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The New Shape Of The Countryside: Agrarian Counter-reform In Mexico

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The author is an economics professor at Universidad Autonoma Metropolitana's Xochimilco campus and Centro de Ecodesarrollo SourceMex - Economic news & analysis on Mexico part was published in the 01/13/93 issue of SourceMex. The making of a modern rural society The government has created a set of policies designed to encourage operation of a modern rural economy. These policies relegate most rural producers to the welfare system, while concentrating government and private resources in regions and among producers who show promise as successful players in local and global markets. But such a strategic program will not go unchallenged. Mexico is a big and rich country, and many social groups are becoming increasingly strident in their demands for more recognition and for a greater ability to participate in the fruits of international integration. In rural areas, success depends on the ability to generate solutions to pressing regional, national or international problems, or to threaten to create severe problems which the government would prefer to avoid. A simple taxonomy of some of the most significant players in rural Mexico offers a way of organizing our analysis of some of the profound social differences that set the limits for state action in rural Mexico: Commercial agriculturalists in the private sector, including those in irrigation districts. Organized ejidos (members of regional or national organizations), some producing for the export market and others for the domestic market. Cattle ranchers. Individual or locally organized basic food producers. Some grow on a commercial scale for the market, while others are involved in subsistence production and limited sales (ejidos and minifundia). Indigenous communities. Forest ejidos. Farm workers, including domestic and international migrants and those based in a single region. The poor who stayed behind During the past three decades, as government policy systematically discriminated against poor rural communities, it became clear to peasant leaders and farmers alike that they could not prosper by remaining in the countryside. Even during the height of the campaigns to support peasant producers (in 1973 and 1981), prevailing living standards in rural Mexico did not improve significantly, although during these two short periods the financial risk of producing grains was dramatically reduced. With the imposition of the neo-liberal stabilization program in 1983, food producers fared less badly than urban workers, experiencing a 30% decline in their purchasing power, compared to a 50% drop in overall minimum wages. Statistics indicate that living standards and incomes are lower in rural areas, life expectancy is shorter, illness more frequent and jobs more difficult to obtain. Yet, one-quarter of the population remains in rural areas and a substantial number of others go from their towns to work in rural areas or work in urban jobs to support the families who remain behind. What is the explanation for this behavior? It is no longer possible to talk of ignorance or even of cultural barriers to migration. Throughout the country people from all strata of rural society have moved, whole communities have been abandoned, as peasants and indigenous groups make the trek to cities and towns or venture to cross the US border. Yet many return, and still others continue to send substantial amounts of money to sustain their families and permit some of them to continue to till their subsistence plots and tend their small herds of animals. Although it would be virtually impossible to estimate with precision the volume of these remittances, the international transfers...
make a substantial contribution to the country's balance of payments. This information suggests the data on living conditions in urban areas probably overstates the advantages enjoyed by the urban poor. In spite of better networks of clinics and schools, public assistance programs and the ease of entering the underground economy, urban working and living conditions for the lower strata are deplorable. Obviously, by staying in rural areas and by sending resources for family support, millions of people believe they and/or their families will be better off on the farm. This is the social fact that confounds the policy makers. Rural Mexico survives, and important groups are actively struggling to defend their integrity as members of communities and often as distinct ethnic groups. In the face of rural economic hardship and opportunity, people leave, sometimes permanently, but more frequently for short periods, to earn money and/or to enjoy an adventure. When conditions change they often return. Today, more than one-half of all maize farmers cultivate less than 4 hectares. This figure is not very different from 1970, when 53% of rural families were classified as not producing enough for their own subsistence. These are the same farmers that the present government would like to remove from the countryside. But conditions are not the same as they were two decades ago. People stay, they cultivate their mini-plots, and attempt to maintain the integrity of their communities and their families. But with falling wages and incomes, and fewer official support programs, many more are forced to look elsewhere for work. Women have entered the rural labor market massively and, for lack of alternatives, they are forced to take their children with them. Dangerous and unhealthy working conditions only compound the problems of poverty. Even when men are present, women need to supplement the family income or bridge the gap until their spouses are able to send money. On-farm production is rarely more than a supplement to the family diet, but offers the few elements of variety and even luxury that a typical rural family can enjoy. The government has stepped in, creating a highly publicized anti-poverty program, Solidarity, which has received good international press. As with similar past programs in Mexico, it has high visibility and the extensive government network of political control ensures its presence in virtually every community in the country. Solidarity offers some patchwork programs for short-term improvements in local infrastructure, but few programs for systematic improvements in the productive system or to create jobs. The new campaign to create Solidarity Enterprises, like a similar program tried some two decades ago, frequently lacks the organizational skills and structure as well as the technical foundations needed to guarantee the survival of these new ventures beyond the present administration. Both the government and independent analysts believe these people and their communities will not survive. High-level officials commonly predict that there will be a massive exodus from the countryside in the coming years with the rationalization of production support programs. The undersecretary of agricultural planning has repeatedly spoken of 13 million emigrés. These analysts argue that economic opportunities are declining, both absolutely and relatively in comparison to the new ones that will be created in the agricultural regions with greater potential and in the rest of the economy as foreign investment pours in. To attempt to support these communities, they argue, is to "throw good money after bad" as one recently said to a group of foreign investors concerned about the present social climate in Mexico. Other knowledgeable scholars of rural Mexico, however, have expressed concern about this policy package. Like the critics of the policies affecting small and medium-sized industrial and commercial enterprises in urban areas, these analysts point to basic flaws in the official scenario. Perhaps the greatest problem is that even with massive foreign investment, there is little evidence a sufficient number of jobs will be created to match the number of new entrants into the labor force, about 1.2 million annually, and to absorb both the ranks of the underemployed in the cities and those cast off the land in the rural areas. For the latter, an increase in intensive fruit and vegetable production in
the irrigation districts is unlikely to create a significant number of permanent jobs for agricultural day-laborers. Instead, the situation will increase the demand for temporary migrants, a segment of the labor force whose ranks are growing rapidly with underemployed emigres from the grain producing areas of the country. For the ones who are left behind, the existing policy scenario offers few options. The local beneficiaries of international integration The present economic program of modernization and integration offers the prospect of a bright future for a sizable segment of the population. Foreign investment will flow into the country to create numerous new enterprises, both in agriculture and industry. This new investment will install the most modern work processes and produce very high-valued products for the international markets. We might even anticipate that part of their production will be directed to local markets, where it will drive out less modern producers unable to compete, either because of low productivity, inadequate capitalization, or their inability to survive the intense marketing battles. The winning groups will be dispersed throughout the rural Mexico. There will be some concentration in the northern irrigation districts, but many investors will choose to improve productive infrastructure elsewhere in the country to get around the labor bottlenecks that frequently occur in the north. This is already evident throughout the country, as local producers are beginning to enter into various kinds of production agreements with Mexican and foreign interests to produce under contract for export and local specialty markets. This is not a new phenomenon in Mexico. It goes back decades. Furthermore, technological advances will offer opportunities for other farmers to take advantage of special programs to increase productivity in basic food producing sectors. The recent achievement of food self-sufficiency based on important advances in yields, resulting from the use of new seed varieties and agrochemicals, is evidence of the official decision to promote domestic food production without tying it to the traditional producing groups who, in their view, would hold back the pace of modernization. Similarly, for organized groups of ejidos willing to engage in production agreements with the private sector, generous resources will be available to promote technological change in which members of the "social sector" can participate. But past experience suggests private investors are generally unwilling to sustain long-term commitments as market, production and technological conditions change. There is no doubt the new, more flexible, institutional structure will offer profitable opportunities for important groups of farmers. The most significant development in this regard is the increase in organizing efforts by the many regional peasant groups who, in turn, are members of national and provincial coalitions. The new negotiating strategy of the Agriculture Secretariat (SARH) clearly demonstrates a preference for dealing directly with coalitions, rather than with individual producer groups. Although producer groups are experiencing difficulty in obtaining financing and because of uncertainty surrounding new contractual forms these obstacles should be reduced through a negotiating procedure that will intensify as pressures of the NAFTA process increase. This expansion of the negotiation arena and the active participation of local groups in complex discussions on how they will be included in the modernization and integration process offers an important new channel for well-organized local groups to attempt to obtain privileged access to new productive opportunities in the new environment. Towards an alternative strategy Mexico's economy will become even more distorted in the coming years, as the present development strategy matures. Important segments of the population are being excluded, and the country's wealth is being revalued. Resources under peasant control are being devalued while those in the hands of the rich are becoming more important. No thought is given to preserving the country's rich heritage for posterity. Mexico enjoys a natural cornucopia with an incomparable indigenous past, a historic anti-colonial struggle, and a brilliant abundance of cultural and artistic creativity. But all this has no value in the new politico-economic model unless it can be sold on international
markets or to fickle tourists. Clearly, the North American economies are integrating. For Mexico, this integration will mean more trade and more employment. Production will continue to increase in certain privileged sectors, like automobiles and consumer products for export. But productive imbalances and social polarization are increasing. At the same time, fewer institutions are prepared to deal with the problems the new strategy is creating and the people it is leaving behind. The present strategy is based on the presumption that foreign investors will bring sufficient resources to Mexico to pay to correct the problems, but this seems like a major gamble. In previous writings, I proposed a "War Economy" as a complementary strategy for rural development. Building on the experience of Great Britain during World War II, this strategy suggests that a concerted effort to mobilize idle domestic capacity for food production among small-scale producers in Mexico would contribute to stimulating the growth of the domestic market for consumer goods by the country's workers and peasants. The simulation exercises conducted in conjunction with this proposal demonstrated the substantial linkage effects of this approach in generating income and new employment opportunities throughout the economy. The peasant-based food self-sufficiency strategy offered by this proposal now seems insufficient, in light of a further intensification of the official assault against peasants in rain-fed agricultural areas. Because of important shifts in the world market, occasioned by competition to subsidize food exports among the advanced industrial countries, basic food production itself has been devalued; it no longer can offer a viable option for economic advancement for most people in rural Mexico. In the face of the narrowly focused model of industrial modernization, there is a critical need for a more diversified productive base, taking advantage of abundant and varied natural resources and the enormous reserve of inherited knowledge stemming from Mexico's cultural diversity. Such an approach requires programs to productively employ an important part of Mexico's population that still struggles to remain in the countryside. This approach must offer a new development strategy which explicitly redresses the imbalance between rural and urban areas. In one way or another, this involves the repopulation of the rural world. To do this, ways must be found to help rural communities diversify their economies, to rebuild their patterns of diversified production, which have long been an integral part of their survival strategies. In this new context, traditional food production will become one of a number of enterprises in which the peasant community engages as part of its overall strategy not simply to survive, but to defend its social and cultural integrity while improving their standards of living. In the new world economy, in the process of integration, they must find additional productive activities as well as forms of paid employment that offers greater income, because food production alone will no longer allow them to live! In Mexico, one way to begin this process is to work with individual communities and regional groups to identify small projects that would help them interact with the resources they have, in as creative and productive a way as possible. We are working with groups who can contribute to the essential task of protecting endangered species as a way of generating additional incomes in traditional food producing communities. Two examples of communities working to protect endangered species are in nesting areas of the Monarch butterfly and the marine turtle. A similar approach involves an abandoned "geyser", which is spewing brine over the lands of a nearby commercial farming community. The geyser was created by the Federal Electricity Commission (CFE) in its search for exploitable geothermal resources. However, the engineers did not consider it important enough to harness for power generation. A proposal is being developed so that the community might participate directly in transforming the site into a tourist attraction, a spa, a training area for sporting activities, and even a museum for alternative energy sources. Another example, under consideration in Mexico, involves a group attempting to create an agro-industrial park powered with geothermal energy, as part of a plan to diversify rural production and
reduce losses from spoilage and inadequate marketing channels. These are examples of how people are attempting to confront the growing imbalance between rural and urban development, and the resulting polarization in the countryside. They offer ways for people to begin using the natural resources at hand to protect not only the resources themselves but the very economic viability and social integrity of communities whose existence is in question. The examples cited are only that approaches that we think will encourage others to look for different projects with the same goal. The aim is to diversify the productive base so that rural communities can continue to exist, even to thrive, and to continue to produce food as part of a broader strategy for rural development. Policy makers today are unwilling to give time a chance ("dale tiempo al tiempo"), to allow society to adjust to the process of international integration linking nations and cultures. They forget the lesson of another popular Mexican saying that "simply by waking up earlier, the sun won't rise sooner." (No por mucho madrugar, amanece mas temprano.) That is, Mexico the country, its people, its culture will not magically change its course, its very essence, simply because the president orders its industrial structure modified, its resources sold or leased, or foreign goods imported on a massive scale. The country is beginning to realize the nature of the changes under way; most Mexicans will not acquiesce easily. It is still too soon to predict the modifications that the people will demand. It is likely, however, that the neo-liberal dreams of today's ruling elites will not survive the vigorous rejection of Mexico's diverse, but impoverished peoples.

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