

***Justice An The Sociological Imagination:
Theory, Research, Teaching, Practice And Action***

**Society for the Study of Social Problems (SSSP)
53rd annual meeting**

August 15-17, 2003
Atlanta, Georgia

SESSION 94:

***GLOBALIZATION, DEVELOPMENT AND SOCIAL JUSTICE IN
LATIN AMERICA***

***“MEXICAN PEASANT STRUGGLES
IN THE NEOLIBERAL ERA”***

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In this intervention I will try to briefly explain the results of a research project, concerning Mexican peasants during the last two decades. Undoubtedly, the peasant has been a sector of rural environment that deserves major attention, because it has undergone hurried and dramatic economic, political and social decline in this lapse.

In the theoretical framework that I use as a basis for this analysis, the peasant constitutes one of the stratum of the *excessive population* in the rural environment, which is typical of underdeveloped capitalist societies. Here, supply of wage labor from the very beginning of capitalism and thereafter favors the proliferation of alternative forms of labor organization. This is temporally functional to capitalism, but it is always subordinated to the dynamics of the domineering mode of production. (Concerning this theoretical proposal which recaptures concepts and categories of Marxism, Dr. Víctor Figueroa will surely abound later in his presentation).

For the effects of this research, I identify a peasant entity as productive agricultural units that have the following attributes:

1.-The purpose of peasant economy is to obtain through direct exploitation of the land, the resources necessary for family and productive livelihood. In the long term, it aspires to regenerate its social and material production conditions, that is, to renew this process of work which develops under specific production links and is sustained in certain objective conditions generally precarious. Production and productivity results are determined by the quality and quantity of the material resources which they have, as well as by the *technical way* with which they operate; in numerical terms, the scope of its purposes can be estimated by the capacity of these exploitations in order to achieve, in every cycle, the simple reproduction of the process with the income that the activity itself obtains.

2.- Relationships among members who take part in the production have their origin in the existence of family links or community alliances and they represent a collective contribution, usually without monetary remuneration. The internal organization (decisions about the productive process, the distribution of tasks and benefits) implies neither class subordination nor exploitation. This situation can be estimated quantitatively, as the regular absence of wage labor,

since the family workforce which participated in the productive process and the nature of its remuneration do not have a mercantile character. In this exploitation developments there is not evidently generated *surplus value*, and the product they could generate on top of their consumption, and which could be orientated to the market, does not represent a profit.

3.-The material base on which the productive process of the peasant economy is based on, and that results from the particular relationship that is established between the quantity and quality of the workforce, with regard to the proportion and characteristics of available production means. They are the objective conditions of production, and can be valued in a tangible form as the physical baggage which includes: a) The number of "days-man" available for farming activities b) Territorial extension (land) where these activities are realized, and, c) The rest of the means and objects of labor. All of these factors, including technology, methods and the specific qualities of the production means, determine the production scale, productivity level (yield per hectare), volume and value of production. Conditions like this are crucial since they establish a greater or lesser degree dependence of this activity with regard to the climate and

other natural elements. It is also necessary to include in this category its capacity for acceding to financial resources and assurance.

The peasant economy constitutes a particular form of labor organization which is driven under foreign criteria such as capitalist production. It includes both the units which usually take part in trade (their principal source of income is growing crops) and those entities that barely obtain their reproduction in precarious conditions. The latter usually resort to the most diverse strategies of reproduction (activities that complement their income)

Throughout the years in which governments have applied come pro-liberal structural adjustment policies in Latin-American countries (policies which have been induced from the center of the capitalist system), the peasant sector, as is evident even in the most conservative reports of the Mexican Government, has experienced an open process of mercantile marginalization, and social and political exclusion.

Nevertheless, I think that it has not been the new national economy that began in the eighties (neoliberal measurements) that has determined the decadence of the

peasant units. It is true that the projects of the last few administrations and the tone that internal and external trade have acquired have accelerated their decline. It is also a fact that the current context is unfavorable for the reproduction of these productive entities. However the economic policies inclined to the commercial and financial opening are not the only reason for their deterioration nor are they the origin of all their troubles.

For the purposes of this paper, I am interested in emphasizing that neoliberalism in the Mexican agro has operated in two senses:

a) Neoliberalism induces, without the need of a land distribution reform, a process that expands the peasant insofar as small capitalist producers lose profitability and they tend to be isolated from trade, and

b) Neoliberal policies accelerate the *decomposition process* of peasant because they are submitted to productive and commercial dynamics that due to their intrinsic limitations and objective conditions in which they operate, they are not capable of facing.

On the latter trend, I propose that this decline of the units of production of peasant-type production occurs, on the one hand, from the contradictions inherent in its internal performance, because it is a form of production organization that is originally limited in its material base and on the other hand because it is an entity subordinated to capital, its domineering relationship, and therefore subordinated to its objectives. In any case, I recognize that in current conditions the peasants are exposed to an environment that is saturated in factors whose combined effect accelerates their impoverishment and submission.

From the end of the thirties until the seventies, peasant products could be inserted into the global economic cycle by virtue of a domestic demand which was stimulated by industrialization, this was a demand that the eminently capitalist sector could not cover. During this stage, while peasants were necessary for national economic project and functional to the accumulation of capital, their conditions of reproduction were kept unscathed, but this was only possible thanks to the following mechanisms:

- a) Public subsidy in different stages of the productive cycle, which was translated into attenuated costs of production. This lowered the prices of the *salary-goods* and the inputs destined for the transformation.
- b) The alterations that the public intervention generated in the domestic market, for example the interest rate through soft credits, or the mercantile circuit of goods and services through guarantee prices, legal restrictions for the lands sale, etc.
- c) A premeditated and selective protection with regard to world trade.
- d) The public sector involved in the task of investigation and free diffusion of innovations in farming matter.
- e) The amplification of agricultural surface by means of free land distribution and legal measurements in order to force the owner to productively use it.
- f) State participation in providing physical and institutional infrastructure (for example *Development Banking*).

The participation trade of peasants in the market was artificially supported by the State and protected trade, at the same time its deterioration was controlled so that peasant rural income peasant could satisfy the family

consumption and renew the productive process, though it could not amplify it.

Even in the eighties specialists were insisting on the existence of a polarized agrarian structure, where peasant producers represented more than 86% of rural units. But, on the other hand, they recognized that the products' value, their volume, and productivity level in the countryside were continuing a diminishing trend.¹

Years before beginning the structural adjustment policies, the yields suspended in the agro and the *terms of countryside-city exchange* had suffered an important deterioration. Peasant producers were pioneers in suffering the decadence of the economic model which sustained the "Mexican miracle", and the disinterest of public administration in the agro: This caused a decrease in productivity, weak policies for food sovereignty, the change of land use for cattle purposes, etc.

Years ago the economic model had imposed a systematical reduction of primary goods prices in order to favor urban production. This means a gradual contraction of the producers' income when it is not accompanied by

¹ In 1980 the agricultural sector still represented 8.2 % of global production.

greater level of productivity. This is exactly what has happened since sixties.

Farming on smallholdings, not very technified, low quality land, and usually without surpluses, could not modify the use of the soil or change to more promising crops in the face of "negative trade signs". This is obvious in the case of basic grains because they are products that, out of need rather than tradition, are typical of peasant production.

Is therefore in time of critical conditions that economic policy is re-defined and executed. With neoliberalism inefficient productive units tend to be isolated from trade, and this includes peasants. Their products are losing importance due to their high cost of production in a diminished domestic market; and they evidently cannot aspire to the external market which is reserved for the most competitive producers. The peasants are not included in the economic project since their production is superfluous, unnecessary in the face of increasing imports. This marginalization also implies loss of consumption capacity.

The following factors have intervened decisively in these circumstances:

a) The withdrawal of State support in the productive process and in other aspects, such collection and marketing. Now the producer must assume the real costs and face inflation without privileges or considerations.

b) The deterioration of the real prices of peasant products –especially for basic grain- as part of wage restriction policies and as an effect of the convergence on the domestic trade of cheap foreign products.

c) The depression of the domestic market –which is partly caused by the contraction of employment-, and the monopolistic character that is gradually dominating up the market.

d) The liberation of rustic property - in the case of collective property- to the mercy of supply and demand, justified by the argument that free trade is more efficient in assigning productive resources.

e) The legal and administrative terms that have been necessary to encourage investments, even if the investments were not destined to productive activities.

f) The high cost of money and its shortage, especially for not very profitable activities or where big transnational production prevails.

Nowadays, the institutional and legislative frameworks which has been designed to endorse a sustained growth in foreign trade and foreign investment is beginning to bear its fruits.

* A mercantile environment predominates where there is an imposed an aggressive process of selection and social exclusion.

* Native financial capital concentrates around the most profitable products and services, but especially transnational capital. They fix prices and conditions for the rest of the participants in the market.

* Agricultural activity is not the exception, and both the mercantile and financial circuit are ruled by imperialistic logic.

* Nowadays world supply of rural products is controlled by large-scale private companies which, besides producing in ideal conditions, have the support of their governments which are aware of the strategic importance of autosupply in this aspect.

* Abundant public resources that are destined to help productivity endorse their monopolistic positions in the global economy. At the same time all the market distortions necessary in order to enhance profitability and affirm hegemony are resorted to.

Ever since NAFTA has governed in Mexico, and as new multilateral commitments are being assumed in order to improve trade and investment among regions, the fall of internal peasant product prices has accentuated under the pressure of having to quickly draw level with their international parameters. With some exceptions, national production has been shaken in the face of competition inequality; corn, bean, sorghum, wheat, rice and soy bean have been the most affected crops.

It is true that basic grains have not stopped growing as much as expected, but as for small producers, the sale of these goods has stopped being the means by which they obtain the necessary cash in order to resolve their needs of consumption. Specialists estimate nowadays that there are nearly 3.5 million producers of basic grains, especially of corn. However, only 40% of them are net sellers, and together with imports, they cover practically 100 % of domestic consumption.

That peasants continue living in their plots of land gives the appearance that land is their principal livelihood, However, if we observe their income

composition, we can see that this is not the case. Some research done by international organisms reveals that:

a) With territorial surface of up to two hectares, farming income only represents 13.5 % of peasants' total income, while for those that own up to five hectares, farming income represents 34.3 % of their total.

b) Is necessary to operate with territorial assets between 10 and 18 hectares for the producers to aspire to obtain 56.6 % of her total income.

c) More than 80 % of rural households have at least one member working elsewhere, helping with maintenance.

The above is information from ECLA (1997); while AFO (1999) confirms that:

a) More than 80 % of rural households need income that does not come from agricultural activity.

b) The average surface that producers corn own in Mexico is 2.5 hectares, and 3 hectares is the average for other crops.

c) Rural families which own less than 2 hectares only manage to obtain 10 % of their total income from their land.

d) In peasant homes income that does not come from their land represents 55 % of their total income.

e) Without external income they would need 25 hectares of land "in order to stop being poor", with today's institutional conditions and prices.

f) From 73% to 83% of classified rural entities are considered to be in a real or potential *process of decomposition*, needing external income, and where migration occupies an important role.

The Mexican Government through the Ministry of Agriculture, admits that in the Mexican countryside only 44% of total income is agricultural.

This information allows us to verify that economic activities which initially intended to contribute to preserving rural reproduction, are now losing their original purpose –as an income complement - and are becoming the main source of income. The novelty not so much their presence, rather the weight that they are acquiring and their variety.

We have then a peasant sector that remains in rural communities, but whose agricultural income has stopped being its livelihood. Agricultural income now complements

multiple occupations that are precarious and insufficient, and, in general, also marginal to wage labor.

Small-scale production is experiencing massive deterioration. This is the transition of subsistence peasantry to infra-subsistence peasantry, even its extinction, in order to transform it into a heterogeneous sector. It is physically located in the countryside, but it is otherwise difficult to locate or characterize due to the temporary character of this population's occupations, their mobility and diversity.

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