Organized violence, state power and property rights in Argentina and Chile in the long nineteenth century.

Federico Benninghoff Prados
(University of Konstanz)
(febenning@yahoo.com)

Abstract: In nineteenth-century Latin America a private property regime based on full exclusive ownership became consolidated. The transformation of land into what Polanyi called a “fictitious commodity” was made possible by major changes in the deployment of organized violence and by the development of the administrative capacity of the central state (although not necessarily in the way described by the “classic” fiscal-military model). This process was shaped by the nature of the region’s integration into the world economy. The historical trajectories of Chile and Argentina during the nineteenth century provide a privileged vantage point from which to analyse the relationship between military professionalization, cadastral centralization, and the development of a capitalist land market.
1. Introduction: The fiscal-military model in Latin American historiography

In recent years, there has been a growing interest in the analysis of the formation of the national state in Latin America in light of the fiscal-military paradigm (Centeno, 2002; Centeno & Ferraro 2013; López-Alves, 2000; 2001). Formulated by Charles Tilly (1975; 1985; 1990) among others, the model identifies – in its simplest version – ‘blackmail’ (in a broad sense) as a foundational feature of state-building processes. By analogy with other “protection rackets”, it can be asserted that the nuclei of the future states extracted “protection rents” from their subjects. These resources, invested mainly in their military and coercive apparatus, allowed them to fight and absorb other proto-state rackets, adjust their institutional structures to a more efficient resource extraction, and exert fiscal-military pressure over new territories. In the long run, Western Europe experienced an upward cycle of coercion, extraction and accumulation that would ultimately lead to the formation of the modern state. Tilly summarizes the process in a well-known historiographical aphorism: “War made the state, and the state made war” (1975, 42).

Miguel A. Centeno has stood out among the authors who have addressed the applicability of the model to Latin American history. Based on the correlation between wartime mobilization, fiscal pressure and state-building, Centeno concludes that the comparative weakness of Latin American states is best explained by two interrelated factors: the relative absence of large-scale armed conflict between states and the access to foreign capital. Without the challenges and demands of total war, on the one hand, the ruling elites were not forced to strengthen the military and gear state institutions towards mass mobilization of people and resources. On the other hand, the access to foreign capital, either through loans or customs duties, spared them the conflicts and efforts associated with higher taxation and the reorganization of socioeconomic and political structures in order to capture larger domestic surpluses (Centeno, 2002). As Centeno puts it bluntly: “No states, no wars” (2002, 26). The absence of spiralling cycles of coercion and extraction led, then, to a non-Hobbesian state, too weak to wage international wars and – by the same token – without the institutional capacity to solve internal conflicts or undertake major reforms.

In light of the issues raised by Centeno, this paper seeks to examine from a bird’s eye view the role of organized violence in the state-building process in Chile and Argentina (with particular reference to the Province of Buenos Aires). The following arguments are based on two premises: First, the significance of large-scale warfare between states should not be overemphasized. Second, extraction (or its relative absence) should not be linked exclusively to the availability of foreign capital. With regard to the relationship between coercion and state-building, international wars like the Cisplatine War (1825-1828), the War of the Confederation (1836-1839), the War of the Triple Alliance (1865-1870) or the War of the Pacific (1879-1884) certainly left their mark on both countries. I will not discuss here whether interstate warfare should be discarded as a major dimension of state-building in Latin America. My point is: Centeno recognizes, as Tilly does, that other forms of organized violence are equally relevant in the process, but by stressing the comparative absence of large-scale war between states in his account, he neglects the dynamics of intrastate or frontier conflict. With regard to the problem of extraction, its importance (or relative lack of it) in Latin American state-building processes cannot be fully addressed by focusing exclusively on external borrowing and customs duties. Their historical significance is undisputed, but they do not explain per se the transformations underwent by the Latin American states and economies in order to attract foreign investment or insert themselves into global markets. Furthermore, it is essential to address the way in which revenue from customs duties or foreign loans are related not only to extraction but also to accumulation processes.
By shifting the research focus to the property regime over land, it is possible to gain a better understanding of the coercion-extraction cycles in the two cases discussed below: Argentina/Buenos Aires and Chile. The gradual consolidation of full private property rights in exclusive terms provides a privileged vantage point from which to analyse the reciprocal relationship between military organization and modern land markets. It also provides a key variable for understanding the interaction between fiscal capability, capital accumulation and state-building in the Southern Cone in the long nineteenth century. A brief look at the Argentine and Chilean historical paths can shed new light on the research problems outlined here.

2. Argentina/Buenos Aires

As elsewhere in Spanish America, the nascent Argentine Republic inherited a variegated property regime, in which different types of property (communal, private, state, ecclesiastical, entailed, informal) coexisted within a legal framework that did not promote free disposal of land. In regard to the relationship between landed property and military organization, it will suffice to highlight that the standing army, established in the late colonial period following the reorganization of the imperial defence system by Charles III (r.1759-1788), was not primarily committed to the appropriation and allocation of land. It was mainly oriented towards the defence of the transatlantic trade hubs (essentially Buenos Aires and, to a lesser extent, Montevideo) and only secondarily towards centralized territorial control (Marchena, 1992). The expansion of the agrarian frontier was weakly linked to the deployment of organized violence by the colonial state, and it is not surprising therefore that military expenditure depended mainly on fiscal and commercial surpluses in the River Plate estuary, generated by the reorientation of silver exports through its ports, and fiscal subsidies (the so-called situados) from royal treasuries in Upper Peru.

After the disruptions caused by the revolutionary wars of the 1810s, the “Unitarians” in power sought to demobilize the independence army and achieve political centralization. Their efforts were based on the preservation of public property over wastelands: State land should be used as collateral to back up external lending, which would provide – at least theoretically – the basis of a new public credit system. The massive transfer of public lands into private hands through long-term lease contracts (emphyteusis), regulated by an independent cadastral office (the Topographic Department) and without entitlement to private ownership, was meant to consolidate the political basis of the central state and to reorient the economy towards agrarian exports. Lease contracts were expected, moreover, to stimulate the productive incorporation of new land in the context of an under-capitalized economy (Ferns, 1960; Gatreau & Garavaglia, 2011; Halperin, 2005; Infesta, 2006). The inability to establish a new military apparatus, one subordinated to the needs of the centralizing agenda and capable of backing the cadastral work of the Topographic Department, deprived the “Unitarians” of effective territorial control. The Cisplatine War (1825-1828) compelled the Argentine government to mobilize veteran forces and invest its resources in the field army. The success of the Brazilian navy in blockading the port of Buenos Aires deprived the state of customs revenue and dealt the coup de grace to “Unitarian” centralization. The River Plate entered a period of political instability, fragmentation and continuous armed conflict.

Following the collapse of the central state, Juan Manuel de Rosas underpinned his power in the Province of Buenos Aires through the gradual dismantling of the emphyteutical regime and an eclectic land policy, which combined conditional and unconditional grants for political and military services with massive sell-offs of public land (Infesta & Valencia, 1987; Infesta, 2006; Valencia, 2005). Privatizations of wastelands became undoubtedly one of the socio-economic and military foundations of his regime, but one can hardly enunciate the existence of a system of full private property in an exclusive sense. The presence of a vast open frontier on the Pampas as well as of large tracts of public land within the province itself, vaguely demarcated and
subjected in many cases to overlapping and contradictory claims, inhibited any attempt to impose an “artificial scarcity”. Land did not constitute yet the “fictitious commodity” regarded by Karl Polanyi (2001) as an essential feature of modern land markets. The economic engine in this period – extensive ranching – only reinforced the “restricted” nature of property rights in Buenos Aires, for capital investments were represented primarily by livestock and only secondarily by land (Gelman & Santilli, 2006; Míguez, 2008). Compared to subsequent developments in production and property relations, there were under Rosas relatively few major incentives to bear the costs involved in securing full ownership and exclusive usufruct over large landholdings. Subsistence practices and customary rights put additional obstacles to the free disposal of landed property and its natural resources by large landowners. Even Rosas himself – serving his own interests or just accepting the facts of life – could not handle his property without taking into account traditional practices and informal arrangements made with tenants, local residents or “independent settlers” (Gelman, 1998). It should be noted, finally, that the discretionary powers to allocate or expropriate land enjoyed by the Buenos Aires executive further accentuated the “restricted” nature of land ownership. Especially after 1839, when the privatization of public land was legally suspended, political and military factors carried greater weight in the allocation of land. Legal ownership was conferred only on holders of land grant titles awarded for services rendered to the regime and interested buyers were forced to negotiate with grant beneficiaries. Direct land allocations through the executive allowed Rosas to consolidate a broad political-military network in Buenos Aires (and beyond), which linked the institutional framework of the province with influential and loyal landowners and the rural population. The “restricted” nature of property made it possible for Rosas to use land as a key resource for an intense political and military mobilization, but it rallied opponents against the alleged arbitrariness of the property regime and exacerbated the inherent insecurity of the acknowledged rights.

It is no coincidence that after Rosas’ fall in 1852 his opponents in Buenos Aires – all supporters of full private property in an exclusive sense – decided to ban the sale of public land and to organize a system of eight-year leases in the province. They feared that Justo José de Urquiza, governor of the Province of Entre Ríos and commander of the Ejército Grande that defeated Rosas, would rely on uncontrolled and discretionary land grants to reward his retinue and strengthen his political and military power (Valencia, 2005). But they also took great care to lay the legal foundations of a full-fledged private property regime. By the 1870s, land sales, public land auctions and real estate speculation reflected an intense economic activity, fuelled by the Banco Hipotecario de Buenos Aires (mortgage bank of the province), which was established in 1872 in order to channel domestic and foreign capital into the agroexport sector (Ferns, 1960; Saylor, 2014). Nevertheless, it was not until after the “Conquest of the Desert” (1878-79) by Julio A. Roca that a fully developed market appeared. Roca profited from the increased capabilities of the Argentine army after the War of the Triple Alliance (1865-1870) as well as from the growing commodification of land. The tighter coupling between military mapping and cadastral surveys led to the emergence of a “military-cadastral complex”, which enabled the army to wage a war of extermination coordinated by the central state and financed through the anticipated sale of the lands to be conquered (Benninghoff, 2014). The annihilation of the indigenous peoples of the Pampas and the appropriation and sell-off of their lands accelerated the definitive consolidation of the private property regime in a reunified Argentina. As Roberto Cortés Conde puts it (1979, 150-2), from 1880 onwards “a considerable amount of land (both physically and legally)” started being traded in a fully developed market.

This market became one of the pillars of the “Argentine economic miracle” of the last third of the long nineteenth century. Argentine historiography has highlighted its role in the expansion of the agrarian frontier, the multiplication of agricultural colonies, the consolidation of a rural entrepreneurial class and the transformation of Argentina’s export structure, with the growing
dominance of cereals and an increasing share of chilled and frozen meat in livestock products. By redefining the terms of access to land, this market determined the way in which European migrants and those from the old settled areas in the Rio de la Plata were integrated as salaried workers, sharecroppers or tenants into productive processes with a stronger entrepreneurial orientation. By increasing the value of land as means of production, real estate collateral and instrument of speculation, it massively channelled domestic and foreign capital into the booming agroexport economy (Djenderedjian et al., 2010; Míguez, 2008). The “military-cadastral” complex contributed ultimately to the full commodification of land and transformed it into a privileged vehicle of accumulation. In this way, the “military-cadastral” complex emerged as a key factor in the transition to agrarian capitalism, rapid urbanization and the development of a dynamic industrial sector in Argentina at the end of the long nineteenth century.

3. Chile

Since early colonial times, southern Chile became the best-known military frontier in Spanish America. The crown, always reluctant to directly fund conquest enterprises in the New World, decided to shoulder much of the financial burden of the “Arauco War” and garrisoned the frontier line along the Bio Bio River, which in time became the (more or less stable) border between the Spanish and Mapuche territories. After an initial period in which indigenous slavery played a crucial role in funding the military, the “Army of Arauco” – the first European standing army on the continent – came to depend heavily on direct fiscal transfers (situados) from Peru (Jara, 1987; Marchena, 1992). Late colonial reformers sought to streamline the army according to the financial capacity of the Captaincy-General of Chile. A newly introduced state monopoly on tobacco was to provide the fiscal capacity to sustain Spanish troops in the South Pacific (Barbier, 1980). Like its Argentine counterpart, the colonial army in Chile was oriented mainly towards preventing European – mainly British – mercantile encroachment; it was not geared towards centralized territorial control or the systematic backing of agrarian expansion. In any case, the effort to provide the army with an independent financial base – at least on paper – did not lead to the creation of a thoroughly professionalized military, devoted entirely to the deployment of organized violence. Together with its military capabilities, the _penquista_ elite in Concepción – Chile’s military capital – derived its power from landholding and a booming frontier trade with Mapuche communities (Cerda-Hegerl, 1997). This strong regional grounding may help explain why, in the midst of the political and socioeconomic turmoil and escalating violence of the 1810s, the military specialists of the southern frontier lost the power struggle against the _hacendados_ of central Chile. The big landowning families of the Central Valley managed to reduce the influence of the army in the following decades and were able to marginalize many of the officers who had fought in the war of independence (Collier & Sater, 1996).

The power of the large proprietors of central Chile was based on their comparatively tight control over access to land and the mobilization of their dependent workforce. They were descendants of old landowning and _encomienda_-holding families, which merged with the (mostly Basque) merchants who arrived in the country in the eighteenth century. Together they formed the so-called “Basque-Castillian aristocracy” that exerted substantial influence over the state-building process after independence. The socioeconomic position of this “aristocracy”, rooted during the colonial era in large entailments of land, the purchase of nobility titles, and the supply of the Peruvian market with grain and livestock products, was reinforced in the 1850s by the grain boom that followed the gold rushes in California and Australia. For about a decade, Chile was the major producer of wheat in the Pacific. The country enjoyed unique advantages in the supply of the expanding mining frontiers until Californian wheat displaced Chilean production. The fall in freight rates opened new export opportunities for the _hacendados_ in central Chile and allowed them to profit from the growing demand in Europe, particularly in
Britain, until production in the American West, Canada, Russia, and Argentina, among others, displaced Chilean grains from the world market.

Despite its relatively short duration, the wheat boom accelerated key socioeconomic processes. First, it led to the complete dismantling of the entailment system in 1852 so that the main legal obstacle to the free disposal of land in Central Chile was definitively removed. It also helped to bring about the legislation that laid the legal foundation of the “Caja de Crédito Hipotecario”, which channelled domestic and foreign investments into mortgage bonds. Created in 1855, this mortgage bank became the most important of its kind in Latin America and served as an institutional blueprint for the system adopted in Argentina 20 years later (Bauer, 1994; Bengoa, 1988). Second, the wheat boom provided the decisive impulse for the conquest of Araucanía. In the face of the diminishing competitiveness of grain producers in the Central Valley, the Chilean government launched a comprehensive military campaign in order to push the agricultural frontier into previously uncultivated lands in the south (Pinto Rodríguez, 1992). The last stage of the so-called “Pacification of Araucanía”, which came to an end with the definitive occupation of the Mapuche territories in 1883, witnessed deliberate efforts to coordinate more closely the deployment of organized violence with centralized cadastral surveys. A course of action, moreover, that foreshadowed to some extent Rocas’ “Conquest of the Desert”: campaigns of annihilation coupled with centralized and market-based allocation of land in the conquered regions (Bengoa, 1996). The cadastral and settlement activities promoted by the “Inspección General de Tierras y Colonización”, closely linked to the military occupation and the rebuilding of strongholds and forts, contrasted sharply with previous direct land appropriations by army officers and other members of the “penquista” elite and their sanction by local authorities.

Simultaneously with the final phase of the “Pacification of Araucanía” in the south, Chile fought the War of the Pacific (1879-1884) in the north. Given the challenges posed by a massive mobilization of people and resources, the arguments put forward by Centeno can be tested. At first glance, his conclusions seem to hold: Chile financed its military expenditure through sales of, and export duties on, guano and nitrates of the conquered territories. To the extent that the exploitation of the deposits was undertaken mainly by foreign capital, the state was not forced to increase fiscal pressure or rearrange the institutional framework in order to tap domestic surpluses (Pinto et al., 2002; Sater, 1986). The rents derived from the exploitation of natural resources (mainly nitrates) enabled the Chilean government not only to win the war, but also to embark on an ambitious program to modernize the military (the so-called “Germanization” or “Prussianization” of the army). Chile pursued a massive military build-up without setting in motion an upward coercion-extraction cycle.

Looking more closely, however, it is possible to identify major transformations (not necessarily the ones predicted by the model) in the capacities of the Chilean state, triggered at least partially by the modernization of the military. As already discussed in the previous section, one of the central components of military reform in the second half of the nineteenth century was the closer linking of military planning and territorial control through systematic cartography. The recently created Military Geographical Institute was meant not only to guarantee effective spatial coordination for the deployment of organized violence; it also provided support for cadastral activities aimed at the development of a uniform, national land market. It is important to note here that a full-fledged land market does not necessarily imply the radical transformation of rural relations of production. Many scholars have emphasized that the Chilean landowners did not seize market opportunities through a capitalist modernization of production. Improvements were certainly achieved in irrigation and management, and landowners took advantage of the investments in infrastructure made by the Chilean state in those years. However, large hacendados chose to intensify the paternalistic and pre-capitalist labour relations defined by the system of inquilinaje: resident workers (inquilinos) had to provide labour services in exchange for plots of land and grazing rights. Nevertheless, landed property
remained an attractive investment and channelled profits from nitrate exports into the land market. Under a credit system tailored to suit landowning interests, land ownership provided ample opportunities for large-scale speculation but also served as collateral for investments in other sectors of the economy (Bauer, 1996; Bengoa, 1988; Kay, 1980). There is no doubt that the resources available in an increasingly diversified and urbanized economy contributed to strengthening the capacities of the Chilean state.

The problems arising from the “archaic” structure of Chilean agriculture and its dependence on the system of _inquillinaje_ made themselves felt in the 1940s, when Chile was forced to import food for the first time. The property and labour relations in the countryside became a major political issue, and many critics blamed the agrarian crisis on the unbroken continuity with the colonial and early republican past. In light of the state-building process examined here, such continuity should not be overstated. Resting on the military-cadastral complex, the state took a crucial step towards the consolidation of a regime of full private property in an exclusive sense—a regime that failed to transform the traditional relations of production in the rural world but played a decisive role in the capitalist transition of the country in the nineteenth century.

4. Conclusion

After this cursory overview of the state-building process in Argentina and Chile in the long nineteenth century, I want to return to the issues raised in the introduction. Centeno has provided suggestive insights on the applicability of fiscal-military models to Latin American history. By examining coercion mainly in terms of war between states, however, he tends to neglect an equally important dimension: the “internal” deployment of organized violence that fuelled the process of frontier expansion. He certainly acknowledges the importance of frontier wars in the Southern Cone, but his emphasis on “total mobilization” hinders a more comprehensive analysis of their impact on the Chilean and Argentine polities. In this paper I have focused on one key historical outcome: the emergence of a regime of full private property in an exclusive sense. In the second half of the nineteenth century, military planning became more closely linked to centralized cadastral surveys, and to that extent it played a major role in the transformation of land into Polanyi’s “fictitious commodity”. The military-cadastral complex not only allowed the state to extend its sovereignty over the territories of independent indigenous peoples, but also contributed to bring about forms of political and military power that did not depend on direct appropriation of land by power-wielders and its discretionary allocation to their retinue. By increasing the coordination between organized violence and cadastral surveys, the central state institutionalized a more effective territorial control—one that led to the decline of regionally based warlords and political-military networks as well as to the emergence of full-fledged land markets. These markets, in turn, attracted massive local and foreign investments, provided the basis for large-scale credit and speculative operations, triggered domestic processes of capital accumulation, and enabled a deeper integration into the world market. In conclusion, war and organized violence did matter in the state-building process in the Southern Cone.

In this context, a second major shortcoming of Centeno’s thesis needs to be addressed. While foreign investment and customs revenue undoubtedly contributed to shaping the patterns of state development, it can hardly be argued that they did so just by filling the vacuum left by absent institutional capabilities. Foreign capital alone could not have replaced domestic extraction, just as customs revenue could not have been generated without socioeconomic transformations induced, at least partly, by changes in the use of coercion. Had it not been for the institutional developments discussed here, access to capital and fiscal resources through loans and export or import duties would not have been attainable. It was only with the consolidation of the military-cadastral complex that foreign and domestic capital could be massively channelled into modern land markets, which in turn fuelled reinvestment not only in
the agrarian but also in other sectors of the economy. The development paths of Chile and Argentina certainly do not fit well into the simplest fiscal-military models, but that does not mean that the related research questions are not relevant. The establishment of full and exclusive private property rights over land offers a prime example of the interaction between organized violence, fiscal extraction and capital accumulation in Latin American history.

REFERENCES


