Introduction

After the crisis of the neoliberal project in Argentina, dominant classes were able to recreate their social hegemony under the umbrella of a new development project, which has been labeled neodevelopmentalist (Féliz, 2012). In line with the historical developmentalist project of dominant fractions of capital in Latin America during the 1950s and 1960s, a new articulation of productive forces, State-form and constitution of the class conflict, led by a new hegemonic block dominated by the transnationalized fractions of capital, dialectically displaced neoliberal adjustment momentum in Argentina. Having successfully performed the restructuring of capital as a whole (constant and variable, fixed and circulating, productive and financial, rentier and non-rentier, etc.), a new developmentalist consensus (DC) has set the pace for capitalist development in the country (Féliz, 2012b).

This new DC is based on a significantly different role for the articulation between manufacturing industry and primary (export-led) productions. Much in line with Rosa Luxemburg’s analysis, neodevelopmentalist savoir-faire tries to create the conditions for sustained capital accumulation while accepting –as a question of historical inevitability and, even, good luck- the place of Argentina as producer-exporter of primary commodities and basic manufactures of those commodities. In such context, a permanent and systematic process of ‘primitive accumulation’, or accumulation by dispossession to follow Harvey’s terminology, becomes tantamount to the production and expanded reproduction of capital in Argentina’s value-space. Transformation of common goods and natural riches into private ‘natural resources’ (ie., capital) comes to constitute the basis for a capitalist development strategy that fuels economic growth on production, appropriation and redistribution of ground-rent.

In this article we discuss these processes in the light of Rosa Luxemburg’s approach, showing how ground-rent articulates with primitive accumulation to perpetuate accelerated valorization and accumulation of capital in Argentina after 2003. First, we discuss some relevant theoretical concepts. After that, we show how Rosa’s approach can be useful and

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enlighten the analysis of the current process of capital accumulation in Argentina. Finally, we present some brief conclusions and the bibliographical references.

**Rosa Luxemburg, primitive accumulation and rent in the era of transnational capital.**

**Primitive accumulation and crisis**

Rosa Luxemburg (RL) thoroughly discussed the role of the so-called primitive accumulation (PA) as a central means for capital accumulation (Luxemburg, 2007). The creation of new spaces for valorization of capital through the displacement of non-capitalist social relations of production was for RL a key element for explaining capitalism’s expansive nature, and eventually its final collapse.

The tendency for the profit rate to fall (TPRF) operates as perpetual force within capitalist relations of production and explains its basic tendency to crisis (Féliz, 2011; Weeks, 1981; Saad-Filho, 1993). In this respect, RL agreed with Marx in that capital would tend to compensate a falling profit rate with an increase in the mass of profits produced and appropriated (Luxemburg, 1921). RL understood that imperialistic occupation of non-capitalist spaces was essential in this regard (Luxemburg, 2007).

In this line of reasoning, RL’s account stresses the fact that capitalist incursion in non-capitalist spaces was in fact one of many counteracting forces to the TPRF. The constitution of new spaces/places for the valorization of capital was, in RL’s narrative, tantamount to the possibility of surpassing the barriers to valorization and displacing in time the limits of capitalism as a social system of reproduction. Thus, we may add that social and political opposition to violent processes of primitive accumulation become very relevant in the anti-capitalist struggles (Svampa and Sola Álvarez, 2010).

The process of PA is concomitant and mutually reinforcing with accumulation through exploitation. As Harvey has showed (Harvey, 2004) within neoliberalism –and, we’d argue, in the post-neoliberal era- dispossession gains prevalence as a means of concentration and centralization of capital even if labour’s super-exploitation remains dominant in the era of transnational capital.

**Transnationalization of capital and production of value.**

Through neoliberal rule, capital has operated a new “Great Transformation” (to paraphrase Karl Polanyi), finally transcending national borders to create a truly world market. Without undermining the place of national States as means for the reproduction of capitalist relations, transnationalization of capital has redefined the place of peripheral economies in the international division of labour. In a way, as Marini asserts now the division of labour is not just between national labour forces but also within the global labour force as a whole (Marini, 2007). In such a sense, the work-force in each country acts, in tendential fashion but increasingly so, directly in the production of abstract labour and value, and not just through the commodity exchange (ie., through trade between nations). In the era of transnational capital, a growing number of corporations operate as if their process of valorization is truly global. Corporations take countries as sources of supplies of commodities, labour force or as markets but within a worldwide strategy of valorization and accumulation. In this context, primitive accumulation strategies operate as part of the plan of global capital to access to new sources of valorization and/or productive inputs.

**Primitive accumulation and ground-rent.**

The current process of so-called primitive accumulation has significant implications for the production and appropriation of ground-rent in particular, and extraordinary rent in general. Since ground-rent is the result of labour’s exploitation in particular conditions of production where land is a relevant means of production, within transnational capitalism such income-
form is produced and appropriated also in very special conditions for they are an immediately part of the cycle of global capital.

Ground-rent (or more generally, extraordinary rent) is the result of a combination of private property of land, the existence of exceptional conditions for production within it and particular conditions of international demand for such commodities. The level of rent is fixed by the difference between individual productivity of labour in a particular space and the average productivity—it and thus price of production—prevailing within the particular branch (Harvey, 2006: 336). This combination allows for the production of differential rent on the land if productivity of labour is ‘naturally’ different and demand conditions force the use of lands of less than best productive conditions. This form of rent, so-called Differential Rent – 1 (DR-1) (Harvey, 2006: 353-354), results from the application of similar amounts of capital in lands of different ‘fertility’. As demand for certain commodities grows, capital can enter production in new lands that do not have the highest productivity, with the resulting increase in the price of production. While in these new, lower productivity lands, land owners can claim only minimum incomes (i.e., zero-rent), in the higher productivity lands they can obtain differential-rent as proprietors of lands of extraordinary nature.

It is important to acknowledge that technology plays a key role in the production, appropriation and circulation of ground-rent. Fertility implies an economic relationship. For that reason, it changes with the level of development. Thus, the worst land cannot be identified independently of the application of ‘normal’ capital and the technology and methods that go along with it; besides, ‘normal’ capital varies according to the nature of the soil (Harvey, 2006: 356). While ‘natural’ conditions are the basis for the existence of rent (DR1), through technological developments capital can alter the relative profitability of certain places thus opening up the possibility of production in those areas and the appropriation of ground-rent (Harvey, 2006). If some producers invest more than ‘normal’ capital on their land and gain returns to scale on the capital they invest—thus reducing their individual price of production below the market value—they may appropriate Differential Rent – 2 (DR-2) (Harvey, 2006: 354-355). In fact, DR-1—originally conceived as a reflection of permanent differentials—turns into variable, according to the conditions of supply and demand and the productivity of labour used by the capital flowing into the particular plot of land.

New technology operates a particularly important task in the process of so-called primitive accumulation. In fact, development of technologies for the exploitation of natural riches in un-explored territories is a very important part of the process of expansion of capitalist relations of production, particularly in times of global crisis.

Finally, it is important to recall that historically appropriation of rents was a ‘national’ problem. Private owners of land were traditional sectors of the national oligarchies and/or the State. Even in the cases of multinational control of production in particular branches (i.e., enclaves), State appropriation of ground-rent was relatively simple through export taxation. As economies transnationalize through neoliberalism, production, appropriation and circulation of extraordinary rent become fuzzier. As big local capitals tend to become an integral part of the global cycle of capital, it becomes increasingly difficult to follow the flow of value and ever easier for capitals to avoid national (public, popular) control over it. As the

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2 Private property implies privative as opposed to common use, and does not negate necessarily State property.
3 ‘Fertility’ refers to the productivity of labour in certain plot of land were capital is producing a particular commodity. It may apply to agricultural activities but also to mining and other branches were land becomes a means of production.
mediation of the national State is weakened so is the autonomy of national societies. In these cases, ground-rent can seem to ‘disappear’ as the owner/user of land can be the same corporation processing and/or exporting the resources. In such cases, part of the income originating in land-rent may appear as excess-profitability in other branches.

Neodevelopmentalism, primitive accumulation and ground-rent in Argentina, 2003-2013.

Argentina transcends neoliberalism.

Argentina’s experiences through and following neoliberal rule has become a perfect example of a national process of accumulation that been transformed by primitive accumulation and transnationalization. From 1975 to 2001, Argentina underwent several stages of capitalist restructuring of neoliberal undertone. Through political and social repression and monetarist macroeconomic policies (1975-1983), heterodox strategies of structuralist lineage (1983-1989) and overt neoliberal, World Bank inspired, structural adjustment policies (1989-2001), Argentina’s dominant classes tackled the limits posed by dependent, peripheral capitalism in the early seventies (Basualdo, 2006; Félix and Pérez, 2010). These transformations were able to alter value relations across the board and to reshape the structure of capital and labour, creating the setting for a renewed process of successful valorization and accumulation of capital in its aftermath (Félix, 2011; 2007).

Following a turbulent transition during 2002, an original dominant project of development was forged around a new power block led by transnational corporations (Félix and López, 2012). While their weight was dwindled in the early years of neoliberalism (Basualdo, 2006), during the nineties foreign capitals took over most relevant corporations in every branch of the economy. According to the Instituto Nacional de Estadísticas y Censo (National Institute of Statistics and the Census, INDEC) the weight of foreign ownership within the biggest 500 enterprises went from 46% to 65% between 1997 and 2009, after which it stabilized.4

Neodevelopmentalism and primitive accumulation.

Both the neoliberal age and its supersession by neodevelopmentalism witnessed the expansion so-called primitive accumulation. In fact, in the early nineties Argentina witnessed the extension of agribusiness led by the introduction of new technological packages (such as “Siembra Directa”, or No Tillage Agriculture, transgenic seeds and novel agrochemicals such as Monsanto’s Round-Up), which resulted in the expansion of the agricultural frontier to new territories such as the hot, dry soils of Santiago del Estero, or the dry, cold weather of the Patagonian provinces, far away from the traditional lands of the Pampas. This new technologies as well as changes in international demand for primary products transformed land use, as producers were lured into Soya production and away from the more traditional Wheat and Maize. After a slow start, in the first decade of the new century Soya production has come to occupy as much as half of arable land (Vértiz, 2012). Changes in technological packages for the production in the fields favoured changes in the form of capital in agriculture. The incursion of financial capital, in the way of “Pools de Siembra” (sowing funds or agrarian pools) and land letting, has allowed corporations to enter into agribusiness without having to sink in any capital in machinery and land.5 In a parallel fashion, a new

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4 These figures do not include transnationalization of land ownership and/or use, or foreign control over common goods such as oil, gas and mineral reserves.

5 According to Arceo et al (2009) the main change in the structure of agricultural capitals is (a) the increasing renting of land by big landlords and (b) the increasing weight of non-land owners (such as agrarian pools) as producers on rented land. In the nuclear agricultural lands (pampean region), the number of hectares rented by landlords grew by 25% between 1998 and 2002 (the latest figures available) while the numbers of hectares rented by non-owners of
form of mining capital expanded through Argentina’s territory like powder (Svampa and Sola Álvarez, 2010). Under control of big transnational corporations, open-pit mega-mining multiplied. The 1994 constitutional reform transferred to the provinces (sub-national States) control over the riches in the underground, creating the juridical space for the transformation of Argentina into a promising mining power, particularly in gold.6

Since 2003 Soya, mineral production and their manufacturing derivates (eg., Soya flour or oil, biodiesel fuel) have become the main source of international currency and extraordinary rent since almost all its production is destined to foreign trade.7

Table 1. Export, relative weight of the main commodities. Argentina, 2003-2011.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Participation in total exports, 2011</th>
<th>Big grouping</th>
<th>Var. 2003-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cereals</td>
<td>10.0%</td>
<td>Primary</td>
<td>2.3 pp</td>
</tr>
<tr>
<td>Oleaginous seeds and fruits</td>
<td>7.1%</td>
<td>Primary</td>
<td>0.5 pp</td>
</tr>
<tr>
<td>Meats</td>
<td>2.5%</td>
<td>MOA</td>
<td>0.1 pp</td>
</tr>
<tr>
<td>Grease and vegetable oils</td>
<td>8.4%</td>
<td>MOA</td>
<td>-1.1 pp</td>
</tr>
<tr>
<td>Residues and waste from the food industry</td>
<td>12.8%</td>
<td>MOA</td>
<td>1.1 pp</td>
</tr>
<tr>
<td>Chemical and related products</td>
<td>7.0%</td>
<td>MOI</td>
<td>1.7 pp</td>
</tr>
<tr>
<td>Precious stones and metals</td>
<td>3.3%</td>
<td>MOI</td>
<td>2.9 pp</td>
</tr>
<tr>
<td>Common metals and its manufactures</td>
<td>3.6%</td>
<td>MOI</td>
<td>-1.5 pp</td>
</tr>
<tr>
<td>Electric machinery, apparatus and materials</td>
<td>2.9%</td>
<td>MOI</td>
<td>0 pp</td>
</tr>
<tr>
<td>Land transport vehicles</td>
<td>11.9%</td>
<td>MOI</td>
<td>7.1 pp</td>
</tr>
<tr>
<td>Crude oil</td>
<td>2.6%</td>
<td>C&amp;E</td>
<td>-5.4 pp</td>
</tr>
<tr>
<td>Carburant, greases and oil lubricants</td>
<td>3.7%</td>
<td>C&amp;E</td>
<td>-3.4 pp</td>
</tr>
</tbody>
</table>


The structural transformation at a productive level together with the global change in the price of commodities has made ground-rent into a substantial source of surplus value (Iñigo Carrera, 2007; 2008). According to Rodríguez and Arceo (2006) agrarian rent in 2002-2004 was nine times greater in constant terms than in the previous decade (1991-2001). It has grown even further in the following years as the extension of rent-accruing productions has increased (Giarraca and Teubal, 2010; Colectivo Voces de Alerta, 2011). The land used for Argentina’s main agricultural products (ie., soya, wheat, corn) went from 27 million hectares in 1995-2004 to 34.5 million in 2010/2011, while production jumped from 65 million tons to 104 million tons in the same time span (López, 2012). At the same time, the number of land increased by 49.6% in the same period. The fraction of land under let for rent increased from 21.4% to 33.4% in that same period.

6 Recent changes in public policies regarding oil&gas production point to a new side of the process of primitive accumulation. Through the partial re-estatization of YPF (the formerly privatized petroleum company) and a policy of ‘inviting’ foreign corporations to participate in the development of new ‘non-conventional’ oil&gas fields, Argentina could become one of the world’s largest exporter of both oil and gas (see EIA, 2013).

7 The main exception is production and export of cars and trucks. However, since this industry benefits from a particular regime for exporting to Brazil (the overwhelming destination of its exports) it can be said that capitals operating in this manufacturing branch appropriate a huge amount of extraordinary rent. In this case, however, this is absolute or monopoly, not relative, rent (see Harvey, 2006: 349-353).
Mining projects jumped from 18 in 2002 to 614 in 2011 and investment in mining went from 541 million dollars in 2002 to 11 billion in 2011 (Secretaría de Minería, 2012).

### Table 2. Appropriation of profits. 500 biggest corporations. Percentage of total.

**Argentina, 1993-2009.**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Mining</td>
<td>19.6%</td>
<td>17.7%</td>
<td>40.2%</td>
<td>23.0%</td>
</tr>
<tr>
<td>Food, beverages and tobacco</td>
<td>13.0%</td>
<td>11.3%</td>
<td>9.4%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Fuels, chemicals and plastics</td>
<td>14.9%</td>
<td>15.4%</td>
<td>23.5%</td>
<td>20.9%</td>
</tr>
<tr>
<td>Machinery, equipment and vehicles</td>
<td>5.3%</td>
<td>4.1%</td>
<td>4.4%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Rest of manufacturing industry</td>
<td>9.3%</td>
<td>10.1%</td>
<td>18.1%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Electricity, gas and water</td>
<td>9.4%</td>
<td>10.7%</td>
<td>-1.7%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Communications</td>
<td>15.0%</td>
<td>16.3%</td>
<td>0.5%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Other branches</td>
<td>13.5%</td>
<td>14.4%</td>
<td>5.6%</td>
<td>11.2%</td>
</tr>
</tbody>
</table>

Source: Our own elaboration based on data from INDEC.

Within the biggest capitals, branches directly related to exploitation and manufacturing of ‘natural resources’ (mining, food, beverages and tobacco, and fuels, chemicals and plastics) appropriate –since 2002- more than half of total profits, peaking in 2003-2006 with 73.2%.

**Primitive accumulation through dispossession.**

As an example of the global process of capitalist restructuring through and beyond neoliberalism, Argentina has become a fertile field for primitive accumulation throughout its territory. After 2003, within the neodevelopmentalist stage, this deepened. In line with Rosa Luxemburg’s argument, the expansion of capitalist relations of production to a whole different level within Argentina’s economy was done through significant levels of political repression and territorial expulsion of traditional occupants and producers (Giarracca and Teubal, 2010). In the case of the expansion of agribusiness, the process implied mainly the expropriation of small peasant communities and original occupants of lands, many of which use the territories as common goods without private property. During neoliberal rule, this was done with the combined efforts of national and sub-national levels of government, together with interested private corporations. In the later neodevelopmentalist stage, the national government turned to a policy of ‘letting do’ to the local governments. These used their police forces and their control of the justice system against peasants, to displace them and allow private capitalists to usurp their lands. In the case of mining projects, most of them were set in the provinces at the feet of the Cordillera de los Andes (Colectivo Voces de Alerta, 2011). In general, transnational corporations (such as Barrick Gold) have occupied areas that where traditionally virgin to capitalist production, mainly used by small peasants as feeding grounds for their cattle. One of the main concerns has to do with the close distance between the proposed mineral exploitations and important glacial grounds, which are sources of fresh water. Besides, new mining technologies operate in a very big scale consuming large amounts of water and electricity, and using highly toxic chemicals in their operations. In most these cases, local communities have organized as popular assemblies to confront the mining projects. In some of them, they have been successful in stalling the advancement of the exploitations, even banning them through popular consults.

**Ground-rent and industrialization.**

In most cases, both these processes implied first the private appropriation of traditionally common lands. In general these lands were not unused but used (and cared for) by families that practice non-capitalist ways of land usage, as producers worked the lands for the
reproduction of their livelihoods. As such, production there did not contribute to capital valorization in any way. In an accelerated process of ‘land grabbing’, the actual privatization (for capitalist use) of land property and/or use by large capitals has put what used to be common goods within the cycle of local and global capital. Thus, this process of primitive accumulation has provided capital in Argentina with new sources of surplus-value that can feed valorization and accumulation within the economy as a whole. Besides, it provides the global cycle of capital with both surplus-value and commodities needed for its expanded reproduction.

These new capitals enter such cycle in a quite different fashion from what was the traditional participation of capital in primary activities. While they are mainly produced for its exportation, in general the production processes of primary commodities now include some form of manufacturing process. Foods and beverages plus common metals represent in 2010 52.6% of total industrial exports.


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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Food and beverages</td>
<td>8,172.1</td>
<td>9,295.4</td>
<td>21,461.5</td>
<td>131%</td>
</tr>
<tr>
<td>Common metals</td>
<td>1,095.8</td>
<td>1,522.8</td>
<td>4,465.8</td>
<td>193%</td>
</tr>
<tr>
<td>Automobiles and trucks</td>
<td>3,236.9</td>
<td>1,563.6</td>
<td>8,177.9</td>
<td>423%</td>
</tr>
<tr>
<td>Rest</td>
<td>6,096.2</td>
<td>8,551.0</td>
<td>15,187.9</td>
<td>78%</td>
</tr>
<tr>
<td>Total</td>
<td>18,600.9</td>
<td>20,932.8</td>
<td>49,293.1</td>
<td>135%</td>
</tr>
</tbody>
</table>


For example, in the case of Soya while exports of beans are significant, their transformation into oil and flour for export is also an important by-product. More recently, the use of Soya as well as other Oleaginous seeds in the production of ‘biofuels’ –much of it for export- has turned into an important destiny for primary products. In the case of mining, most exports of minerals require some sort of manufacturing for their transportation. For that reason, for example, gold exports appear in Argentina as one of the fastest growing manufacturing exports.

This means that Argentina has restructured its local cycle of capital in line with a new articulation with global capital. Thus, it has moved away from its traditional position as supplier of primary products to become a semi-industrialized economy that offers commodities that are usually manufactured derivates of such primary products. In no way, however, has the country been able to overcome its dependent, peripheral position within the world market, with ground-rent providing a significant source of extraordinary profitability.

**Conclusions**

Rosa Luxemburg proposed that primitive accumulation was a permanent process in capitalist development. Particularly, she explained how it worked to displace and overcome crisis tendencies in capitalism (even if temporarily). However, she didn’t emphasize the especial relationship between PA and ground-rent production and appropriation.

The case of Argentina in the current era has served to better understand how the generation of differential rent has a significant role in the current process of PA. Primitive accumulation serves as a means not only to recreate the conditions for successful capitalist valorization but in peripheral economies, such as Argentina, serves as a source of extraordinary profitability in the form of ground-rent.

The expansion of PA in spaces for the production of rent-accruing commodities has not only displaced traditional producers and occupants, creating new grounds for valorization and
accumulation of capital. It has also increased the production of extraordinary rents and profits that—under the control of mostly transnational corporations—has created a new bases for economic growth articulated into a new place for Argentina within the global cycle of capital.

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