods longer than a single day. Again such movements can be associated with the full-time permanent employment at the destination, but usually involves non-permanent informal work in the urban economy<sup>93</sup>

The temporary migration of some members of the household to cities and abroad is also considered in the context of circular migration. The phenomenon we have witnessed in Adiyaman is a clear example of circular migration with the aim of incorporating off-farm and non-agricultural income sources in the income portfolio of the household. It is important to reiterate that staying in the village is important for the wellbeing of the rest of the family. Almost all of the peasant households engage in subsistence farming in order to produce for their own needs which are also an important contribution to the household income. At least, staying in the village prevents them from extreme poverty leading to starvation. Hence, it can be argued that in the neoliberal age, villages gain importance as being protective realms for the peasant households, in spite of the fact that commercial agricultural production has failed to produce enough income for the survival of the household.

The phenomenon of circular migration and pluriactivity is evident not only specifically in the interviews in Adiyaman, but it is a common phenomenon uniting

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<sup>93</sup> Graeme J. Hugo, "Circular Migration in Indonesia," *Population and Development Review* 8, no. 1 (March, 1982), p. 4

all the villages researched in the context of this thesis. Both concepts imply a combination of both on and off-farm income sources into the income portfolio of the household. The field research performed in the near villages of Fethiye, Muğla constitute an important source for the discussion on pluriactivity and non-farm villages.

The most important aspect of these villages is their proximity to touristic centers, a sector which developed from the late 1980s onwards which broadened the employment opportunities in the region. Moreover, the villages themselves became attractive for the investors who want to build things such as hotels, restaurants and for the non-indigenous people who want to live in the region. The increase in the employment opportunities and creation of alternative sources of income in those villages has affected the post-tobacco trajectory. Below quotation summarizes the general trend of restructuring after the disruption of tobacco regime.

Primarily they put quota restrictions. Is it possible to live on the income of 200 kilograms of tobacco? Costs exceeded the income. We gave up production. Primarily with quota restrictions, then by not paying, than by decreasing the minimum price, they deterred tobacco production. Now the fields are either empty or some cultivate wheat for the household's consumption. In the hills, olive trees are grown. Olive has replaced tobacco. We were cultivating the amount we can manage as household. Now, we cannot cultivate anything else because we do not have water sources for irrigation. The youth work in tourism, the elderly are mostly retired. We have olives, pension payment, one or two animals and the youth go to nearby areas in order to work. That is how we live, nothing else.<sup>94</sup>

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<sup>94</sup> Interview by the author, tape recording, Fethiye, Turkey, 15 July, 2009.

Önce bir kota uyguladılar, 200 kilo tütünle geçinmek mümkün mü? Kota olunca astarı yüzünden pahalı gelmeye başladı. Vazgeçtik gitti. Kota zamanında bıraktık. Önce kota sonra para vermeyerek, baş fiyatı düşürerek bitirdiler. Şimdi ya boş, ya da yiyecek kadar buğday. Yamaçlarda zeytin ekmeye başladılar. Zeytin aldı yerini. Biz kendi yapacağımız kadar ekiyorduk, ailecek işliyorduk. İçme suyu var sadece, onu zor buluyoruz. Gençler turizme sağa sola gidiyorlar. Köyün yaşlısı genelde emeklidir. Zeytindir, bir iki hayvan besler, çorçocuk sağa sola çalışmaya gider. Böyle idare edip gidiyoruz zaten. Başka da bir şey yok.

Post-tobacco restructuring in these villages leads to the emergence of non-farm characteristics by rendering farming activities to a secondary status. On the other hand, subsistence farming is a given characteristic in these villages. It is worth noting that the villages under scrutiny are the ones with arid and semi-arid conditions where the on-farm diversification opportunities are limited and non-profitable.

The number of pensioners in these villages also marks an important aspect. The elderly are mostly retired from *Çiftçi Bağkuru*, social insurance for farmers, which provides security for the peasants, rendering agricultural production to a less important position. The respondents in Adıyaman noted that they could not pay for the social security contributions in order to be retired. Hence, being a pensioner or not incorporates another factor affecting the social welfare of the peasantry and their attribution towards farming. It is reasonable to argue that peasants deprived of social security mechanisms and pension payments and with less off-farm diversification opportunities tend to go on production, even if production activity does not yield sufficient income or profits. On the other hand, better off peasants tend to turn agricultural activity into a secondary activity, providing a minor income. The below narrative from Muğla demonstrates this deviation from agriculture.

Tobacco is over. Here people used to cultivate 5-6 *dönüms*. Then they introduced quota restrictions. Who can make a living by producing 100-200 kilograms of tobacco? I quit production in 1995, after the quota, I have begun a business. We sell Turkish pancakes in the summer. We do not earn more, but it is easier. I chat with different people. I prefer this more. By the 2000s, people quit production completely.<sup>95</sup>

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<sup>95</sup> Interview by the author, tape recording, Fethiye, Turkey, 19 January 2009.

Tütün bitti. Şimdi burda 5-6 dönüm yapan, vermiş 100-200 kg kota. Ne yapacak adam, neyle geçecek. 1995'te ben bıraktım, kota gelince, iş yeri açtım, gözlemcilik yapıyorum yazın. Tütünden fazla getirmese de kolay, insanlarla sohbetim oluyor. Bana daha iyi geldi. 2000 yıllarında tam bırakıldı.

This narrative illustrates how agricultural production lost its importance in the village with the emergence of alternative and non-traditional income sources. Regarding the question on the agricultural production in the village, one respondent stated the following:

Only those who have water can make a living with agriculture by producing vegetables, only if they cultivate an area of 8 or 10 *dönüms*. In Keçiler, Ahmet cultivates during summer and winter, he can make a living. He is the only one anyway. That is to say, one can earn money from agriculture.<sup>96</sup>

Access to irrigation facilities mark a difference as we have seen in the earlier examples both in Adıyaman and in Muğla, which is a natural denominator for the tobacco production. In places with access to irrigation, the fertility of the soil and appropriate climatic conditions in the region agriculture continues to be a viable option. However, the availability of the off-farm diversification opportunities and the decreasing importance of agriculture are also visible in the following quotation: Everybody used to cultivate tobacco in this village; this decreased 1995 and ended around 1998 and 2000. The youth work in the sea, on yachts. Those who have water produce vegetables. Some work in the hotels as maids, some as night watchmen. There are various things.”<sup>97</sup>

The interviews made it clear that the youth do not leave the village in the places with more off-farm diversification opportunities, as evident in the following

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<sup>96</sup> Interview by the author, tape recording, Fethiye, Turkey, 19 January 2009.

Tarımdan ancak sebze yapıyorlar sondaj vurduranlar, suyu olanlar. 8-10 dönüm yaptıktan sonra geçimini sağlayabilir. Bütün yılı karşılar. Ahmet Keçiler’de kış yaz yapıyor, o geçimini sağlar. Ondan başka sağlayan da yok zaten. Para kazanıyorlar yani.

<sup>97</sup> Interview by the author, tape recording, Fethiye, Turkey, 19 January 2009.

Herkes tütün yapardı, 1995lere kadar azaldı.1998, 2000 gibi tam bitti. Kimse tütün yapmadı. Gençlerin hepsi denize gidiyor, yatlarda. su çıkan yerlerde sebze, turizmde temizlikçi, gece bekçiliği gibi çalışılmıyor. Türlü şey var.

quotation: “The youth are in the village. They work in tourism in the summer and spend time in the coffee houses in the summer. Those who want to work also work in the winter.”<sup>98</sup>

The proximity to touristic centers in the region is a factor facilitating the diversion from agriculture. At this very point, the diversification trajectories change depending on the assets of the peasants and the proximity to alternative income sources. As argued in Chapter Two, the worse off peasants diversify in less advantageous markets whereas the better-off peasants diversify in more profitable markets with more entrepreneurial spirit. In this framework, the two former-tobacco villages in Muğla show the example of the luckier peasants. The differentiation between peasants in the context of neoliberal agrarian transition will be elaborated in the next chapter.

### The New Rurality?

Up until now, the information gathered in the three different contexts accompanying different aspects and demonstrating similar and contrasting dynamics has been elaborated, and the nature of change in the village and survival of peasantry have been traced. Yet, all the data provided in this chapter with all the diversity and uniformity has led us to the discussion the broader and novel phenomenon of the New Rurality. As discussed in the Chapter Two, what is new in the New Rurality is

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<sup>98</sup> Interview by the author, tape recording, Fethiye, Turkey, 19 January 2009.

Genç nüfus dışarda değil, burada. Yazın turizmde çalışıyorlar, kışın kahvede. Çalışma isteği olanlar çalışıyorlar tabi kışın da.

the losing ability to name what used to be rural as rural now. The gradual integration of the rural into the urban and vice versa and the blurring of the classical dualistic classifications with the attempts for risk aversion and survival by the rural man as well as the urban man bring this change into existence.

Off-farm diversification and pursuit of off-farm income sources lie at the heart of the change, which is mainly due to the failure of on farm diversification, especially in the case of tobacco producers. The inability to migrate to the cities as a household, as argued above, as a result of increasing poverty, deteriorating conditions and rising insecurity and informality in the cities has turned the villages into sites for the protection of the rural households is another important factor resulting in the emergence and spread of New Rurality. All the cases analysed in this thesis point to an imperative to integrate off-farm sources, either by seasonal migration or by setting up a new enterprise in the village in line with the changes in the economic structure, either by making use of pension payments in order to be able to go on with production or by sending some members of the household to work in the city.

The increasing movement between “the city” and “the village” (in quotation marks from this point of the discussion onwards) deriving income from both realms and uniting diverse income sources has become the survival strategy for the small peasantry in the highly fragmented world under the reign of neoliberalism. As argued before, the constant movement not only of peasantry but the urban poor as well, blurs the distinction and homogenizes the two realms. The example of the household in Manisa whose son, staying in the village and working in the city centre in a subcontractor firm; the youth of Muğla working in the yachts and hotels during the high season; the man driving a tourist bus while his wife is engaging in

subsistence farming and at the same time works as a housekeeper for foreigners living in the village; in Adıyaman the young man working in Istanbul as a porter while his wife and children stay in the village and takes care of the small farm and the trees; the teachers and doctors buying land from the village and producing olive for a minor contribution to the income portfolio or mine workers renting fields from village in order to produce tobacco with the extra labor of his wife and children- all these people with their lives and struggles are manifestations of the New Rurality under neoliberalism.

However, behind the homogenization of the classical conceptions of rural and the urban, peasant and worker, employed and self-employed and flattening of the traditional conceptual environment, we observe another heterogenizing force operation simultaneously that is the deepening of inequality and poverty in the countryside which carries the discussion to another level, which will be elaborated in the next chapter on the restructuring of tobacco production in particular and its reflections on the rural in general.

CHAPTER V:  
RESTRUCTURING IN TOBACCO LAND:  
INEQUALITY, DIFFERENTIATION AND THE REALLOCATION OF  
PRODUCTIVE ASSETS

In the previous chapter, the struggles and adaptive strategies of (ex) tobacco producers were elaborated. The main conclusion derived from the data presented point to decreasing levels of income yielded from agriculture and the imperative to diversify in off-farm labor markets. The small holders are not totally deprived of the necessary conditions of reproduction, nor in possession of them. Yet what we have is a sort of hybrid peasantry that is evaluated under the concept of the New Rurality. However, the diversification process itself emerges as a force resulting in peasant differentiation and an increase in the inequality. By differentiation, I refer to an increase in the gap between the socioeconomic statuses of peasant household. This chapter is devoted to reveal the diversity within the diversification with a premise to understand the rising inequality, poverty and tobacco restructuring trajectories.

The comparative analysis of the three regions implicitly disclosed a divergence in the patterns of diversification. In the very basic analysis, the difference between the diversification sites of peasants in Adıyaman and peasants in Muğla is striking. The nature, and undoubtedly the existence of, alternative sectors in the near surroundings appear as an important factor affecting the patterns of diversification and survival.

## Indebtedness and Peasant Differentiation

As discussed in the previous chapter, the lack of alternative off-farm income sources in the area around Adıyaman has resulted in high levels of seasonal migration of the household and young male migration, whereas in Muğla we observe that the local population is to a large extent present in the village while diversifying in the nearby area. At the very extreme, the below quotation from one of the poorest former-tobacco villages in Muğla is significant in showing the extent of the affect of emerging alternative sectors on the peasant wellbeing.

The transition from agriculture to tourism began in 1985s but accelerated in 1990s at the seaside. The local population first observed the change. Then with the increase in number of hotels etc. alternative job opportunities emerged. Tobacco producers became taxi and minibus drivers, those who managed opened markets, bars and hotels. Because of the fact that tobacco production is labor intensive and costly and the income yielded had decreased local people, de facto shifted to tourism. The transition was smooth and easy. From 2000 onwards, not a seedling of tobacco was sown here, or in Kayaköy and Keçiler.<sup>99</sup>

The quotation affords us to reach some conclusions on the area of analysis. A process of smooth depeasantization is observed during a period in which the tobacco neoliberalization and development of touristic sector in the region coincide. Primarily, the emergence of alternative job opportunities is visible such as driving a taxi or minibus, working in a hotel or bar. In this very example, we observe a complete and smooth depeasantization in a considerably short period of time. The

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<sup>99</sup> Keramet Yılmaz, Interview by the author, tape recording, Fethiye, Turkey, 19 Janury 2009.

Tarımdan turizme geçiş 1985lerde başladı, asıl süreç 1990lar hızlandı. Yerel halk önce seyretti, deniz kıyısında başladı. Daha sonra, yatak sayılarının vs artmasıyla iş imkanları gelişti. Tütüncüler taksi, minibüs işletmeciliğine başladılar, yapabilenler küçük pansiyon, market, otel bar yapmaya başladı. Tütün emeği ve maliyetler fazla olduğundan, geliri düştüğünden insanlar kendiliğinden turizme yöneldi, çok da kolay oldu. Şu anda 2000'den beri fide dikilmiyor. Kaya ve Keçiler dahil.

peasants voluntarily gave up production and have been able to shift to other sectors, predominantly to tourism. The smoothness stems from voluntary and easy nature of the transformation. The depeasantization took place in two ways.

The first one is the proletarianization process in which former peasants became municipal workers, night watchmen, waiters, and cleaners, and sailors who work mostly during the high season and stay unemployed in during the winter. The seasonality and flexibility are two adjectives defining the temporary job opportunities in the region and mostly landless peasants and small holders who do not have enough assets to set up their own business are the ones who became wage workers in the temporary and flexible labor market of the region.

The second means of depeasantization took place through the conversion of former-peasants into self-employed entrepreneurs. Those who have enough assets moved away from being peasants by opening hostels, hotels, markets, bars and restaurants in the fields in which they used to cultivate tobacco. Moreover, those who could manage improved the business and became owners of larger scale vacation sites. The differentiation between peasants in this case is obvious, not to mention the poorer villages with less off-farm diversification opportunities.

The literature on the subject argues that better-off peasants diversify in more favorable markets and also they move out of agriculture more easily than the worse-off peasants who diversify in less favorable and mostly informal markets. The above quotation was evidence for this argument. Almost all of the cases analyzed in the context of this thesis encompass a tendency for peasant differentiation leading to an increase in inequality.

At this point, the factor of land ownership and the real estate value of the asset owned on the diversification trajectory and peasant differentiation enter into the

scene. The experiences from Adiyaman were striking in showing the impact of land-ownership on diversification and survival in the village. As elaborated in Chapter Four landless peasants mostly migrated to city centers and began to work as seasonal migrant workers in the summer and in temporary jobs like construction in the winter. Those with small land holdings and those who could not engage in profitable crop diversification activities are also among the ones who had to diversify in informal economy with abusive working conditions. In the case of seasonal migration, the differentiation site is the other farm belonging to another peasant household that continue agricultural production and can afford to hire people. The prevalence of seasonal migration originating from the tobacco villages of Adiyaman is telling on how the farmers became workers for other farmers who are just like they used to be. The analysis of peasant differentiation not only in the case of tobacco production, but also in agriculture in general is an area of research per se which is unfortunately beyond the scope of this thesis. On the other hand, landed peasants are more secure compared to others, at least they have small lands for subsistence farming and survival in the village is easier for them compared to the landless peasantry, who were dissolved to a large extent in the initial phase of neoliberalization of the tobacco production.

The quality and the value land is other important factor. Cross-comparisons of the three regions analyzed in this thesis can draw some insights on the effect of the qualities of the land. Primarily, the comparison of fertility between Manisa and Adiyaman appears as an important factor leading to differentiation in farming as well as in diversification. The fertility of soil enabling peasants to harvest more and better quality tobacco together with a range of alternative crops marks a difference from the peasants of Adiyaman, who have fewer crop diversification opportunities. Thus, the

differences in the income yielded by agriculture in two regions affect diversification trajectories and lead to an increase in the inequality between the peasants of these regions, at least for a short term. It is important to note that due to the higher quality and fertility of the tobacco grown, the commercialization level in agriculture is higher proportionately. Hence, the farmers of the Aegean appear more equipped for the privatization of the tobacco market in the short term. However, as argued in the previous chapter, the increasing insecurity in the production, dependence on credit mechanisms and high levels of indebtedness emerge as counter forces behind the commercialization of agriculture in the region. It is highly possible that farmers who are unable to cope with the increasingly volatile and insecure market structure will experience a severe differentiation due to high levels of indebtedness and decreasing profits to pay for the debts. As elaborated in Chapter Four, it is strongly possible the handover of the lands in the Manisa, to the private banks and capitalized farm with easier access to credit and safety nets is highly possible leading to the bankruptcy and impoverishment of the farmers who are better off than the peasants of Adiyaman.

Muğla sets another category in the analysis of the real estate value and agricultural quality of the land that is because in the most of the villages under scrutiny the real estate value of the lands preceded the fertility of the lands, which is a significant difference. It is also an important factor leading to the emergence of non-farm characteristics in these villages, simultaneously influential in the development of off-farm income opportunities. The rise of tourism in the region has resulted in an enormous increase in the value of the land that peasants owned because villages increasingly have become the sites for the attention of alternative, ecological and nature-friendly vacation sites as well as for the people who want to

live away from the cities. The arable fields of nearby villages become the most valuable items in the real estate market. The peasants are offered enormous amounts to the extent that agricultural production cannot yield in the increasingly globalized market and highly divided structure of land ownership. While I have no statistics on the rate of land sales to vacationers, second home ownership nor the prices paid for the land, peasants frequently mentioned such cases. The below narrative shows the transformation of the village life under such dynamics.

Employment in tourism is seasonal, most of the dwellers are retired, and they have pension payments. There is no work done in the village. We have some olive trees, now people are planting more. Olives cannot be grown anywhere, here it is grown in barren hills. When people could not earn money from the land, they sold in. They sold the land and spent the money. The same person is living in the same place under same conditions after selling the land; I have not witnessed any difference. They spent all the money before initiating any enterprise. Mostly foreigners and also people from other cities bought the land for investment purposes. The youth works seasonally; the number of the people with permanent job is very low. In the winter, the people are unemployed in general. The middle aged people who have social security engage in temporary employment in order to pay for the social security contribution. There is nothing else. In the past we used to cultivate tobacco, which was a source of income of all people.<sup>100</sup>

In the villages of Muğla where agricultural production has lost its primary importance, as is evident in the above quotation, the value of the land contributed into the equation as an important variable in the household income. The decreases in the agricultural yield and unfavorable seasonal working conditions for the poor peasantry in the village have resulted in frequent land selling as an alternative

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<sup>100</sup> Interview by the author, tape recording, Fethiye, Turkey, 19 January 2009.

Turizm de sezonluk oluyor. Çoğu emekli zaten. İş yok. Az çok zeytinlerimiz vardı, şimdi dikiliyor da yeriden. Her yerde zeytin olmaz, kıraç ve yamaçlarda olur. Gelir olmayınca vatandaş sattı yamaç yerleri zaten. Araziyi sattı, parayı da bitirdiler. Aynı kişi, aynı evde aynı yapıda oturuyor, bir değişiklik görmedim ben. Parayı bitirdiler iş kurmadan. İngilizler ve yerli yabancılar var yatırım için almışlar. Gençler sezonluk çalışıyor, sürekli çalışan çok az turizmde, kışın genelde boşlar. Orta yaşlı ve yaşlılarda, sigortası olan varsa doldurmak için geçici işlerde çalışıyorlardır. Başka yok. Eskiden tütün vardı, herkes için bir gelir kapısıydı şimdi yok.

income source for the household. This phenomenon can be counted among the factors facilitating survival in the village.

Land-selling creates a sudden and significant amount of income for the household budget. The amounts paid to the peasants are far beyond those they could imagine to earn from agriculture or from any seasonal temporary work which are only sufficient for survival, not for accumulation. On the other hand, it is evident from the observations in half touristic villages and also in the last quotation that the conversion of this sudden and large amount of income into a feasible and profitable enterprise or to a productive asset is not a usual or simple phenomenon for the small peasants. Most of the respondents noted that the money earned from land selling was spent with the same speed resulting in dispossession of the peasantry and transformation of land ownership in the mentioned villages. The below narrative is a demonstration of this trend.

Quota restrictions ended tobacco production here. Then, foreigners bought villas but I do not think it is beneficial for the village. There are employing some people to clean the swimming pools etc. People sold the land. They sold, but if only they bought a house or married off their children. Bekçi Süleyman sold everything he had, except his house. He sold one field and spent all of the money in Izmir in one single night. They split up the money between their children then spent it. Now, they all have become servants.<sup>101</sup>

Dispossession brings proletarianization as a natural outcome. The sentence “*Now, they all have become servants*” reflect this sentiment, which is an observable in other recorded and unrecorded interviews. Owning and cultivating a land holding appears as some sort of a liberating mechanism in the peasant’s narratives, leaving that land

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<sup>101</sup> Interview by the author, tape recording, Fethiye, Turkey, 19 January 2009.

Kota genelinde bitirdi burada. Yabancılar villa aldı, buraya faydası olduğunu sanmıyorum. Yanlarında çalışanlar var. Havuzlarda temizlik yapıyorlar bir de hakaret ediyorlar. Sattılar bari ev alsalar, çoluk çocuk evlendirseler. Gençler satarlarsa hemen bitiriyorlar parayı, Bekçi Süleyman bir tek evi kaldı, ne varsa sattı. Birini sattı bir gecede İzmir’de yediler geldiler. Şimdi ayağında bir lastik çizmeyle ovanın içinde bir tek evi kaldı. Çocuklarına paylaşırıp bitirip gidiyorlar parayı. Şimdi hepsi hizmetçi oldu.

means becoming servants. The conclusion to be drawn from this sentiment is land owning a land means a feeling of security for the peasants, which is to be lost due to frequent land selling in the region.

In addition, land selling accompanies a differentiating force in itself, evident in the above quotation as well. The peasant ability to convert the money into a sustainable and profitable enterprise is limited due to lack of other assets to set up one's own business, especially if the small peasantry with small land holdings is the subject of inquiry who mostly lack at least the network and experience and other material conditions to set up an enterprise. On the other hand, better-off farmers are better equipped to move beyond farming and invest with more entrepreneurial spirit. Presumably, their access to credits, networks and other assets are easier than the worse off small peasantry. The environment with valuable lands and emerging profitable sector facilitate accumulation and investment for better-off and result in dispossession and proletarianization of the worse off. Hence, we observe that the same factor is operating in the opposite direction in relation to current socio-economic status of the peasantry and deepening the already existing inequalities.

Given all these factors, it is fair to argue that a differentiation between peasantry is taking place both on the regional basis due to the existence of alternative sectors in the region facilitating diversification and survival in the village; and also within the region due to differentiated access to diversification opportunities as a result of socio-economic status. The table below on the rate of urbanization in given region is beneficial in illustrating the how the differentiation takes place in the regional comparison.

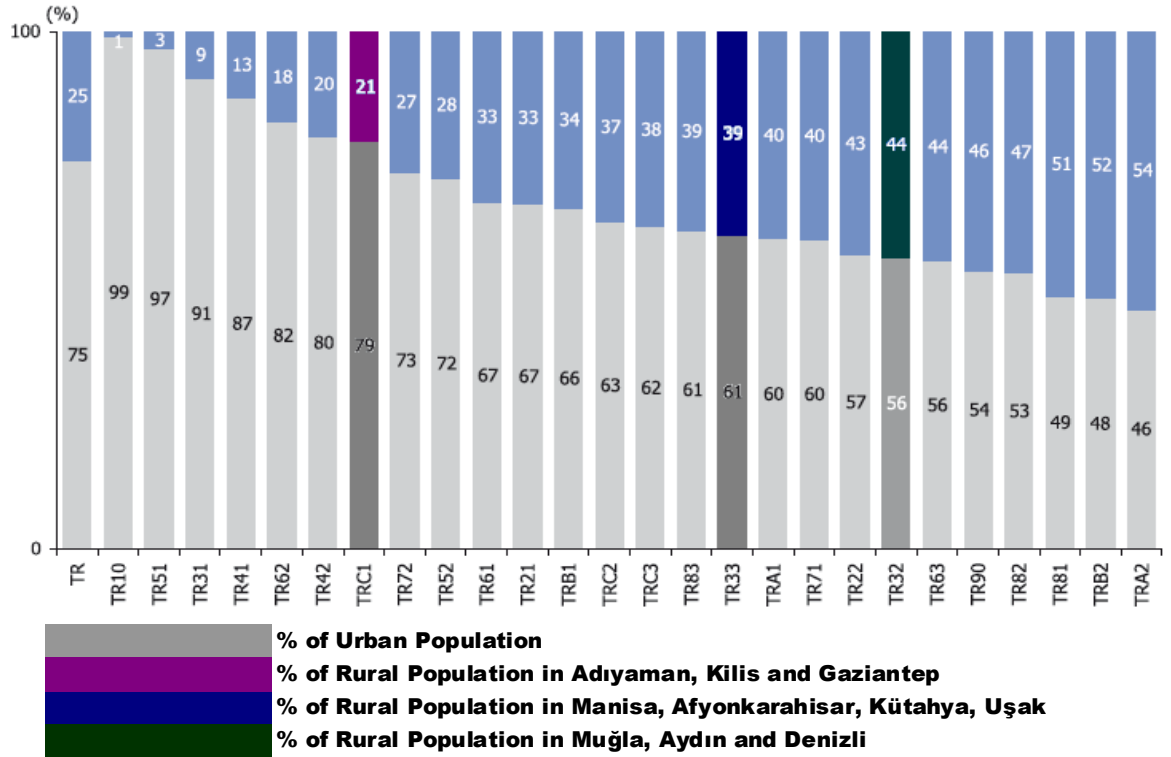


Figure 6: Percentages of Rural Population

The data is taken from the reports of the Turkish Statistical Institute which are prepared according to the statistics of sub-regions composed of neighboring cities sharing similar socio-economical traits.<sup>102</sup> The highest urbanization rate appears in the sub-region including Adiyaman, whereas the lowest urbanization rate appears in Muğla. In the light of aforementioned data, the chart high urbanization rates in Adiyaman emerges as a result of the push of the villages in the initial phase of the neoliberalization of agriculture which dissolved mainly the landless and poorest peasants, not the pull of the city providing job opportunities and livings for the peasants. After all, the migrating peasants are mostly engaged in seasonal farm work, as mentioned earlier.

<sup>102</sup> [www.tuik.gov.tr](http://www.tuik.gov.tr)

TRC1: Adiyaman, Kilis, Gaziantep

TR32: Muğla, Denizli, Aydın

TR33: Manisa, Afyonkarahisar, Uşak, Kütahya

On the other hand, in the case of Muğla and Manisa, the urbanization rates are lower, which form evidence for the existence of diversification opportunities and fertile, arable and irrigable lands compared to Adıyaman. Hence, survival in village seems a more viable option, with diversification in the off-farm labor markets. Under these circumstances, it is arguable that the impoverishment in Adıyaman is deeper than that in Manisa and Muğla, which is also traceable in the comparative analysis of per capita income. It is beneficial to note that per capita income in these cities do not reflect directly income of the peasants. Especially in Muğla, tourism revenues contribute to the increase in per capita income and higher levels can to some extent be attributed to this factor, which is an important determinant and marked a difference in other parts of the thesis as well. However, the gap between the cities is so high that the comparative analysis of per capita income is telling on the peasant differentiation in regional basis.

Table 4: Per Capita Income in Adıyaman, Manisa and Muğla

City	Per Capita Income (2001) (\$)	Rank (in 81 cities)
Adıyaman	918	70
Manisa	2459	15
Muğla	3308	5

Source: [www.tuik.gov.tr](http://www.tuik.gov.tr)

In this table, we see a dramatic gap between the per capita income levels in these cities which is around \$ 900 in Adıyaman reaching up to \$ 2500 in Manisa and \$

3300 in Muğla. Undoubtedly, the income level in a city is important in reflecting the welfare and job opportunities in a region. It is fair to argue that the gap reflects the differentiation between peasants in these regions to some extent. When merged with the percentages of rural population as shown in the graph, the higher levels of rural population in Muğla and Manisa evaluated with the higher levels of per capita income and lower levels of rural population merged with low per capita income reveals a differentiation between the peasants in these regions. We can argue that peasants in Adıyaman are poorer, and tend to become poorer after tobacco restructuring because the data reflects the income levels in 2001, before the introduction of contract farming which reduced the production to a level of zero.

The income levels and welfare of the peasants are higher than those in Muğla and Manisa compared to Adıyaman; however, a deeper analysis enables us to see that the differentiation and inequality between the peasants are increasing within these regions too. As described earlier in this chapter differentiated diversification sites, differentiated assets and the ability to invest in profitable markets have led to an increase in the gap between relatively egalitarian village structure and consequently an increase in inequality. Poverty becomes destiny for small and worse-off peasants in this environment.

In order to reiterate, in Manisa we observe a set back in the relatively more commercialized farms producing tobacco on a larger scale. Due to an increase in production costs and decrease in tobacco prices, indebtedness has become frequent and it is expectable that peasants will lose their land. In short, we are passing through a transition period in which a reallocation of productive assets is taking place leading to the impoverishment of the small and middle peasantry, and also for the

urban poor, who cannot make a living from the mostly informal, insecure and low-waged urban work.

In Muğla, diversification the opportunities is life is saving life for the short time, temporary and sudden income source from land selling. The limited capability to turn the money into a profitable enterprise renders land selling an unsustainable source of income and it is highly probable that the process will lead to gradual impoverishment for the worse-off peasants, resulting in an increase in inequality in the village and in the whole region. At this very point, the protagonist of this thesis enters into the scene again: Tobacco.

The field research in three cases revealed a common phenomenon, tobacco re-emerges as the crop for the impoverished small peasants. The assumption is based on two factors. The central one is the intrinsic profit seeking and maximizing aim of the private companies, both the transnational tobacco monopolies as well as the mediator contracting firms. Hence, the neoliberalization of tobacco market blessed transnational tobacco monopolies and their mediator contracting firms with a poorer and ionized peasantry isolated from any kind of insurance and right of organization as well as, due to the illegality of unionizing in agriculture. This situation enabled tobacco firms to contract for lower and lower prices. The second factor contributing to re-emergence of tobacco as the crop for poorer peasantry is that tobacco is the best crop among the other crops to be produced in arid and semi-arid conditions with infertile lands. The impoverished peasants experiencing lower and worse diversification opportunities would have no alternative but produce tobacco, not as the primary and central income sources but as an on-farm contribution to household income.

## The Re-emergence of Tobacco as the Crop for the Poor

Throughout the thesis, the disadvantaged position of the peasants of Adıyaman compared to other regions has been underlined again and again. The knowledge and insight derived from these comparisons helps me to argue that tobacco is indispensable for the producers of Adıyaman. TEKEL, initiated a programme in 2008 to try Aegean type oriental tobacco in the region because the private sector demand for the semi-oriental tobacco produced in the region was non-existent, as explained in Chapter Four. The trial was successful, showing that Aegean tobacco could be grown in the region, but the quality levels were not identical. After that, some private firms began making contracts with the peasants for the production of Aegean tobacco. The except from an interview with a tobacco expert of Socotab (One of the major contracting firms) reflects the profit-seeking aim of the company and restructuring of tobacco production.

It is not possible to cultivate a tobacco identical to Aegean. The quality here is lower but if we reach a certain level of quality, Adıyaman will become precious for cigarette producers. Here is that much valuable. (...) Here, there is a potential of tobacco producers. There is no alternative for tobacco production and tobacco manufacturers want to make use of this. Also, because the tobacco grown is not identically Aegean type, it can be bought for cheaper prices than Aegean.<sup>103</sup>

Here, we observe that private firms are focusing their attention on the region because of the lower quality enabling them to pay less price and peasants with no

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<sup>103</sup> Interview by the author, tape recording, Adıyaman, Turkey, 11 August 2009.

Bire bir Ege yetiştirmek mümkün değil kalite olarak Ege'yi tutmaz ama belli düzeye oturursa Adıyaman sigara üreticileri açısından vazgeçilmez hale gelebilir. Yani o kadar kıymetli. (...) Burada tütüncü potansiyeli mevcut, tütün dışında bir alternatif yok, ekicinin fazla yönelebileceği birşey yok, sigaracılar da bunu değerlendirmek istiyor. Hem de birebir Ege olmadığı için Ege'den biraz düşük maliyete de alınabiliyor.

alternative. The quality of tobacco seems central for the amount the producers to be paid, because the payment is arranged on the quality level of the tobacco, as elaborated in Chapter Four. However, in fact the quality does not mean much for the producers because of the hegemony of American Blend Cigarettes in the market and among consumers. The blend cigarettes are made by mixing different types and qualities of tobacco with some chemicals in order to acquire mild cigarettes with intense addictive features. Therefore the lower quality Aegean-type oriental tobacco is a blessing for the manufacturers for two very reasons. First, the costs for the manufacturers are lower; second, the quality is higher compared to cheaper oriental tobacco types produced in China or India. Therefore, it is highly probable that the tobacco contracting firms as well as transnational tobacco monopolies will shift to areas like Adiyaman in order to maximize their profits. Since TEKEL totally disappeared from the market in 2009 by buying the crop of 2008, the transition and restructuring are taking place right now. This thesis offers an assumption on the tobacco restructuring in the region.

Tobacco restructuring is also taking place in Manisa in a similar fashion. The interviews carry insights on the return to tobacco by poorer worse-off peasantry, as well as the urban poor as an additional source of income which can be evidence of the rurbanization that was discussed in the last chapter. The following explains the reasons lying behind tobacco restructuring.

There is a compulsory return to tobacco; they cannot earn money whatever they produce. At least they know how to produce tobacco and the price, but earning sufficient money is impossible. Tobacco is the best crop among the ones grown in the arid conditions, compared to wheat or chick pea. Last year wheat was sold for 53 kuruş, this year it is between 35 and 41 kuruş. What has changed in this country? Last year a loaf of bread was 35 kuruş. This year it is 60 kuruş. The price of bread increased has by a hundred per cent

but the price of wheat has decreased. Tobacco is better compared to them.”<sup>104</sup>

Here we see a common phenomenon marked by whole journey of the oriental tobacco, it is the best alternative to be produced under arid and semi-arid circumstances therefore producers are bound by the prices dictated by the tobacco firms in an unregulated economy. Tobacco re-emerges as the crop for the poor simply because they have no other alternative.

More commercialized farmers are moving out of tobacco production because of the increasing production costs and decreasing tobacco prices resulting in decrease in profits, indebtedness and even bankruptcy. The following is from a relatively commercialized farmer, so called Mustafa, carrying clues for the restructuring.

Tobacco is done in Turkey, if you talk with me you get an idea, but if you talk to someone of Alevi background with more children and producing tobacco as a household production, you get another idea. We were producing in a more commercialized manner, with employing workers. We used to sell a kilogram of tobacco for the price of a big bottle of raki, now it is sold for the price of a glass of raki. So we quit production and it turned to household type of production.<sup>105</sup>

In this passage the return to household production emerges as a pattern for restructuring. The household cultivate tobacco in the extent that family labor can manage the labor requirements; therefore labor costs are reduced to a minimum and

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<sup>104</sup> Interview by the author, tape recording, Soma, Turkey, 26 October 2009. Zorunlu Tütüne Dönüş var, hangi ürünü yetiştirirlerse yetiştirsinle para kazanamıyorlar. Hiç olmazsa fiyatı ve işi biliyorlar, para kazanmaları mümkün değil. Kırsalda yetişenlerin içinde en iyisi tütün, buğdaya nohuta kıyasla. Alternatifi yok. Geçen sene 53 kuruş buğday satıldı. Bu sene 41 ile 35 kuruş arasında satıldı. Bu ülkede ne değişti? Geçen sene 35 kuruştu ekme bu sene 60 kuruş. %100 artmış ekme buğday gerilemiş. Tütün onlara kıyasla daha iyi.

<sup>105</sup> Pseudonym, interview by the author, tape recording, Soma, Turkey, 26 October 2009.

Tütün işi Türkiye’de bitmiştir. Benimle konuşursan başka fikir alırsın, çoluğu çocuğu olup da Alevi kesimden, aile ziraati olarak yapanla konuşursan ondan başka türlü fikire sahip olursun. Biz ticari anlamda işçi çalıştırıp yapıyorduk. Büyük rakı fiyatına tütün satıyorduk, şimdi bir duble rakı fiyatına satıyoruz. Öyle olunca biz bıraktık aile ziraatine geri döndü.

indebtedness becomes less likely. For the rural poor with less diversification opportunities in less favorable conditions tend to perceive tobacco production as an alternative and relatively profitable income source in the conditions of poverty and deprivation in which they live as evident is the quotation: “Tobacco production began to increase again in the last years. In our area, the nomads have rented fields and cultivated them. 500 liras with social security [for the people working in the coal mines] that Ahmet mentioned has become insufficient. It also is an important reason.”<sup>106</sup>

In this quotation two points emerge. The “nomads” he is referring to are the people who live in the remote villages in the mountainous areas. On and off- farm production is limited for them and it is stated that they are living in conditions of poverty. The lack of alternative production and income sources make the dwellers of these far villages rent fields and engage in production. The second point is the same phenomenon has emerged from the opposite side of the coin: the urban poor coming to tobacco villages and renting fields in order to acquire an additional income source for the household income portfolio.

The workers in the coal mines of Soma are mentioned in the above quotation as urban dwellers renting fields in the tobacco villages in order to earn additional income source. The effective use of household labor potential lies behind the phenomenon. While the male is working in the coal mines, the wife and children are staying in the village and produce tobacco. Therefore, the unproductive labor in the city is turned into a productive, income earning one in the village, which is vital for the urban poor. The backward migration of a circular kind from urban areas to rural

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<sup>106</sup> Interview by the author, tape recording, Soma, Turkey, 26 October 2009.

Son yıllarda artmaya başladı. Bizim bölgede yörükler falan çok tarla tuttular sürdüler falan. Ahmet’in o söylediği sosyal güvencesi olan 500 lira yetmez oldu, onun da etkisi var.

in order to acquire additional income is elaborated in the framework of rurbanization in this thesis. The transfer of tobacco production to poorer households is evidence of the rurbanization in tobacco production. Thus, it is an evidence for the emergence of the New Rurality which emerges through constant movement between rural and urban, the villagers deriving income from off-farm sources as well as the urban dwellers from engaging in production. In the case of tobacco production, it is fair to argue that poorer and worse-off peasants are the protagonists of the constant movement between rural and urban, blurring the border between the two in the trace for survival.

Hence, the data and arguments presented in this chapter reveals that the worse-off small peasantry is a blessing for the capitalist transnational tobacco companies because the increasing inequality and poverty of the agrarian population, the whole society as well, puts peasants in a more vulnerable position, diminishing their bargaining power behind the private firms. The unavailability of tobacco for these peasant households enables private firms to contract for lower prices, thus maximizing their profit. At this point, we can argue that small household production is the path for the restructuring of oriental tobacco production, contrary to big capitalist firms, which emerge in the case of other crops. The production requirements of oriental tobacco are factors supporting this argument. High labor and production costs and lower price levels impede the commercialization by dramatically decreasing the net income earned. Therefore maximum use of unpaid family labor is a necessity in order to obtain as large revenue as much as possible, which is becoming less and less possible in the case of large scale production for the farmers in Turkey, especially given the lower unit process of oriental tobacco compared to previous years.

In a nut shell; the increasing vulnerability, differentiated assets and diversification sites of the peasant have led to differentiation among the peasantry by increasing the inequality and deepening the poverty experienced by the worse-off peasants. This phenomenon serves the interests of the private firms as well as the transnational tobacco conglomerates because the increasing vulnerability and poverty reflects as profits onto the corporate budget. The disadvantaged position of the small peasant households becomes favorable for the TTCs and we see that transnational capitalism benefits to a large extent from the small peasantry in oriental tobacco production.

## CHAPTER VI

### CONCLUSION

Briefly, this thesis followed the steps of the tobacco farmers who were tracing their survival after the disruption of tobacco livelihoods with the increasing neoliberalization of Turkish agriculture and aiming at reaching conclusions of on the patterns of restructuring. Simultaneously it was questioning the widely held belief that disturbance of the settled rural structure by the disappearance of government regulation leads to the dissolution of rural population and results in urbanization which is to some extent a valid argument, but has to be taken with a grain of salt. However, accepting this argument as given leads to the failure to notice the dynamic, multifaceted and interrelated processes taking place in the rural areas. Moreover, it leads to the concentration of the academic attention on the urban, rather than conceiving the issue as a part of a larger problem and as a facet of a whole. The urban problem can be understood only when the transformation taking place in the social structure of rural areas are recognized.

It is explicit in the data presented above that survival in the country is linked to several different factors and the shock which is disturbing the settled rural livelihood can lead to different outcomes resulting from socio-political, economic, climatic, geographical and natural factors. The result can be migration or on the other hand, village community can transform their villages into the non-farm ones and continue rural life while employing strategies of pluriactivity on the other hand. Between these two extremes, village population can continue production by employing strategies of crop diversification, seasonal migration, income diversification, by selling their land etc.

The field research performed in the tobacco villages of Adıyaman, Manisa and Muğla offered not necessarily comparative but complementary pieces for the puzzle. The aim of the research was not the presentation of regional differences in restructuring patterns after the rapid neoliberalization of the tobacco market in a comparative perspective, but to reveal diverse patterns and tendencies of rural livelihood survival which interact with specific circumstances. The arid villages of Adıyaman which are far from alternative industries and income sources, relatively fertile villages of Manisa with a significant level of commercialization in agriculture and non-farm villages of Muğla where tourism fostered as an alternative industry proved that the rural restructuring is not a uniform and linear one, but a miscellaneous one, and the peasants are not passive subjects of the change instead, they are active agents trying to make their way out of the trouble and ruins of the pre-neoliberalization era.

It is important to reiterate that this thesis offers a village based analysis in order to avoid regional overgeneralizations. However, the research made it clear that the matter for the poor and arid villages of Adıyaman is a matter of bare survival where no profitable crops can be grown due to lack of irrigation facilities alternative employment sites in the near surroundings. The encroaching poverty in the village pushing peasants out while unfavorable labor market and high costs of living in the cities not providing a really hospitable environment welcoming the disrupted peasant households put peasants in limbo. Household, frequently, try to survive in the village where the costs of subsistence are lower while some members are trying to derive income from off-farm resources, mostly in the informal and insecure labor market.

The villages with more favorable resource base, fertile lands and irrigation which enabled the fostering of commercialized agriculture. Commercialization is a double edged sword, while enabling farmers with more accumulation opportunities, in case of a contingency in production process; especially in the absence of state regulation assuring security some sort of security for the producers, indebtedness may become the only way for continuing production. Large scale indebtedness to private banks, as elaborated in Chapter IV and Chapter V, combined with other contingencies of production process, which may result in land selling, dispossession and impoverishment. Hence, integration of off-farm income resources into household budget becomes a necessity for the reproduction of household.

As another extreme, depeasantization may occur smoothly if another sector is rising, like tourism, which may offer more profitable and easy income opportunities. Such cases remind us that we should not ignore personal preferences while over exaggerating transforming forces like neoliberalization. Alternative and less laborious income opportunities can attract people, resulting in an easy shift from being peasants to workers or mostly to self-employed status.

Nevertheless, most peasants are not lucky like the mentioned ones. Even though there is an alternative and profitable emerging in the region, shifting to self-employed status, creating ones owning a business requires networking, capital etc. which are not easy for most of the peasant households. Land selling in the rantier real estate market of some villages of Muğla brings a sudden and good amount of money for the peasants but lacking the conditions of transforming this money into a profitable business, the result is once again dispossession for the peasants, still engaging in agricultural production but at the same time becoming workers in the new sector.

Keeping these diverse experiences in mind, it can be argued that the thesis revealed two main tendencies; first one is the emergence of a new type of rurality, named as the New Rurality by the scholars. The New Rurality defines a new type of rural livelihood, a self-denying one because we cannot talk about rural livelihoods anymore. Constant move between rural and urban, working mostly in temporary and insecure jobs and deriving income from both realms defines the survival strategy of the peasant households which are neither in possession of nor deprived of sufficient means of self-reproduction.

Moreover, we observe that relations of production which are fundamentally attributed to the cities are transferred to rural with the establishment of rural industries working through urban principles. Urban poor may also engage in agricultural production in order for efficient use of household labor potential and also to earn extra income. Both phenomena signal another conceptualization which is rurbanization. The transitivity between rural and urban in trace for survival and subsistence of the poor affect the existing relations of production and lead to foundation of new net of relations in both realms. Furthermore, these phenomena indicate a conceptual short coming for the social scientists, because where the rural ends and urban starts is not clear cut any more; like the difference between peasant and the worker.

Second tendency is the increasing income inequality among the peasantry, which had demonstrated a relatively egalitarian structure. On and off-farm diversification is given, but the differentiated diversification sites imply a socio-economic differentiation, which I believe, reaches to a more severe level threatening social order and a peaceful settlement of life.

Alongside these two tendencies several other important phenomena emerged in the framework of rural restructuring in Turkey. The first one is the changing structure of rural-urban migration. In villages where poverty and deprivation reaches to high levels, rural-urban permanent migration becomes less likely for the peasant households because of the relatively high costs of subsistence and unfavorable labor market conditions in the cities. In the villages where field research was performed, the out-migration levels in the period between 1990 and 2000 are higher than that of in the period between 2000 and 2010, during which the most severe impacts of neoliberalization took place. Differentiated structure of land ownership may be counted among the factors affecting differentiated tendencies between these two periods; however as far as I am concerned reigning poverty and deprivation deepening due to significant decrease of the income yields of agricultural production is the main reason which impedes permanent migration of the whole household to cities. This observation is important because it raises the question: Are villages gaining the character of protection for the peasant households which surpasses the aspect of production? This is an important and novel phenomenon emerging in the context of neoliberalization of agriculture in Turkey. The details of this novel phenomenon were elaborated in the Chapter Four.

Second, the thesis demonstrates that TTCs and subcontracting firms benefit from the increasing vulnerability of small peasantry in tobacco villages. Small peasants with limited alternative income sources and profitable crop diversification opportunities become compelled to sign a contract with the firms. In spite of the significant decline in the unit prices of tobacco, it is still a profitable cash crop and production activity for the small peasants of arid areas with small land-holdings and exploitable household labor reserve. All these factors add up to the vulnerability of

such households placing them to an inferior and inequitable position before the subcontracting firms. This inferiority also is transferred to the contract which is supposed to be a free agreement by its very nature; however small producers are bound with the prices and terms offered by the firms because they have limited opportunities to earn their livelihood. Moreover, suing the firm to the regulative agency of tobacco market most frequently implies the stigmatization of the producers by the firms limiting the possibility of the producer to enter into contract again, which means loss of important income source. Legal impediments before the unionization of agricultural producers in a way to constitute a collective body with a bargaining capacity atomize producers and contribute to vulnerability. Therefore, an absolute inferiority of the small and poor peasantry appears in the context of contract farming.

For the other party of the contract this inferiority is a blessing reducing the cost of tobacco for the subcontracting firms thus for the global tobacco conglomerates. Therefore, it is expectable that in Turkey, the production will move to the poorer areas with limited opportunities of pluriactivity where peasants are highly dependent on production of tobacco. The above mentioned phenomena and restructuring of tobacco production are elaborated in Chapter Five and in Chapter Four to some extent.

Third, the thesis indicates that dispossession is taking place in former-tobacco villages due to increasing levels of indebtedness. Privatization of TEKEL left the tobacco affairs to market forces, irregular and insufficient state subsidies and supports made the borrowing almost inevitable, especially for more commercialized producers engaging in larger scale production by hiring wage labor during the production period. High interest rates in borrowing credits, lack of crop based

insurances and state support in case of the risks of production process decrease the income yields and put producers more in danger of indebtedness and bankruptcy. Large scale dispossession in the rural areas has not taken place in the history of Turkey, which is giving the signals of a beginning in the neoliberal era. These signals are elaborated in Chapter Five.

The thesis leaves the discussion at this point, which I believe to be productive for the further research. The new patterns of migration, the patterns of dispossession and transfer of lands as a result of indebtedness and frequent land selling need to be elaborated on in order to draw a comprehensive map of rural restructuring in Turkey. The implications of the new rural order on socio-economic settlement, on gender and ethnicity issues, on political behavior, on human health and food security issues are to be researched in order to comprehend what is going on the ground, in order to understand the actuality and the time we are living in. After all, life has stem from the seed and the soil; and still they are the most important determinants of our lives, even though we do not want to admit.

## APPENDIX

### List of Questions:

- 1) Ne kadar süredir tütün üretiyorsunuz/ ürettiydiniz? Bıraktıysanız, ne zaman?
- 2) Ailenizde kaç kişi üretim sürecine katılıyor?
- 3) Temel sorumluluklarınız nelerdir? Tütün üretiminden başka bir işle meşgul oluyor musunuz?
- 4) Ne kadarlık bir alanda üretim yapıyorsunuz?
- 5) Tütün dışında başka bir ürün üretiyor musunuz? Bu ürünlerden ne kadar kazanabiliyor sunuz?
- 6) Kendi toprağınızda mı üretim yapıyorsunuz?
- 7) Ortakçılık ya da icar yapıyor musunuz?
- 8) Toprak aldınız mı, neden ihtiyaç duydunuz?
- 9) Aile dışından işçi çalıştırıyor musunuz? Ne kadar sıklıkla, ne kadarlık süre için? Bu işçilere günlük ne kadar ücret ödüyorsunuz?
- 10) Son yıllarda toprak sattınız mı? Neden?
- 11) Sizce geçtiğimiz 20 yıl içinde tütün tarımı nasıl değişti? Tekel alım yaparken nasıldı?
- 13) Sözleşmeli üretimi nasıl değerlendiriyorsunuz? Sizce tüccarla ilişkiniz karlı bir ilişki mi?
- 14) Tütünün kilosunu kaç liraya anlaştınız, kaç liraya satabildiniz?
- 15) Tütünden elde ettiğiniz gelir bütün geçiminizi karşılıyor mu? Karşılamiyorsa başka hangi yollardan para kazanıyorsunuz?
- 16) Sosyal güvenceniz var mı?
- 17) Devletten destek alıyor musunuz?
- 18) Kotalar kalkınca üretiminiz arttı mı?

- 19) Tütün t ccarlarıyla pazarlık yapma Őansınız oluyor mu?
- 20) S zleŐme yapılırken sorun yaŐıyor musunuz?
- 21) S zleŐmede sizi baŐlayan y k ml l kler ve bunun cezaları nelerdir?
- 22) Sizce t ccarların  reticiye ve k ye yararı var mı, varsa ne kadar yarar saŐlıyorlar? SaŐlıyorlarsa ne Őekillerde?
- 23) S zleŐme sistemine ge ilmesi sizin  retiminizi etkiledi mi?
- 24) T t nden elde ettiŐiniz geliri yeterli buluyor musunuz? Ge miŐ d nemlere g re karŐılaŐtırıldıŐında neler s yleyebilirsiniz? Sizce t t n bir ailenin ge imini saŐlayabilir mi?
- 25) Sizce t t n  reticisi yoksullaŐıyor mu?
- 26) Tanıdıklarınız arasında t t n  retmeyi bırakıp mevsimlik iŐçi olan var mı?
- 27)  ocuklarınızın hepsi k yde mi yaŐıyor? YaŐayanlar hangi iŐle uŐraŐıyorlar?
- 28) K yden ayrılmıŐ olanlar nerelerde yaŐıyor, hangi iŐlerle uŐraŐıyorlar?
- 29) K ye d nmeyi, t t n ya da baŐka bir  r n yetiŐtirmeyi d Ő n rler mi?
- 30) K y n zde veya  vrenizde t t n  retmeyi bırakanlardan Őehre g cenler oldu mu? Olduysa Őehirde nasıl ge iniyorlar?
- 31) T t n  reticileri sendikasından haberdar mısınız?
- 32) T t n kooperatifi sizlere nasıl destek saŐlıyor?
- 33) G bre ve mazot ihtiya ınızı nasıl karŐılıyorsunuz? T ccarlar size nasıl destek oluyor?
- 34) Tohumu nereden temin ediyorsunuz?
- 35) T ccarlar ve ziraat m hendisleri  retim s recinde sizlere yardımcı oluyorlar mı?
- 36) Kredi kullanıyor musunuz? Hangi bankadan? Kredi bor larınızı  deyebiliyor musunuz?

37) Tütün üretmeye devam etmeyi düşünüyor musunuz? Eğer tütünü bırakırsanız başka hangi yollardan geçiminizi sağlayabilirsiniz? Başka hangi ürünü üretebilirsiniz?

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