

about the impact of wage labour, out-migration, and technology on the internal structure and consumption patterns of third world rural communities.

Assumptions about the homologous impact of capitalism on peasants should not be overdrawn, however. The initial Leninist conceptions of rural differentiation and the disintegration of the smallholder were challenged by the actual behaviour of a persistent peasantry that refused to behave like a rural proletariat. Current modifications of these teleological notions of differentiation gave rise to more sophisticated theories of transition. Nevertheless, they are seen as forms of transition to capitalism. A new element in these studies is the stress on the protracted character of the 'transitional period'. A good example of such an approach is the schema of 'transition' suggested by Stephan Gudeman in his The Demise of a Rural Economy (1978). The transformation of peasant production from subsistence crops to capitalist agriculture is abstracted here from the generalized forms that Gudeman investigated in rural Panama (1978:147-149).

In the first set of conditions, the external capitalist intrusion into subsistence agriculture leads to the diversion of surplus rural labour into cash crops without undermining the mode of subsistence farming. In many cases, the co-existence of the two modes may supplement the subsistence sector with a cash component that operates in favour of the latter.

In the second 'phase', the diversion of labour resources from the subsistence sector on a seasonal basis, especially as a result of peasant migration, continues while preserving the peasant household in the subsistence sector. In this case, subsistence production supplements and provides the 'infrastructure of the capitalist venture'. The injection of earnings from the capitalist sector into the peasant economy,