





This is to certify that the

dissertation entitled

State Divestment, Reprivatization, and Peasants:

Dialectical Transformations within the Mexican Sugar
Sector

presented by

Donna Lynn Chollett

has been accepted towards fulfillment
of the requirements for

PhD degree in Anthropology

Major professor

Date 4/6/94

LIBRARY Michigan State University

PLACE IN RETURN BOX to remove this checkout from your record.
TO AVOID FINES return on or before date due.

| DATE DUE | DATE DUE | DATE DUE |
|--------------------|----------|----------|
| SEP 25 1996 302 | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

**STATE DIVESTMENT, REPRIVATIZATION, AND PEASANTS:
DIALECTICAL TRANSFORMATIONS WITHIN THE MEXICAN SUGAR SECTOR**

By

Donna Lynn Chollett

A DISSERTATION

**Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of**

DOCTOR OF PHILOSOPHY

Department of Anthropology

1994

ABSTRACT

STATE DIVESTMENT, REPRIVATIZATION, AND PEASANTS: DIALECTICAL TRANSFORMATIONS WITHIN THE MEXICAN SUGAR SECTOR

By

Donna Lynn Chollett

The last decade has seen a critical reassessment of the role of the state in economic development, accompanied by substantial economic restructuring of Third World economies. One of the most profound manifestations of this transformation is the process of privatization. The sale of Mexico's state-owned sugar mills to private capital marks a historical turning point for the sugar sector and provides an opportunity to analyze the impact of privatization on rural communities, as peasants adjust to the changing structure of production and renegotiate their relationship with the Mexican state and the reprivatized sugar mill. The research examines reprivatization through a political economy approach, incorporating several levels of analysis: 1) international and national policies affecting the sugar sector; 2) regional sugar mill policies; 3) collective organization of the regional cane producers' union; and 4) strategies of production and resistance utilized by peasant households.

Anthropological research was conducted in two peasant villages in the sugar-producing region of Colima, Mexico. Structured interviews with a sample of 100 peasant producers provided data on household economics, how reprivatization of the sugar mill affects peasant production, changing agricultural practices and strategies, and participation in the regional cane producers' union. Sample data were supplemented by interviews and data gathering in various agrarian offices, the sugar mill, and the

producers' union. The sugar mill provided annual records (1986-1991) of costs of production, profits, and debts for all cane producers of the research villages, which were utilized to compare the pre-privatization and post-privatization periods.

Reprivatization has made a significant initial impact on the region of study. Contrary to the expectations of privatization, productive efficiency has declined due to lack of investment in the sugar mill. Cane producers face spiraling costs, increasing debts, and are abandoning cane production in substantial numbers. Given structural limitations placed on the union's collective mobilization for a price increase, producers who persevere in the production of cane select a variety of strategies of resistance as they confront reprivatization of the sugar sector.

Copyright by
DONNA LYNN CHOLLETT
1994

DEDICATION

To my son, Todd, who endured a year of courageous struggle
while I was away in the field.

ACKNOWLEDGMENTS

I wish to extend deep gratitude to the Saucedo family for their loving and caring support as my host family during my first fieldwork season in 1984, and again in 1990-91. This gratitude extends as well to the many people of Ocotillo, Chiapa, and surrounding villages who not only collaborated with the researcher by providing data and insights into the joys, sufferings, triumphs, and struggles of the "other", but also extended to me their genuine and enduring friendship. Special thanks go to Teresa Saucedo Vizcaíno who dedicated many hours, through thick and thin, as my research assistant. I wish to acknowledge those who served on my guidance committee: Scott Whiteford, as committee chair, Helen Pollard, Bill Derman, and Jeff Riedinger. I am indebted for their support and the time they dedicated to reading this dissertation. To Leigh Binford I remain appreciative of the many hours of advice during my preparation for the field, and continued support while I was engaged in fieldwork.

During the fieldwork period, I was a visiting investigator with the Colegio de Michoacán, Zamora, Michoacán. I thank the Colegio for their support and for making their library and research facilities available to me. This material is based upon work supported by the National Science Foundation under Grant No. 49975. The government has certain rights in this material. Any opinions, findings, and conclusions or recommendations expressed in this material are those of the author and do not necessarily reflect the view of the National Science Foundation. Financial support for the research was also provided by the Fulbright Graduate Study Abroad Program, managed through the Institute of International Education, and by the Inter-American Foundation.

TABLE OF CONTENTS

| | |
|--|----|
| LIST OF TABLES | ix |
| LIST OF FIGURES | xi |
| I. INTRODUCTION | 1 |
| Statement of the Research Problem | 1 |
| Background to the Research Problem | 3 |
| Research Objectives | 4 |
| II. THEORETICAL AND CONCEPTUAL FRAMEWORK | 11 |
| Political Economy | 12 |
| Levels of Analysis | 15 |
| The Global Transformation of Production | 17 |
| The Peripheral State and Peasants | 21 |
| Dialectical Relationships at the Regional Level | 25 |
| Forms of Production Within the Peasant Community | 32 |
| Production and Reproduction of the Peasant Household | 35 |
| III. METHODOLOGY AND PROCEDURES | 38 |
| Selection of the Research Site | 38 |
| The Sampling Frame | 39 |
| Research Procedures | 40 |
| Participant Observation | 40 |
| Structured Interviews | 42 |
| Oral Histories | 45 |
| Archival Data | 46 |
| Data Analysis | 47 |
| IV. THE RESEARCH SETTING | 49 |
| The State of Colima | 49 |
| The Region of Ingenio Quesería | 54 |
| The Research Communities | 59 |
| The Research Sample | 65 |

| | |
|--|-----|
| V. HISTORY OF THE SUGAR SECTOR | 67 |
| Historical Change Within the Sugar Sector | 68 |
| The Colonial Period | 69 |
| Independence | 76 |
| Post-Revolutionary Changes | 79 |
| Statization of the Sugar Industry | 85 |
| Historical Change Within the Research Region | 93 |
| Colonial Colima | 93 |
| The Independence Period in Colima | 96 |
| The Post-revolutionary Period in Colima | 101 |
| The Period of State Control of the Quesería Mill | 108 |
| VI. PRIVATIZATION | 111 |
| The Global Context of Privatization | 112 |
| Privatization in Mexico | 117 |
| NAFTA | 120 |
| State Policy on Privatization | 123 |
| Reprivatization of the Sugar Sector | 128 |
| FINA, S.N.C. | 138 |
| Azúcar, S.A. | 144 |
| The Decreto Cañero | 147 |
| Social Contradictions of Reprivatization | 150 |
| VII. COLLECTIVE ORGANIZATION | 155 |
| Development of the Cane Producers' Union | 156 |
| Mobilization of the Cane Producers' Union | 167 |
| Peasant Evaluation of Collective Mobilization | 180 |
| Privatization and the Restructuring of Relationships | 195 |
| Alternative Collective Strategies | 204 |
| VIII. THE REGIONAL CONTEXT OF REPRIVATIZATION | 212 |
| Grupo Beta San Miguel | 213 |
| Policy and Reprivatization | 215 |
| Regional Transformations | 220 |
| Field | 221 |
| Factory | 235 |
| Outcome of Liquidation | 244 |
| Price | 244 |
| Costs | 247 |
| Debts | 256 |
| Peasant Evaluation of the Transformation of Production | 259 |
| IX. THE LOCAL CONTEXT OF REPRIVATIZATION | 272 |
| The Peasant Community | 273 |
| Household Production and Reproduction | 280 |
| The Peasant Household | 280 |
| Forms of Production | 281 |
| Transformations in the Production System | 284 |
| Changing Production Strategies | 284 |
| Factors Influencing Production Strategies | 289 |
| Individual Strategies of Resistance | 311 |

| | |
|---|----------------|
| X. CONCLUSIONS | 324 |
| Political Economy | 324 |
| Neoliberalism and the Internationalization of Capital | 327 |
| The Peripheral State, Peasants, and Capital | 333 |
| Hegemony and Resistance | 336 |
| Collective Resistance | 337 |
| Individual Forms of Resistance | 338 |
| Considerations for the Future | 339 |
| APPENDIX A. Equipment of Ingenio Quesería | 342 |
| APPENDIX B. Interview Schedules | 344 |
| APPENDIX C. Mill Worker's Account of Changes in the Sugar Mill | 353 |
| APPENDIX D. Liquidation Documents | 355 |
| APPENDIX E. Table 54. Change in Hectares of Cane by Individual Producer | 359 |
| LIST OF REFERENCES | 360 |

LIST OF TABLES

| | | |
|-----------|---|-----|
| Table 1. | Sugar Imports and Exports, 1982-89 | 92 |
| Table 2. | Crop Production in Colima, 1945-52 | 106 |
| Table 3. | Ownership of Mexican Sugar Mills | 131 |
| Table 4. | Reasons for the Failed Strike | 183 |
| Table 5. | Origin of Decisions in UNPCA | 187 |
| Table 6. | Ability to Unite | 188 |
| Table 7. | Benefits of UNPCA Membership | 189 |
| Table 8. | Ability of Organizations to Resolve Problems | 190 |
| Table 9. | Problems of UNPCA | 190 |
| Table 10. | Changing Relation Between the Sugar Mill and UNPCA Since Privatization | 196 |
| Table 11. | Changing Role of the State Since Privatization | 197 |
| Table 12. | To Whom Cañeros Should Make Demands | 198 |
| Table 13. | Who Is To Blame For Problems of Cañeros | 199 |
| Table 14. | Support Given to Cañeros | 202 |
| Table 15. | Evaluation of Progress | 203 |
| Table 16. | Origin of Cane Cutters | 224 |
| Table 17. | Problems of the Harvest | 229 |
| Table 18. | Field Yield | 232 |
| Table 19. | Opinion of the Modernization Program | 233 |
| Table 20. | Factory Efficiency | 237 |
| Table 21. | Annual Price Increases for Sugar Cane | 245 |
| Table 22. | Costs of Production Before and After Privatization | 249 |
| Table 23. | Annual Increase in Costs of Production and Harvest | 250 |
| Table 24. | Interest Rates on Machinery and Cultivation | 250 |
| Table 25. | Interest Rates on Fertilizer | 251 |
| Table 26. | Costs of Production in the Zone of Ingenio Quesería | 252 |
| Table 27. | Changing Costs of Production | 254 |
| Table 28. | Proportion of Cañeros Within the Production Zone Owing Debts to the Mill | 256 |
| Table 29. | Proportion of Net Debt and Profit Relative to Income Credit | 257 |
| Table 30. | Initiation of the Crisis in the Cane Sector | 262 |
| Table 31. | Blame For the Crisis in the Cane Sector | 263 |
| Table 32. | Disadvantages of the Sale of the Sugar Mill | 265 |
| Table 33. | Relationship of Peasants to the Sugar Mill | 267 |
| Table 34. | Number of Cane Producers | 268 |
| Table 35. | Changes in Land Use and Production | 269 |
| Table 36. | Quality of Life | 274 |
| Table 37. | Relative Economic position | 274 |
| Table 38. | Opportunity to Improve | 276 |
| Table 39. | Net Household Income, 1990-91 | 277 |

| | | |
|-----------|---|-----|
| Table 40. | Index of Material Wealth | 278 |
| Table 41. | Changes in Production Strategies, 1986-1991 | 285 |
| Table 42. | Cane Producers, Hectares and Tons of Cane, 1986-1991 | 288 |
| Table 43. | Most Important Crop | 289 |
| Table 44. | Identification of Agricultural Problems | 293 |
| Table 45. | Mean Costs of Production per Hectare | 304 |
| Table 46. | Average Net Earnings per Hectare | 304 |
| Table 47. | Costs as a Proportion of the Value of the Crop | 305 |
| Table 48. | Percent Change in Costs as a Proportion of the Value of the Crop, 1985-86 to 1990-91 | 306 |
| Table 49. | Mean Debt per Producer, 1985-86 to 1990-91 | 307 |
| Table 50. | Average Relative Contribution of Crops to Total Crop Income | 309 |
| Table 51. | Disadvantages of Cane Production, 1984 | 312 |
| Table 52. | Disadvantages of Cane Production, 1990 | 312 |
| Table 53. | Reasons for Continuing With Cane Production | 316 |
| Table 54. | Change in Hectares of Cane by Individual Producer | 359 |

LIST OF FIGURES

| | | |
|------------|--|-----|
| Figure 1. | Map of Mexico | 50 |
| Figure 2. | Map of the State of Colima | 50 |
| Figure 3. | Map of the Supply Zone of Ingenio Quesería | 56 |
| Figure 4. | Map of the Ejido Lands | 64 |
| Figure 5. | Sale of State-operated Enterprises in Mexico | 127 |
| Figure 6. | Sale of Mexican Sugar Mills | 131 |
| Figure 7. | Costs of Cane Production as a Percentage of the Value of Cane | 255 |
| Figure 8. | Changes in Land Use | 287 |
| Figure 9. | Peasant Evaluation of Agrarian Agencies | 303 |
| Figure 10. | Percent of Net Income Contributed by Crops | 310 |

I. INTRODUCTION

Statement of the Research Problem

A significant paradigmatic change is sweeping the globe, fostering a historical dissonance between neoliberal¹ ideology and praxis and the social reality emerging in much of the Third World (Ibarra 1990). As criticism developed over the predominant role played by Third World states in guiding economic development, a series of ideological notions has passed from vogue: "state paternalism", "government subsidies", "protectionism", and the "parastatal enterprise". In its place, the international and national bourgeoisie have resurrected from classical economic theory another set of antithetical constructs: "the free market", "modernization", "economic efficiency", and "deregulation". This shift in theory and praxis was given major impetus by IMF and World Bank policies aimed at restructuring Third World debt, requiring debtor nations to open their economies to foreign investment, to reduce government subsidies, and to sell state-operated enterprises (Redclift 1987).

One of the most profound manifestations of this transformation is the process of privatization. Privatization in Mexico is a strategic response to convergent pressures of international financial institutions, on the one hand, and a reorientation of national development policy, on the other, to confront the growing debt crisis during a period of economic recession. As a keystone of structural reform, privatization has affected more than 800 parastatal firms in Mexico, among them banks, mines, airlines,

¹"Neoliberal" is the term used in Latin America to refer to policies of deregulation, laissez faire economics, and privatization. In the U.S., "neoconservative" is applied to these policies characteristically considered as "Reaganomics".

communications, and sugar mills. The recent and extensive state divestment and sale of Mexican sugar mills to private capital provides a test case for analysis of the dialectical process of transformation that accompanies privatization.

There are several reasons why the Mexican sugar sector is particularly suitable for analysis. The sugar sector in Mexico, largely a private domain until the 1970s, has always been subject to a substantial degree of state intervention and control. Sugar, as a world market commodity, has historical roots that extend back to the early colonial period in Mexico. State policy ensured access to important resources, such as land, labor, and capital to private sugar entrepreneurs, thus guaranteeing capital accumulation among the rural elite. Consolidation and concentration of production by sugar haciendas after independence created conditions which led Mexican peasants to play a major role in the Mexican revolution. The subsequent agrarian reform returned land to peasants, culminating in a major restructuring of the relations of production. The state has intermittently intervened during periods of crisis to preserve the economic viability of the sector and maintain political stability in rural areas; this process is clearly present in the statization of the sugar sector in the 1970s. As providers of raw material to a capitalist industry, peasant cane producers were organized into government-controlled unions, forming an organic relationship between peasants and state-owned sugar mills. This relationship was maintained until 1988, when the decision was made to reprivatize the industry. Reprivatization of the sugar industry portends a reconcentration of resources by sugar industrialists, which may require a renewal of state measures of control.

The sale of all 49 state-owned sugar mills from 1988 to 1992--mostly to national and transnational corporations--has weakened the state-peasant relationship, creating a potential for political conflict. This change in ownership of Mexico's oldest and largest agroindustry, employing 128,000 cane producers, 97,386 harvesters, 69,146 mill workers, employees, and transport personnel (Paré et al. 1987), marks a historical

[illegible]

turning point for the sugar sector. It is within this sector that state divestment and the redrawing of direct peasant-capital relations of production should prove significant in the ensuing transformative process. The consequences of this radical change for rural communities as they adjust to the new structure of production have not, until now, been systematically analyzed.

Background to the Research Problem

Reprivatization comes in the wake of 30 years of state encroachment into the sugar industry, having been fostered by a crisis of profitability which began in the late 1950s. A freeze on the domestic price of sugar from 1958 to 1970 and a drop in the price of sugar on the world market in the 1960s led private mill owners to decapitalize their operations. In order to prevent the loss of foreign exchange and to avert an economic crisis in the countryside, the state intensified its intervention in the industry and eventually assumed ownership of failing sugar mills. By 1975, 56 of Mexico's 62 sugar mills had been incorporated into the state sector (del Villar 1976; Purcell 1981).

Due to the inefficiency of state-operated mills and a substantial increase in the domestic demand for sugar, by 1976 the sugar sector could no longer meet the needs for internal consumption and Mexico was forced to become a net importer of processed sugar. Although the state maintained a low domestic price for sugar, it did so at the cost of tremendous subsidies to the sugar sector (del Villar 1976; Purcell 1981). State investment in the modernization of its sugar mills during the 1980s was predicated on the need to achieve self-sufficiency, restore Mexico's position as a sugar exporter, and prevent destabilization of the peasant sector. These subsidies were sustained until 1988 when, in response to the economic crisis, Mexico's past president, Miguel de la Madrid, made a decision to divest and decontrol the sugar industry.

Although the state retained the right to set domestic sugar prices and continues to

finance credit to the sugar sector, reprivatization is accompanied by major changes in credit delivery and the structure of production, with important consequences for producers' incomes and the relation of producers' unions to the mill. During the period of state control, the national-level cane producers' union was often successful in resolving local conflicts between producers and sugar mills to the benefit of producers; however, private investors are less amenable to negotiate producers' demands when resolutions negatively affect profits. The withdrawal of the state from direct control and the increase in capitalist penetration of the sugar industry signaled the urgency to investigate the economic, social, and political ramifications and peasant responses to transformations within the sugar sector. Not only is Mexico's economic crisis requiring the withdrawal of state subsidies to peasant production, but the state is simultaneously encountering serious challenges to its political legitimacy. Situation of the research problem in this context raises a significant question: will the transfer of control of this major agroindustrial complex undermine political stability of the rural sector?

Research Objectives

The objective of the research is to examine reprivatization of the sugar sector in relation to: 1) global policies, both international and national, that are restructuring the organization of production within the sugar sector; 2) regional sugar mill policies affecting peasants' access to production resources and the relationship between the producers' union and the sugar mill; 3) changes in production strategies and forms of resistance within peasant communities; and 4) changes in production and reproduction of peasant households. The research utilizes a political economy approach and incorporates various levels of analysis, acknowledging the dynamic interrelationship of peasants with local, regional, and global histories and processes.

Major policy changes such as the Brady Plan, aimed at structural reform, the North

American Free Trade Agreement between the U.S. and Mexico, and the creation of more profitable enterprises through privatization are linked into a neoliberal paradigm that seeks modernization and economic efficiency. Implicit in these new directions is the assumption of an intrinsic harmony between economic and social goals (Ibarra 1990). Mexican public policy, as seen in the Plan Nacional de Desarrollo (1989-94), PECE (Pacto para la Estabilidad y el Crecimiento Económico), and the Convenio de Reestructuración del Sector Azucarero, directly reflect the demands of the IMF and the economic goals of Mexico's neighbor to the North (Paré 1990). Investigation into the extent to which these national policies influence the distribution of resources and foment the concentration of wealth at the cost of greater social inequality constitutes one of the objectives of the research.

A second objective is to identify, within the regional supply zone of the sugar mill, Ingenio Quesería, changes in the distribution of resources such as credit, agricultural inputs, equipment, and price benefits, and how access to these resources influences producers' strategies. Ingenio Quesería forms a discreet entity through which production is organized on a regional basis. It is at the regional level that new systems of management are restructuring the organization of production and upon which new relations of production are emerging. Is there greater or lesser equity in access to resources since privatization? Does reprivatization encourage monocrop production of sugar cane, or rather, crop diversification? Are producers seeking alternatives to cane production? The pre-privatization (1986-1988) and post-privatization (1989-1991) periods are compared to illuminate regional-level changes.

A third objective of the research is to investigate the dialectical relationship which involves ongoing negotiation and renegotiation between peasant unions, the state, and private capital. Concern with the shifting balance of political power requires a regional focus, since it is at the regional level that cane producers' unions articulate peasant

2000
1999
1998
1997
1996
1995
1994
1993
1992
1991
1990
1989
1988
1987
1986
1985
1984
1983
1982
1981
1980
1979
1978
1977
1976
1975
1974
1973
1972
1971
1970
1969
1968
1967
1966
1965
1964
1963
1962
1961
1960
1959
1958
1957
1956
1955
1954
1953
1952
1951
1950
1949
1948
1947
1946
1945
1944
1943
1942
1941
1940
1939
1938
1937
1936
1935
1934
1933
1932
1931
1930
1929
1928
1927
1926
1925
1924
1923
1922
1921
1920
1919
1918
1917
1916
1915
1914
1913
1912
1911
1910
1909
1908
1907
1906
1905
1904
1903
1902
1901
1900

interests and demands and at which collective action is concentrated. The transition from a diadic, peasant-state relationship to triadic interrelations among peasants, the state, and capital have increased the complexity of the negotiation process. Of interest is how these changes aid or abet the peasant struggle for fair prices, favorable work conditions, and producer benefits. Does this struggle lead to alternative collective strategies such as the formation of independent unions? The efficacy of emerging strategies are of utmost importance for the assessment of regional-level initiatives in the face of important transitions within the sugar sector.

The fourth objective consists of the analysis of economic constraints to agricultural production, through a comparative study of the predominant crops in the region and how factors such as prices, credit, access to resources, and markets shape decision making among peasant producers. Cane producers operate within a production system of economic, social, and political factors that have relevance to the variety of crop and/or cattle complexes that form the basis of individual agricultural exploitation. As privatization of the sugar mill affects access to resources, and in turn, production strategies, the degree to which changing production strategies contribute to household production and reproduction is investigated. Must peasant households increasingly rely on the sale of their labor power since reprivatization? Or rather, has reprivatization provided the basis for capital accumulation among peasant cane producers? The worldwide scope of privatizations throughout the Third World makes these questions particularly relevant to consideration of the destiny of peasant producers as they confront the impact of these global transformations.

This dissertation is divided into ten chapters dealing with theoretical, methodological and substantive issues of the research. Chapter II, following this introduction, will take up the theoretical and conceptual framework that is utilized for analysis. This chapter explains the rationale for incorporating various levels of analysis. Beginning with a

global focus, a theory of the internationalization of capital helps to illuminate the transformation of production that has accompanied reprivatization. The chapter takes up discussion of the nature of the peripheral state which is relevant to the restructuring of relations of production. Theoretical questions are raised as to the significance of the weakening relationship between peasants and the state as privatization has decreased the state's ability to subsidize peasant production. The chapter addresses differing theoretical orientations to the issue of resistance and formulates a political economy approach which remains sensitive to issues of structure and agency. It argues that conceptualization of "peasant", requires specification of the forms of production to better understand the diverse economic and political strategies of a differentiated peasantry. Finally, the chapter will address the theoretical import of the peasant household, as a unit of production and reproduction, for elucidating processes of capital accumulation and mechanisms of surplus extraction.

Chapter III outlines the methodology and procedures used in conducting the research. The rationale for selection of the research site is explained, as well as the strategy for selecting a research sample for the interview process. Research procedures including participant observation, structured interviews, oral histories, collection of archival data, and data analysis are described.

Chapter IV introduces the reader to the research setting. The state of Colima forms an entity that is tied to the central government through the political structure of PRI. Selected political, economic, and geographical data situate this state within the broader national scene. The research focused on the northeast portion of Colima, in the production zone of Ingenio Queserfa. As a discreet economic entity, this zone and the economic, social, and political features of the region and the sugar mill are described. Within the research region, two communities were selected for anthropological fieldwork. The chapter elucidates salient geographic, demographic, economic, and occupational

features of these two villages and describes characteristics of the research sample (n=100) selected for intensive interviews.

Chapter V covers the historical background of the sugar industry, thus providing an essential perspective for understanding historical transformations within the sugar sector. This chapter argues that throughout its history, even during periods of private control, the state has played a significant role in the sugar sector. The chapter focuses on dialectical relations of power through four broad periods: the colonial period, 2) independence, 3) the post-revolutionary period, and 4) the period of state control. Sugar cane was introduced early in the colonial period and sugar cane haciendas provided the organizational structure for much of rural life in the post-colonial period. The Mexican revolution erupted from an important sugar-producing region, which remained a center of peasant resistance. The post-revolutionary period saw the creation of the political system that continues to incorporate peasants into the organizational structure of the state. The peasant-state relationship was particularly strengthened when the state assumed ownership of Mexican sugar mills. The advent of the privatization of the sugar industry makes this relationship increasingly tenuous. The chapter concludes with the historical background for the research region, giving particular emphasis to oral histories, as well as both published and unpublished historical documents on the production zone.

Chapter VI presents the global context of privatization. The chapter critiques the neoliberal program which makes privatization a key component of economic restructuring. It then addresses how the privatization process within Mexico articulates with NAFTA and the role of national development policy. The chapter focuses on reprivatization of the sugar sector, indicating how the vertical and horizontal integration of the industry have contributed to the concentration of economic wealth and power. Policies of two important parastatal organizations, FINA and Azúcar, S.A., are considered, along with modifications to the Decreto Cañero. The chapter concludes with

an analysis of the social contradictions wrought by state withdrawal and reprivatization.

Chapter VII turns to collective organization at the regional level. A brief background on the National Peasant Confederation sets the stage for analysis of the mobilization of the producers' union during the 1990 harvest season. Implications for the outcome, or lack thereof, of the producers' strike are considered and compared with strategies for mobilization taken by an alternative, independent producers' organization.

The regional context of reprivatization is the subject of chapter VIII. Analysis is directed toward Grupo Beta's policies for restructuring the privatized mill and reorganization of the production process. The policies are shown to be incongruent with actual outcomes. Regional transformations that have resulted from privatization are evident for both factory and field, with significant results for the economic outcome of the harvest. The results of annual account balances for producers, in terms of price, costs, and debts, are analyzed in detail. The chapter concludes with peasants' own evaluations of these changes.

Chapter IX focuses on the peasant community, providing the local context of reprivatization. It commences with the subjective evaluation of sample members concerning their changing economic status within the community and corroborative results from data analysis. The complex nature of household economics, forms of production, and land tenure characteristic of the sample and transformations in the production system support the necessity of taking into account the differentiated nature of the peasantry. The chapter considers the institutional factors that limit access to resources through a comparative analysis of the various components of the production system. Finally, it concludes with an analysis of the individual forms of peasant resistance. Throughout chapters VII through IX, peasant discourse is incorporated to elucidate the culturally constructed meanings and how they are acted upon, in congruence with the theoretical orientation of an ideologically sensitive political economy.

The dissertation concludes with chapter X, which formulates conclusions based on field research results.

II. THEORETICAL AND CONCEPTUAL FRAMEWORK

Reprivatization of Mexico's oldest and largest agroindustry, upon which tens of thousands depend for employment, represents a historical apogee in the changing relationship between the state, private capital, and peasants. As economic restructuring demands withdrawal of state subsidies to peasants, it is undermining an important base of support to a weakening political system. Yet, the new political strategy to promote capitalist penetration of the sugar sector threatens to propel the sugar industry into bankruptcy. This dissertation theoretically addresses reconfiguration of the organic relationship between peasants and the state and analyzes the substantive impact of this process on the lives of sugar cane producers and their strategies to cope with reprivatization.

Presentation of the theoretical and conceptual framework begins with the rationale for a political economy approach and an argument for what I believe to be a viable contemporary marxism in a postmodernist age. Once the tenets of this theoretical framework are defined, the chapter focuses on six related areas of theoretical concern.

1) **Levels of analysis:** I contend that the dynamic interrelationship among the global, regional, local, and household levels is of crucial analytic importance in a context that integrates peasants and their communities into a capitalist agribusiness transformed by international and national policies. 2) **Global transformation of production:** I will critique neoliberal ideology and the internationalization of production that accompany the privatization process and indicate the contradictions between official policy and social conditions as they are expressed in the Mexican countryside. 3) **The peripheral state**

II. THEORETICAL AND CONCEPTUAL FRAMEWORK

Reprivatization of Mexico's oldest and largest agroindustry, upon which tens of thousands depend for employment, represents a historical apogee in the changing relationship between the state, private capital, and peasants. As economic restructuring demands withdrawal of state subsidies to peasants, it is undermining an important base of support to a weakening political system. Yet, the new political strategy to promote capitalist penetration of the sugar sector threatens to propel the sugar industry into bankruptcy. This dissertation theoretically addresses reconfiguration of the organic relationship between peasants and the state and analyzes the substantive impact of this process on the lives of sugar cane producers and their strategies to cope with reprivatization.

Presentation of the theoretical and conceptual framework begins with the rationale for a political economy approach and an argument for what I believe to be a viable contemporary marxism in a postmodernist age. Once the tenets of this theoretical framework are defined, the chapter focuses on six related areas of theoretical concern.

- 1) **Levels of analysis:** I contend that the dynamic interrelationship among the global, regional, local, and household levels is of crucial analytic importance in a context that integrates peasants and their communities into a capitalist agribusiness transformed by international and national policies.
- 2) **Global transformation of production:** I will critique neoliberal ideology and the internationalization of production that accompany the Privatization process and indicate the contradictions between official policy and social conditions as they are expressed in the Mexican countryside.
- 3) **The peripheral state**

Political economy has been appropriated from the works of Karl Marx and applied in the disciplines of economics, political science, social science, and anthropology. The diversity of its application suggests its heuristic value in addressing complex issues. Political economists today largely reject the reductionism and economic determinism of earlier Marxists, who modeled their theories after the structural-systemic approach of Althusser and Balibar (1970). Corrections to the epistemological reification inherent in the works of these earlier Marxists were first made by Gramsci (1971), Williams (1977), and Cleaver (1979), who introduced more dialectically sensitive issues of hegemony, ideology, and power.

Within the discipline of anthropology, postmodernists have turned to issues of hegemony and ideology (Comaroff 1982; Laclau and Mouffe 1985; Ortner 1984), and of structure and agency (Adas 1986; Giddens 1979; Isaacman 1993; Scott 1985; Watts 1988). Most of these latter efforts, however, have done so in a post-Marxist fashion, setting aside the structural features of Marxist theory, such as class relations within the mode of production. Peasants, however, are situated in structures of power and domination represented by the state and capitalist system, particularly within the agribusiness of the sugar industry. An ideologically sensitive political economy synthesizes concerns with human agency and the structural relations of production inherent in the peripheral capitalist mode of production.

Yet, human agency is also present within changing political regimes of the state and with the entry of new private owners of the sugar mills. The state utilizes ideology and creates alliances to assert its hegemony, while private capital puts into place policies to ensure reproduction of the capitalist mode of production. I contend that through dialectical interaction, peasants create spaces of power through the cultural production of ideas and their emergent strategies of resistance against these hegemonic forces. Power emerges from peasant ideology, in material forms of discourse, and collective and

Political economy has been appropriated from the works of Karl Marx and applied in the disciplines of economics, political science, social science, and anthropology. The diversity of its application suggests its heuristic value in addressing complex issues. Political economists today largely reject the reductionism and economic determinism of earlier Marxists, who modeled their theories after the structural-systemic approach of Althusser and Balibar (1970). Corrections to the epistemological reification inherent in the works of these earlier Marxists were first made by Gramsci (1971), Williams (1977), and Cleaver (1979), who introduced more dialectically sensitive issues of hegemony, ideology, and power.

Within the discipline of anthropology, postmodernists have turned to issues of hegemony and ideology (Comaroff 1982; Laclau and Mouffe 1985; Ortner 1984), and of structure and agency (Adas 1986; Giddens 1979; Isaacman 1993; Scott 1985; Watts 1988). Most of these latter efforts, however, have done so in a post-Marxist fashion, setting aside the structural features of Marxist theory, such as class relations within the mode of production. Peasants, however, are situated in structures of power and domination represented by the state and capitalist system, particularly within the agribusiness of the sugar industry. An ideologically sensitive political economy synthesizes concerns with human agency and the structural relations of production inherent in the peripheral capitalist mode of production.

Yet, human agency is also present within changing political regimes of the state and with the entry of new private owners of the sugar mills. The state utilizes ideology and creates alliances to assert its hegemony, while private capital puts into place policies to ensure reproduction of the capitalist mode of production. I contend that through dialectical interaction, peasants create spaces of power through the cultural production of ideas and their emergent strategies of resistance against these hegemonic forces. Power emerges from peasant ideology, in material forms of discourse, and collective and

212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

individual action. These, then, are vital elements in a contemporary political economy for a postmodernist era.

The theoretical basis of this dissertation draws on Roseberry (1993, 1989, 1988), who insists that political economy must recognize the dialectical interplay of concepts generally framed in polar opposition: global-local; determination-freedom; structure-agency. These oppositions, Roseberry warns, require that one avoid "making capitalism too determinative...romanticizing the cultural freedom of anthropological subjects. The tension defines anthropological political economy, its preoccupations, projects, and promise" (1988:174). My own application of a more efficacious political economy will equally privilege structure and agency.

A second theoretical issue in regard to a viable theoretical framework is the practical relevance of the activities of human agents to processes of transformative change, such as privatization of the sugar industry. In this dissertation, I argue that hegemonic forces both have an impact on rural dwellers and are contested--ideologically and in practice--by peasants. My position is that the culturally produced understandings, ideologies, organized confrontations, and individual attempts to create spaces of power are of theoretical import. They represent historically constituting contradictions inherent in dialectical relations of production. In the vast arena between proletarianization and revolution, the subjects of theoretical abstraction daily recognize and experience their role in the larger processes of transformation.

Third, I take history as basic to political economy. Roseberry points out that a political economy approach attempts to understand "local communities as products of centuries of social, political, economic, and cultural processes...." He explains, "...the goal of historical investigation was not to subsume local histories within global processes but to understand the formation of anthropological subjects...at the *intersection* of local interactions and relationships and the larger processes of state and empire making"

(1988:163). Chapter V will raise the issue of why sugar, as a commodity, is historically central to the constitution of relationships among the state, peasants, and private capital. I argue that the state has been essential for ensuring the reproduction and transformation of the sugar industry throughout its history. The sugar industry was created by a colonial system, later decimated in the Mexican revolution through the resistance of peasant sugar cane producers, and recreated again by the Mexican state. This dialectical tension among a multitude of actors at multiple levels elucidates historical change in the sugar sector. Understanding these transformative processes necessitates the conceptualization of various, interrelated, levels of analysis.

Levels of Analysis

Reprivatization is closely associated with Mexico's position in the world economy, its relations with dominant capitalist economies, is expressed in class relations within Mexico, and involves strategies of resistance to these processes of social change within production regions and peasant communities. A political economy approach facilitates not only an understanding of relations between nations and the impact of capitalist penetration on local communities, but addresses class relations and, comprehensively defined, issues of political resistance and human agency as well.

It is the premise of this dissertation that the levels of analysis--global, regional, local, and household--represent multiple, dialectical interrelationships. For corroboration, I draw on Mintz (1985), Roseberry (1989, 1988), Wolf (1982), and Worsley (1984). The use of "dialectic" in this work must first be defined. Dialectic, as defined by Wessman (1981:4), is "a concept for dealing with the inherent incompatibilities or contradictions within incompletely integrated social and economic wholes". Dialectics considers phenomena to be in a process of perpetual change; that process of change is the result of a struggle between contradictory forces (Rius

1976:145). Dialectical relations between opposed forces serve to 1) reproduce the relations of production, or 2) result in transformation of the relations of production.

Mintz's historical analysis of transformations associated with sugar production shows how sugar formed the basis of the triangular trade and supported the colonial system, enriching Europe as it impoverished plantation economies. Transformations were linked to the emergence of new class relations and changes in the structure of power. This dissertation likewise demonstrates inherent class contradictions between the Spanish Crown and the *conquistador* class, and later, between the Mexican state and the new bourgeoisie capitalists. Sugar cane-producing communities are intricately linked to the world economy, mediated through a series of class relations. From Wolf's perspective, "...the common people were as much agents in the historical process as they were its victims and silent witnesses" (1982:x). Furthermore, Worsley contends that the local community and the state are not discrete spheres, but, rather, "The manor and the village were articulated to the lower levels of a State-wide political system, and it was the latter, in turn, which guaranteed the social order of the village. *It was a dialectical relationship*" (1984:85, emphasis added). Research on the sugar industry supports the multifaceted, interdigitated relationship between peasant cane producers and the state, as well as their integration into the capitalist world system. Finally, Roseberry argues theoretically for the application of a unity of structure and agency to the understanding of the structural context which stands in dialectical relationship to human action, thus locating anthropological subjects "at the intersection of local and global histories" (1988:179).

My approach is to treat the research communities in terms of the wider world of which they form an interacting part and at the same time eschew a reductionist attempt to explain local populations as a product of the expansion of the world capitalist system. Examination of the reprivatized sugar industry is thus informed by a theoretical

framework that situates local-level processes within the broader structural framework in which producers interact with, and form a part of, the state and capitalist systems. The research incorporates four levels of analysis, acknowledging the interrelationship of peasants with local, regional, and global histories and processes:

- 1) global - international and national policy changes affecting the transfer of ownership of the sugar industry and restructuring of the organization of production
- 2) regional - changes in sugar mill policies within the production zone which affect peasant production and the relationship of the regional producers' union to the sugar mill
- 3) community - changes in peasants' production strategies and forms of resistance
- 4) household - changes in household production and reproduction

Each of these levels is the subject of theoretical issues discussed in the remaining sections of this chapter. In the following section, I discuss the internationalization of production and its relationship to the sugar sector in Mexico.

The Global Transformation of Production

"Global transformation", as used herein, refers to both international and national-level changes in policy and praxis. Privatization in Mexico is but the most recent phase of the internationalization of capital. Neoliberalism, which has guided economic restructuring and the promotion of laissez-faire economic policy, is at the heart of the privatizations discussed in Chapter VI. I will draw on a theory of the internationalization of capital formulated by Barkin (1987) and Teubal (1987) to indicate how global transformations contribute to capital accumulation and affect the social organization of production within the Mexican sugar sector, yet critique those elements of the theory which are today being discarded. The general orientation of this theory rests on the notion that industrialization in the periphery is a result of the penetration of capital from the center nations. The periphery, then, plays a role in the reproduction of capital in the center, in accord with changing conditions for capital accumulation (Blomstrom and

Hettne 1984). According to the theory, capitalist penetration into the agricultural sector of Third World countries results in the vertical integration of food production systems into the agroindustrial chain, as it transforms the relations of production in the developing countries. This transformation involves not only food commodities, but the sale of farm inputs, machinery, and capital goods for an increasingly modernizing Latin American production system. Furthermore, this vertical integration was accompanied by horizontal integration as agribusinesses attempted to diversify their activities through processing, marketing, and distribution. Diversification is in part due to nationalization of foreign enterprises by governments which led many entrepreneurs to withdraw from production per se and to concentrate their efforts in these latter activities (Burbach and Flynn 1980; Teubal 1987).

I will illustrate, using concrete data, how the internationalization of capital in the Mexican sugar sector is manifested in both vertical and horizontal integration of production. Although some firms entered Mexico as early as the 1930s (Anderson Clayton, Nestlè, Quaker Oats, etc.), and the 1940s (Coca-Cola, Pepsi-Cola, McCormick), in the 1960s, 93 new MNCs began operations, especially soft drink, feed, beef, fruit, and vegetable firms. Nestlè controls almost 100% of condensed and powdered milk production in Mexico and is now a joint owner of several Mexican sugar mills. By 1975, only 16 firms, including Coca-Cola, Pepsi-Cola, and General Foods, controlled 86% of processed food production in Mexico. Of 130 firms with 300 plants in the Mexican food industry, 80% are U.S. enterprises (Teubal 1987). Sugar-producing regions have been subordinated to the needs of North American capital since the late 19th century. Most sugar mills were industrialized after World War II, a number of which were subsequently nationalized. Consequently, multinational firms turned from production (vertical integration) to processing and marketing of sugar-based products (horizontal integration) (Burbach and Flynn 1980).

5.

3.

32

W

25

10

—

2

1

11

2

—

1

2

1

9.

•

1

—

34

9

A form of "hidden transnationalization" characterized the period of state ownership, when transnational interests withdrew from production of traditional products such as sugar cane and concentrated their efforts on the supply of inputs and processing of the final product (Teubal 1987). Like other agroindustrial enterprises, the sugar industry must rely on imported technologies. Appendix A lists equipment employed in the production, harvesting, transport, and processing of sugar cane at Ingenio Quesería, the sugar mill which is the subject of this investigation, to illustrate the dependency on foreign capital technology.

With the reprivatization of the Mexican sugar industry, transnational corporations are again becoming directly involved in the production end of the process. As detailed in Chapter VI, companies such as PepsiCo and Coca-Cola have acquired a number of Mexican sugar mills, controlling significant proportions of sugar production in the country, as well as the soft drink industry. The significance of this internationalization of production for peasant cane producers forms a central theme of this dissertation.

Whether sugar mills are purchased by national or transnational corporations, capital is being reorganized according to an international model which involves increased vertical integration of the productive process into the agroindustrial chain. This transformation is manifested in imported technologies and mechanized equipment, adoption of labor management systems which emphasize technical efficiency, and the withdrawal of direct control of production by the state. Furthermore, these processes induce the breakdown of national boundaries, and deepen the international division of labor (Burbach and Flynn 1980).

It should be clear from the foregoing discussion that the theory of the internationalization of capital formulates the nature of structural relations between core and periphery, but is subject to criticism on several fronts. The premise of this dissertation contends that this theory is partial and must be seen as a corollary to

complementary theories that explain the role of the state, political factors, class relations, and peasant resistance to the process of capitalist penetration. It is imperative to take into account the state and its intervention through an array of official policies.

The national economy not only assimilates global patterns that are transforming production, but the state utilizes strategies to reshape the emerging productive structures, and formulates policies in response to resultant social unrest. As Barkin points out, "Agricultural development proceeds through a complex interaction of market pressures and government policy" (1987:273). The principle of laissez-faire confronts political realities that shape relations of production. For example, agribusinesses have materialized in those areas where the labor force is concentrated. Numerous examples indicate the presence of military intervention against unionized labor movements: the 1954 military coup in Guatemala to stamp out unrest among banana workers, a 1964 coup in the sugar-producing regions of Brazil as landowners sought to destroy peasant organizations, and the Gulf and Western complicity in destroying the sugar workers' union in the Dominican Republic in 1966 (Burbach and Flynn 1980).

In Mexico, the government in 1943 issued a decree requiring peasants to produce sugar cane for capitalist agribusiness complexes; this decree has met with repetitive resistance on the part of producers who have preferred subsistence crops, diversification, or other alternative production strategies (Ronfeldt 1973). As will be seen in Chapter IX, peasant cane producers in Mexico today are selecting alternative production strategies as a form of resistance to privatization and capitalist penetration into sugar cane production. A central research problem will be to determine how effectively private capital ensures reproduction of the cultivation of sugar cane under reprivatization and whether peasant producers cooperate through continued provision of the raw material, or alternatively, choose to reject cane production and diversify their production strategies. I will now turn to the relationship between peasants and the state.

The Peripheral State and Peasants

The state is a political institution distinguished from civil society by its legitimate control over the institutions of coercive power. Although the state becomes increasingly alienated from society, it is still an organic part of that society. Marxist theory has tended to treat the state as epiphenomenon to the economic base of the mode of production and has been particularly weak with regard to the state in non-capitalist and peripheral societies (Thomas 1984). The state, as it is treated herein, will be considered a "peripheral state" in that it exhibits characteristics which are unique to a peripheral capitalist economy.

Because the state is a primary actor in peripheral economies, enforced contraction of the role of the state in the context of economic crisis and structural adjustment has created major realignments among social classes. The nature of these relationships raises important theoretical questions: Is "modernization" of the economy compatible with an undemocratic political system? Does the state enjoy autonomy vis-à-vis the capitalist and laboring classes? As peasants' economic conditions decline with loss of distributive power on the part of the state and its retraction from the sugar industry, will the state have to resort to increasingly repressive measures of political control? Is the state apparatus sufficient to assert hegemony over the underprivileged classes, or can peasants create spaces of power through which they challenge the system? I will turn first to conceptualization of the state.

Peripheral states are often distinguished by dependent capitalist development, coercive state policies, and distinct class alliances. Most explanations for the unique development of peripheral social formations refer to a cluster of historically-derived traits: colonial heritage, a weak bourgeoisie, insufficient local capital and technology, weak markets, dependence on foreign capital, and the failure of import substitution (Canak 1984; Thomas 1984).

According to Marxist interpretations, the state functions to reproduce the mode of production of the dominant class and to contain class conflict; hence, the state becomes an autonomous force (Canak 1984; Hamilton 1982). Researchers who emphasize the authoritarian nature of the state explain that it is a ruling class response to popular mobilization. They indicate that industrial growth could be achieved only through exclusion and repression of peasants and the working class. According to this view, in providing conditions for the preservation of capitalism, the state becomes the principal agent in the exploitation of peasants, maintaining its dominance over them through creation of *ejidos*, the CNC, PRI, and the production of hegemonic ideologies which shape the relations of production (Warman 1980a).² These analyses tend to conceptualize a hegemonic, autonomous state bourgeoisie, opposed to national and international capital, as well as to the lower classes (Canak 1984), or to depict class coalitions among the economic and political elite and international capital (Hamilton 1982; O'Donnell 1973; Thomas 1984).

The characterization of corporate, bureaucratic-authoritarian states in Latin America is currently being challenged (Foweraker and Craig 1990). While some scholars describe the development of the authoritarian, corporate state in Mexico (Reyna and Weinert 1977; Thomas 1984), others explain that Mexico "did not take the bureaucratic-authoritarian turn" (Munck 1990:29). Nevertheless, Mexico represents a case within a class of peripheral states that has heretofore maintained remarkable stability by distribution of material resources, manipulation of ideological mechanisms, and control of political organizations to create support for the system (O'Malley 1986; Salinas 1984, 1982, 1980). It was the building of a corporatist state structure which demobilized

²Ejidos are lands redistributed to peasants as part of the agrarian reform. The CNC (Confederación Nacional Campesina) is the official peasant organization and PRI (Partido Revolucionario Institucional) is the dominant political party in Mexico.

peasants and the working class and contributed to Mexico's unique development. It is widely understood that the alliance of the state with the peasant movement has been an essential ingredient to Mexico's political stability (Gordillo 1988).

Based on the premise that a dialectical relationship between the state, private capital, and peasants is the key to understanding the political framework, I follow Evans (1982), Hamilton (1984; 1982), Purcell (1981), and Thomas (1984), who stress that the state is an arena for class conflict, a fact which places limits on the autonomy of the so-called "authoritarian state". The state must mediate its distributive powers between peasant and capitalist interests, both of which continue to make demands on state resources in the context of destatization of the economy. This process has involved a tenuous and shifting alliance between the state and peasants over time; when challenged, the state has had to bend to peasant interests. Purcell provides but one example of how peasant unrest moved the state to confront private capital, in support of the peasant sector, despite Mexico's "alliance for profits" between the state and private sector. In her analysis of the government takeover of private sugar mills in the 1970s she concluded, "...political stability in Mexico has been maintained because of a willingness and ability on the part of political leaders to give priority to political over economic considerations in times of perceived crisis" (1981:211). Power struggles exist in Mexico between the state and a variety of power blocks--the economic and political elite, urban and rural elite, capital and regional elite, and so forth. Thus, the state must be conceptualized so as to recognize the struggles of peasants and workers. The social and economic disruptions of capitalist penetration are softened through policies such as state subsidies to basic goods, rural credit banks, or a myriad of rural development projects.

Furthermore, the nature of the state and class conflict is molded by specific, historical situations, as will be made clear in Chapter V. At different historical junctures, the state has been forced to weaken or strengthen its alliance with any one

group. During the neoliberal period of the Porfirio Díaz dictatorship, the state supported private capital at the expense of peasants. A major revolutionary force arose among the peasantry, against the contradictions of capitalist development in the sugar-producing region of Morelos, and culminated in the overthrow of the Díaz regime. It was out of this revolution that the modern Mexican state evolved (Esteva 1983; Warman 1980b). A state-peasant alliance materialized during the 1930s as the agrarian reform resulted in the distribution of 27,750,000 hectares of former hacienda lands to peasants, eliminating the hegemony of the former landowners (Chevalier 1967). Rural unrest thus prompted a reorientation of state support to peasant production in order to counteract the contradictions of capitalist production (Austin and Esteva 1987; de Janvry 1981; Esteva 1983; Gollás and García 1976; Goodman et al. 1985). Historically, the policies of the Echeverría and López Portillo regimes focused on rural development and the growth of parastatal industries, directly threatening the state alliance with the rural bourgeoisie and transnational capital. The state cannot exclude peasants, for it would lose its base of support comprised of 30 million Mexican peasants (one-half of the population of Mexico) (Esteva 1983; Goodman et al. 1985). Since the advent of the economic crisis in 1982, and the loss of the state's distributive capacity, however, the state-peasant alliance has essentially been broken. Without material rewards, the state's primary mechanism of control is through peasant union organizations.

All official peasant unions in Mexico are incorporated into the political structure of PRI. The government and PRI in Mexico are synonymous. Cárdenas created the CNC in 1938 to consolidate the state-peasant alliance by vertically incorporating the CNC into the dominant political party. This move ensured the loyalty of peasants to the state and precluded autonomous movements outside of state control (Granados 1988; Hamilton 1984, 1882; Hodges and Gandy 1983; Landsberger 1973; Montes de Oca 1977; Rounds 1977). The capacity for peasants to mobilize and realize their demands is limited by the

fragmentation of peasant interests, the inefficacy of the CNC as a medium to press demands, and the increasing weakness of the state-peasant alliance in recent years (Hardy 1984). The increasing distance between the CNC leadership and the base membership became especially pronounced in the 1970s, creating a marked contradiction between the organization, designed to administrate through the leadership structure, and the political requirements of the state to contain peasant demands (Gordillo 1988; Granados 1988). The national sugar cane producers' union in Mexico, UNPCARM, as a political unit within the CNC, is analyzed in Chapter VII.

In sum, privatization of the Mexican sugar sector marks one historical instance, wherein the state has accorded greater amplitude to private capital and withdrawn subsidies to peasant producers. This investigation recognizes, however, that the state has always, even during periods of private control of the sugar industry, played a significant role and will continue to do so under conditions of privatization. A central research problem, given the state's loss of redistributive power, will be the mechanisms utilized to intensify its political control of cane producers' unions. A related issue of interest to this research is the nature of collective response on the part of peasant organizations. Will peasants continue to accept subjugation to state control, or will they opt for affiliation with independent organizations? This question brings us to the dialectical relations expressed at the regional level.

Dialectical Relationships at the Regional Level

Concern with the shifting balance of political power as peasants reconstitute their relationship under state withdrawal and capitalist penetration of the sugar industry requires a regional focus. It is at the regional level that peasants are organized into unions for pressing their demands and defending their interests. Within the sugar sector, the supply zone of the sugar mill forms the regional locus within which peasants of

numerous communities are organized into the cane producers' union. According to Fox (1989), regional organizations serve as a communication system linking rural communities and as a vehicle to articulate peasant interests and community level initiatives, and thus have the potential to offset the consolidation of state or capitalist power by concentrating collective action at the regional level. The cane producers' union is studied in detail in Chapter VII.

An abundant body of research has focused on the effects of state or capitalist penetration on peasants (Barkin 1987; Corbett and Whiteford 1983; Esteva 1983; Gordillo 1988; Grindle 1988; Mintz 1985; Rello 1986; Smith 1984; Taussig 1980; Warman 1980a; Wolf 1982; Worsley 1984). Anthropologists have transcended the more orthodox Marxist perspectives that deny peasants the capacity to resist state and/or capitalist encroachment, predict their inevitable disappearance in a unilinear process of proletarianization, view peasants as passive victims of surplus extraction, or consider them inserted into a transitory mode of production (see, for example, Bartra 1974; de Janvry 1981; Teubal 1987; and Worsley 1984 for these more orthodox approaches).³

How then, may peasants best be conceptualized within the specific case of the sugar sector? Peasant cane producers have alternately been perceived as a rural proletariat, semiproletariat, or even as a petty bourgeoisie; cane producers are often viewed as mere wage laborers on their own land or as renters who rent their land to the capitalist industry. I argue that they hold contradictory class locations within the peripheral

³Orthodox interpretations generally follow 1) Lenin (1974), who noted the socioeconomic differentiation of peasants into capitalist entrepreneurs, on the one hand, and wage laborers, on the other, with particular weight given to the process of proletarianization (see, for example, de Janvry 1981; Teubal 1987; Worsley 1984) or 2) the "populist" interpretations, grounded in the work of Chayanov (1966), who argued that peasants operate on a distinctive economic logic (see, for example, Esteva 1983; Warman 1980a). The former view is clear in Worsley's proclamation: "Their final elimination will obviously take a very long time. But the trend is unmistakable" (1984:166); "...today, the peasantry is finally being separated from the means of production.... The scale of this migration is such, today, that it is changing, irreversibly.... The future is an urban future" (1984:172-173). While de Janvry's concept of *functional dualism* situates peasants within the capitalist mode of production, they are seen as a source of cheap food and cheap labor; this analysis does not take peasants' strategies of resistance into consideration.

capitalist mode of production (this concept is contributed by Resnick and Wolff 1987), in that they retain control of the means of production (land), yet produce for a capitalist industry which owns the factory and machinery essential to capital accumulation and reproduction of the system.⁴ I will discuss this notion first in terms of the economic relations of production and secondly, define how they will be treated as active political agents within a hegemonic capitalist system supported by the state apparatus.

Economic relations of production. Peasant cane producers will be considered for their complex relationships to subsistence and capitalist production, without reification of the mode of production concept; as stated by Worsley, "These two types, in reality, are often interwoven in complex ways and there is much oscillation, over time, from one pole toward the other" (1984:69). Within the research region, peasants engage in multiplex forms of production, including production for use, production of commodities for the capitalist market, and wage labor; they may at the same time work for wages and employ wage laborers. Peasants may produce commodities part of the year, migrate to the U.S. to work as wage laborers another part of the year, and return to their fields in Mexico. Based on arguments of Alavi (1987), Roseberry (1978), Wasserstrom (1983), and Wolf (1982), peasant production is theoretically incorporated within the dominant mode of production. Alavi states: "...the contradiction between capital and the exploited...peasantry is now internal to the capitalist mode of production of which the peasant economy is now a part" (1987:190). I take the mode of production to include the forces of production (tools, technology, organization of production) and relations of production (social relations of appropriation among classes based on their relation to the product and the means of production)--as well as the role of the sociopolitical and ideological dimensions. Since mode of production is a theoretical tool which lacks

⁴This argument, then, leaves behind older debates stimulated by Althusser and Balibar (1970) over the "articulation of modes of production" (see, for example, Bartra 1974, O'Laughlin 1975).

historical specificity, I define the concrete social formation as the peripheral capitalist social formation of Mexico.

In this dissertation, I follow Roseberry (1978) in my analysis of the mechanisms of economic exploitation of peasants by the capitalist class. I will show in Chapter VIII that peasants are exploited by the sugar mill through the extension of credit. Production entails considerable capital investment to employ labor power and ensure reproduction, for which the mill extends credit at usurious interest rates; the crop is thus under lien of the mill and alienated from the producer as a product of the producers' labor power, therefore approximating industrial capital. Determination of the price paid for the product, deductions for production expenses, interest charges, and net profit or loss are all manifested in the same liquidation process⁵ upon termination of the harvest. Hence, peasants become exploited by capital; they are not simply a disguised proletariat, in that they maintain control over the means of production. I contend that the change from state to private ownership of the sugar mill has restructured the relations of production in important ways.

Political dimensions of production. An alternative interpretation has emerged in anthropology which holds that peasants, through the cultural production of knowledge and diverse forms of resistance, challenge their exploitation by the state and the capitalist systems. These challenges take the form of individual (Adas 1986; Comaroff and Comaroff 1987; de Certeau 1984; Isaacman et al. 1980; Kanogo 1987; Scott 1990, 1985; Stanford 1993; Taussig 1980; Throup 1987; Watts 1988) and collective (Bartra 1985; Escobar and Alvarez 1992; Foweraker and Craig 1990; Gordillo 1988; Hardy 1984; Rubio 1987; Warman 1980b) strategies of resistance used by peasants to defend their interests and influence policy.

⁵Upon termination of the cane harvest, each producer receives a *liquidation document* which itemizes the value of the cane, all costs and interest charges, and net earnings or debt owed.

Much attention is given in this work to the forms of resistance--both collective and individual--utilized by peasants in the context of reprivatization of the sugar industry. Earlier work on "everyday forms of peasant resistance" offered an important contribution to the conceptualization of peasants as active agents. However, as Roseberry (1989) points out, the "moral economy" literature tended to romanticize peasant society and dismiss the continuing forces for disorder and exploitation. Moreover, peasant communities were treated as homogenous, traditional entities. These inadequacies are rectified in this research through documentation of peasants' historical insertion into the structures of power and domination since the initiation of the sugar industry in the colonial past and the contemporary tensions and contradictory orientations to changes in the sugar sector.

Although this analysis remains critical of the moral economy dimensions of the literature on peasant resistance, it will draw on those aspects that place strategies of resistance at the center of analysis. As such, it is assumed that acts that may appear to be merely risk avoidance constitute acts of political resistance: "...the aggregation of thousands...of such 'petty' acts of resistance have dramatic economic and political effects" (Scott 1990:192). The intransigence of Columbian cane workers who burned cane fields, stole crops, refused to work, and tore down fences, as described by Taussig (1980), was a threat to the rural oligarchy. Researchers are today identifying such acts as the strategies of resistance involved in class conflict. These issues are particularly relevant with privatization of the sugar sector. My position is also supported by Stanford (1993), who examined peasant acts of resistance, which bear striking resemblance to those of cane producers in Colima: selling agricultural inputs or diverting them to other crops, appropriating credit provided by the agribusiness, and production techniques that were not in line with agribusiness policy. As in Stanford's research, the production strategies used by *cañeros* (cane producers) in Colima have reduced acreage and yields.

Will these strategies of resistance, concurrent with privatization of the ejido, encourage the sugar mill to take over the lands of indebted cañeros? With the entrenchment of neoliberalism and transnationalization of the economy, issues of how social actors assert their demands for spaces of power within the system and the responses of actors who hold hegemonic power become increasingly important.

Are these acts of resistance economic or political? intentional or non-intentional? The new social movement literature increasingly understands social action in terms of the complex interaction between structure and agency, taking into consideration the multi-dimensional nature of economic, political, and cultural forces. Eurocentric theories have tended to emphasize rational decision-making, strategy, and organizational response, whereas postmodernist thinking emphasizes the semiotic dimensions involved in the cultural constitution of collective identities (Escobar and Alvarez 1992). The position taken by this researcher, however, coincides with that of Starn:

The stolid empiricism of mainstream Anglo-American social science led to a prime concern with strategy. High-flying poststructuralism on the Continent, by contrast, lent itself to a concentration on identity. However, there is no intrinsic reason for this academic division of labor to exist (1992:93).

I will follow Escobar, who elucidates the polyvalent nature of resistance: "...contemporary social movements in Latin America have a multiple character, as economic, social, political, and cultural struggles. The boundaries and dependencies among these domains are blurred, in some cases indistinguishable" (1992:82).

In accordance with the theoretical orientation presented herein, it is argued that determination of the nature of resistance results in an artificial reification. Acts of resistance may be simultaneously economic and political, thus reductionism to these simplistic categories (i.e., base and superstructure) is herein rejected. As Scott has argued, "...material and symbolic resistance are part of the same set of mutually sustaining practices" (1990:184). Moreover, the intent of resistance is subject to

25762
 25763
 25764
 25765
 25766
 25767
 25768
 25769
 25770
 25771
 25772
 25773
 25774
 25775
 25776
 25777
 25778
 25779
 25780
 25781
 25782
 25783
 25784
 25785
 25786
 25787
 25788
 25789
 25790
 25791
 25792
 25793
 25794
 25795
 25796
 25797
 25798
 25799
 25800
 25801
 25802
 25803
 25804
 25805
 25806
 25807
 25808
 25809
 25810
 25811
 25812
 25813
 25814
 25815
 25816
 25817
 25818
 25819
 25820
 25821
 25822
 25823
 25824
 25825
 25826
 25827
 25828
 25829
 25830
 25831
 25832
 25833
 25834
 25835
 25836
 25837
 25838
 25839
 25840
 25841
 25842
 25843
 25844
 25845
 25846
 25847
 25848
 25849
 25850
 25851
 25852
 25853
 25854
 25855
 25856
 25857
 25858
 25859
 25860
 25861
 25862
 25863
 25864
 25865
 25866
 25867
 25868
 25869
 25870
 25871
 25872
 25873
 25874
 25875
 25876
 25877
 25878
 25879
 25880
 25881
 25882
 25883
 25884
 25885
 25886
 25887
 25888
 25889
 25890
 25891
 25892
 25893
 25894
 25895
 25896
 25897
 25898
 25899
 25900
 25901
 25902
 25903
 25904
 25905
 25906
 25907
 25908
 25909
 25910
 25911
 25912
 25913
 25914
 25915
 25916
 25917
 25918
 25919
 25920
 25921
 25922
 25923
 25924
 25925
 25926
 25927
 25928
 25929
 25930
 25931
 25932
 25933
 25934
 25935
 25936
 25937
 25938
 25939
 25940
 25941
 25942
 25943
 25944
 25945
 25946
 25947
 25948
 25949
 25950
 25951
 25952
 25953
 25954
 25955
 25956
 25957
 25958
 25959
 25960
 25961
 25962
 25963
 25964
 25965
 25966
 25967
 25968
 25969
 25970
 25971
 25972
 25973
 25974
 25975
 25976
 25977
 25978
 25979
 25980
 25981
 25982
 25983
 25984
 25985
 25986
 25987
 25988
 25989
 25990
 25991
 25992
 25993
 25994
 25995
 25996
 25997
 25998
 25999
 26000

interpretation. Again, Scott offers guidance on the issue of intent: "This position...fundamentally misconstrues the very basis of the economic and political struggle conducted daily by subordinate classes.... It is based on...Leninist and bourgeois assumptions of what constitutes political action" (1985:292). I will assume, after Isaacman, that for cane producers in Colima, intention is polyvalent: "Plundering may have been a way of resisting surplus extraction, of feeding an undernourished family, and of accumulating a small amount of capital" (1993:237); "...to ignore the weapons of the weak is to ignore the peasants' principal arsenal" (1993:238).

Dialectic relations are in part attributable to structural factors, yet responsive to cultural and ideological, as well as economic, forces which make up the strategies utilized by peasants as they negotiate their relationship with the state or with private capital. A dialectical approach does not presuppose that the ideal is antithetical to the material world, nor consider culture as epiphenomenal. This notion agrees with Roseberry, who contends that ideas form a part of the material conditions of life; those ideas are a product of history and in turn, serve as material forces as people act on their ideas: "...culture is constantly being shaped, produced, reproduced, and transformed by activity..." (1989:43). I use a dialectic approach, following Mintz, to emphasize process: "Culture must be understood not simply as a product but also as production, not simply as socially constituted but also as socially constituting" (Mintz 1985:14).

The intent of this dissertation is to present peasant discourse and peasant action as mutually shaping forces. I do not consider discourse as a substitute for resistance. The culturally shared ideas and acts of resistance are mutually reinforcing. Borrowing from Scott (1985), I argue that ideological dissent is manifested in strategies aimed at altering the existing power relations. The import given to peasant discourse is supported by Isaacman: "...their understanding of what they saw and understood is as important to consider as the social structures that limited their choices and options" (1993:223).

Chapters VII through IX will incorporate much of the discourse collected during fieldwork, elucidating peasants' cultural understandings of their position vis-à-vis the state, the sugar mill, and the process of privatization and illustrate how these relate to their strategies as active agents in constituting social change. The methodological problem of interpretation poses an important challenge to analysis of peasant discourse. However, as Isaacman (1993) points out, there is no authentic peasant voice, but taken together, their testimonies provide a means to reconstruct diverse experiences of the peasantry.

These diverse experiences call into question the application of "peasant" to such a differentiated group of rural dwellers. The use of this term is justified by Roseberry:

I retain the word *peasant* as a matter-of-fact way of talking about rural villagers, agriculturalists, tenants, and smallholders, making no claims and drawing no inferences about their historical trajectories, moral and ethical dilemmas, and political capacities and incapacities (Roseberry 1993:361).

Furthermore, according to Mintz:

Peasants...where the worker engages in such labor...because he owns access to land is dependent upon it, or because he has too little land of his own....Those involved in such relationships *may all be justifiably defined as peasants*...there are many peasant societies where some peasants are more 'peasant-like' than others (emphasis added) (Mintz 1974:93).

"Peasant", as used in this dissertation, is but a gloss for a variety of rural producers who are differentially inserted into the relations of production. This differentiation is treated analytically by specifying the forms of production in the research communities, to which I now turn.

Forms of Production Within the Peasant Community

One of the most exacting problems for peasant-focused research involves the application of a theoretically appropriate concept of peasants; it is also an issue which has generated considerable dissention among anthropologists. Most definitions of

peasants are similar to that of Shanin, who defines them as:

...small agricultural producers, who, with the help of simple equipment and the labour of their families, produce mostly for their own consumption, direct or indirect, and for the fulfillment of obligations to holders of political and economic power (1987:3).

Shanin (1987) identifies three difficulties with the validity of a unitary concept of peasants: 1) peasants lack homogeneity as a group and represent diverse productive strategies; 2) peasants must not be classified as a static type, but rather, considered as a process; and 3) peasants form part of the larger society. Given these conceptual difficulties, the use of "peasant" in this work lacks theoretical precision and is used only in a generic sense. How, then, may we think about peasants without reducing them to a homogenous entity? It will be argued below that conceptualization of peasants requires the analytic specification of forms of production within the dominant mode of production of the social formation and accords attention to production as a dynamic process. The forms of production introduced in analysis of this dissertation consider the different positions, ideologies, and strategies of a differentiated peasantry.

Two important extremes characterize the treatment of peasants. On the one hand, capitalist economic activity and the varied economic activities of peasants are all incorporated into a single capitalist mode of production. Deere and de Janvry, for example, hold that "Under capitalism, peasants are a transitory and differentiating class in a process of decomposition and absorption by the essential classes--proletariat and bourgeoisie--of the mode of production" (1979:610). I hold that the peasantry is differentially incorporated into the capitalist mode of production through a variety of forms of production which contributes to a diverse array of relations of production between peasants and capital. Among cane producers alone, we encounter producers who own their own land, producers with agrarian reform land, those who work their land, those who rent their cane fields to others, some who also work as renters or

sharecroppers, and others who are at the same time wage laborers. Some cañeros combine cane production with raising cattle, crops for family consumption, crops for sale on the market, or a combination of the above.

Development of an analytically rigorous framework for examining peasantries must begin with the rejection of erroneous notions such as "peasant mode of production" which treat "the peasantry" as a homogenous entity. Building on the work of Gledhill (1985), Rello (1976), and Friedmann (1980:158), who suggested that "'Peasant' must be replaced by a comprehensive and mutually exclusive set of rigorously defined concepts specifying forms of production" and the relation of the unit of production to the social formation, this research analytically differentiates peasants within the research community, according to access to land and forms of tenure, specifying the distinct positions of ejidatarios, who hold usufruct rights; private landowners, who may use their land as collateral; renters and sharecroppers, who gain access to land by payment of cash or crops and have been denied access to credit and state assistance; and agricultural wage laborers, a fully proletariat class, within the peripheral capitalist economy. Each of the forms of production is differentially affected by recent changes in the sugar sector. Cane producers are almost always ejidatarios, who maintain direct relations with the mill; sharecroppers and renters do not produce cane, but are affected by changing patterns of land use, while wage laborers experience reorganization of harvest labor and diminishing availability of labor opportunities. These dynamics are explored in Chapter IX.

This investigation also takes into account that peasants often fill several of these class positions simultaneously (e.g., ejidatario, sharecropper, wage laborer) and periodically shift among the different forms of production. Conceptualization of the form of production and relations within the dominant mode of production thus must not be reified as static "types", but rather, viewed as dynamic processes. These analytical tools are then amenable for the study of the peasant household.

Production and Reproduction of the Peasant Household

Given several decades of research which portrayed the autarky of peasant production, in 1979, Deere and de Janvry pointed out the absence of an adequate conceptual framework for analysis of peasant households. The contribution of Deere and de Janvry to this issue was particularly critical to a theoretical approach oriented toward the understanding of how peasants are inserted into the larger economy.

This research applies key variables identified by Deere and de Janvry (1979) to analysis of the peasant household. These variables are informed by three levels of analysis: 1) the organization of the peasant household; 2) mechanisms of surplus extraction involved in the relations of production; and 3) the changing class position of peasants within the social formation.

The peasant household is both a unit of production and reproduction. It produces commodities for use value and for the market in order to sustain the reproduction of the household labor force and of the means of production. The organization of the peasant household is accounted for in terms of four processes: 1) production -- ownership of the means of production (i.g., land); 2) circulation -- income from commodity sales and net income; 3) wage labor; and 4) reproduction of the unit of consumption (Deere and de Janvry 1979). Chapter IX will analyze these processes through identification of: production strategies (choice of crops, technologies), proportion of production dedicated to use value or sale, degree of involvement in wage labor, expenditure of net income, and accumulation of net income (Deere and de Janvry 1979).

The degree to which labor power is directed toward the production of use value, market commodities, sold as wage labor, or the need for out-migration forms a broad array of productive strategies within peasant communities. Whether the household must rely on the sale of its labor power or remittances as it loses access to the means of production or is capable of capital accumulation is largely determined by the mechanisms

of surplus extraction by non-producers (i.g., via markets, credit institutions, the sugar mill), manifested in the relations of production. As reprivatization of the sugar industry proceeds, a key research problem is to determine to what degree privatization increases producer costs, if credit becomes more unevenly distributed, and what economic strategies or changes in cropping patterns peasants use to respond to these changes. Once these are identified, it is the scale of reproduction that becomes the basis for analysis of household reproduction and transformation (Deere and de Janvry 1979). Reproduction (renewal of the means of production and of labor power within the production unit) and transformation (reorganization of the production process through commoditization or proletarianization), then, become the basic concepts for analysis (Friedmann 1980). It is through analysis of surplus extraction that the changing class position of peasants becomes most clearly revealed. Finally, in addition to these economic variables and in congruence with the general thesis of this research, it is argued that the relations of production are conditioned by political and ideological mechanisms, as well as economic processes.

This chapter conveyed the importance of addressing the research problem at four levels of analysis. At the global level, both international and national policy changes support the neoliberal ideology that is the basis for privatization. It was argued that peripheral capitalism is characterized by strong state-led development which effects a unique, yet dynamic, relationship between peasants and the state. The production zone of the sugar mill forms a distinct region for the organization of production and the political mobilization of cane producers. State withdrawal and capitalist penetration of the sugar industry have restructured relations of production, which are taken to be dialectic in nature. An argument was made for the cultural production of shared ideology and strategic forms of resistance utilized by peasants in the context of privatization. Within peasant communities, producers are differentiated into various forms of

production. This peasantry is taken as *process*. Finally, the chapter provided a conceptual framework for analyzing changes within the peasant household. This theoretical and conceptual framework lays the groundwork for the methodologies and procedures for carrying out the investigation.

III. METHODOLOGY AND PROCEDURES

Selection of the Research Site

During a preinvestigation from July to August, 1989, the researcher interviewed and collected data from officials of Azúcar, S.A. in Mexico City, and investigated the possibility of conducting fieldwork in the production zone of Ingenio San Sebastián, near Los Reyes, Michoacán. It was at this time that the privatization of Mexican sugar mills was in its initial stage of implementation. This mill was recommended for study due to its high productivity and strong union organization; its sale to Coca-Cola had only recently been announced (Sierra 1989). Officials at the San Sebastián mill were interviewed and potential research communities were visited. As the field season approached, however, the mills in the region had not yet been privatized. It was thus decided to return to the previously studied region of Ingenio Quesería, Colima, where the mill had been transferred to Grupo Beta San Miguel on February 9, 1989.

This decision provided several advantages. The mill was about to enter its third harvest as a privatized entity, allowing analysis of the initial impact of privatization from onset to the present date. Significant changes had occurred over the past several years, including a decline in the number of hectares of cane in the zone, from 10,569 in 1985-86 to 8,020 by 1990-91, with a corresponding loss of producers, from 1,479 to 1,373, respectively. This fact raised an important question as to how these changes might be related to the privatization process. The region provided a unique opportunity to analyze major changes in the making, in an area where little previous research has been conducted on the mill or its supply zone.

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

In addition to its position as the primary agroindustrial complex of the region, the area was selected in order to augment the current research project with data previously collected during fieldwork in 1984. This work, the basis of a masters thesis on political efficacy of agricultural production, allows the use of comparative data from five years prior to privatization, with data collected during the 1990-91 sugar cane harvest. Not only did this selection make an important contribution to longitudinal analysis, but it allowed the researcher to work within an area where rapport had already been established and communication maintained over the years since the previous fieldwork.

Whereas the 1984 fieldwork focused on the community of El Ocotillo (with a 1984 population of 584), the 1990 research was expanded to include the adjacent village of Chiapa, the two communities having a total population of 1328. These two communities may be considered representative of others in the production zone of Ingenio Quesería, although an important body of data was collected on the entire zone as well. Most producers in these communities diversify their production strategies, including the raising of cattle, sugar cane, maize, camote, jícama, and beans; few are monocrop cane producers. In addition to *ejidatarios* (recipients of agrarian reform land), a significant number of renters, sharecroppers, and agricultural wage laborers reside in the communities. The villages, then, provide ample opportunity to compare peasants who differ in terms of land tenure, production strategies, and access to land, labor, and capital. The research design utilizes an integrated set of qualitative and quantitative methodological tools and procedures to examine the impact of reprivatization of the sugar industry.

The Sampling Frame

The investigation began with a census of the two research villages using a short interview form to solicit basic demographic information such as age, sex, educational

10

122

12

551

32

2

A

22

هاتف



22

20

10

10

10

2.4

24

...

1

10

2

12

level, and occupation of each household member. The 1990 population for Ocotillo was 511, distributed among 126 households; the population of Chiapa was determined to be 817, with 185 households. Based on a sampling frame of 163 household heads actively engaged in agriculture, derived from the census data, a simple random sample of 100 household heads was selected for structured interviews (census data elicited and interview questions are included in Appendix B). Each household head was assigned a number and the sample was selected using a random number table.

Research Procedures

Participant Observation

Participant observation, which is basic to anthropological fieldwork, aided in the development of interpersonal relations between the researcher and community members and facilitated a more in-depth understanding of peasant responses to changes effected by privatization. The researcher observed cultivation practices, aided in the cultivation and harvesting of various crops, including maize, camote, jícama, and tried an inexperienced hand at harvesting sugar cane and milking cows. Participation in these activities also allowed the researcher to ask pertinent and related questions on the activity, thus broadening knowledge of problems encountered by peasant producers. On several occasions, impromptu and informal interviews were carried out with cutters harvesting the cane in nearby fields. On one occasion, a field inspector for the mill allowed the researcher to accompany him on his daily rounds in the countryside, an experience that contributed yet another perspective on field problems.

A series of eight informal "participant juntas" were organized to involve any interested persons in the research communities to gather and discuss problems of agricultural production, in general, and of cane production, in particular. These proved invaluable, as the discussions were interactive among those who attended and largely

1. NAME
 2. ADDRESS
 3. CITY
 4. STATE
 5. ZIP
 6. PHONE
 7. TELETYPE
 8. TELEFAX
 9. TELEMAIL
 10. TELETYPE
 11. TELEFAX
 12. TELEMAIL
 13. TELETYPE
 14. TELEFAX
 15. TELEMAIL
 16. TELETYPE
 17. TELEFAX
 18. TELEMAIL
 19. TELETYPE
 20. TELEFAX
 21. TELEMAIL
 22. TELETYPE
 23. TELEFAX
 24. TELEMAIL
 25. TELETYPE
 26. TELEFAX
 27. TELEMAIL
 28. TELETYPE
 29. TELEFAX
 30. TELEMAIL
 31. TELETYPE
 32. TELEFAX
 33. TELEMAIL
 34. TELETYPE
 35. TELEFAX
 36. TELEMAIL
 37. TELETYPE
 38. TELEFAX
 39. TELEMAIL
 40. TELETYPE
 41. TELEFAX
 42. TELEMAIL
 43. TELETYPE
 44. TELEFAX
 45. TELEMAIL
 46. TELETYPE
 47. TELEFAX
 48. TELEMAIL
 49. TELETYPE
 50. TELEFAX
 51. TELEMAIL
 52. TELETYPE
 53. TELEFAX
 54. TELEMAIL
 55. TELETYPE
 56. TELEFAX
 57. TELEMAIL
 58. TELETYPE
 59. TELEFAX
 60. TELEMAIL
 61. TELETYPE
 62. TELEFAX
 63. TELEMAIL
 64. TELETYPE
 65. TELEFAX
 66. TELEMAIL
 67. TELETYPE
 68. TELEFAX
 69. TELEMAIL
 70. TELETYPE
 71. TELEFAX
 72. TELEMAIL
 73. TELETYPE
 74. TELEFAX
 75. TELEMAIL
 76. TELETYPE
 77. TELEFAX
 78. TELEMAIL
 79. TELETYPE
 80. TELEFAX
 81. TELEMAIL
 82. TELETYPE
 83. TELEFAX
 84. TELEMAIL
 85. TELETYPE
 86. TELEFAX
 87. TELEMAIL
 88. TELETYPE
 89. TELEFAX
 90. TELEMAIL
 91. TELETYPE
 92. TELEFAX
 93. TELEMAIL
 94. TELETYPE
 95. TELEFAX
 96. TELEMAIL
 97. TELETYPE
 98. TELEFAX
 99. TELEMAIL
 100. TELETYPE
 101. TELEFAX
 102. TELEMAIL
 103. TELETYPE
 104. TELEFAX
 105. TELEMAIL
 106. TELETYPE
 107. TELEFAX
 108. TELEMAIL
 109. TELETYPE
 110. TELEFAX
 111. TELEMAIL
 112. TELETYPE
 113. TELEFAX
 114. TELEMAIL
 115. TELETYPE
 116. TELEFAX
 117. TELEMAIL
 118. TELETYPE
 119. TELEFAX
 120. TELEMAIL
 121. TELETYPE
 122. TELEFAX
 123. TELEMAIL
 124. TELETYPE
 125. TELEFAX
 126. TELEMAIL
 127. TELETYPE
 128. TELEFAX
 129. TELEMAIL
 130. TELETYPE
 131. TELEFAX
 132. TELEMAIL
 133. TELETYPE
 134. TELEFAX
 135. TELEMAIL
 136. TELETYPE
 137. TELEFAX
 138. TELEMAIL
 139. TELETYPE
 140. TELEFAX
 141. TELEMAIL
 142. TELETYPE
 143. TELEFAX
 144. TELEMAIL
 145. TELETYPE
 146. TELEFAX
 147. TELEMAIL
 148. TELETYPE
 149. TELEFAX
 150. TELEMAIL
 151. TELETYPE
 152. TELEFAX
 153. TELEMAIL
 154. TELETYPE
 155. TELEFAX
 156. TELEMAIL
 157. TELETYPE
 158. TELEFAX
 159. TELEMAIL
 160. TELETYPE
 161. TELEFAX
 162. TELEMAIL
 163. TELETYPE
 164. TELEFAX
 165. TELEMAIL
 166. TELETYPE
 167. TELEFAX
 168. TELEMAIL
 169. TELETYPE
 170. TELEFAX
 171. TELEMAIL
 172. TELETYPE
 173. TELEFAX
 174. TELEMAIL
 175. TELETYPE
 176. TELEFAX
 177. TELEMAIL
 178. TELETYPE
 179. TELEFAX
 180. TELEMAIL
 181. TELETYPE
 182. TELEFAX
 183. TELEMAIL
 184. TELETYPE
 185. TELEFAX
 186. TELEMAIL
 187. TELETYPE
 188. TELEFAX
 189. TELEMAIL
 190. TELETYPE
 191. TELEFAX
 192. TELEMAIL
 193. TELETYPE
 194. TELEFAX
 195. TELEMAIL
 196. TELETYPE
 197. TELEFAX
 198. TELEMAIL
 199. TELETYPE
 200. TELEFAX
 201. TELEMAIL
 202. TELETYPE
 203. TELEFAX
 204. TELEMAIL
 205. TELETYPE
 206. TELEFAX
 207. TELEMAIL
 208. TELETYPE
 209. TELEFAX
 210. TELEMAIL
 211. TELETYPE
 212. TELEFAX
 213. TELEMAIL
 214. TELETYPE
 215. TELEFAX
 216. TELEMAIL
 217. TELETYPE
 218. TELEFAX
 219. TELEMAIL
 220. TELETYPE
 221. TELEFAX
 222. TELEMAIL
 223. TELETYPE
 224. TELEFAX
 225. TELEMAIL
 226. TELETYPE
 227. TELEFAX
 228. TELEMAIL
 229. TELETYPE
 230. TELEFAX

guided by the participants themselves. Much insight came to light as the producers responded to each other and revealed diverse points of view. Demonstrations by peasant producers in the capital city were observed as well, thus clarifying some of the issues to which producers have received no redress.

All monthly ejido meetings for both villages, where important agricultural issues are regularly discussed, were attended and observed. These meetings also provide a basis for observing the interaction of ejidatarios and government promoters. In addition, the researcher attended all meetings of the cane producers' union (Unión Nacional de Productores de Caña de Azúcar, UNPCA) in Quesería to observe leadership structure, membership participation, decision-making processes, the role of outside power structures, and the political strategies and forms of resistance to the changing organization of production. This information allowed conclusions to be formulated on how shifts in power affect the nature of participation in union activities.

The researcher participated in various community activities such as first communions, quinceaños festivities, weddings, fiestas, village patron saint celebrations, and a number of seasonal rituals, all of which rendered a more in-depth understanding of village life.

Participant observation deepens rapport with community members, making possible the development of a network of key informants with whom information may be obtained on a frequent and informal basis. Key informants were especially sought among those who were representative of different positions in terms of land tenure, economic status, and leadership positions. A few of these include, among others, a woman who is a member of the committee of the cane producers' union, a past mayordomo of the hacienda in Chiapa, a man with an inadequate amount of land to feed his family and who participated in a land invasion several years ago, a 100 year old former hacienda employee, and the leader of a peasant resistance movement who lives in a nearby

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

community. Several cane producers in other villages in the area were informally interviewed to ensure that opinions and information offered were generalized throughout the zone. Frequent interaction and the cultivation of a trust relationship between the researcher and key informants permitted cross-verification of data collected from other sources and provided relevant information used to structure the interview schedules.

Structured Interviews

Once the census was collected and rapport developed with community members through participant observation, a series of three structured interviews was conducted with each of the sample members. A research assistant, who was a resident of Ocotillo and had studied at the University of Colima, assisted with both the census and the interview schedules. The first interview elicited non-threatening information, with more sensitive questions included in later interview schedules.

The structured interviews, using a combination of closed and open-ended questions, were designed to gather data on four areas of concern:

- 1) To gather information on changing access to production resources, the role of agrarian agencies in providing these resources, and how access might influence production strategies, specific questions aimed at changes in producers' access to credit and agricultural inputs (seeds, fertilizers, herbicides, insecticides, machinery) over the past five years. Informants were asked to explain changes personally experienced in access to the above, as well as to rank government agrarian agencies for their ability to aid peasant producers. These data, along with information from institutional sources (Ingenio Quesería, BANRURAL, SARH, CONASUPO, FERTIMEX, ASEMEX, etc.), are used to examine the relative incentives and barriers that influence production strategies.

- 2) To gather longitudinal data on changes in land use, informants were asked about changes in cropping patterns, including the number of hectares devoted to each crop or

to cattle production and shifts in the type of crops grown or in grazing practices over the most recent five year period. Supplementary to these data on actual changes in production strategies, informants were interviewed on their rationale for production decisions. Specifically, the general agricultural interview elicited information on: type of land tenure, number of hectares, crop yield, number of cattle and amount of milk and/or meat sold, price obtained, costs (inputs, labor), credit received, and profit or loss for 1990-91, 1989-90, and 1985-86 (the 1985-86 data are gathered only for landowners, given the recall difficulty associated with landless peasants). The interview asks producers to identify which crop is most profitable, the most serious agricultural problems for the producer, and any changes in production during the past five years.

3) Since household production and reproduction are basic to this analysis, questions were constructed to derive information on access to land, agricultural and non-agricultural family income, involvement in wage labor, reinvestment in agricultural production, and to develop an index of material wealth. Additional information was gathered during the census on house type (number of rooms, presence of water, sewer, and electricity, and construction materials), household goods (appliances, cars, trucks, tractors, etc.), and animals owned (both household and field) by each household. Each of these material possessions was assigned a monetary value, based on average prices within the zone, to supplement measurement of the economic status of individual households. An important aspect of the analysis is the contribution each productive strategy makes to the total income and the proportion of income attributed to agriculture, versus wages.

Household economics were analyzed by accounting for the balance between income and household expenses (food, clothing, utilities, medical, educational, transportation, etc.). Supplementary data were elicited on the contribution of other economic activities (craft production, informal activities such as sale of home-prepared meals, and

remittances from migrant labor, and so forth) to total household income. The results of this analysis are compared to producers' evaluation of their own economic status, accomplished by ranking one's own position on a Likert scale. These data help to determine the initial impact of privatization on economic status and standards of living, and provide comparative data for future longitudinal studies to determine whether privatization engenders increased economic disparity among peasant producers. Comparisons are made between *cañeros* (cane producers) and non-*cañeros*, as well as by other cropping strategies. These data, taken together, serve as a basis for the analysis of changes in production and reproduction of peasant households within the two communities.

4) Strategic collective action taken by peasants to confront the changes wrought by privatization are, as explained in Chapter II, theoretically central; thus, a portion of the interview is designed to gather data on the nature of informants' participation in, and evaluation of, the regional cane producers' union. Since the objective of UNPCA is to protect the rights of cane producers, a number of in-depth, open-ended interview questions focused on the privatization of the sugar mill, including producers' opinions about the sale, advantages and disadvantages, changes wrought, and their evaluation of state, versus private performance in the management of the mill. The final portion of this interview was conducted only with cane producers, since it deals primarily with issues internal to the producers' union. These questions focused on changes in the mode of participation and political strategies utilized (voting, petitioning, demonstrations, strikes, disaffiliation from the union, etc.), the relationship between regional union leaders and members, the relationship between the regional and national levels of the union organization, and how its relationship with the state and the sugar mill has changed since privatization. Several closed-ended questions form measurements as to how well these agencies--the state, the sugar mill, and the UNPCA--aid cane producers.

Several interviews were also conducted with the regional union leader, who supplied information on the internal organization of the union, the relationship of the union to the state and the sugar mill, as well as its relationship to other unions. This information deepened knowledge about political strategies, efforts of collective action, and viability of the union as a channel to attain producers' rights.

Key representatives of the sugar sector, including officials of Azúcar, S.A., FINASA, and Grupo Beta San Miguel in Mexico City were interviewed on several occasions, as well as the mill manager, field superintendent, accounting superintendent, and other officials of Ingenio Quesería in the state of Colima. Information was elicited on significant changes in the organization of production affecting the sugar mill and its supply zone. Because the researcher spent numerous days in the sugar mill to collect liquidation data, this experience allowed invaluable observation of the dynamics of privatization and changing conditions for mill workers.

Oral Histories

The change processes currently affecting the research communities are part of a larger trajectory of historical processes within which these communities are embedded. The research area was once part of an hacienda (located in the village of Chiapa), involving a historically particular set of economic and political relationships. Older residents of the community recalled the process of agrarian reform that affected the area in the 1930's, the constitution of the ejidos, as well as changes in production relations as the zone shifted from private to state control, followed by the more recent changes associated with reprivatization. The research design incorporates collection of oral histories from knowledgeable informants to better understand these processes of social change. The research problem is then situated in historical context through a synthesis of oral histories and archival information.

10-1
 10-2
 10-3
 10-4
 10-5
 10-6
 10-7
 10-8
 10-9
 10-10
 10-11
 10-12
 10-13
 10-14
 10-15
 10-16
 10-17
 10-18
 10-19
 10-20
 10-21
 10-22
 10-23
 10-24
 10-25
 10-26
 10-27
 10-28
 10-29
 10-30
 10-31
 10-32
 10-33
 10-34
 10-35
 10-36
 10-37
 10-38
 10-39
 10-40
 10-41
 10-42
 10-43
 10-44
 10-45
 10-46
 10-47
 10-48
 10-49
 10-50
 10-51
 10-52
 10-53
 10-54
 10-55
 10-56
 10-57
 10-58
 10-59
 10-60
 10-61
 10-62
 10-63
 10-64
 10-65
 10-66
 10-67
 10-68
 10-69
 10-70
 10-71
 10-72
 10-73
 10-74
 10-75
 10-76
 10-77
 10-78
 10-79
 10-80
 10-81
 10-82
 10-83
 10-84
 10-85
 10-86
 10-87
 10-88
 10-89
 10-90
 10-91
 10-92
 10-93
 10-94
 10-95
 10-96
 10-97
 10-98
 10-99
 10-100

Archival Data

Historical data on the development of the region as an economic unit were collected both from the national office of Azúcar, S.A. in Mexico City and Ingenio Quesería in Colima. The former provided copies of *Estadísticas Azucareras* which contain comprehensive national-level statistics, some of which are broken down by state. The latter allowed the researcher to copy all liquidation documents for the two research communities for the period 1986-1991, as well as a 2% sample of the entire production zone, for the same time period. In addition, a bottom-line itemization of profit or debt was taken from the entire zone for the five year period. Liquidation documents contain the primary basis for evaluation of economic changes since privatization, including: the number of hectares and tons of cane for each producer, price paid for cane, a breakdown of all costs of production (interest, inputs, labor, machinery, transport, advance payments, producer benefits such as IMSS, etc.), the net profit or loss of each producer, and debt owed to the mill. These data are supplemented by longitudinal information on the production zone as a unit, supplied by various sugar mill offices. The Biblioteca Azúcar in Mexico City proved to be a rich source of statistical information, comparative studies, data on global policies, and sugar industry history.

Archival data, obtained at the regional level from the sugar mill and agrarian agencies concerned with the production and distribution of alternative crops, form the basis for comparative analysis of the costs and benefits of sugar cane production vis-à-vis other crops. Time series data on provision of credit, seeds, fertilizers, machinery, favorable prices, and marketing networks were compiled from information provided by BANRURAL (the agrarian bank), SARH (Secretary of Agriculture and Hydraulic Resources), and CONASUPO (the state marketing network), together with production records and data on credit, wages, costs, and prices available from the mill. This information allowed analysis of both pre- and post-privatization systems.

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

Data Analysis

Statistical data analysis, using SPSS-PC, includes a combination of frequency distributions, descriptive statistics, cross-tabulations, and t-tests to aid in the analysis of changes in agricultural costs and net earnings, and their impact on household budgets. Frequency distributions (for nominal variables) and descriptive statistics (for ratio variables) were adequate for tabulating peasants' evaluations of many of the agricultural problems and changes they defined. Descriptive statistics were sufficient in most analyses to indicate changes in prices, costs, profits, and debts since privatization of the sugar mill. Where groups are compared, for example, cañeros versus non-cañeros, cross-tabs provided a measure of ordinal variables; for ratio variables, the t-test was the most appropriate measure.

Baseline data on the availability of credit and inputs to different segments of the peasant population, production costs, and net profits prior to reprivatization (1986-88) are compared to the post-privatization period (1989-91). These data are stratified by type of crop in order to determine changes in relative benefits and cropping trends over the five year period. Analysis aims to determine whether changing access to credit and productive resources influences production strategies toward crop diversification or monocrop production of cane, the degree to which production costs have increased, and whether private capital has achieved initial success in expanding the number of hectares in sugar cane production.

The political dimensions of reprivatization are evaluated by a synthesis of information acquired from peasant producers, both union and non-union members, union leaders, and observation of union meetings. Conclusions are based both on subjective evaluations made by informants and by empirical observation of meetings and of strategies taken by peasant producers and union leaders. Analysis can then indicate shifts in political strategies utilized in the pre-and post-privatization phases and whether state

intervention in producers' unions has changed in terms of the nature of leadership, who makes the majority of decisions, and whether there have been relative shifts in the degree of cooptation or membership participation. A comprehensive picture of this situation is then compared to the efforts of an independent, non-governmental producers' organization which emerged in the research region in 1990.

Taken together, these methodologies and procedures yield an initial profile of the economic impact of reprivatization on cane producers, how they are differentially affected, and how this process relates to political stability as peasants adjust to these changes. This initial investigation does not presume to formulate a comprehensive analysis of the impact of reprivatization--a project that could require perhaps five years to complete. It intends to contribute baseline data from the pre-privatization context and the initial responses during the first three harvests following reprivatization, which will generate a base upon which to conduct longitudinal studies in future years.

IV. THE RESEARCH SETTING

Field research on reprivatization of the Mexican sugar sector was conducted in the state of Colima, Mexico, within the production zone of Ingenio Queserfa. This chapter provides a brief description to introduce the reader to: 1) the state of Colima, 2) the region of the sugar mill, and 3) the two research communities where anthropological fieldwork was carried out. The description will touch on selected geographic, economic, sociocultural, and political factors pertaining to the research setting. Also included in this chapter is 4) a description of the characteristics of the research sample.

The State of Colima

Colima is the third smallest state in Mexico, bordered by the Pacific Ocean on the west, Jalisco to the north and northeast, and Michoacán on the southeast (see Figure 1 and Figure 2, on page 50). From the port of Manzanillo on the tropical coast, the land rises to 3923 meters at the apex of an active volcano on the Colima-Jalisco border (Oseguera 1978). Four mountain systems cover 75% of the state's 5455 km.² surface. Three major rivers--the Marabusco, Coahuayana, and Armerfa traverse the state from the north to the coast. The hot subhumid climate consists of two seasons (dry and wet), with an average rainfall accumulation of 1000 to 1300 mm. (Oseguera 1978; INEGI 1989).

The economy of Colima is largely agricultural. Little of the land is irrigated and the principal crops consist of sugar cane, maize, beans, sorghum, rice, sesame, tomatoes, melons, and tropical fruits. The tropical coast is an exporter of limes (Colima is Mexico's major lime producer), coconuts, mangoes, and bananas. Cattle raising was



Figure 1. Map of Mexico (Oseguera 1979:44).

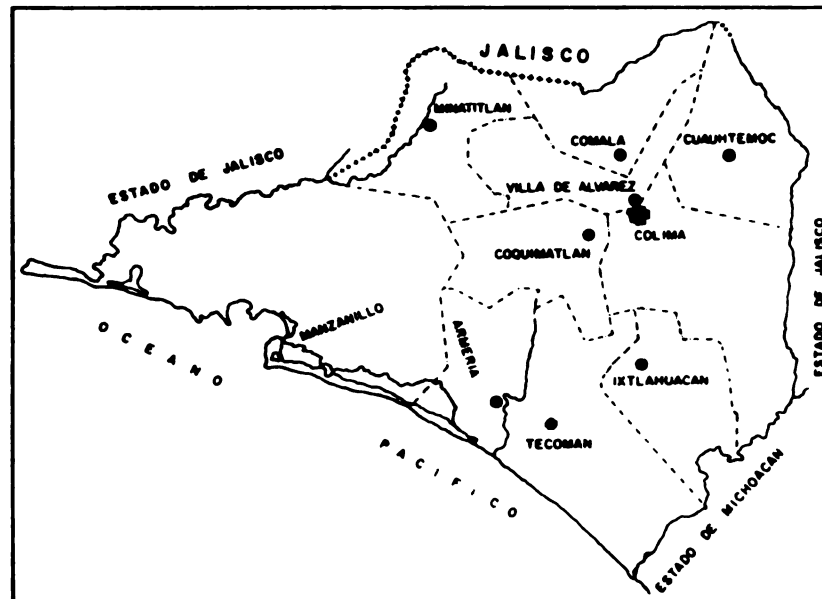


Figure 2. Map of the State of Colima (Oseguera 1979:44).

historically important in the state, and remains so today. In addition to sugar production, industry in Colima consists of a pelletizing plant, milk pasteurization, production of lemon oil products, salt mines, and the state has the largest iron mine in Mexico (Gobierno del Estado de Colima 1983; INEGI 1989; Oseguera 1979).

According to the 1990 census, there are 428,510 inhabitants in the state. On a state-wide basis, 23.53% of the economically active population engages in agriculture; however, this figure is 34.66% within the municipio of Cuauhtémoc in which Ingenio Quesería is located, and 48.49% in the two research communities (INEGI 1990). There are 147 ejidos in the state and 12,572 ejidatarios. Ejidos make up 289,291 hectares, or 52.94% of the cultivable surface; land classified as *pequeña propiedad*,⁶ 38.3% (INEGI 1991). Somewhat less than one-fourth of the land is irrigated, but private landowners--who constitute a smaller proportion of producers--own a disproportionate amount of irrigated land (30,831 hectares, versus 30,692 for ejidatarios) (Oseguera 1979).

Historically, Colima became a state with the signing of the Constitution of 1857. Its status as a provincial state does not remove Colima from the centralized bureaucracy of the Mexican government and the dominant political party. A "state-party regime", wherein PRI forms a unitary structure with the state apparatus, rules the country at federal, state, and municipal levels (Gilly 1990:274). According to the statutes of PRI (*La República* 1990), the official party is formed into a social organization integrated by the agrarian, worker, and popular sectors and citizens comprising groups that support the principles and actions identified with the Mexican Revolution. Organizations that are grouped in these sectors, including ejidos, producers' unions, workers' syndicates, and so forth, constitute the organizational force that forms the fundamental base of the party. These organizations then have the obligation to promote the affiliation of their members

⁶No data are available on the number of pequeños propietarios in the state, nor is this information provided in census data.

— M —

2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
2037
2038
2039
2040
2041
2042
2043
2044
2045
2046
2047
2048
2049
2050
2051
2052
2053
2054
2055
2056
2057
2058
2059
2060
2061
2062
2063
2064
2065
2066
2067
2068
2069
2070
2071
2072
2073
2074
2075
2076
2077
2078
2079
2080
2081
2082
2083
2084
2085
2086
2087
2088
2089
2090
2091
2092
2093
2094
2095
2096
2097
2098
2099
2100
2101
2102
2103
2104
2105
2106
2107
2108
2109
2110
2111
2112
2113
2114
2115
2116
2117
2118
2119
2120
2121
2122
2123
2124
2125
2126
2127
2128
2129
2130
2131
2132
2133
2134
2135
2136
2137
2138
2139
2140
2141
2142
2143
2144
2145
2146
2147
2148
2149
2150
2151
2152
2153
2154
2155
2156
2157
2158
2159
2160
2161
2162
2163
2164
2165
2166
2167
2168
2169
2170
2171
2172
2173
2174
2175
2176
2177
2178
2179
2180
2181
2182
2183
2184
2185
2186
2187
2188
2189
2190
2191
2192
2193
2194
2195
2196
2197
2198
2199
2200
2201
2202
2203
2204
2205
2206
2207
2208
2209
2210
2211
2212
2213
2214
2215
2216
2217
2218
2219
2220
2221
2222
2223
2224
2225
2226
2227
2228
2229
2230
2231
2232
2233
2234
2235
2236
2237
2238
2239
2240
2241
2242
2243
2244
2245
2246
2247
2248
2249
2250
2251
2252
2253
2254
2255
2256
2257
2258
2259
2260
2261
2262
2263
2264
2265
2266
2267
2268
2269
2270
2271
2272
2273
2274
2275
2276
2277
2278
2279
2280
2281
2282
2283
2284
2285
2286
2287
2288
2289
2290
2291
2292
2293
2294
2295
2296
2297
2298
2299
2300
2301
2302
2303
2304
2305
2306
2307
2308
2309
2310
2311
2312
2313
2314
2315
2316
2317
2318
2319
2320
2321
2322
2323
2324
2325
2326
2327
2328
2329
2330
2331
2332
2333
2334
2335
2336
2337
2338
2339
2340
2341
2342
2343
2344
2345
2346
2347
2348
2349
2350
2351
2352
2353
2354
2355
2356
2357
2358
2359
2360
2361
2362
2363
2364
2365
2366
2367
2368
2369
2370
2371
2372
2373
2374
2375
2376
2377
2378
2379
2380
2381
2382
2383
2384
2385
2386
2387
2388
2389
2390
2391
2392
2393
2394
2395
2396
2397
2398
2399
2400
2401
2402
2403
2404
2405
2406
2407
2408
2409
2410
2411
2412
2413
2414
2415
2416
2417
2418
2419
2420
2421
2422
2423
2424
2425
2426
2427
2428
2429
2430
2431
2432
2433
2434
2435
2436
2437
2438
2439
2440
2441
2442
2443
2444
2445
2446
2447
2448
2449
2450
2451
2452
2453
2454
2455
2456
2457
2458
2459
2460
2461
2462
2463
2464
2465
2466
2467
2468
2469
2470
2471
2472
2473
2474
2475
2476
2477
2478
2479
2480
2481
2482
2483
2484
2485
2486
2487
2488
2489
2490
2491
2492
2493
2494
2495
2496
2497
2498
2499
2500
2501
2502
2503
2504
2505
2506
2507
2508
2509
2510
2511
2512
2513
2514
2515
2516
2517
2518
2519
2520
2521
2522
2523
2524
2525
2526
2527
2528
2529
2530
2531
2532
2533
2534
2535
2536
2537
2538
2539
2540
2541
2542
2543
2544
2545
2546
2547
2548
2549
2550
2551
2552
2553
2554
2555
2556
2557
2558
2559
2560
2561
2562
2563
2564
2565
2566
2567
2568
2569
2570
2571
2572
2573
2574
2575
2576
2577
2578
2579
2580
2581
2582
2583
2584
2585
2586
2587
2588
2589
2590
2591
2592
2593
2594
2595
2596
2597
2598
2599
2600
2601
2602
2603
2604
2605
2606
2607
2608
2609
2610
2611
2612
2613
2614
2615
2616
2617
2618
2619
2620
2621
2622
2623
2624
2625
2626
2627
2628
2629
2630
2631
2632
2633
2634
2635
2636
2637
2638
2639
2640
2641
2642
2643
2644
2645
2646
2647
2648
2649
2650
2651
2652
2653
2654
2655
2656
2657
2658
2659
2660
2661
2662
2663
2664
2665
2666
2667
2668
2669
2670
2671
2672
2673
2674
2675
2676
2677
2678
2679
2680

with the PRI, elect delegates, send representatives to assemblies, propose candidates to political posts, and vote. Each sector is represented by sectional, municipal, state, and national delegates; this structure, then, links all political organizations in Colima, including the CNPP (Confederación de la Pequeña Propiedad) and UNPCA (Unión Nacional de Productores de Caña de Azúcar), to the highest levels of PRI⁷.

PRI, the only official political party in Mexico, has never acted independently of the state. Since its founding by Calles, each President has hand-picked his successor. No candidate has ever lost the national elections, although charges of election fraud are common. The presence of the official party in Colima, as in other states, provides an arena for local leaders to exert political influence and serves as a mechanism for the mobilization of the populace during elections. The PRI bureaucracy instills loyalty to the party through official ideology and discipline through distribution of material rewards. Through PRI, regional elites can climb the ladder of political power. It is not uncommon for Mexican presidents to appoint state governors, as well as federal senators and representatives, from among their personal friends.

Miguel de la Madrid Hurtado, native son of Colima, exemplifies this process. De la Madrid moved to Mexico City as a young child, obtained a master's degree at Harvard, and when serving as Budget and Planning Minister, was appointed by incumbent President José López Portillo to succeed him in the presidency. He represents one of the recent *técnicos*--U.S. educated technocrats who have risen to the presidency since the regime of Echeverría. De la Madrid opposed the populist policies of Echeverría and López Portillo, cut government spending, reduced state subsidies, and fought corruption. The state's role in the economy during his regime, however,

⁷More specifically, PRI is organized into: a national assembly, national political council, and national executive committee (CEN); state assemblies, state political councils, and state directive committees; municipal assemblies, municipal political councils, and municipal committees; and sectional assemblies and sectional committees (*La República* 1990).

remained strong. Despite having inherited an economic crisis which forced austerity measures, during his administration (1982-88), peasants in Colima were favored with projects such as electrification of villages, installation of potable water and sewage systems, cobbling of streets, health clinics, schools, irrigation works, telephone systems, housing projects, and so forth. These projects, however, are at the cost of centralized control through the government/PRI bureaucracy (Riding 1984).

During the field research, the presence of PRI and the federal government were visible in Colima, through the National Solidarity Program⁸. Carlos Salinas de Gortari, de la Madrid's successor to the presidency, made several trips to Colima to promote the official ideology of *Solidaridad*. The tri-color symbol of the Solidarity Program is analogous with the PRI. Retraction of state subsidies to the rural sector is concealed in musical lyrics and slogans about the united effort of the people and the government to improve the standard of living. The joint effort of the federal, state, and municipal governments is stressed in official pamphlets portraying the building of dams, irrigation works, roads, clinics, schools, houses, potable water systems, and telephone systems. This propaganda⁹ underscored the loyalty of Colima's governor, Elías Zamora Verduzco, to the president, the "excellent relations" between the federal government and labor unions, and the near absence of strikes in Colima.

At the same time, peasants and labor groups in Colima use PRI to press their demands, since working through unions that lack official PRI recognition weakens organized struggle against the state. PRI suppresses mobilization through its refusal to recognize independent organizations and utilizes the party to ensure a favorable electoral vote. The CNC (Confederación Nacional Campesina), the official peasant organization,

⁸The National Solidarity Program invested \$340,000,000,000 pesos in Colima (approximately \$113.3 million dollars).

⁹From a slick-paged magazine titled, "Colima: Un esfuerzo conjunto", without publication information.

is incorporated into PRI and controlled by national leaders appointed by the president. Local officials--from the Municipal President to the comisariados of the ejidos--are required to be members of PRI. The state of Colima comprises numerous productive sectors and political units responsive to the federal government; the concern of this research, however, remains confined to the northeast section of the state, within the sugar-producing region of Ingenio Quesería.

The Region of Ingenio Quesería

The supply zone of Ingenio Quesería constitutes a significant entity for the focus of this research, since sugar mills are development poles of their regions. Ingenio Quesería is located 24 km. from the capital city of Colima, at 1200 meters above sea level. The supply zone of the mill falls within the Provincia del Eje Neovolcánico in the northeastern section of the state. This zone encompasses cane fields in five of the ten municipios of the state (Colima, Comala, Coquimatlán, Cuauhtémoc, and Villa de Alvarez), as well as the municipio of Tonila in Jalisco (Quinto n.d.). Three broad geophysical zones mark the area: the *zona baja* at 400-700 meters above sea level, the *zona media* from 700-1100 meters, and the *zona alta* from 1100 to 1300 meters. The *zona baja* is relatively flat, with low slopes and fewer rocks in the soil. The *zona media* consists of slopes and rocky soil. The most rocky soil is in the *zona alta*, incident with the slopes of the volcano, high hills, and ravines. The region is volcanic, with soils of volcanic and alluvial origin. The supply zone is divided into eight inspection zones, each managed by a field inspector (see map, Figure 3, pages 55-56). From Cuauhtémoc north, the climate is more humid, benefitting the cane. Quesería and San Marcos also obtain higher yields because they are irrigated. The soils around Trapiche and Diezmo are thinner, thus the cane is more quickly affected by low rainfall. The mean yield for the zone was 59 tons per hectare in 1991; only 12% of the area is irrigated.

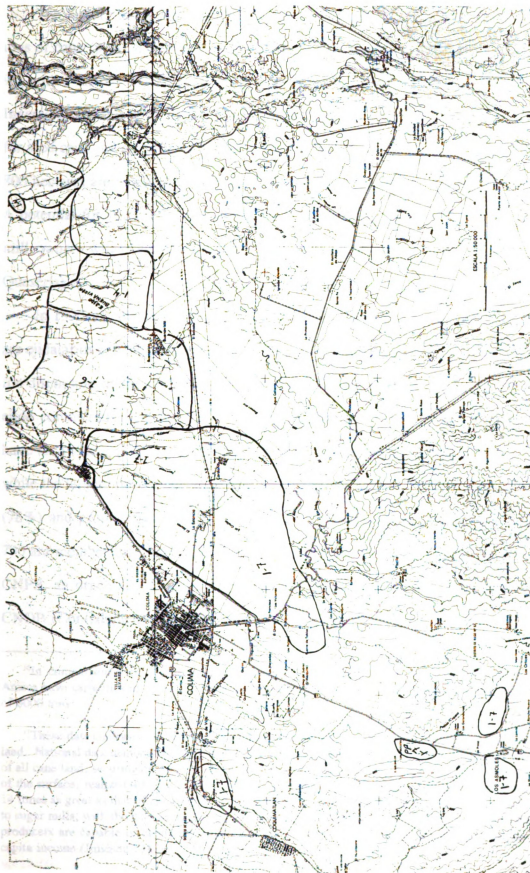


Figure 3. Map of the Supply Zone of Ingenio Quesería (source: Ingenio Quesería, S.A. de C.V.).

The factory has a capacity of 4250 tons of cane/24 hours¹⁰, industrialized 472,398 tons of cane (plus 7853 tons of seed cane), and produced 38,035 tons of sugar in 1990-91, with a factory efficiency (tons of sugar/tons of cane) of 7.92%. The supply zone of Ingenio Quesería was 8020 hectares in 1990-91 (an additional 100 hectares were destined for seed cane and 40 hectares were deferred for harvest the following year). In addition, 800 hectares are newly planted (cane cannot be harvested for 18 months after planting). A potential for 11,000 hectares exists, but 2179 hectares are utilized for cattle; the new mill owners will attempt to stimulate these producers to plant cane (source: Ingenio Quesería).

In 1990-91, the sugar mill was provisioned by 1373 cañeros, of which 1242 (90%) are ejidatarios and the remainder, 131 (10%), are *pequeños propietarios* (see Chapter VII for discussion of the domination of the region by these private landowners). The 32 ejido communities and two private groups (Colima and Jalisco) that provision the mill have an average of 50 cañeros; ten of these communities have three or fewer cañeros, while the larger ejidos range up to 242 producers. Ejidatarios hold 5530 hectares of cane (78%) and propietarios 1558 hectares (22%).¹¹ These cañeros are divided politically; 796 are members of UNPCA, which is integrated into the CNC, or peasant sector. The CNPP, an organization of wealthy, powerful, private landowners, is incorporated into CNOP (Confederación Nacional de Organizaciones Populares), or the popular sector.

¹⁰In comparison with the other four sugar mills belonging to Grupo Beta, ingenios Constanca and Ameca have capacities of 4000 tons/24 hours and Ponciano Arriaga and Alvaro Obregón have capacities of 6000 tons.

¹¹These data contrast with national-level data, where ejidatarios hold a relatively smaller proportion of land. National data demonstrate the polarization within the sugar sector. In 1970, ejidatarios held 60.11% of all cane land, securing 56.54% of the income from cane production. Pequeños propietarios, with 37% of the surface, realized 40.77% of the profits. The average family of the latter earned an annual income 14 times as great as that of ejidatarios. In 1967, 50-60% of cane producers remained chronically indebted to sugar mills, with the debt averaging 23.8% of the value of production by 1973-74. Only 7.8% of cane producers are capable of capital accumulation; the majority earn substantially less than the national per capita income (Jiménez 1987).

Both of these cane producers' unions are components of PRI, the official government party. Cultural definitions, economic differences, and distinct relationships of these two groups to the means of production justify conceptualizing them as distinct groups for purposes of analysis. Peasants of the research communities refer to the wealthy landowners who have private land as "propietarios", rather than "campesinos". Unlike the propietarios, ejidatarios--until 1992--have held usufruct rights, without the sanction to sell their land as a private commodity. These differences are culturally constructed in the hierarchical relationships that characterize the region.

Both pequeños propietarios and ejidatarios contract with the mill, the only purchaser of cane in the state. The mill then controls every aspect of production, from provision of credit and inputs, to the production process, the harvest schedule, processing, and distribution of the final product. When producers receive their liquidation documents¹² at the end of the harvest, all costs have already been deducted by the mill. Few of these cane producers engage in the cane harvest. The harvest is done by 1080 wage laborers, 503 (47%) of whom are indigenous migrant workers from other states. Cane is mechanically lifted onto trucks (there are 30 *cargadoras* in the zone), although this labor is also accomplished manually and transported to the mill in 208 trucks owned by UNPCA and cañeros of the region (110 of these are owned by UNPCA) (source: Ingenio Quesería). Employment by the mill directly involves some 720 families and, indirectly, another 2700 families. As the sole sugar mill in the state of Colima, it remains a major factor for employment and the organization of labor.

The Quesería mill has a long history; having been founded as an hacienda as early as 1884, it subsequently changed hands among five different private owners before being taken over by the state in 1972, later to be privatized again in 1989. Although data to

¹²As explained in Chapter VIII, these documents itemize the value of the cane, costs of production, and net profit or debt.

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

analyze these changing relationships were collected at the regional level, the research focused on two communities within the supply zone, for the purpose of conducting intensive interviews and collecting data for household analysis.

The Research Communities

The research communities straddle both sides of the river, Las Grullas, Chiapa to the west, and Ocotillo to the east. They are situated approximately 15 km. from the capital city of Colima, on a road which branches off from the Camino Real, the highway connecting Colima with Ciudad Guzmán, Jalisco. The villages lie at the foot of an active volcano, Volcán de Fuego, on the Colima-Jalisco border. As described earlier:

The smoking volcano, Volcán de Fuego, can be seen from the streets of Ocotillo [and Chiapa], rising above the ejidal lands to the north of the village. The landscape upon which Ocotillo [and Chiapa] are situated, is steeply inclined from the south toward the skirts of the volcano. Residents are accustomed to locate places from their own point of reference as "arriba" (up, higher) or "abajo" (down, lower) (Randall [Chollett] 1986:144-146).

The hues of the volcano shift with the time of day, the season, and one's particular perspective--peering out from behind the vegetation here, suddenly looming much larger there. The land undulates, always slanting upwards from the village to within a few kilometers of the volcano, where high ridges break the landscape, to suddenly soar up the lava-crested sides of the smoking colossus. The streets of the villages are cobbled, a public work completed in 1984. People's everyday lives are largely hidden behind brick or adobe walls that form a continuous facade of houses along the street. Outside, a surface appearance of disorganized growth hides the fact of carefully tended fruit trees--mangos, limes, papaya, bananas--and a myriad of tropical plants and flowers.

Across the street from the decaying hacienda,¹³ which speaks of another day, another time, small groups of men sit on the curb, preparing their libation of Coca-Cola

¹³The history of this hacienda is discussed at length in Chapter V.

and El Presidente, and discuss the *campo*. Another group of men gathers daily at the tortillería to play dominoes. These kinds of public socializing are largely the activities of men, while women remain more confined to their homes. Much social interchange takes place between the two villages, notwithstanding the unreplaced bridge that was washed out when the river flooded. The streets are frequently traversed on horseback, although the number of trucks rumbling through the village streets is on the increase. Horses or burros emerge onto the streets, almost hidden in their cargo of *zacate* or *punta de caña*. Occasionally, a dozen or so cattle suddenly explode into the cobbled street, on their way to fresher pasture on the other side of the village.

The surrounding fields are studded with large rocks, as if they themselves had been planted. An occasional six-foot boulder appears as an immovable barrier to the cultivation process. The *campo* is marked off and lined by long, low, winding rock walls, each rock held into place by the pressure of surrounding rocks. A series of paths, laden with volcanic dust, access the various *parcelas*. Principal agricultural activities include cattle-raising, and cultivation of sugar cane, maize, camote, jícama, tomato, and beans. Bananas, coffee, and other tropical plants are a minor component of production.

The population of Ocotillo has declined by 128 persons since earlier fieldwork in 1984, most likely due to out-migration (as discussed below). The 1990 census counted 511 inhabitants in Ocotillo and 817 in Chiapa, a total of 1328. There were 311 occupied houses (another 83 were unoccupied and 32 were under construction), giving a mean household size of 4.27 in the two communities (the 1984 mean was 5.5). The total number of children ranged from 0 to 14, with a mean of 5.24 children per family, among families with children (the 1984 mean was 5.48). People tend to live in nuclear families (83%), with 13% being extended families, and the remaining (4%) being skip generation or having other relatives in the home. The mean educational level of household heads has dropped, from 3.63 years of education in 1984, to 3.1 years in 1990. Out-migration

contributes to a lower educational level, since it is younger members of the community who leave; however, it is also probable that declining economic conditions are forcing some younger people to opt for wage or family labor, rather than remain in school.

Most village houses are privately owned: 272 (87.46%) own their own home, 20 rent, and 19 live in houses that are loaned to them. Older residents point out that houses are no longer made of zacate or corrugated cardboard, as in the past. Today, 71% are brick, and 15% are of adobe. Most (67%) have cement floors, 16% have ceramic tile, 11% have dirt floors, and 6% are a combination of cement and tile. The majority of roofs (39%) are of corrugated asbestos; 24% are cement, 14% tile, 6% zinc, and 17% are of various other materials. Most houses, 93.25%, have running water, 91.64% have electricity, and 65.59% have sewage systems.

Ownership of material goods was derived from census data: 54% of families own a refrigerator, 27% own trucks, 12.1% own cars, and 5% own tractors. Larger animals owned by families include:

| | | |
|---------------|-------|---------------|
| draft animals | 2.0% | (mean = .05) |
| horses | 50.0% | (mean = 1.40) |
| cows | 34.0% | (mean = 4.90) |
| bulls | 14.0% | (mean = .42) |

Almost every home has numerous small animals, including chickens, turkeys, ducks, pigs, goats, and burros.

Much of the material wealth is attributed to remittances from migration: Twenty-six percent of household members had migrated to the U.S. in the past five years, with an average of 2.46 migrations per person. These data most likely reflect under-reporting (recall that there are 83 unoccupied houses). The percent who reported migrations (in all years) to the U.S. in 1984 was 42.4%, with an average of 5.4 migrations among household heads. In 1984, 47.4% of all adult offspring were residing in the U.S.; in 1990, 47.8%. The 1984 data were taken from the total census and the 1990 data from

the sample, which includes only families engaged in agriculture, thus the 1990 data most likely under-represent the number who have migrated out. Among adult offspring who had migrated to the U.S., the average number of migrations was 3.18.

The population is largely agricultural in occupation. Household division of labor largely restricts women to the home--few women participate in agricultural production. Their contributions to the household economy include household maintenance, child care, and raising of small animals in the vicinity of the house. As pointed out in Chapter IX, some women contribute financially through various economic activities which augment family income. Excluding "housewives", those employed in agriculture make up 40.27% of all occupations (n=754); however, wage laborers, with few exceptions, are employed in agriculture, augmenting this proportion to 60.41 %. The percentage of people engaged in agriculture has decreased from 71.91 % in 1984. The following occupational structure, of persons 18 years of age or older, was derived from the census:

| | |
|-------------------------------|-----|
| under 18 years of age | 574 |
| housewife (or daughter) | 312 |
| <i>campesino</i> | 178 |
| <i>jornalero</i> (wage labor) | 89 |
| employee ¹⁴ | 42 |
| retired or ill | 26 |
| professional ¹⁵ | 22 |
| brick mason | 17 |
| merchant, store owner | 15 |
| domestic, gardener | 14 |
| student | 14 |
| soldier, police, guard | 13 |
| truck/bus/cab driver | 12 |
| mechanic | 4 |
| unemployed | 4 |
| construction, carpentry | 3 |
| musician | 1 |

¹⁴"Employee includes secretaries, technicians, clerks, waiters, and similar occupations.

¹⁵"Professional" includes doctors, nurses, teachers, and similar occupations.

Among *campesinos* (ejidatarios, renters, sharecroppers), 49% of the sample¹⁶ are ejidatarios, the remainder being landless. The ejido Felipe Chávez (see map, Figure 4, on page 64) pertaining to Chiapa, is comprised of 528 hectares; each of the 31 ejidatarios in the *dotación* (original land grant) has, on the average, 10 hectares of rain-fed, and 2 hectares of irrigated land. The community has engaged in a land struggle since 1949 for an *ampliación* (extension) of 803 hectares. Despite a land invasion in 1979, only 153 hectares of this land have been turned over for collective use of 60 ejidatarios. A partial grant was made in 1972, and another in 1985, but the landowners have placed a legal *amparo* against the expropriation of their lands. The limited land base provides an average of 2 hectares to each of the members of the collective. The *ampliación* serves as an element for differentiation among ejidatarios. Those of the *dotación* have more land and resources. Members of the collective, with tiny parcels, and an *amparo* placed against part of the land grant, are often forced to migrate to the U.S. They tend to lack interest in agriculture, for reasons made clear by one of its members: "I am not an authentic ejidatario. I have a little piece of land in the *ampliación*, but I don't know if tomorrow, they are going to take it away from me". Two persons from Ocotillo have parcels in the *dotación* and seven have parcels in the *ampliación*.

Ejido Vicente Pinto pertains to Ocotillo, its 800 hectares divided among 43 ejidatarios; each has 12 hectares of rainfed and one hectare of irrigated land. Ocotillo's parcels are increasingly passing to outsiders--11 (25.58%) now belong to non-residents--a fact that is criticized by many ejidatarios. Several residents of the two villages have parcels in other ejidos of the area. Few *pequeños propietarios* reside in the research communities, thus only six appear in the sample, four of whom are also ejidatarios.

¹⁶Henceforth, unless otherwise indicated, data are drawn from the sample (n=100). Selection of this sample was explained in Chapter III.



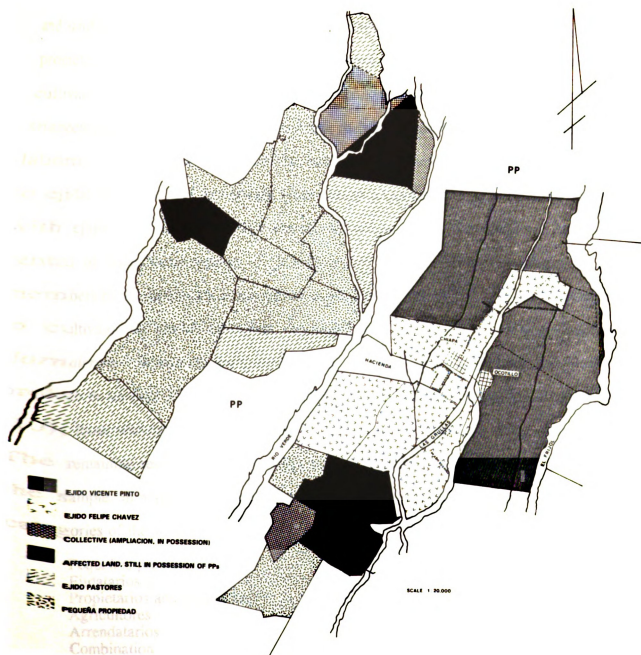


Figure 4. Map of the Ejido Lands (adapted from SRA maps 1935, 1936, 1984).

The Research Sample

From the census, 163 household heads engaged in agriculture were identified, representing 52.41% of all households in the two communities. From this sampling frame, a simple random sample of 100 persons was selected. The *forms of production* and land tenure represented in the sample are complex. There are 49 ejidatarios and 6 propietarios; 4 of these are both ejidatarios and propietarios. Only 16 ejidatarios cultivate their own land exclusively. In addition to their parcelas, 15 rent land, 10 sharecrop, 5 have access to lands other than their own parcelas, and 12 work as wage laborers. Four other sample members, herein referred to as *agricultores*--have access to ejidal or private land, but are not ejidatarios or propietarios (e.g., a spouse or parent with ejido land). Non-ejidatarios are persons whose primary occupation is based on rental of land, sharecropping, or a combination of these production strategies; 38 members of the sample are so identified. Among the latter, 17 rent land (*arrendatarios*) to cultivate, six are sharecroppers (*medieros*), and 30 also work as wage laborers (*jornaleros*). Within the category of arrendatarios, systems of payment are further broken down into those who pay rent in cash (22), those who pay in kind with crops (10), those who are loaned the land (11), and sundry combinations of the above (14). The remaining seven work only as wage laborers in the fields. Twenty-nine percent of the sample, in addition, works in non-agricultural, secondary occupations. The basic categories of the sample include:

| | |
|---------------------------------------|----|
| Pequeños propietarios | 2 |
| Ejidatarios | 45 |
| Propietarios and ejidatarios | 4 |
| Agricultores | 4 |
| Arrendatarios | 4 |
| Combination | |
| (arrendatarios, medieros, jornaleros) | 34 |
| Jornaleros | 7 |

Among the six pequeños propietarios of the sample, all are cattle raisers and only

100

101

102

103

104

105

106

107

108

109

110

111

112

113

114

115

116

117

118

119

120

one grows a significant amount of cane. The one with the largest amount of property owns 46 hectares of private, and 24 hectares of ejido land, retaining only 1.5 hectares of cane. The former mayordomo of the hacienda owns 4.5 hectares of private land, 12 hectares of the ejido, but rents land (mostly from relatives), allowing him to grow 80.5 hectares of cane. The other four average 17.25 hectares of private land; only two of these have ejido parcels and none grow sugar cane. Three of these individuals are extremely wealthy compared to village standards.

The proportion of cañeros in the sample was 33% in 1985-86, but had dropped to 27% by 1990-91 (two persons retain 1-2 hectares of cane which they use for cattle feed, but do not deliver cane to the mill). On a village-wide basis, there were 45 cañeros in 1985-86, and only 35 in 1990-91. Abandonment of cane is discussed in detail in Chapter IX.

The state, production region, and research communities described in this chapter were historically constituted through dynamic processes of change. These entities today represent the culmination of a historical trajectory through which they have experienced colonialism, a war of independence, the Mexican revolution, and persistent intervention of the political state in the development of the region. Before proceeding with analysis of the privatization of the regional sugar mill, the history of the sector will be examined in the following chapter to reveal how these dynamic processes have given shape to the contemporary sugar sector.

V. HISTORY OF THE SUGAR SECTOR

This research on reprivatization of the Mexican sugar sector takes as central: 1) a historical perspective, and 2) the concept of power. A historical perspective is essential, because, as Mintz affirms, "Without history [anthropology's] explanatory power is seriously compromised.... Human beings do create social structures, and do endow events with meaning; but these structures and meanings have historical origins that shape, limit, and help to explain such creativity" (1985:xxx). The concept of power is essential because, "To omit the concept of power is to treat as indifferent the social, economic, and political forces that benefitted from the steady spread of demand for sugar" (1985:166). The history of the sugar sector is a history of power relations. Sugar, a cornerstone of the colonial system, displaced millions of people from their traditional lands and tied them into forms of coerced labor, to produce a luxury commodity for the profit of the wealthy. Historically, sugar imbues relations of power between the mother country and the colony, the hacienda and the pueblo, the sugar mill and cane worker, and today, between Pepsi and peasant. A constant in the transformation from colonialism to industrial capitalism has been the relations of power between state, sugar industrialists, and peasants.

This chapter is divided into two broad sections; the first deals with historical change of the sugar sector in Mexico, and the second provides historical background for the research region. The objective of this chapter is twofold: 1) to locate peasant cane producers within the broader history which shapes their lives, and in which they, in turn, give shape to, and 2) to disclose the essential role played by the state throughout the

history of the sugar industry. I will demonstrate in this chapter that the state has played a recurrent role in providing the economic and political support for what has largely been a private industrial domain. Can this historical foundation, then, be discarded in the process of privatization and laissez-faire neoliberalism? To answer this question requires looking beyond the hegemonic forces of state and private capital. The concentration of land and resources for the benefit of a rural elite, at the expense of rural dwellers, generated a major revolution that restructured the entire society; thus, struggles for power within the sugar sector provide important historical lessons to guide contemporary change. In the second major division of the chapter, the historical encounter finds the region of the present-day sugar mill, Ingenio Queserfa, the research communities of Chiapa and Ocotillo, and the former Chiapa hacienda embedded in the larger scope of national history, where power struggles have been played out at national, regional, and local levels.

Historical Change Within the Sugar Sector

The contemporary sugar sector in Mexico is the product of a historical trajectory covering over four and one-half centuries. This chapter elucidates the essential role of the state in the historical development of the sugar industry through four broad periods: 1) the colonial period, 2) independence, 3) the post-revolutionary period, and 4) the period of state control. Sugar production during the colonial period experienced rapid expansion, then stagnation, followed by rejuvenation of the industry with the Bourbon reforms. The independence period saw marked modernization of the industry during the *Porfiriato* (the dictatorship of Porfirio Díaz, 1876-1911); however, peasants challenged the dominance and power of Porfirian haciendas through the Mexican revolution. The post-revolutionary period was marked by significant vicissitudes in the development to the sugar sector: the agrarian reform of the 1930s, economic depression from 1940 to

1970 and

size's pro

1970s cul

A re

between

and, fr

present c

direct

history.

The Col

Sup

the place

of labor

operation

persons

policy in

period, p

size with

features r

in the st

ent rep

license

award i

to em

balance

it suga

1970, and the crisis that prompted statization of the sugar sector. The failure of the state's program to restructure the sugar industry and extract it from the crisis of the 1970s culminated in the reprivatization of sugar mills from 1988 to 1992.

A reading of this history brings into relief the constant dialectical relations of power between state, private capital, and peasants, having significant repercussions at multiple levels, from their location within the world system to processes of change within the peasant community. This history discloses the preponderant role, whether direct or indirect, played by the state in regulating the sugar sector throughout 470 years of its history.

The Colonial Period

Sugar was a key ingredient of colonial expansion. As a commodity, sugar fomented the plundering of land, establishment of plantations, trade in human cargo, and coercion of labor for the purpose of accumulating wealth. Land, labor, and capital are central ingredients which set the stage for a power struggle among private entrepreneurs, peasants, and the state. Despite the continual subjection of sugar production in the colony to the political economy of Spain, the Spanish Crown, throughout the colonial period, played no direct role in the development of the sugar industry. The role of the state will be shown, however, to have been significant. During the colonial period, key factors related to class conflict and state hegemony of the sugar sector are underscored:

- 1) the state ensured private entrepreneurs access to land and labor (through *encomienda* and *repartimiento*);
- 2) the state placed various restrictions on private entrepreneurs (licenses, prohibitions, export restrictions);
- 3) the state put into place protective policies toward indigenous labor;
- 4) through the Bourbon reforms, the Spanish Crown facilitated the entrenchment and expansion of sugar haciendas; as peasants lost their lands to haciendas, debt peonage became a mechanism to ensure a labor force for the production of sugar; and
- 5) peasants developed forms of resistance to the concentration of land and

and

7. 2. 1.

Sup

2. Ans.

33

52.5

22

10

323

3015

۲۰۰۰

200

منازل

10

12

20:

ing

2007

1982

b7C

10

1998

Copy

2

49

10

control of labor on the part of sugar-producing haciendas. Each of these factors is woven into the history of the colonial period.

Sugar cane was introduced to New Spain three years after the fall of Tenochtitlán, the Aztec capital. After Hernando Cortés brought sugar cane to Mexico in 1523, the sugar industry developed quite rapidly (GEPLACEA 1990; von Wobeser 1988). The establishment of sugar mills became a significant force in setting into motion a historical class struggle for power that continues to characterize social relations of production throughout the history of the sugar sector. Thus, control over labor and land established the base for capital accumulation; this social deployment of labor for sugar production involved the exercise of power. The Crown granted *encomiendas* (the tribute of "Indians" and their free labor) to Spanish conquerors, forming the historical basis for the development of sugar production and capital accumulation among *encomenderos* (Landázuri and Vázquez 1988). Encomienda was complimented by two other forms, the *marquesado* (right to tribute of persons living and working on the land) and *mercedes* (land granted as private property). The indigenous population contributed not only the labor to construct sugar mills, cultivate cane and process it to sugar, but also tribute in foodstuffs, wood, rocks, water, cotton, and services (Crespo et al. 1990). Although encomienda did not grant rights to land, most encomenderos appropriated indigenous lands and waters.

Initially, the Spanish crown encouraged sugar production by granting lands to those who desired to install sugar mills. By 1600, 60 mills and *trapiches* (small-scale, unmechanized sugar mills) existed in Veracruz, Puebla, Morelos, Michoacán, Jalisco, Colima, Oaxaca, Chiapas, Nayarit, and Guerrero (Landázuri and Vázquez 1988). The first sugar was exported from Veracruz to Spain in 1539, earning huge profits (GEPLACEA 1990). The state was essential to capital accumulation at this early stage; while the Spanish crown did not finance the genesis of the sugar industry in Mexico, it

provided the legal measures for appropriation of two essential resources--land and labor.

Nevertheless, a struggle between the Spanish state, represented by the king, and the private interests of the conquerors, emerged (Meyer and Sherman 1979). Precedents were established for a strong role played by the state, in relation to private entrepreneurs and indigenous labor. The Crown, to curb the growing power of encomenderos and to ensure the reproduction of the native labor force (including the food they produced and the tribute they rendered), employed protectionist policies toward the indigenous population for 300 years (Landázuri and Vázquez 1988; von Wobeser 1988). The New Laws of the Indies (1542-43) freed natives who had been enslaved and restricted labor requirements that could be demanded of indigenous peoples. In 1549, labor obligations to encomenderos were abolished and much of this labor force was replaced by African slaves; in addition, *ejidos* (usufruct land rights) were granted to indigenous communities. Scarcity of labor, exacerbated by a series of epidemics and demographic decline of the indigenous population, forced the Crown to decree *repartimiento*, a rotating system of compulsory labor, which was to be compensated with pay (Meyer and Sherman 1979; von Wobeser 1988). Repartimiento was the Spanish Crown's response both to protect "Indians" and to create wage labor, given the lack of a proletariat. Repartimiento persisted well into the 1700s, but was terminated earlier in the sugar sector. In 1599, Viceroy Gaspar de Zúñega prohibited repartimiento of "Indians" for wage labor in sugar mills. The viceroy judged employment of indigenous people inside of mills a crime and the guilty mill owner was imprisoned (Crespo et al. 1988, 1990).

Furthermore, the court ruled that no new mills were to be constructed, or cane lands planted, without a license. These edicts weakened the colonial relation between indigenous labor and Spaniards. Spain, at the time, was amply supplied with cane from the Antilles; New Spain was to supply precious metals, thus the Crown eliminated competition of mines with sugar mills for indigenous labor. This policy resulted in the

ROUTE 0

10 1000

201500

10000

As

100000

100000

100000

100000

100000

100000

100000

The

100000

100000

100000

100000

100000

M

100000

100000

100000

100000

100000

100000

100000

100000

100000

closure of numerous small trapiches (Crespo et al. 1988, 1990). These regulations did not terminate the abuse of laborers by the Spaniards. Although repartimiento was abolished in 1632, with the emergence of the hacienda, access to labor was continued through a system of debt peonage (Meyer and Sherman 1979).

As the demand for sugar expanded in Europe, the sugar industry became a cornerstone in the triangular trade. Goods flowed from Europe to Africa, to be exchanged for slaves, who in turn, were exchanged for sugar --initially for the tables of the elite in Europe, and later for the consumption of an urbanizing working class (GEPLACEA 1990). Increasing sugar consumption toward the end of the 16th century caused demand, and thus sugar prices, to rise (von Wobeser 1988). State control of prices dates from 1573.¹⁷ The increasing price of sugar from 1570-1600 encouraged further expansion of sugar estates (Crespo et al. 1988).

The Crown prohibited the export of sugar from Mexico in 1631, thus restricting sugar haciendas to the national market. *Aguardiente* (sugar cane alcohol) remained prohibited until 1796, limiting the expansion of the industry; however, illegal production continued throughout the colonial period. Thus, sugar production flourished within Mexico as a profitable, autonomous development, despite restrictions by the Crown (Landázuri and Vázquez 1988).

Many hacendados lacked sufficient capital and had to rely on credit for construction, expansion, and operation costs (von Wobeser 1988). The Spanish Crown did not provide capital to the Mexican sugar industry; rather, the Church and entrepreneurs from Mexico City filled the role of financial institutions (Landázuri and Vázquez 1988). Ecclesiastical credit largely made possible the expansion of the sugar industry in the first half of the

¹⁷A royal order set the official price of sugar at 5 pesos per arroba (about 11.5 kg.); sugar workers at this time earned from 4.5 pesos per year up to the highest paid position at 600 pesos per year (Landázuri and Vázquez 1988).

17th century (von Wobeser 1988). This fact allowed the Church to accumulate vast **holdings** through persistent indebtedness of hacendados (Landázuri and Vázquez 1988).

The precedence that sugar production took in Mexico is attributed to the hacienda **as a** particular form of organization (Jiménez 1986). The hacienda was a major unit of **production** and served as a pole of regional development. Haciendas were distinguished **by** irrigation works, buildings, machinery, and forms of labor--renters, sharecroppers, **salaried** labor, and debt peonage (Melville 1979). The hacienda was organized for **market** production, yet productivity and market demand remained low and it depended **to a** large extent on its own production and resources. It appropriated large expanses of **land**, yet utilized them inefficiently, with little technological development (Wolf 1959).

The colonial sugar hacienda owed its success to the appropriation of indigenous **land**, indigenous irrigation systems, and of the labor of indigenous peoples (Jiménez 1986). Given their need for labor, haciendas perpetuated the survival of peasant **communities**. Control over the indigenous population and ease of collecting tribute were **facilitated** by the relocation of dispersed peoples into congregated villages (von Wobeser 1988). As noted by Warman:

The growth of the great historical enterprises, from the modest slave mill of the 16th century to the almost infinite haciendas of the time of the Porfiriato, have found their success in their capacity to attract, utilize and exploit the wage labor of the peasants, without absorbing all of the costs of subsistence and reproduction of this group (translated from Melville 1979:16).

Hacienda lands were let out to permanent workers for rent or sharecropping, thus **the** production of maize contributed to their subsistence without cost to the hacienda. **Haciendas** incorporated rainfed and pasture lands for grazing cattle and draft animals **used** in agricultural labor and for growing food crops to feed the resident population (Warman 1980b).

Peasants shaped this process as well; they sought to escape unending loss of their

ends 22

handed

explains

cost the

handed

be disp

steps wa

the rec

ends

Des

or over

Spencer

The

ziti a

economic

the econ

aggr and

of the ec

expansion

The

in the N

multitude

changes

equilibrium

The B

Reserves

lands and demands for tribute and labor through wage labor on the hacienda, while the **hacendado** had access to a labor reserve that maintained itself until needed. Wolf (1959) **explains** that the hacienda was an instrument of the conquerors, while the pueblo was an **instrument** of the conquered; peasant communities existed in hostile symbiosis with **haciendas**. The indigenous population resisted encroachment on their communities and **the** displacement of their own crops by sugar cane. Land invasions and destruction of **crops** were frequent (von Wobeser 1988). Since the early colonial period then, peasants **have** been active agents in resisting the imposition of tribute and encroachment on their **lands**.

Despite its dynamism, by 1690, the sugar industry entered a severe crisis which was **not** overcome until 1770 (von Wobeser 1988). The Bourbon reforms, initiated by the **Spanish** state in the 18th century, rejuvenated the sugar sector.

The Bourbon Reforms. The Bourbon reforms¹⁸ in the last half of the 18th century **mark** a major watershed of the colonial period as Spain attempted to revitalize the **economies** of its colonies, and maximize extraction of wealth from the colonies to finance **the** economy of Spain. These reforms, initiated by the Spanish state, revolutionized the **sugar** industry, giving sugar haciendas a key role in the economy. The modernization **of** the economy and political system coincided with the initial phase of a transition to **capitalism** (Landázuri and Vázquez 1988).

The Bourbon reforms constituted a direct attack on corporate and private interests **in** the New World. Ecclesiastical property was sold on royal order, thus depriving **multitudes** of agricultural producers and entrepreneurs of their source of credit. These **changes** were accompanied by extensive expansion of haciendas, capital investment in **agriculture**, and the increasing role of the hacienda. The Crown abolished restrictions

¹⁸The Bourbon dynasty, beginning with the rule of Philip V (1701-46) succeeded Charles II, last of the Hapsburgs.

of the exp

regard

likely to

in world

the sugar

at Vaz

De

To

company

man

production

of their

comm

seasonal

of the

has imp

created a

of labor

Tow

economic

or

industry

profound

Mexico

stead of

ends. A

on the export of sugar from Mexico in 1796 and dropped the prohibition on production of *aguardiente* in 1794. Production throughout the colonial period, however, remained largely for internal consumption. The change did allow hacendados to place surplus on the world market in years when supply exceeded demand. By the nineteenth century, the sugar industry had become an important branch of the colonial economy (Landázuri and Vázquez 1988; von Wobeser 1988).

Debt peonage allowed the hacienda to convert workers into a permanent labor force. To attract and hold labor, haciendas sold goods on credit through the *tienda de raya* (company store), thus assuring perpetual dependency through debt. *Acasillados* resided permanently on the hacienda and were paid in cash and crops for their labor. Since cane production also requires large amounts of seasonal labor, haciendas rented out a portion of their lands, the rent being paid in cash, labor, or crops, to surrounding indigenous communities. During the harvest, rental was charged only in labor, ensuring access to seasonal labor. Land rental allowed the haciendas to obtain resources, ensured survival of indigenous villages whose lands had been alienated, and provided them a means to pay taxes imposed by the Crown. The increasing separation of peasants from their land created a growth in labor supply, depressed wages, and contributed to an abusive system of labor control (Landázuri and Vázquez 1988).

Towards the end of the eighteenth century, the sugar industry was invigorated by economic growth, a more secure supply of labor to the sector, and increased sugar consumption. The state, then, served as an important force in shaping the sugar industry. Nevertheless, polarization towards the end of the Bourbon era became pronounced between the export-oriented elite and those whose interests were within Mexico--the Church, hacendados, and merchants. By the end of the colonial period, the spread of haciendas had diminished the capacity of peasants to sustain their basic food needs. A middle class emerged whose interests opposed control by the Spanish crown.

The abdication of Carlos IV sealed the fate of the colonial relationship (Landázuri and Vázquez 1988).

Independence

The independence period in the history of the sugar industry produced important **changes** in the organization of labor and relations of production. This section explains **how** the state developed a stronger alliance with capitalists, contributing to expansion and **consolidation** of the sugar industry through: 1) protective tariffs; 2) the Reform Laws **which** attacked corporate landholdings and sanctioned the expropriation and concentration **of** land in the hands of sugar industrialists; and 3) the state's toleration of despotism **on the** part of hacendados. Subsequently, the policy of liberalism during the Porfiriato **brought** about major changes to the sugar industry: 1) penetration of foreign capitalists; **2)** modernization of sugar mills; and 3) an export orientation linked to the world market. **It** is against these hegemonic conditions that peasants took action in the Mexican **revolution**.

Destabilization in the aftermath of the war of independence arrested the advances **put** into place by the Bourbon Reforms and was not surmounted until the Porfiriato. **Populations** in hacienda regions had been displaced, irrigation systems destroyed, and **sugar** mills operated with the infrastructure inherited from the colonial period, with few **technological** improvements (Crespo et al. 1988; Landázuri and Vázquez 1988). The **state**, influenced by politically powerful hacendados, prohibited sugar imports to Mexico; **this** protectionism was characteristic of the first half of the century. Exports of sugar **from** Mexico comprised less than 10% of national production until the 1870s (Landázuri and Vázquez 1988).

The dominant class was comprised of hacendados, merchants, usurers, and public **officials**, plus foreign capitalists who began to invest in the sugar sector after the middle **of** the century. Numerous hacendados became regional *caciques* (political bosses),

wielding considerable power. Concentration of property, control of irrigation systems, access to a cheap labor force, and their monopoly of the regional market enabled **hacendados** to increase their wealth and maintain political hegemony. Although social movements against the encroachment of haciendas were frequent in the 19th century, **peasant** struggles remained localized and isolated (Landázuri and Vázquez 1988).

During the *Reforma*¹⁹, the state continued to support the accumulation and concentration of lands through the Ley Lerdo and the Ley de Desamortización of 1856, which attacked corporate properties and restructured the relations of production. These laws provided the basis for massive expropriation of land from the Church and indigenous communities alike. Wealthy hacendados took advantage of these laws, acquiring land (and irrigation systems) at half their value, and concomitantly, control of the labor force from whom the land was alienated. The annexation of indigenous lands by haciendas was accomplished through both legal and extra-legal means, fomenting greater pressure on peasants--at a time when rural population was rapidly increasing--to resort to wage labor and rental of land in order to survive. The abrogation of colonial protectionism was supplanted by a constitution and set of laws which left peasant communities at the mercy of the haciendas (Landázuri and Vázquez 1988; Melville 1979).

In exchange for land to produce their subsistence crops, the hacienda charged **peasants** quotas of maize and labor (Landázuri and Vázquez 1988). Sharecropping

¹⁹The Reforma (1855-1872) marks a period of liberalism in Mexico, led by Melchor Ocampo and Benito Juárez. In 1855, Juárez abolished clerical and military privileges (Ley Juárez). The Ley Lerdo of 1856 forced the Church to sell property not used for religious purposes. Large landowners, merchants, and capitalists were able to acquire the bulk of these estates. Since the law barred all corporations from holding land, communal lands of indigenous pueblos also lost their landholdings to speculators. These laws were incorporated into the 1857 constitution. In 1859, Juárez nationalized all ecclesiastical property without compensation and suppressed monasteries so that their estates could be distributed to peasants--an end that was not achieved. "Vacant lands" were ordered to be sold in 1863, thus indigenous communities unable to establish title suffered further land losses. The Reform period ended with the death of Juárez and Porfirio Díaz' rise to power in 1876 (Keen and Wasserman 1980).

1

2

3

4

5

6

7

8

9

10

11

12

provided both labor and income to the hacendado, the earnings of which could be reinvested in sugar cane production (Warman 1980b). Costs of labor, maintenance of mills, and state taxes forced many hacendados to rely on loans, to rent out, or to sell their land. The effort to diversify activities and provide their own inputs failed to rescue many haciendas from constant debt and subsequent loss of property (Landázuri and Vázquez 1988).

The history of the sugar industry up until the 20th century makes clear the state's role in guaranteeing the reproduction of the social and material conditions of production. Despite lack of direct intervention in fomenting sugar production, the state guaranteed reproduction of the sugar-producing haciendas by its toleration of despotism and its support to hacendados, ensuring them access to land, infrastructure, and labor. Legal sanction was given to expropriation of corporate property, which in turn, liberated a supply of labor for the developing capitalist industry.

The Porfiriato. With the advent of the Porfiriato (1876-1910), foreign penetration of the sugar sector and concentration of land reached a zenith (Jiménez 1986; Landázuri and Vázquez 1988). The Porfiriato was based on economic liberalism aimed at industrialization, production for export, and support for foreign capital involvement in the Mexican economy (Fábila 1941). Internationalization of production brought direct foreign investment in sugar mills and important growth to the sugar sector. Events in the world market in the late 19th century, such as the Cuban war of independence and opening of the U.S. market, also contributed to the growth of sugar production in Mexico. The Porfirian state fortified the power of the dominant interests through control of resources (land, capital, water, and labor) and legislation, thus guaranteeing reproduction of the social and material conditions of the sector and allowing hacendados to realize enormous profits (Landázuri and Vázquez 1988).

Building of an extensive railway system, the steam engine, and the infusion of credit

အိမ်

ipmā

aports

120

Vacua

25

2000

End-

Yr.

T

22 SEP

102

215

15

د

22

100

34

I

25

10

11

224

6

22

and capital rejuvenated the sugar industry. These changes promoted the growth of an internal market, while protective tariffs on sugar imports and preferential tariffs on exports stimulated the export of Mexican sugar. Hacendados were given extensive rights to land, waterways, forests, and contracts to construct railway lines (Landázuri and Vázquez 1988; Melville 1979). By the end of the Porfiriato, Mexico contained the third largest sugar production region in the world (Morelos), after Hawaii and Puerto Rico (Jiménez 1986). While it is argued that private investment is responsible for growth and modernization during this period, state policies facilitated capital accumulation among porfirian industrialists.

The Porfirian success also carried the seeds of its own destruction. From 1903-1906 the sugar industry suffered its first major crisis of overproduction; moreover, the price of sugar was on the decline (Jiménez 1986). Furthermore, the appropriation of village lands and exploitation of peasant communities generated continual, localized conflicts between peasants and hacendados (Crespo et al. 1988). During this period, when hacendados promoted expansion and modernization of capitalist mills, they simultaneously fomented the development of an antagonistic peasantry which would join forces with other social groups to overthrow the hacendados.

Post-Revolutionary Changes

The post-revolutionary agrarian reform transformed the structure of production, giving shape to the contemporary configuration of the sugar sector. This section illustrates crucial features of this transformation: 1) displacement of the landed oligarchy; 2) disruption of the unity of factory and field in sugar production; 3) the state's need to balance conflicting interests by a) subsidizing sugar barons, b) appeasing urban workers with low sugar prices, and c) redistributing land to peasants; and 4) increasing state hegemony over the sector through provision of credit, control of prices, intervention in official institutions of the sector, setting policy which centralized control

of the sector, and subordination of peasants to external controls. Detailed attention is given to the decrees of 1943 and 1944, for they established the conditions that continue today to govern relations between peasants, private capital, and the state.

Peasants were active agents in challenging their exploitation by haciendas. In 1910, 1% of the population of Mexico owned 97% of the land and haciendas held 113 million hectares (Esteva 1983). The state of Morelos had 37 haciendas and 24 sugar mills; this was the heart of the Zapatista movement. In 1911, Emiliano Zapata issued his Plan de Ayala, calling for a return of plundered communal lands, expropriation of latifundios, and for autonomy and freedom for peasant villages. When Huerta fell in 1914, hacendados in Morelos fled and the zapatistas restored and put into operation four sugar mills to process cane and to finance their army. Zapata's objective was to change the relations of production and redirect mill profits to social ends (Warman 1980b).

In 1914, the Mexican state, under Villa and Zapata, came into the hands of the rebels. Carranza's forces, with the support of the U.S., attacked and burned peasant villages and cane fields, destroyed the mills, and dismantled and robbed the machinery; zapatistas took refuge in the hills. By 1920, Morelos' sugar mills stood in ruins (Crespo et al. 1988) and one-fourth of the population of the state had died (Warman 1980b).

After the revolution, in 1917, the Plan de Ayala was incorporated into Article 27 of the Mexican constitution. The Primer Ley de Ejidos in 1920, based on Article 27, provided for the redistribution of hacienda lands (Crespo et al. 1990; Warman 1980b). By 1923, grants of land had been given to 115 peasant villages and 200,000 hectares had been distributed by 1929. Agrarian reform brought structural transformation by subduing the power of the former rural oligarchy and redistributing land, water, and cane fields to peasants who were an important ingredient in the stabilization of the new Mexican state (Warman 1980b).

Sugar mills required centralized control of factory and field, large extenses of land,

and huge investments; peasants, recipients of land redistribution, lacked both resources for and interest in cane production. The structural breakdown in the unity of field and factory maintained under the hacienda system is a significant factor, since control of the productive land base was now substantially separated from the sugar mill itself. For this reason, Article 27 was revised to protect the infrastructure and irrigation works of sugar haciendas; subsequently, 150 hectares of irrigated and 300 hectares of rainfed land belonging to the agroindustrial complex of sugar mills were exempt from expropriation (Crespo et al. 1990). This measure ensured the retention of agroindustrial units in the hands of the rural elite (Jiménez 1986).

It was not until the presidency of Lázaro Cárdenas that significant distribution of cane lands was accomplished--a total of 20 million hectares were redistributed during Cárdenas' term of office. By 1940, 1.7 million ejidatarios owned 30 million hectares of land, but haciendas still occupied 32 million hectares (Esteva 1983). In severing ownership of land from ownership of mills, foreigners were driven from control of the sector and a state-peasant alliance was forged. Cárdenas took measures to channel credit and technical support to cane producers through the Banco de Crédito Agrícola and Banco de Crédito Ejidal, giving the state control of credit to the sugar industry (Purcell 1981).

The state's alliance with peasants took political, as well as economic forms. Cárdenas distributed more land than any other Mexican president, but he also engineered the corporate structure of the government party which continues to serve as a mechanism to control peasant and labor groups. Separate popular, labor, and peasant sectors were incorporated into the hierarchical structure of PRM (Partido Revolucionario Mexicano, becoming the PRI, Partido Revolucionario Institucional, in 1946) (Wilkie 1967). This act ensured government control over workers' and producers' unions (Hamilton 1984, 1982; Hodges and Gandy 1983; Montes de Oca 1977; Rounds 1977). Cárdenas

established the CNC in 1938, to unite competing peasant groups, bind the CNC to the official government party, and prevent an alliance between peasants and proletariat which might mobilize against the state (Landsberger 1973). The official cane producers' union, UNPCARM (Unión Nacional de Productores de Caña de Azúcar de la República Mexicana), is within the corporate umbrella of the CNC, and thus, the official party.

Relations of production were restructured between the state and private capital as well, as defined by Crespo: "the mill-cane land relationship--and those of the industry with the state, both redefined in a pyramid of subordination in whose vertex is found the State itself" (translated from Crespo et al. 1990:884). From the 1930s to the 1950s, a new group of capitalist entrepreneurs emerged who served as caciques on behalf of the state by controlling peasants within the production zones of sugar mills. This period, when ninety percent of the industry was privately owned, is characterized by Purcell (1981) as a period of oligopoly capitalism. The influence of these industrialists allowed them to distance themselves from the agrarian reform and obtain large amounts of government credit (Jiménez 1986). The dependence of private industrialists on state support is a significant feature in the history of the sugar industry.

Among the major private capitalists were Benjamin Francis Johnston, William Oscar Jenkins, Virginia Parnet, and Aarón Sáenz. In addition to the Los Mochis, Sinaloa mill built in 1901, Johnston owned ingenios La Victoria and El Aguila. He consolidated his power, becoming the largest sugar industrialist in Mexico. When World War II opened the market to high world prices, he amassed a fortune. In 1938, Cárdenas distributed 83,442 hectares of his United Sugar Company lands to peasants in Los Mochis, forming 32 collective ejidos. The Johnston family retained ownership of the mill until 1960, when it was purchased by Aarón Sáenz (Crespo et al. 1988).

Aarón Sáenz, "el rey del azúcar mexicano" (the Mexican sugar king) from 1930-70, is responsible for much of the growth and capital accumulation of the sugar industry

(Cres)

112

23

725

262

مفتی

ה'תש"ח

1127

0: 5

in

22

give

10

22

1

iii.

by

20

11

14

-

12

11.

1

(Crespo et al. 1988:116).²⁰ In 1929-30, President Elías Calles used his political influence to obtain credit from the Banco de México to form the Compañía Azucarera de El Mante, S.A., headed by Calles' son, Aarón Sáenz, and Fernando Torreblanca. This credit represented four times the value of the capital represented in the sugar mill and a substantial subsidy by the federal government. The region had also benefitted from Calles' promotion of large irrigation works for the mill, at a cost of \$4,906,811 pesos to the government. The mill thus remained protected from the 1930s crisis that affected other large mills of the country. The unscrupulous use of public office and perversion of bank regulations were used to justify the expropriation of El Mante in 1939 and formation of a peasant cooperative. In 1943, Sáenz took legal action (*amparo*) against the expropriation; ultimately, he sold the mill to the cooperative, for which the government paid \$18,052,132 pesos (Crespo et al. 1988). The subsidization of these huge, private sugar barons by the state and the expropriation of cane lands for redistribution to peasants reveal the contradictory tensions in relations of production between the state, private capital, and peasants.

The state also played an important role in the commercialization of sugar. Sugar industrialists formed a cartel in 1931 to sell their products on the market, at a price fixed by the government. Private capitalists conceded control of the price of sugar to the state in order to gain access to credit, yet provision of credit gave the state greater influence in the cartel. Azúcar, S.A., created in 1931, represented the principal mills of the cartel. When excess production continued, in spite of the cartel, Sáenz convinced President

²⁰Sáenz was a former revolutionary hero under Obregón, federal deputy, Undersecretary of Foreign Relations, signer of the manifesto that created the PNR (Partido Nacional Revolucionario) in 1928, presidential nominee (having lost to Ortiz Rubio), Secretary of Commerce, Industry, and Labor (with an important role in regulation of the sugar industry), and Secretary of State. He built the El Mante, Tamaulipas mill in 1928 with financial support from Ellsworth Bunker, president of Mexico's most important sugar mill (El Potrero) and partner in the largest sugar company in the U.S. Sáenz also served as director of UNPASA, the organization that controlled the sugar sector (Crespo et al. 1988).

Case

105

IX

10

Nazi

24

نے:

11

xi

200

b c

iii

23

ॐ

2.

13

५.

...

4.

in

4

10

Calles to finance their losses (through Banco de México) by selling surplus sugar at a loss on the world market. The state, then, played an important role in regulating production and distribution of sugar of a largely private agroindustry. That role became further entrenched when, in 1938, Azúcar, S.A. was transformed into UNPASA (Unión Nacional de Productores de Azúcar), with government representatives from the Secretaría de Hacienda y Crédito Público and the Economía Nacional, who held veto rights (Crespo et al. 1990). UNPASA would now provide credit to its members, market the sugar produced, warehouse the country's sugar, export surpluses, and promote the organization of industries for production and processing of sugar and its products (Jiménez 1986).

Whereas the activities of sugar industrialists in the post-revolutionary period indicate a degree of dynamism, the agrarian reform generated a number of factors that contributed to decreasing production: small landholdings were held by a marginal peasantry with scarce resources, coordination by the mill of the technical aspects of cultivation decreased, and application of inputs, mechanization and technical development was jeopardized. As a result, Mexico was forced to import sugar from 1943-46 (Crespo et al. 1988). However, much of the responsibility for the deficit in cane production from 1933-50 can be traced to sugar industrialists who directed production away from national demand to the production of alcohol and molasses for export (Flores 1987).

The period from 1940-1970 marks a new stage in the development of the sugar industry. After Mexico was forced to import huge quantities of sugar in 1943, President Avila Camacho issued two important remedial decrees. The first decree (1943) gave power to the Secretary of Agriculture to delineate supply zones around each sugar mill, within which all *ejidatarios* and *pequeños propietarios* (private landowners) were obligated to cultivate sugar cane for the mill; thus, peasant cane producers were subordinated to the monopoly control of sugar mills. The decree, aimed at meeting both national and U.S. demands for sugar, remained in effect until 1975 (Crespo et al. 1990;

Jiménez 1986).

The second decree (1944), marking increased state involvement in the sugar industry, established the method for fixing the price of cane, the form of paying the producer, and regulations for commercialization of byproducts. The price paid for one ton of cane was equivalent to the wholesale price of refined sugar per kg., multiplied by 50% of the factory yield (kgs. of sugar produced per ton of cane) during the harvest. An 80 kg. (8%) factory yield was guaranteed (Jiménez 1986). Thus, the profit of the harvest was equally divided between mills and producers. Producers were to receive 25%²¹ of the value of by-products such as molasses and alcohol, were subject to premiums or discounts, according to the quality of the cane, and were required to pay transport costs to the mill. Credit was channeled to the mills through FINASA, (Financiera Nacional Azucarera, S.A.) and then dispensed to *cañeros* (cane producers) by the mills. The government continues to control the price of sugar as a low cost wage good for urban labor; thus the *cañero* bears the cost of transferring surplus from the country to the city. These decrees put into place a new management system to associate *cañeros* with industrialists in a subordinate relationship under a system of increasing state hegemony of the sugar sector (Crespo et al. 1990).

Statization of the Sugar Industry

The period of state control of the sugar industry is counterposed in this dissertation to the more recent period of privatization. In this section, detailed attention is given to the state's restructuring of the industry and to the official institutions charged with control of the sector. These facets of increasing state control of the sugar sector set the conditions which ultimately culminated in the privatization of sugar mills. Strategic aspects discussed below include: 1) the impact of the international sugar market on

²¹Jiménez (1986) reports this amount as 50%.

1
1
s
o
2
a
p
ra
un
de
mi
exp
sug
exp
—
:
Mex

development of the Mexican sugar sector; 2) state control of the price of sugar, which led sugar industrialists to decapitalize their operations; 3) the increasing role of the state in the institutions governing the sector and direct state ownership of mills, 4) substantial state subsidies to the sector and economic destabilization; 5) significant changes to the Decreto Cañero, and 6) transformations in the relationship between the state, private capital, and peasants.

After 1944, private sector investments increased the productive capacity of sugar mills and the sugar industry experienced accelerated growth through the 1960s. From 1953-59, Mexico expanded its exports to the world market; those exports were increasingly destined to the U.S. from 1959-1970,²² after which the U.S. became Mexico's principal purchaser of sugar (del Villar 1976; Jiménez 1986). After the 1960s, sugar became Mexico's third most important export crop, comprising 15% of the value of agricultural exports (Jiménez 1986).

From 1958-70, a state policy of "*desarrollo estabilizador*" (stabilizing development) aimed to stimulate economic growth through control of inflation. This would be accomplished by freezing wages and the price of basic commodities (Purcell 1981). The policy represented an attempt to keep the price of sugar to the consumer low without raising the price paid to cane; the price (\$1.35 pesos per kg., wholesale) was in effect until 1970, at the cost of tremendous government subsidies, and contributed to a destabilization of the industry which ultimately prompted direct state takeover of sugar mills (Crespo et al. 1988, 1990). Despite favorable sugar prices on the world market, export earnings did not offset the effect of the freeze placed on the domestic price of sugar. The response of mill owners reveals their growing apprehension about the expanding role of the state in the sugar sector (Purcell 1981). This policy culminated in

²²U.S. cancellation of the Cuban sugar quota after 1960 was a primary cause of increased exports of Mexican sugar.

ass of p

(Crespo

Fr

Straen

onsole

product

in 2010

1967 (P

million p

In

The dec

the grow

of the s

owners

interac

1998,

2000

to re

pro

Co

we

of s

the s

1967 u

2 sugar

America, //

loss of profitability for sugar mills, decapitalization of the industry, and increasing debt (Crespo et al. 1990; Purcell 1981).

From 1969 on, production declined as private owners decapitalized their mills. Sixteen mills possessed modern equipment, 29 were semi-obsolete, and 19 completely obsolete. Three sugar mills closed and some 40,000 hectares were taken out of cane production (Jiménez 1986). Of the 65 mills in the country, 24 were economically inviable and 45% were near bankruptcy. Between 50-60% of cañeros were in debt in 1967 (Paré 1987) and in 1969, the capital deficit of the industry amounted to \$1.2 to 1.8 billion pesos (Crespo et al. 1990). This crisis of stagnation was to last until 1982.

In 1965, the state assumed ownership of two sugar mills and built three new mills. The decade of the 1970s is noted for substantial state intervention in the economy and the growth of parastatal industries; these events represent a significant change in the role of the state in the sugar industry (Crespo et al. 1988, 1990). As the state assumed ownership of failing and obsolete sugar mills, its participation in production of sugar increased from 14% in 1967, to 33.7% in 1974, and 72.1% in 1982 (Crespo et al. 1988). Eighteen sugar mills, accounting for 30% of national production, had been incorporated into the public sector by 1969 (Purcell 1981). The government attempted to rescue the sugar industry through extension of credit for new mill equipment, which private mill owners tended to invest in more lucrative sectors of the economy. Consequently, mills continued to become decapitalized from 1970-75, and mill owners were unable to repay the enormous amounts of credit subsidized by the state. The price of sugar, frozen below the real cost of production, impeded capital accumulation within the sector (Jiménez 1986). Internal demand for sugar grew from 1.5 million tons in 1967 to 3.25 million in 1982. Mexico suspended its exports in 1976, after 25 years as a sugar exporter. Whereas in 1970 Mexico was the third largest producer in Latin America, huge imports were required after 1980 (Crespo et al. 1988; Purcell 1981).

Rapidly rising domestic consumption of sugar threatened to eliminate an important source of foreign exchange and the retreat of private mill owners from the sector implied a breakdown in the system of control over the peasantry. Prior to statization of sugar mills, sugar entrepreneurs were charged with controlling peasant producers on behalf of the state; in turn, they were given control of the sugar market (Purcell 1981). Political unrest among peasants prompted Echeverría (1970-1976) to institute social reforms, especially via federal expenditures to the peasant sector (Goulet 1983). The preservation of sugar mills was essential to prevent undermining the economic base of rural communities, potential unemployment of thousands of peasants, and destabilization of the peasantry. The state had sacrificed private interests in order to assume direct control in the context of political constraints exerted by the popular classes (Purcell 1981).

The first restructuring of the sugar industry took place between 1970-75. Echeverría raised the price of sugar 48.3% in 1970 (to \$2.15 pesos per kg.) for the first time since the 1958 price freeze. His objectives were: to end government subsidies, pay the foreign debt, guarantee the economic viability of sugar mills, increase sugar production, and increase income of cane producers (Jiménez 1987). The increased price would also lure peasants back who had turned to more lucrative crops (Purcell 1981). Echeverría created the CNIA (Comisión Nacional de la Industria Azucarera) in 1970 as a federal organization to coordinate and administer the sugar industry. It would incorporate three branches, UNPASA, FINASA, and ONISA (Operadora Nacional de Ingenios, S.A.). UNPASA was originally formed by private mill owners and supported by government subsidies (del Villar 1976); its functions had expanded by the 1940s, giving it much power as the only supplier of sugar to the domestic market and as a credit institution for mill owners, who in turn served as creditors to cane producers (Purcell 1981). UNPASA was now vertically integrated into the larger state organization. State control of sugar prices, its financial support to UNPASA, and its growing participation in the

image

function

Villar

1949 w

direct

the Bar

present

function

aggr (J

Con

FINASA

national

finance

respons

a more

scale

2.1

12th

of

equ

and

200

200

200

owned

Five

management of UNPASA reduced the organization's capacity for self-sufficiency in financing, thus opening the way for sugar mills to pass to the hands of the state (del Villar 1976). UNPASA became a mechanism for state control of the sugar industry in 1948 when the government assumed control of its executive council (Purcell 1981). The director of Financiera Nacional replaced Aarón Sáenz in 1953 and representatives from the Banco de México and the Banco de Comercio Exterior further broadened the state's presence in the organization (Crespo et al. 1990). In 1971, the state removed the credit functions of UNPASA, leaving it responsible for distribution and commercialization of sugar (Jiménez 1987).

Control of credit was now placed with FINASA. The government acquired FINASA from the mill owners in 1966. FINASA began as a private bank, became a national credit institution with government financing, and would now be the channel to finance the industry (del Villar 1976; Purcell 1981). FINASA was given exclusive responsibility for providing credit to the sugar sector, and sugar mills were reduced to a mere channel of credit to cane producers (Jiménez 1987). ONISA was to manage all state-owned mills, signifying direct state control in the production of sugar (Crespo et al. 1990; del Villar 1976).

Given this context, sugar industrialists continued to decapitalize their operations, rather than repair the obsolescent mill equipment (Jiménez 1987). The potential closing of sugar mills threatened to displace thousands of rural workers, and undermine the economic base of rural communities, which employs over 12% of the economically active population. The state terminated its partnership with private mill owners to preserve political stability in the rural area and gradually assumed direct control of sugar mills. Near the end of Echeverría's presidency in 1975, 31 of the 65 mills were state-owned, accounting for 50% of national sugar production (Purcell 1981).

Five years of state restructuring failed to extract the sugar industry from its crisis;

8-27-72

1953

22-11-72

1954

1955

and to

T

21-11-72

1956

1957

1958

1959

1960

T

1961

1962

1963

1964

1965

would

21-11-72

1966

1967

1968

1969

1970

several factors contributed to this failure: state control of the price of sugar, increasing costs of production, disincentive prompting cañeros to turn to other crops, and the fact that the state had acquired the most mechanically inefficient mills (del Villar 1976). The government embarked on further restructuring (referred to as "restructuring of the restructuring") in 1975 to increase production to meet demands for internal consumption and for export (Purcell 1981).

To meet these ends, the government published a new Decreto Cañero which abrogated the 1943-44 decrees. The 1975 decree changed the formula for fixing the price of cane. The price (\$75 pesos/ton, an increase of 50% from 1970) was now to be determined by sucrose content rather than weight, the proportion of which was correlated with guaranteed prices for other products such as rice, maize, beans, sorghum, and soybeans. This measure removed the burden of capital accumulation from inefficient sugar mills and placed it on field yield of the producers (Jiménez 1987).

The new decree called for direct provision of credit through FINASA, rather than being channeled through mill owners. This was to give producers more freedom in decision-making vis-à-vis the mill; however, as the state assumed control of mills in the 1970s, the new mill owner and financier of credit came to coincide once again. An additional provision created the Comisiones de Planeación y Operación de la Zafra, which were to give cane producers a role in decision making (Jiménez 1987). The latter would link cañeros directly to the government through a tripartite representation of cañeros, mill owners, and the state. As the majority of mills were managed by the state, however, the cañeros were outvoted two to one (Purcell 1981). The CNIA (Comisión Nacional de la Industria Azucarera) was created, and assumed control over all aspects of the sugar sector, serving as both creditor and debtor of the industry (del Villar 1976).

The 1975 decree failed to achieve its objectives and Mexico lost its export capacity

in 1976; from 1976-85, Mexico was a net importer of sugar (GEPLACEA 1990).²³ Only 13 mills underwent renovation and 33 of the 69 mills in 1981-82 obtained factory yields below the guaranteed 8.3% (Jiménez 1987). The price freeze, coupled with an inflation rate of 108%, prompted a second wave of state takeovers in 1977 (Crespo et al. 1988). In 1982, of the 52 mills in the state sector (out of a total of 69), 71% experienced losses (Crespo et al. 1990). As the state assumed increasing control over sugar mills from 1971 to 1980, subsidies to the sector rose 700% (Jiménez 1987). Subsidies were on the order of \$4.4 billion pesos in 1971, rising to \$22.1 billion in 1975 (del Villar 1976).

Mexico's petroleum resources allowed López Portillo (1976-1982) to continue the populist policies of Echeverría. Peasant sectors were supported through extension of credit to non-irrigated districts, provision of basic human needs such as health, education, and welfare, and the program Sistema Alimentaria Mexicana which ensured government subsidized prices for basic foods, with the objective of food self-sufficiency (Spalding 1985; Rello 1986). The need to balance attention to the masses and to not alienate elites, however, is present in the Ley de Fomento Agropecuario (Agricultural and Livestock Development Law) of 1979, which for the first time made legitimate the association between ejidatarios and private capital, creating the conditions for further exploitation of ejidal lands by the rural bourgeoisie (Spalding 1985; Rello 1986). Nonetheless, state subsidies to peasant production led industrialists and bankers to demand the elimination of state price controls and many reacted by contributing to massive capital flight. López Portillo's nationalization of private banks prior to the end of his term represents a direct state attack on the most powerful economic groups in the country. This action elucidates the fact that the state is not a mere instrument of the dominant capitalist classes

²³From 1980-83, imports of 2.5 million tons amounted to 23.4% of total production.

(Hamilton 1984, 1982).

Further restructuring of the sugar industry was realized under the administration of Miguel de la Madrid (1982-88). The complex, hierarchical relations shared among the three directive agencies--CNIA, UNPASA, and FINASA were combined by a 1983 presidential decree into a single entity, Azúcar, S.A. de C.V. (Crespo et al. 1990). During this period, Mexico achieved self-sufficiency in sugar. The gains were promising: the number of hectares of cane increased from 454,000 to 558,000, sucrose content of cane rose from 11.3% to 12.2%, the amount of sugar produced per hectare of cane increased from 5.9 to 6.4 tons, factory yield improved from 8.4% to 9.7%, and lost time in factory dropped from 33.6% to 26.2%. At a time when demand for sugar increased 2.4%, annual growth in the sugar sector was 4.4%. In 1987, the sugar sector generated 14.7% (\$79.5 million dollars U.S.) of all foreign exchange earned from agroindustrial exports. Sugar exports in 1985 had been 3.1% of national production, but by 1988 comprised 27.5% (Crespo et al. 1990). Mexico's reentry into the world sugar market was thus accomplished while the sector was under state control. After privatization of the industry in 1988, Mexico became a net importer once again:

Table 1. Sugar Imports and Exports, 1982-89.

| <u>Year</u> | <u>Imports</u> | <u>Exports</u> | <u>Net Trade</u> |
|-------------|----------------|----------------|------------------|
| 1982 | 538,284 | 16,500 | - 521,784 |
| 1983 | 833,220 | 14,685 | - 818,535 |
| 1984 | 273,455 | 0 | - 273,455 |
| 1985 | 0 | 66,194 | + 66,194 |
| 1986 | 0 | 219,156 | + 219,156 |
| 1987 | 0 | 518,455 | + 518,455 |
| 1988 | 0 | 1,014,481 | +1,014,481 |
| 1989 | 597,449 | 334,184 | - 263,265 |

(source: GEPLACEA)

After Mexico's reentry into the world market in 1985, the government embarked on

de P

the m

red

oal

de e

lige

de G

stion

col

comp

enz

Non

proc

and

com

and

Calc

For

the Programa de Reconversión de la Industria Azucarera Paraestatal (1986), to modernize the industry, increase its competitiveness, attain financial autonomy of the sector, and to reduce state participation from 76% to 50% (Crespo et al. 1988, 1990). Crespo's evaluation of this situation just two years before the sector was privatized is relevant:

In this, the fundamental [issue] revolves around the capacity of the State to maintain its directorship of the management of the sugar industry and its capacity to support...especially the cane producers -- so they adopt actions conducive to an intensification of productivity...(translated from Crespo et al. 1988:134)

State control of the sector, however, was to be short-lived. In 1988, in response to the economic crisis, Miguel de la Madrid made a decision to divest and decontrol the sugar industry. Privatization of the sugar sector constituted a crucial element in Salinas de Gortari's development policy. In 1990, he asked sugar producers to redouble their efforts to convert the sector into one of the pillars of industrial transformation in the country (*Tumbando Caña* 1990 (17):23). Privatization of the entire sugar sector was complete by 1992. This subject will be taken up in the following chapter. The remainder of this chapter presents the historical background of the research region.

Historical Change Within the Research Region

Colima held a peripheral status to the prime sugar-producing regions of Mexico. Nonetheless, it experienced similar processes in the establishment of sugar cane production, control of labor, and the dialectic relationship between the state, private entrepreneurs, and peasants. The unfolding history of Ingenio Quesería and the communities of Chiapa and Ocotillo reveals how peasants of this region are inserted into national and global histories and processes, and their role in creating those histories.

Colonial Colima

Ranching, rather than sugar cane, was the predominant economic activity in the province of Colima in the colonial period, yet due to the early introduction of sugar cane,

the research community of Chiapa and the zone of the Queserfa sugar mill shared with other cane-producing zones the presence of mechanisms for the control of land, labor, and capital: encomienda, repartimiento, the ubiquitous haciendas, and a landed elite who exploited indigenous labor through their monopoly control of land.

The conquest of Colima by the Spaniards was accomplished in 1523. Cortés gave the first order for encomiendas in Colima in 1523, after which 19 were granted; by 1554, numerous encomiendas were present in the province. A 1532 document indicates 48 encomenderos, 85 pueblos in encomienda (out of a total of 112 pueblos), and 4925 indigenous tribute payers in Colima (Sevilla del Río 1986). When the Oidor (royal judge), Lorenzo Lebrón de Quiñones, visited Colima in 1551-54, the encomienda of Chiapa had already been granted to Jorge Carillo, who also held encomiendas in Tecocitlán el viejo, Tecocitlán el nuevo, Motempacoyan, and Amatlán. The encomienda of Chiapa later developed into a hacienda. This hacienda was expropriated during the agrarian reform, forming the two ejidos that are the subject of this investigation, Felipe Chávez (pertaining to the community of Chiapa) and Vicente Pinto (pertaining to the community of Ocotillo) (Sevilla del Río 1986).

Upon conquest, a large indigenous population existed in Colima to supply a labor force (Saur 1990). Nonetheless, decimation of the population by conquest, excessive labor demands of mines and plantations, disease, and hunger created a desperate need for labor (Saur 1990; Sevilla del Río 1986). Lebrón wrote in his report to the Spanish crown:

...the natives...have begun to die like flies, without being able to say of what, or why...at the cost of the life of the natives, who when they ran out of their miserable food, which they take from flour ground from the maize, eat tree roots and water, and this way they die.... In many hamlets where these things are seen, those that do not die...so the women do not get pregnant...and if some do, they kill the fetuses before they are born, so they say, [because] they do not want to see their children in captivity and servitude like themselves (translated from Saur 1990:134).

The native population of the Villa de Colima had been reduced from 10,000 in the early years of contact to 40-50 by 1551. Slow recuperation is indicated by the fact that in the 18th century, many African slaves were brought to Colima by Bartolomé de Cossío (Oseguera 1979). These facts suggest that labor scarcity may have been greater in Colima than in the nation as a whole.

The first agricultural activities introduced by the Spaniards were cacao and cattle-raising. In the 1550s, sugar cane was cultivated in the neighboring states of Jalisco and Michoacán (Quinto 1990). Navarro (n.d.) reports cultivation of cane in Colima as early as 1569, although there were few mills due to lack of demand and markets. In 1596, Chiapa (known in ancient times as Tepetlatlán) was given as a merced to Hernando de Alvarado by the Conde de Monterrey, viceroy of New Spain. This ranch bordered La Capacha to the south; La Capacha (also known as Nuestra Señora de San Juan) was given as a merced to Alonso Carrillo de Guzmán in 1584. Jesuits from Tepotzotlán bought the lands from Carrillo de Guzmán in 1617. The lands of Chiapa were bought by the Conde de Regla don Pedro Romero de Terreros in 1778, then containing six cattle ranches. These lands stretched from Villa de Colima to La Lechería, the present day Quesería (Sevilla del Río 1986). The control of vast landed estates by a rural elite thus had deep historical roots in Colima.

La Capacha was a ranch until 1661 when Alonso de Avila Alvarado founded a trapiche for the manufacture of sugar and *panocha* (ungranulated sugar, usually shaped into cones, and frequently used in the production of aguardiente). In 1722, Juan Ruiz Quintero bought La Capacha, improved the trapiche, and planted most of the land in sugar cane. He sold it to Nicolás de Salcedo in 1753, after which it passed in 1789 to his son José Trinidad Salcedo, and to Modesto de Herrera in 1801. La Capacha was thus privately owned throughout the 18th century and in 1817, Gonzalo de Evia y Argüelles and his wife María de Estrada sold the land and trapiche to Antonio de Biana y Ocampo.

The haciendas of La Capacha and Chiapa were acquired by Miguel Alvarez García in the 19th century (Sevilla del Río 1986). Alvarez constructed the present hacienda of Chiapa in 1886 (Oseguera 1979).

Hacienda Quesería (Albarrada), precursor to the present day sugar mill, was founded by friars in 1776 (Quinto 1990). Navarro (n.d.) indicates that the *estancia* (ranch) of La Quesería was founded by Dominican monks. The principal economic activity of Quesería was cattle raising; cheeses from Quesería arrived at the royal table in Spain ("quesería" is the Spanish word for cheese dairy). A trapiche was installed in 1776 for the production of piloncillo and alcohol (Navarro n.d.). Piloncillo was sold locally, but cheese production continued to be the primary activity. The hacienda owned 1925 hectares; by 1846, the two major sugar mills in Colima were that of Quesería and Ajuchitlán, which produced 226,800 kg. of sugar (Quinto 1990).

Cane expanded in the region of Colima in the 17th century, with trapiches operated by Spaniards, as well as by indigenous inhabitants and mestizos. Around 1750, there were 300 mills and trapiches in the state (Quinto 1990). Growth of the internal market and a high domestic price for sugar in the 17th century also contributed to this development (von Wobeser 1988). The production of Colima supplied Guadalajara and Zacatecas (Landázuri and Vázquez 1988). While the number of licenses grew in the 17th century, this number diminished in the 18th century due to increasing control exerted over the sugar industry by the Spanish Crown (Quinto 1990).

The Independence Period in Colima

Once independence was achieved, Chiapa would continue to hold an important place in the history of the state. Quinto (1990) indicates that in 1846, the population of Colima was 61,827, 4.5% of which lived in haciendas. There were 20 haciendas in Colima at this time. Much of Colima's history would involve conflicts between Church and state that were to profoundly affect both the Chiapa and Quesería haciendas after Mexico

achieved its independence from Spain.

Colima after the war of independence evokes the hegemonic conditions of the Reforma and the Porfiriato through the powerful Alvarez family which established the hacienda in Chiapa, and efforts of Francisco Santa Cruz to expand and modernize the sugar mill at Queserfa. These represented diverse forms of production, yet both rudimentary trapiche and modernized sugar mill required the implementation of a system of debt peonage upon which capital accumulation of the period was based.

Colima's first governor, Gen. Manuel Alvarez (1800-1857), was assassinated in 1857, during the period of the Reforma. The assassination occurred as he attempted to suppress rebels who were protesting the 1857 Constitution and demonstrating for the protection of "religion and *fueros*" (*fueros* are religious privileges). Alvarez was the father of Miguel Alvarez (known as "Capacha"; 1847-1910) who in 1886 built the hacienda that still stands in Chiapa. The son of Miguel Alvarez, Miguel Alvarez García (1883-1933), became governor from 1919-23 and promoted sugar cane production at the hacienda. He, in turn, was the father of Griselda Alvarez Ponce de Leon,²⁴ the first woman governor (1979-85) in Mexico. This family is illustrative of the positions of power and wealth held by sugar-producing hacendados.

The period of the Porfiriato in Colima shares many features with other parts of Mexico. In 1880, the pueblo of Queserfa, had 1132 inhabitants, the second largest concentration of people in the state (Quinto 1990). Its population grew along with the expansion of cane and increasing need for labor by the sugar mill (Navarro n.d.). Hacienda Queserfa was sold in 1884 to Col. Francisco Santa Cruz and three Ochoa brothers, Tiburcio, Ricardo, and Guillermo, who formed the company Santa Cruz y Ochoa, Cia. (Quinto 1990). Santa Cruz, a Porfirian político, also owned Hacienda La

²⁴Griselda Alvarez lived at the Chiapa hacienda as a child and is personally known by many residents.

Magdalena, El Serrano, La Albarradita, Jayamita, and Cuyutlán. Cattle production declined as the Santa Cruz family dedicated themselves to the more lucrative sugar production (Navarro n.d.). It was Santa Cruz who installed the small *ingenio* (sugar mill) in the hacienda (Caso 1987) to produce piloncillo for the local market. Ingenio Quesería also produced alcohol at this time (Navarro n.d.).

Improved transportation was a key feature of the expansionary growth of sugar cane production during the Porfiriato. Santa Cruz, Governor of Colima in 1871-73 and 1880-83, was personally selected for governorship again by Porfirio Díaz in 1893, a term which lasted until 1895 (Guzmán 1988). Santa Cruz, as proprietor of Ingenio Quesería, initiated the rail line between Manzanillo and Armería in 1880. Construction of the railroad that connected Manzanillo to Colima began in 1881, arriving in Colima by 1889 (Oseguera 1979). Once the rail system reached Alzada, sugar and alcohol were transported to a warehouse and from there by rail (Navarro n.d.). The rail system remained supplemented by roads for horse-drawn carts and mule teams driven by *arrieros* (mule drivers) who transported sugar from Trapiche, Buenavista, Chiapa, Nogueras, San Antonio, and Quesería to the interior of the country (Oseguera 1979).

The Porfiriato also gave impulse to cane production when the price of sugar rose from 10 pesos/quintal in 1868 to 19 pesos in 1875. This encouraged foreign penetration of the sugar industry, in the provision of capital goods, which has a long history in Colima. By 1870, Colima had imported machinery from Hamburg, Germany to distill cane juice and steam engines and boilers from England. Three sugar mills were producing sugar in 1886, Nogueras, with a steam motor, and Quesería and Agua Zarca, powered by hydraulic wheel. Electricity was installed at Ingenio Quesería in 1895, powered by a small generator run by a hydraulic turbine and an aqueduct provided water to the sugar mill. Around 1910, the hacienda had installed steam-driven motors. The boilers were fueled both by wood and *bagazo* (the foliage from the cane plant). The use

of wood contributed to deforestation of the area, although the blame for this process is shared with the paper-processing plant at Atentique, Jalisco (Navarro n.d.).

Hacienda Queserfa at this time maintained a *tienda de raya*, or company store, which sold basic goods to its workers.²⁵ The mayordomo gave "vales" to purchase items in the store; this amount was deducted from the weekly wages, paid at 35 centavos per day (Navarro n.d.). The hacienda of Queserfa offered land to peasants for sharecropping of maize and beans, a common practice in the late 1800s. At harvest, the renter paid the hacendado 10 fanegas of maize seed for one fanega of land and 12 fanegas of maize for rental of a team of draft animals. The amount of land was usually less than one hectare; seed and tools were provided in exchange for a portion of the crop. The maize stubble after the harvest provided feed for the cattle of the hacendado. In addition, the hacendado paid wage labor to cultivate maize, wheat, rice, and camote for the hacienda (Quinto 1990). These labor practices are similar to attempts noted above during the Porfiriato to intensify the hacienda's utilization of the labor force.

While the Porfirian sugar mill expanded and modernized, there were many small trapiches at this time in the area of the research villages. These trapiches are indicative of wide variation in the forms of sugar production. The old Ocotillo had a small trapiche, powered by animals, to make panocha. In the years before agrarian reform, most peasants worked as wage laborers for the hacienda in Chiapa. Unlike other sugar-producing regions, Colima maintained a relatively diversified production system during the Porfiriato, for sugar cane was not a principal crop in Colima in the 1870s (Quinto

²⁵Prices in 1920 were: sugar 8 centavos/kg., maize 3¢/kg., beans 10¢/kg., rice 10¢/kg., meat 12¢/kg., coffee 6¢/oz, alcohol 30¢/l., petroleum 1¢/l., huaraches 5¢/pair, sombreros 10¢, and blankets 12¢/meter (Navarro n.d.).

1990).²⁶

Important changes occurred at the Chiapa hacienda after it was inherited by Miguel Alvarez García in 1910. Peasants report that the younger Alvarez employed many workers, this being practically the only source of wage labor. Workers in the trapiche and cane fields, at the sound of the church bell, lined up each morning except Sunday to be assigned their work by the mayordomo. When Miguel Alvarez was owner, around 100 peasants were employed to work in the cane fields from 6:00 a.m. to 6:00 p.m. Wages were 50 centavos per day and increased to one peso in 1938. About 25-30 people were employed to work at the trapiche in three six-hour shifts. The work was difficult and hazardous. Wood and cane foliage were burned to provide steam for the boiler. The trapiche made alcohol, panocha or piloncillo--shaped into round bars or small cones--and cachasa, an inexpensive, black sugar product made from the foam of the boiled sugar juice. Contemporary residents remember the vigorous activity of the pueblo in these days, when the trapiche employed many people, generated money, and was busy with the movement of workers.

The tienda de raya at Chiapa sold supplies such as corn, beans, chilies, rice, lard, and clothing. On Saturdays tickets for purchasing these items were distributed, according to the number of days worked, each value being represented by a different color. Meat was available only on Saturdays when a cow was slaughtered. Workers were given rations of corn and beans and were provided with houses constructed of pole and cane leaves. Alvarez also rented out a portion of hacienda land to local peasants. Peasants complain that the owner would let them graze cows on hacienda lands, but the calves born to them were appropriated by the hacendado. Some peasants refer to the Alvarez

²⁶Production of piloncillo and sugar was 102 tons in the state (.15 % of national production), compared to 39,100 tons for maize, 1770 for rice, 1500 for cotton, 900 for coffee, 534 for beans, and 395 for chile (Quinto 1990).

family as "caciques" and claim workers were ill-treated; others remember the younger Miguel Alvarez as having treated them well. Regardless, the hacendado made loans to peasants for expenses, medical care, and so forth, perpetuating a system of debt peonage.

The Post-revolutionary Period in Colima

The revolutionary war brought federal troops to Colima to fight the forces of Pancho Villa. The rebels took refuge in a ranch known as El Frijol (today pertaining to Ocotillo) and government soldiers burned the houses of the peasants. Peasants were tortured and hung, for many who worked at the Chiapa hacienda were villistas. Peasants in the hamlets at this time "planted with thousands of sacrifices, always alert, and risking [their life]" (a peasant). A carpenter from the Chiapa hacienda was accused by government troops of aiding the villistas; although they threatened to hang him, he managed to escape. Thus, while the revolution in Colima remained distanced from its heartland in Morelos, it called for personal sacrifice on the part of peasants in Colima as well.

As will be shown, agrarian reform brought profound structural change to the state of Colima. Although peasants met repression at the hands of the landed oligarchy, their resistance and struggle for land was supported by the state. The redistribution of land to peasants spelled disaster for the agroindustry; thus, in the 1940s, official policy established zones for the production of sugar cane, and in response to world market demand in the 1960s, forced smaller mills and trapiches out of competition with the larger sugar mills.

By the time the turmoil of the revolution was ending in the 1920s, primary sugar-producing haciendas in the state of Colima included Buenavista, Chiapa, El Cóbano, El Trapiche, Nogueras, Quesería, and San Antonio (Oseguera 1979). After the death of Francisco Santa Cruz in 1902, the family sold Hacienda Quesería to Ignacio and José Gutiérrez (Navarro n.d.). In 1926, Hacienda Quesería was owned by Bernardo, Guillermo and Octavio Escobosa Canalizo. When the early phase of agrarian reform

began to affect hacienda lands, the Escobosas sold the hacienda to Francisco Prieto Menocal and Teodoro Kunhard (Caso 1987; Quinto 1990).²⁷ In 1933, Prieto Menocal formed the Compañía Agrícola Jalisciense, S.C.P.A. (Quinto 1990). This company, comprised of Manuel Sánchez Aldana and Pablo Okuysen Deleze, with Prieto Menocal as president, constituted the industrial association that managed the sugar mill (Navarro n.d.).

Agrarian reform would bring about a major structural change to sugar production in Colima, affecting the relation between field and factory. Cane production was removed from the hands of hacendados, the dominant economic class at the time, and placed into the hands of ejidatarios. Colima is unique in the early redistribution of hacienda lands between 1916-33 (15 ejidos were formed during these years and 38 between 1938-40) (Navarro n.d.).

A committee petitioned land in 1931 for the formation of ejido Quesería to benefit 58 ejidatarios (Navarro n.d.). This case is unique in that the petition was supported by the hacendado of Quesería, Prieto Menocal. Since peasants in other ejidos did not want to cultivate cane, Prieto Menocal's objective was to secure the land for Ejido Quesería where workers, organized into a syndicate, signed an agreement with the owner to continue cane production. A group of mill workers, formed into a workers' syndicate supported by Ejido Quesería, also petitioned lands. Hacienda owners opposed this movement and formed a "guardia blanca", which terrorized and murdered several workers. They were granted 5395 hectares of land, however, in 1938 (Navarro n.d.; Quinto n.d.).

²⁷Navarro (n.d.) reports the sale of Hacienda Quesería to the Prieto Menocal family (Francisco, Jorge, Celia, Pedro, Margarita), Hermosillo Prieto, and Teodoro Campos Kunhard in 1935.

or

Qual

per

proc

Ata

har

of c

com

in l

mad

191

Oco

haz

the

Ala

E C

Ala

he le

expe

Before redistribution, the mill controlled 8000 hectares; Prieto Menocal submitted a written petition requesting that 697 irrigated hectares be left unaffected to keep the mill running. The hacienda was expropriated by presidential resolution on September 23, 1936, and 647 hectares of the Compañía Agrícola Jalisciense lands were distributed to the ejido of Quesería. Ejido Quesería received an additional 300 hectares from the estate of Salvador Ochoa (Quinto n.d.; 1990). When the agrarian reform took place, the Quesería sugar mill had a maximum capacity of 200 tons of cane and 20,000 kg. of sugar per day. The harvests of 1934, 1935, and 1936 showed substantial increases in production from 8250 tons, 11,000 tons, to 19,000 tons, respectively (Quinto 1990). After agrarian reform, Ingenio Quesería was left with the factory, and 35 irrigated hectares (Quinto n.d.; 1990). By 1937, the mill was threatened with closure due to lack of cane (Navarro n.d.).

Agrarian reform had a significant impact on the research communities as well. The community of Ocotillo did not exist until the lands of Hacienda Chiapa were redistributed in 1935, forming it as a separate ejido. Rather, the region prior to agrarian reform was made up of numerous small hamlets, comprised of pole and thatch houses. Around 1910, a cluster of six or seven houses was located somewhat to the south of present day Ocotillo. The community of Chiapa had only some 15-20 residents living outside the hacienda in 1930. Some people moved into Chiapa in the early 1930s seeking work at the hacienda, which provided much employment during the cane harvest.

At the end of the 19th century, Hacienda Chiapa, in the hands of the elder Miguel Alvarez, was dedicated to cattle raising. He also owned the haciendas La Capacha and El Chical. After his death in 1910, he left El Chical to his sons Manuel and Higinio Alvarez, but their cattle-raising enterprise soon failed. To Carlos and Chabela Alvarez, he left La Capacha, and the junior Miguel Alvarez inherited Hacienda Chiapa. Lacking experience and the guidance of their father, the younger Alvarez generation eventually

lost their cattle and landholdings. Miguel Alvarez lost the hacienda a few years before his death in 1933. After facing financial difficulties, Alvarez went to his friend Luis Brisuela²⁸ and asked for a loan. Unable to repay the loan, Brisuela took over the hacienda, bringing Doña Carmen Ochoa (his purported mistress) to oversee the hacienda.

Peasants of Chiapa and Ocotillo organized to petition for ejidos in 1932. Most of these leaders had been landless peasants who cultivated corn and beans. Eluterio García, leader of the group that had successfully petitioned an ejido for Cuauhtémoc, came to Chiapa to encourage his friend Felipe Chávez to organize and petition lands for Chiapa. One of the ejido founders reflected, "He came and opened our eyes about the ejido, that we should have a piece of land to work, and from it, sustain the family, because the rich ones had us with their foot against our throats". Because of their fear of the landholders, the leaders of Chiapa and Ocotillo held their meetings in the ravines. The leaders of this movement were Felipe Chávez, Vicente Pinto Cortés, Natividad Aguilar, and Petronilo Saucedo López. The petition for ejidos was submitted October 10, 1932. In June, 1935, government officials came from Mexico City to meet with peasants regarding the pending grant of the ejido. Those listed on the petition were marked by the landowner.

Carmen Ochoa was still owner of the haciendas in La Estancia and Chiapa when the agrarian reform took place in 1935. The hacienda owner partitioned the lands among a number of persons,²⁹ an act that was later judged by authorities to be contrived for the purpose of avoiding application of the agrarian reform. When the first petitions were made, Carmen Ochoa hired assassins to eliminate the petitioners. The government provided peasants with 7mm carbines to defend themselves, allowing them to confront

²⁸Brisuela was one of the richest men in Colima and owned haciendas in La Estancia, El Zapote, plus lands in seven other areas.

²⁹The partitioning of lands was done on paper only, a practice referred to in Mexico as the use of "prestanombres"

the rural landed elite. The assassins broke into the homes of the leaders, and bound and carried Felipe Chávez, Vicente Pinto, and Jesús Saucedo from their houses in the middle of the night. They carried the three agrarian leaders north three kilometers to El Cedillo, and shot them. On the way, they killed Cleto Bautista as well. By the time relatives found the bodies, they had been dismembered by coyotes and were being eaten by vultures.

Petronilo Saucedo, brother of Jesús was assassinated one year later while harvesting corn; José Saucedo, ejido founder and brother of Petronilo, escaped being gunned down along with his brother. Natividad Aguilar, the first president of the ejido in Ocotillo, was murdered in 1938 and Ramón Avalos, son of another ejido founder, Ignacio Avalos, was murdered in 1941. A señor Lara, Anastasio Gutiérrez, and Severo Gutiérrez met similar fates in Chiapa. Despite this repression of these petitioners, peasant resistance--and their support by the Mexican state--brought about major structural changes to rural villages.

On December 10, 1935, 528 hectares of land forming Ejido Felipe Chávez were distributed to the community of Chiapa and on December 25, 1935, 800 hectares forming Ejido Vicente Pinto were distributed to Ocotillo. Only 19 of the 37 petitioners in Ocotillo remained to receive ejido lands. The remainder had fled out of fear and those that remained lived in constant terror. Fifty-two persons were on the list to receive rights in Ejido Felipe Chávez in Chiapa. The interest of these new ejidatarios was in planting corn, beans, rice, camote, and jícama--not sugar cane.

The 1943 government decree aimed at converting subsistence producers into producers for the capitalist sugar mills. Although some cañeros claim that the 1943 decree did not result in pressure by the government to plant sugar cane, it was in 1944 that massive expansion of cane in Colima commenced. At the time of the decree, Ingenio Quesería comprised 1166 hectares, including five ejidos. Quesería was officially

reg

NO

ca

an

rec

of

(in

was

Mo

Ver

inte

mov

forc

oper

registered as an *ingenio* (sugar mill) in 1945 (Navarro n.d.).

In the 1930s-50s, cane remained the most important agroindustrial crop in the northeastern section of the state (Quinto 1990). Agricultural production in Colima changed dramatically between 1945-1952:

Table 2. Crop Production in Colima, 1945-52.

| <u>Crop</u> | <u>Tons 1945</u> | <u>Tons 1952</u> |
|-------------|------------------|------------------|
| sugar cane | 46,370 | 114,830 |
| maize | 40,868 | 46,713 |
| limes | 16,984 | 12,537 |
| bananas | 9,844 | 25,796 |
| sesame seed | 2,813 | 2,311 |
| rice | 2,178 | 5,385 |
| coconut oil | 798 | 800 |
| beans | 787 | 750 |
| coffee | 147 | 146 |
| coconuts | 22 ¹ | 111 ¹ |

¹millions of coconuts
(source: Quinto 1990)

The year 1950 marked a period of destabilization in the sugar industry; liquidation prices were low for producers and agricultural inputs difficult to acquire. Mill owners received economic financing from the Compañía Agrícola Jaliciense and modernization of the Queserfa mill began in 1952. Petroleum now replaced wood for firing the boilers (thus reducing deforestation) and electric motors replaced the steam motors. The mill was sold again in 1953 to Lic. Carlos Septién Montes and José Seone Cabrera. Septién Montes, a financier, also owned the sugar mills of San Marcos, Jalisco and San Pedro, Veracruz. According to Arturo Navarro, "The previous owners were no longer interested, they were weary of the many problems of agrarianism and labor union movements" (Arturo Navarro, personal interview). Peasant and worker demands thus forced the retreat of mill owners, and as will be shown below, the retreat of trapiche operators from production. Production doubled the first three years under Septién

Montes, from 5000 to 10,000 tons of sugar. In 1958, Ingenio Quesería was dismantled and new machinery was installed (Caso 1987; Navarro n.d.). Under Septién Montes, the mill reached a capacity of 4000 tons of cane per day, having achieved a major expansion in both factory and field.

Production was to become significantly restructured in the area of the Chiapa hacienda as well. Carmen Ochoa had abandoned the hacienda from 1936-41; it eventually passed to the hands of Juan Ceballos. Ceballos used the hacienda as a cattle ranch from 1941-58, during which time many peasants were without work. In 1944, Ceballos brought the Cárdenas family to oversee the hacienda and care for his cattle. The Cárdenas family put the trapiche back into operation around 1958; the elder Cárdenas became administrator and his son served as mayordomo. The hacienda employed fifty workers during the harvest, ten to labor in the trapiche, and forty to cut cane. The Cárdenas' continued the practice of sharecropping, giving peasants a cash advance to work land, and receiving a return when they harvested their crops. As in earlier days, peasants were in perpetual debt to the mayordomo.

Once the trapiche was put back into operation, the small amount of sugar cane planted on ejido land was delivered to the hacienda at Chiapa, but ejidatarios soon commenced delivering their cane to Ingenio Quesería. Manuel Barragán, comisariado of Ocotillo, planted the first cane in Ocotillo and rented parcelas of other ejidatarios to grow sugar cane. He had received credit from the sugar mill and was the first to sell cane to Ingenio Quesería. Events in the world market soon provided impulse for other ejidatarios to plant sugar cane.

The U.S. blockade of Cuba after 1960 was followed by tremendous loans to sugar mills in the country, in order to increase production. Quesería was assigned a quota for crude sugar (*mascabado*) until 1965-66, for export to the U.S. and Japan (Navarro n.d.). Around 1960, Ingenio Quesería began to establish its hegemony over trapiches and sugar

mills in the state and across the border into Jalisco. It put pressure on the Chiapa hacienda to refrain from purchasing cane and for the cane on the hacienda's lands to be delivered to Quesería. The 1943 decree was still in effect, obligating delivery of cane to Ingenio Quesería.

Labor relations also undermined production at the hacienda in Chiapa. In 1961, hacienda workers began to organize, demanding that their wages be doubled. Shortly before the demise of the trapiche, a syndicate of 42 workers formed. A decision was made by the administrator, "We told ourselves if they win the fight, if now, definitively, there was going to be a syndicate, we were going to see ourselves go broke and we were going to deliver the cane to Quesería. No longer are we going to involve ourselves in this" (former mayordomo, personal interview). Afterward, the hacienda rented out its lands to ejidatarios, who then delivered the cane to Quesería. Many peasants recall that wage increases were a primary reason that the trapiche was shut down. The pressure to deliver cane to Quesería was of less consequence than the labor problems, since the majority of cañeros were already delivering their cane to the sugar mill.

The owners of Ingenio Quesería were joined in 1956 by Lic. Rafael Villa Corona, giving new impulse to production (Caso 1987; Navarro n.d.). Villa Corona was also linked to Ingenio Los Mochis, Sinaloa, initiated the Santa Rosalía, Tabasco mill, and owned the short-lived mill of San Rafael at Coquimatlán, Colima (Crespo, et al. 1990). Ingenio Quesería, the principal agroindustry of the state, was to remain in private hands only 13 more years, before the state assumed control of the mill. The 1970s saw the increasing encroachment of the state in the Mexican sugar sector.

The Period of State Control of the Quesería Mill

State penetration of the sugar industry in Colima conformed to similar processes of statization at the national level. Private owners at Ingenio Quesería were unable to repay the large loans made to sugar mills in the 1960-70s. State control of Ingenio Quesería

was initiated on October 31, 1969 when the mill was turned over to FINASA. Septién Montes received indemnity from the government. Once nationalized, both field and factory expanded, and the mill offered more financial assistance to producers, increasing dramatically the number of cañeros in the zone. ONISA took over the mill in 1972, followed by the series of changes that culminated in the management of all state-owned sugar mills by Azúcar, S.A. Under state control, Queserfa achieved its record harvest in 1985, with the production of 682,269 tons of cane, and 55,438 tons of sugar. As part of the national program Reconversión Industrial, \$2.4 billion pesos were to be invested in the Queserfa mill from 1987-90; this investment was never realized (Navarro n.d.).

After 20 years of state ownership, the pending sale of Ingenio Queserfa to private capital was made known. Lic. Lino Romero Velazco, leader of the CNPP and the wealthiest cañero of the zone, announced at the centennial celebration for Ingenio Queserfa the decision of cañeros to acquire the sugar mill: "We are ready to administer the agroindustry". Lic. Zamora Verduzco replied that the parastatal was not for sale and would continue in the hands of the state (Navarro n.d.). On February 9, 1989, the government reprivatized Ingenio Queserfa, selling it to Grupo Beta San Miguel, S.A. de C.V. Four sugar mills were closed down in 1988 and 10 were privatized; by 1990, only five mills remained to be sold. The operation of Ingenio Queserfa by private capital is the subject of Chapter VIII.

The history of the sugar sector makes clear the vicissitudes of a commodity subject to contradictory economic and political forces. Capital accumulation has consistently relied on appropriation of the means of production and coercion of labor, thus establishing a dialectical relationship between capital and peasants. For the state, sugar production provides a means of foreign exchange, an arena for creating alliances with the capitalist class, and as a source of employment for rural cultivators, and therefore, political stability. Yet the nature of class alliances or class conflict is historically

contingent. Thus, during the colonial period, the state ensured access to land, labor, and capital and contributed indirectly to the rapid expansion of the sugar industry. The hegemony of sugar industrialists reached its zenith after independence; but their hegemony was contingent on state policies which attacked corporate property and remained blind to despotic conditions which engulfed peasants on sugar haciendas. It remained for peasants to contest the hegemony of the hacendados. After the revolution, the state forged the political and economic basis for a renewed state-peasant alliance. Both the agrarian reform and statization of the sugar industry represent crucial periods when the state has responded to peasant unrest and placed political above economic ends. The period of state control, however, required tremendous subsidies to the sector and engendered the conditions which led to its recent reprivatization. The communities of Chiapa and Ocotillo took part in these historical developments, first, in their relationship with the hacienda at Chiapa, and subsequently, as producers for Ingenio Quesería. Today peasants of the region are responding to a new set of transformations brought about by privatization of the sugar industry. The next chapter turns to the ideology, policies, and contradictions associated with this important structural transformation.

VI. PRIVATIZATION

A significant transformation in ideology and praxis has penetrated the globe in the last decade, calling into question the traditional role of the state as the director of economic development in much of the Third World. In Latin America, this shift represents a dramatic reversal of policy, and has promulgated the massive privatization of parastatal firms. Privatization may be understood as a neoliberal remedy to a long period of state-directed development which drained the economies of many Third World countries (Ibarra 1990). Since the historic involvement of the state in the economy and expansion of public enterprises in these nations has contributed to public borrowing and the external debt, parastatals have been singled out by the IMF and World Bank for state divestment (Glade 1986). The Inter-American Development Bank refers to the new ideology as a "'silent revolution' involving a 'fundamental and critical reassessment of the role of the state'" (quoted from Felix 1991:10). The following chapters will make clear that this process is vehemently protested by those upon whose shoulders the burden of privatization falls.

This chapter presents a critique of neoliberal ideology and praxis. In so doing, it addresses the global level of analysis and applies the theory of internationalization of capital and conceptualization of the peripheral state defined in Chapter II. The chapter commences with an argument for the historical tradition of state intervention in Latin America. It will then identify the major international forces involved in restructuring the role of the state and setting into motion the process of privatization. Next, the privatization policy of the Mexican government is shown to be closely interlinked with

the objectives of international agencies and its close link to NAFTA (North American Free Trade Agreement) is demonstrated. Reprivatization of the sugar sector is then discussed in detail. The chapter concludes with an examination of the contradictions created by privatization and its impact on the social sector that depends upon the sugar industry.

The Global Context of Privatization

Most Third World countries have a long history of state-led development. State involvement in the economy may derive from several factors--nationalism, import substitution industrialization, the need for state control of strategic industries, or as a result of rescue operations. State expansion from the 1930's through the 1950's was stimulated first by the depression, and later by the war years. Post-war economic policies in Latin America were based on the ECLA's (Economic Commission for Latin America) promotion of import substitution, protectionism, and state involvement in the economy. Through these interventionist tendencies, the state in many Latin American countries came to control strategic industries considered essential to economic development. This strategy facilitated the industrialization of Latin America (Blomstrom and Hettne 1984; Glade 1986; Ibarra 1990); moreover, it was during the most intense interventionist phase that Latin American countries experienced the greatest growth of the GNP (Ibarra 1990). An exponential increase in international loans in the 1970's contributed to the growth of parastatals, financed on the assumption that foreign loans would extract these countries from underdevelopment. In the ensuing debt crisis of the 1980s, international banks concerned with recovering their loans put pressure on IMF, failing to recognize their own role or that of the private sector in the accumulated debt (Solo 1991).

Neoliberal ideology and praxis initially aimed not at privatization, but rather,

market-focused initiatives calculated to replace the distortionary effects of import substitution, reduce the debt, and stabilize the economies of Third World countries. The failure to achieve this goal, in fact, the worsening of conditions, led neoliberal ideologues to target the state. Spurred by Reaganomics and the application of the Brady Plan to countries willing to put into place free trade, private investment, and privatization, the recipients of Washington-approved plans were then considered worthy of IMF, World Bank, and Inter-American Development Bank loans. Both privatization and free trade are postulated to attract the foreign investment that will "jump-start" the economy (Felix 1991). IMF structural adjustment programs aimed at restructuring the foreign debt of Third World economies gave major impetus to the recent shift toward privatization in Latin America (Ibarra 1990).

The neoliberal rationale for privatization suggests numerous benefits resulting from disincorporation of parastatals: 1) financial resources are gained from the sale of enterprises; 2) state resources can then be diverted to social needs; 3) disincorporation attracts capital investment; 4) privatization will stem capital flight; 5) private investment creates a competitive economy; 6) private investors will increase productive efficiency and profitability; and 7) taxes will be generated (Glade 1986). Data presented below and in Chapter VIII demonstrate that these benefits have failed to materialize with privatization of the Mexican sugar industry. The real beneficiaries of privatization are international banks, "And...these are the same people, or agents who brought about the debt crisis in the first place" (Solo 1991:12). The protection of debt-holding banks is thus a primary force that propels privatization.

Parastatal enterprises are generally given an a priori definition as inefficient. Neoliberal ideology attributes them with excessive bureaucratization, subsidization of an overemployed work force, corruption, and paternalism. An increase in the number and complexity of state enterprises increases management costs, personnel budgets, and

Ind

on t

ent

of t

we

ent

in o

incre

Once

sus

pro

In

mult

cap

cond

at th

effici

the la

proba

rapid

public sector borrowing, which may overwhelm the economy. Nonetheless, problems of inefficiency may not be a result of state management per se, for many of these industries exhibited weaknesses that prompted statization in the first place. According to Henrique: "There are no valid criteria to be applied a priori in the evaluation of state activities nor indisputable principles about the goodness or evil of state intervention.... It depends on the actual political, social, and economic conditions that create them and on their actual implementation" (1986:98). Inefficiency of both private firms and state enterprises may be attributed to government price controls, rather than bad management of the firm (Boneo 1986). If prices are not increased, the privatized corporation, as well, will require government subsidies. Mounting evidence suggests that private enterprises are not inherently more efficient than public enterprises, thus a simple change in ownership will not effect the desired results (Çeçen 1991).

Pressure for privatization generally coincides with periods of economic crisis, increasing the difficulties of private capital to purchase and maintain parastatal firms. Once acquired, parastatals are often undercapitalized, suffer from antiquated equipment, sustain an overemployed work force, and are frequently in debt. These conditions leave privatization a more propitious enterprise for foreign, than for domestic, entrepreneurs. In turn, debt-for-equity swaps become a common practice for transferring state firms to multinational corporations (Glade 1986). Marshall (1986) warns that to ensure continued capital investment, privatization must be gradual and effected under normal economic conditions. Very rapid privatization engenders speculation on the part of conglomerates at the expense of long-term objectives for capital accumulation and technological efficiency and creates a potential for economic vulnerability. According to Glade (1986), the larger the number of privatizations within a short time frame, the greater the probability that the process will result in oligopoly control of the privatized firms. The rapidity of privatization of the Mexican sugar sector bears out this assertion.

invo:

unves

the p

liber

(Ma:

atta

to co

com

the

gove

deb:

199

red

199

pro:

bur

pro:

(198

Stai

deve

petr

fore

for e

A number of contradictions beset the privatization process. Privatization always involves the interaction of conflicting interest groups. Where enterprises are in the red, investors demand compensation through undervalued sale prices, guarantees to increase the price of their products, or the right to discard workers' benefits provided by the firm (Ibarra 1990). An inevitable corollary of privatization is increased unemployment (Marshall 1986). Where labor unrest and political instability prevail, governments attempt to speed the privatization process by lowering already depressed prices for firms, to compensate for the risk (Glade 1986). Government deregulation creates formidable competition for recently privatized enterprises, on the one hand, and disequilibrium for the social sector, on the other. One lesson of privatization experiences is that more government regulation may be required after privatization (Marshall 1986).

Many firms have become collateral in debt-for-equity swaps which, in fact, protect debt-holding commercial banks and call into question the notion of "free trade" (Felix 1991; Solo 1991). As defaults threatened foreign creditors in the 1980's, foreign banks reduced their losses by trading off their debts for assets in public enterprises (Felix 1991). Privatization thus allows private banks and the export sector to increase their profits in the midst of a global recession and at the same time, has placed the tremendous burden and cost on peasants and the laboring class (Stallings 1978).

Experiences of Latin American countries with privatization vary widely, yet data provided by Çeçen (1991), Collins and Lear (1991), Fontana (1986), García de Araújo (1986), Henrique (1986), Marshall (1986), Martel (1978), Ortiz de Zavallos (1986), and Stallings (1978) reveal several general trends. The state played a strong role in development and parastatal firms represented key sectors of the economy, such as petroleum, energy, mining, steel, banking, and sugar mills. Most accrued substantial foreign debts, which led to IMF intervention, renegotiation of their debts, and mandates for economic restructuring, including reduction of government subsidies, an end to

import restrictions, and sale of parastatal firms. There has been a tendency for firms to be sold at greatly depressed prices. Many privatized firms failed, reverted to the government, and after their rehabilitation with state subsidies, were resold again at undervalued prices. In many cases, privatization has resulted in: a drop in production, increased prices, loss of jobs, declining wages, curbing of union activities, government or military intervention, and in some cases, political repression (arrests, torture, assassinations). It was after restructuring led to political unrest and repression was applied, in some cases, that IMF restructured the foreign debt and provided new loans to these countries. Felix contends that in 1991, the economies of Latin American countries were worse off than in 1983; "The current stress on privatization relates to this failure" (1991:1). Ibarra³⁰ insists that the virtues of privatization have been exaggerated; its benefits are limited and the social and political costs are high:

The combination of orthodox policies of stabilization with trade opening...after a decade of experimentation does not always seem to be sufficient to bring inflation to an end nor to clearly promote the structural change of foreign commerce and Latin American production. And these same combinations of policies have had markedly adverse effects in the distribution of income for failure to understand the explicit aims for protecting distributive equality.... [These] ideological processes of transfer...of the functions of the State to the market, can erode the capacity of the government to orient development and protect fundamental social rights (translated from Ibarra 1990:40).

The transfer of public enterprises to the private sector and their subjection to market forces entails important cultural, social, and political transformations, many of which contradict the stated objectives of privatization policy. It will be argued herein that privatization is an *economic* policy which ignores *cultural*, *social*, and *political* dimensions inherent in the process of economic restructuring. Parastatals in Latin

³⁰David Ibarra has served as economist with the National University in Mexico, consultant to CEPAL, General Director of the National Bank of Mexico, president of the IMF and World Bank Committee for Development, secretary of Hacienda y Crédito Público, lecturer at UNAM and the Instituto Latinoamericano de Planificación Económica y Social, as professor of the Faculty of Commerce and Administration, and as head of Advanced Studies in Economics.

America have frequently been instruments for social and political ends, such as maintaining employment, pursuing social welfare rather than profit, and serving the function of redistribution; as such, states have been traditionally reluctant to surrender these firms to private forces without some degree of government regulation. In the latter 1970's, state intervention received renewed impetus as a strategy to correct the social disparities produced by the "free hand of the market". State involvement in the economy, then, transcends purely economic objectives. For much of Latin America, interventionism is embedded in the cultural ideology (Ibarra 1990). The constitutions of these nations often give the state a dominant role in regulating and managing the economy. In the case of Mexico, the "estado rector" is not only a legal, but a cultural concept, involving a long tradition of government limitations on foreign companies, regulation of labor contracts, protection of domestic production from foreign competition, and the defense of nationalism (Morici 1991). The Mexican revolution, a reaction against capitalist expansion, foreign domination, and inequality, served as an ideological symbol of this nationalism. These notions are congruent with the theory of the peripheral state presented in Chapter II. Mexico's recent rejection of the culturally embedded ideology for a policy of market opening and privatization of parastatal enterprises is the subject of the following section.

Privatization in Mexico

The 1970s was a period characterized by significant growth of parastatal enterprises in Mexico, particularly after windfall oil revenues and foreign loans bolstered the state's capacity to subsidize key sectors of the economy. The economic crisis of 1982, coupled with a \$95 billion foreign debt, prompted the IMF and World Bank to call for radical transformations--to open the country to foreign investment, cut government subsidies, and divest the government of inefficient state-owned enterprises (Carlsen 1991; Felix 1991;

Glade

bark

of in

level

inter

under

Econ

effec

1999

of r

inst

inter

econ

vis-

and

give

dil

Go

and

W

disc

\$14

loc

pow

Glade 1986; Ibarra 1990). Mexico's threat to default on its loans led the international banking system to realize that others could follow suit, and thus contribute to the demise of international finance.

The interrelationship of international and national forces--both defined at the global level of analysis in Chapter II--was a crucial element in the privatization process. The international banking system imposed conditions for economic restructuring, based on the underlying premise that debtor countries would again be able to service their loans (*The Economist* 1991). Carlsen quotes Privatization International's evaluation of the Mexican effort: "a wide-ranging program propelled mainly by the country's indebtedness" (1991:16) and reveals the international influence in yet another quote, "The possibility of renegotiating the debt was always contingent on the support of the two banking institutions. And this support was always contingent on the IMF's vision of Mexico's internal economic policies. The IMF has been the ideological guide of the Mexican economy" (1991:16).

The foregoing statements raise questions as to the autonomy of the Mexican state vis-à-vis the international order. Even so, the capacity of the Mexican state to exert its autonomy in the face of such international pressures would seem to stand on firm ground, given its potential ability to default on its international loans. This bargaining chip was diluted, however, in actual negotiations over Mexico's foreign debt. Upon Salinas de Gortari's assumption of the presidency, the Mexican debt represented 60% of the GDP and servicing of the debt absorbed 50% of its export earnings (Castañeda 1990). Whereas the Mexican government requested a 50% discount on the debt, the actual discount was only increased from 15% to 22%. Mexico's foreign debt was reduced by \$14.5 billion, but interest payments were reduced only by \$1.6 billion per year, and new loans from 1990 to 1994 would amount to just \$1.44 billion (Storrs 1991). The more powerful role of the IMF, World Bank, and the Inter-American Development Bank in

the economic development of Mexico had a major impact on the outcome of these negotiations.

The neoliberal model, espoused by these international institutions, has been adopted by the national bourgeoisie and incorporated into Mexico's current development policy. Neoliberal ideology, based on the market as the mechanism to stimulate growth, demands the withdrawal of state resources to inefficient enterprises, promotes foreign investment, and concomitantly--it is argued, increases technological and productive efficiency. Mexico, as such, became a testing ground for the Brady Plan,³¹ a debt reduction package offered in exchange for adoption of new economic policies that required a cut in tariffs and sale of state-operated enterprises. Privatization was first adopted by Miguel de la Madrid and continued under the Salinas administration. Official policy accords renewed emphasis to concepts such as "the free market", "modernization", "productive efficiency", "deregulation", and so forth. At the same time, these ideological constructs are antithetical to a set of notions which have passed from vogue in the last decade--"state paternalism", "government subsidies", "protectionism", and the "parastatal enterprise" (Ibarra 1990). Market opening and privatization are political economic corollaries of economic restructuring in Mexico. The relationship of NAFTA to privatization demonstrates the complex interaction of power exerted by the international banking system, the U.S. government, and the forging of a new development policy by national elites in Mexico. NAFTA is discussed below to illustrate this interplay of national and international forces.

³¹The Brady Plan was signed in 1990 between Mexico and some 450 foreign banks, holding \$53 billion of Mexico's loans. World Bank and the IMF each provided \$10 million to Mexico as part of the debt-reduction package. Inter-American Development Bank postponed its \$2.6 billion loan for three years. The plan makes provision to forgive a portion of the loan for countries that have undertaken the recommended reforms. Creditor banks may: 1) decrease the principal 35%, 2) decrease the interest rate 40%, or 3) provide new loans (*The Economist* 1991; Storrs 1991).

NAFTA

Mexico's president, Carlos Salinas de Gortari, confronted with retraction of international loans and the failure of his 1990 European trip to obtain new loans and investments, promptly entered into negotiations for a free trade agreement with the U.S. and Canada³² (Felix 1991). The ability of petroleum and foreign loans to finance development had deteriorated, thus access to U.S. markets for Mexico's manufactured goods became essential³³. Salinas primed his approach with privatizations, retraction of government subsidies, opening his country to foreign investment, and cracking down on corrupt union leaders, businessmen, and drug dealers.³⁴ By June 1990, Salinas and Bush publicly stated that they were "convinced that free trade between Mexico and the United States can be a powerful engine for economic development, creating new jobs and opening new markets" (quoted from Kondracke 1991:37). The agreement was signed by Bush, Salinas, and Mulroney in December, 1992. The relation of NAFTA to foreign debt, trade, and investment is revealed in George Bush's "Initiative of the Americas", to establish a free trade zone "...to create new capital flows...with the aim of alleviating the onerous weight of external debt..." (translated from Acosta 1990:6).

³²Despite the appearance of Salinas' initiative, the influence of U.S. policy is telling in his broad public distribution of the volume *Privatización, el inevitable sendero del gigante decreciente*, published by the Centro de Estudios en Economía y Educación, before assuming office in 1988. This center is closely connected with the ultraconservative Heritage Foundation, which enjoys strong influence in the U.S. congress (Rodríguez 1989).

³³Petroleum accounted for 78 % of the value of Mexican exports in 1982, but by 1989 had dropped to 35 %. Over 60 % of manufactured goods exported from Mexico are produced by multinational corporations (Weintraub 1990).

³⁴SECOFI, the Secretaría de Comercio y Fomento Industrial, established an office in Washington, D.C. "to change the view of Mexico as a low-wage, socially troubled, environmentally polluted country that exports illegal aliens to the United States" and to lobby U.S. legislators to support NAFTA. It paid the prestigious lobbying firm Burson-Marsteller \$5.4 million dollars in 1990 and a sum of \$5 million to Shearman & Sterling to collect intelligence information on members of congress and to target them for lobbying. TKC International was paid \$388,376 by SECOFI in 1991 and during the fall of 1992, Guerra & Associates was paid \$81,000 to influence legislators and public officials to support NAFTA (Lewis and Ebrahim 1993:829).

Demands for state deregulation and the opening of the economy to market forces make clear the intrinsic linkage between privatization and free trade, both of which are conditions for debt restructuring in Mexico. The failure of the Uruguay Round of GATT³⁵ brought policy makers to the conclusion that the world was dividing up into trade blocks. The solution was a hemispheric trade block in which NAFTA is to play a crucial role. NAFTA is an agenda for deregulation which, like privatization, is supported by, and largely benefits multinational corporations, allowing the concentration of wealth and power. It will give multinational firms maximum freedom to increase their profits without regulation (Dawkins and Muffett 1993).³⁶

Negotiation on issues such as loss of jobs, lowered wages³⁷, unsafe working conditions, and environmental destruction³⁸ were side-stepped by implementation of the "fast-track". Negotiations were carried on clandestinely and the government withheld

³⁵A key strategist in the GATT negotiations was James D. Robinson III, holding the chief executive position of American Express. GATT would provide corporations such as American Express access to foreign financial markets. The agricultural terms of GATT were drawn up by Daniel Amstutz, former vice-president of Cargill. Representatives to the GATT advisory committees include Nestlè, Coca-Cola, Pepsico (all buyers of privatized sugar mills in Mexico), Hershey, Ralston Purina, Kraft, and CPC International (Dawkins and Muffett 1993).

³⁶NAFTA will affect environmental and food safety standards. National, state, and local safety standards concerning issues such as pesticide and agrochemical use on food crops are set aside. Where national level guidelines are more stringent, they may be deemed as barriers to free trade, nor may countries prohibit the importation of products produced under environment-depleting or health-endangering conditions. The advisory committees for NAFTA include thousands of businessmen, and only five environmentalists (Dawkins and Muffett 1993).

³⁷In 1991, the U.S. minimum wage was \$4.35, while that in Mexico was \$.49 per hour (source: SECOFI).

³⁸Seven environmental groups protesting NAFTA have now been bought off under the Clinton administration. Groups which have now acknowledged their support for NAFTA include World Wildlife, which received a \$2.5 million donation from Eastman Kodak, whose chief executive is a founder of the USA*NAFTA lobbying group, plus huge donations from Hewlett-Packard, Philip Morris, and Waste Management; National Wildlife Federation, which received donations from Dow, Du Pont, Monsanto, 3M, Shell, Duke Power, Pennzoil, and Waste Management; Audubon, which received donations from GE, Procter & Gamble, and Waste Management; and The Nature Conservancy, which received \$2 million from Coca-Cola, plus donations from Canon, Tenneco, Cargill, Du Pont, Philip Morris, Procter & Gamble, and Waste Management. Salinas has promised \$30 million for a wildlife preserve on the condition that NAFTA is ratified (Cockburn 1993).

documents from public perusal (Dawkins and Muffett 1993). South of the border, the Mexican congress had no opportunity to debate NAFTA. Salinas focused his efforts on courting the U.S. congress in support of the agreement. NAFTA went into effect January 1, 1994; it represents a hemispheric reorganization of production, with Mexico as a low-cost production center, affecting both factories and agriculture.

The agricultural sector is being reshaped by NAFTA. The agreement provides for a phasing out of import tariffs on agricultural products, with which local producers are unable to compete, thus fosters monocrop production of export crops on corporate farms, and diminishes nutritional standards in rural Mexico. Opponents predict that NAFTA will increase the use of agricultural chemicals, fertilizers, pesticides, and petroleum. Moreover, free markets and internationalization of agriculture will, as in the past, create scarcity by extracting resources from the country (Barkin 1990).

NAFTA also calls for important changes in the sugar sector. Sections 13 through 22 of Annex 703.2 of NAFTA define the conditions of trade in sugar. The current quota for Mexican exports to the U.S. is 7,258 metric tons raw value. During years 1-6 of NAFTA, Mexico may export to the U.S., duty free, up to 25,000 tons if it produces a net surplus. In the seventh year of NAFTA, 150,000 tons may be exported, and from years 8-15, it may export each year a 10% increase over the previous year. However, if in the seventh year or thereafter it produces a net surplus for two consecutive years, there will be no limit on its exports to the U.S. Although Mexico is not a sugar exporter, it has requested a sugar quota of 1.5 million tons, the same amount of sugar utilized by the soft drink industry in Mexico. It is believed that Mexico's beverage industry will switch to high fructose corn syrup for its soft drinks³⁹ and export the sugar produced in its sugar mills, thus acquiring export status overnight. Moreover, sugar

³⁹When beverage industries in the U.S. switched to high fructose corn syrup, it immediately forced the closure of sugar factories.

from Brazil, Cuba, and other countries will enter through the back door and be exported from Mexico. As Mexican sugar floods the U.S. market, the price of sugar in the U.S. will drop. NAFTA will thus harm sugar producers in both the U.S. and Mexico; as one grower put it, "NAFTA will kill the goose that laid the golden egg" (member of the Michigan Sugarbeet Growers Association, personal communication).

Working against sustainable development:

NAFTA will force large numbers of farmers in all three countries to switch to different crops, leading to oversupply in some commodities, falling prices, and disrupted markets for the traditional producers of alternative crops.... Sugar...will be most negatively affected by NAFTA in the U.S.... NAFTA's real winners are multinational agribusinesses which benefit from increased access to low cost commodities (Lehman and Ritchie 1992:1-2).

Having explored the international dynamics of economic restructuring, the chapter will now turn to the dimensions of policy change within Mexico.

State Policy on Privatization

Mexico in 1982 was faced with a choice--continued economic stagnation or economic restructuring in conformity with external demands. Clearly, Mexico's economic crisis has forced the state to adopt a development posture in line with the dictates of the IMF, World Bank, and the influence of the U.S. Salinas de Gortari recognized the need to restore the confidence of foreign investors in the Mexican economy--debt restructuring was a means to that end. Further evidence of the influence of the U.S. on Mexican policy is Salinas' reversal from a policy of alignment with Latin America to a retrenchment of relations oriented toward the U.S. (Castañeda 1990). The mutual dependency of the U.S. and Mexico on trade, combined with the greater economic and political power of the U.S., lessen the autonomy of the Mexican state.

The Mexican state under Salinas de Gortari has thus responded to sweeping international pressures and, in turn, forged a new development policy within Mexico that revolutionizes the nature of the Mexican state. Nationalism and import substitution

formed the foundation stones of state-led development in Mexico from the post-war years until the 1980s. Under a system of state capitalism, the capitalist class became dependent on protectionism and government subsidies. The 1973 Law to Promote Mexican Investment and Regulate Foreign Investment limited foreign ownership in companies to 49%; then in 1984, Mexico approved up to 100% foreign investment in most enterprises within its borders (Morici 1991). Mexico has shifted from an interventionist, nationalist, populist state to one oriented toward laissez-faire, internationalism, and neoliberalism (Cypher 1990).

Mexico's National Development Plan of 1989-1994 makes privatization the key of structural reform, creating a more democratic, strong, and efficient state, although one reduced in size. Privatization was claimed by the Salinas government to be the means to a more efficient economy and private investment as the "engine of growth". The major objective of the plan is modernization of the state, the economy, and the country (BANAMEX 1991):

Parastatal entities of the rural sector will be the motive of a profound restructuring with the aim to promote and increase operating efficiency.... Particular attention will be given to the case of agroindustries...such as tobacco, coffee, and sugar. The means to translate increases in productivity into improved standards of living for low-income producers will be sought...paternalistic attitudes, which are anachronistic and inefficient will be abandoned.... Particular attention will be given to the mechanism of fixing guaranteed prices. In consultation with producers, industrialists and consumers...margins of protection and promotion that should be accorded to our peasants will be sought.... The strategy implies participation of rural producers in decision making.... (translated from Secretaría de Programación y Presupuesto 1989:71-74).

In sum, the development plan promises improved standards of living, guaranteed prices, protection of peasants, and their participation in decision making. This plan, however, is incongruent with emerging social reality (as demonstrated in Chapters VII-IX). A similar contradiction exists in the Mexican Solidarity Program. Salinas' address to the 17th Congress of the National Peasant Confederation (1989) emphasized changing

the form of relationship between the state and peasants, to move from paternalism to solidarity (Ganzalez 1989); solidarity now serves as the ideological metaphor created to obfuscate the retraction of state subsidies to the peasant sector.

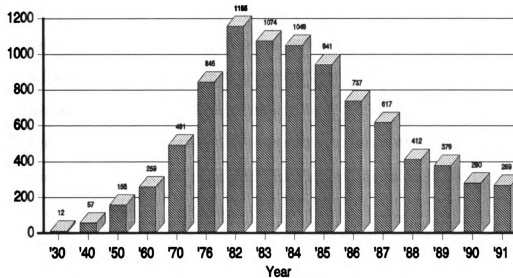
It is clear, then, that Mexico's internal policies to reform and modernize the economy expose the state's lack of autonomy in the face of international pressure. At the same time, lack of political reform in Mexico is indicative of the state's ability to largely retain the basic structure of its political system. Labor bosses within PRI are critical of low wages and state control of unions, yet these factors are essential to attract foreign investment (Reding xx). Both Echeverría and López Portillo were able to contain discontent through public subsidies to the labor and peasant sectors; de la Madrid and Salinas de Gortari, faced with an economic crisis, were forced to abandon these public expenditures. Culturally, the social pact between the state and the different social sectors is viewed as a constitutional right; this social pact is fundamental to the stability of the state (Gilly 1990). While neoliberalism offers concessions to certain segments of the elite civil society, disenfranchisement of peasants and the labor class portend grave political costs. In addition, growing tensions between the technocrats now running the government and the hard-line party politicians have increased. The underlying principles upon which PRI was founded include nationalism, anti-imperialism, and statism; Salinas' reformulation of these values has brought out criticism on the part of those concerned with national sovereignty. A growing crisis of legitimacy within PRI has forced Salinas de Gortari to resort to politically repressive measures to ensure his economic reforms (Bailey and Gómez 1990). In the arena of political reform, then, Mexico has thus far retained a degree of autonomy, through its preservation of the traditional PRI bureaucracy. The incompatibility of economic modernization and a repressive political regime thus poses a crisis to the state-party regime, should this political autonomy be challenged by U.S. insistence on democratic reforms. These issues manifest themselves

in the contradictions of economic restructuring.

Strong evidence is emerging to suggest that the renewed internationalization of the economy foments the concentration of economic power, capital flight, formidable competition of local producers with international markets, a decline in real wages, more restricted labor legislation, an increase in unemployment, and a reduction of union power (Barkin 1987; Glade 1986; Ibarra 1990; Teubal 1987). The question of whether parastatal enterprises were, in fact, inefficient has been challenged in some privatizations and most have been accomplished with huge labor lay-offs, protests, and occasionally involvement of federal troops and imprisonment of labor leaders (Carlsen 1991; Correa et al. 1989; Malpica 1991; Paré 1990).⁴⁰ These actions would seem contradictory to the notion of "modernization" espoused by the promoters of structural change. Moreover, 50% of parastatal enterprises in Mexico evolved from state takeovers of failed private enterprises (Ibarra 1990). The private initiative has shown little initiative in improving conditions for labor, provision of adequate wages, benefits, safety standards, enforcement of labor laws, or strengthening of labor unions. In its lack of protection for labor, privatization thus serves as a protection for private capital (Malpica 1991).

Nonetheless, a vast array of privatizations has affected banks, the mining industry, telecommunications, airlines, and sugar mills, among others. Between 1982 and 1991, the government sold 822 state-operated enterprises, representing a decline from 1155 to 269 enterprises, respectively (BANAMEX 1991:200).

⁴⁰These factors are present in the privatization of Cananea, a Mexican copper mine. To facilitate its privatization, Cananea was declared bankrupt and 2000 workers were fired. Over 3000 federal troops were called in to confront the resultant social unrest (Carlsen 1991). The declaration of bankruptcy not only violated the labor laws, but was irrational on financial grounds. From 1986-87, Cananea increased its sales 525% and its exports from \$3 billion pesos to \$110 billion pesos; it was one of the most modern and productive enterprises in this branch of the economy. Another mine, Mexicana de Cobre was rescued from the huge debt incurred by its private owners. The government restored its profitability and resold it to Fomento Industrial del Norte, which had initially bankrupted it (Gasca 1989).



(Source: BANAMEX 1991)

Figure 5. Sale of State-operated Enterprises in Mexico.

Disincorporation of parastatals has concentrated economic power in the hands of international capital and a small domestic elite. The 37 entrepreneurs who together represent 22% of the GDP in Mexico were the major buyers in four of the five largest privatizations under the Salinas administration (Carlsen 1991). The owner of Cananea, for example, controls 95% of Mexican copper production. Telmex, the Mexican telephone company, is now jointly owned by Mexican financiers and Southwestern Bell. Mexicana de Aviación, the nationalized Panamerican airline, was purchased by Pablo and Israel Brener, who head Grupo Xafra,⁴¹ the consortium which owns some of the most important sugar mills in the country (El Modelo, El Potrero, and San Miguelito, all in Veracruz, constituting 17,000 hectares of cane land) (Carlsen 1991). The Brener brothers, proprietors of the corporation Mexabre, also own 16% of the stock in

⁴¹Chase Manhattan Bank is but one of eleven members of this consortium (Ortega 1989).

Banamex, the hotel chain Real Turismo, Servicios de Telereservaciones, Turbomotores, Datatronic, and share ownership in Aeropuertos y Terrenos (Barranco 1993). The representative for the Committee of Mexican Businessmen in the NAFTA negotiations was Juan Gallardo Thurlow, mining magnate and head of five sugar mills incorporated into Grupo Sucrum (Rodríguez 1990). Among these five mills (Rosales, El Dorado, Tala, Lázaro Cárdenas, Independencia), Independencia is one of the most modernized in the country; Gallardo is also associated with Embotelladoras del Norte (a soft drink manufacturer).

Elimination of the 51% national ownership requirement has encouraged oligopoly control of many firms by multinational corporations, yet many corporations were sold to these transnationals substantially below their value. Despite explicit policy objectives to avoid concentration of wealth through the sale of some firms to the social sector, only five percent of companies have been turned over to workers' or peasants' organizations. Workers have also been affected by the loss of 200,000 jobs which accompanied disincorporation (Carlsen 1991). Privatizations in Mexico have largely taken place without consulting workers and producers who are directly affected by this reorganization of production. In the rural sector, these macro-level processes directly impinge on the lives of peasant cane producers.

Reprivatization of the Sugar Sector

These transformations are manifested in the reprivatization of the Mexican sugar industry. Mexican sugar mills were initially salvaged from a decapitalized private sector in the 1970s and reprivatized from 1988-1992. Analysis of the contrasting conditions between the sugar sector under state and private ownership does not presume that the parastatal industry operated efficiently and without problems, as was made clear in Chapter V (Statization of the Sugar Industry). Much criticism has been leveled at the

state's management of the sector during this period. Del Villar (1976), Jiménez (1987), Paré (1987), and Purcell (1981) concur that under state control, the sector was beset by price controls, lack of investment to modernize mills, declines in factory and field yields, overemployment, incompetency, and corruption. Overall efficiency declined from 5.8 tons of sugar/hectare in 1974 to 5.4 in 1981, and in the following year, almost one-third of the mills had factory yields below the 8.3% guarantee. Lost time in field and factory was 30.3% for state mills and 28% for private mills in 1984. Moreover, from 1970-83, employment of professional office workers increased 103%, and that of other workers 60%. Subsidies to the industry drained the government of \$80 billion pesos per year (Jiménez 1987).

Del Villar (1976) blames the state's control of sugar prices for diminished efficiency and the financial crisis of the industry; the price, he argues, must be set in accord with supply and demand. This contributed to the fact that production costs increased at a higher rate than cañero incomes from 1970-75. After two major restructurings under state control, Paré concluded that, "In spite of the statization of the sugar mills...in general terms the recuperation of the sugar industry has been very slow up to the present (1983)" (translated from Paré 1987:285). Politically, the industry under state control was highly centralized, bureaucratic, and authoritarian (del Villar 1976). In her analysis of organized cañero movements, Paré details the ideological and political manipulation of cañeros by the state, and the cooptation of cañero leaders within a vertically-controlled state sector (Paré 1987).

Obviously, severe structural weaknesses afflicted the sugar industry during its public enterprise phase. Nonetheless, that the sector was structurally weak, economically inefficient, and had to resort to sugar imports, prior to statization in the 1970s, suggests that efficiency is not an inherent characteristic of private enterprise. It was during the earlier, private period that sugar industrialists depended on government financing,

decapitalized the industry by investing in more lucrative sectors of the economy, and failed to reinvest to improve the technological capacity of sugar mills. Increased state ownership of the sector in the 1970s thus represents a rescue operation. Moreover, from 1984 to 1988, under state control, cane production increased 40%, having achieved a record harvest in 1984 (Paré 1990). Mexico regained its position as a net exporter of sugar from 1985-88 and became the fourth largest sugar producer in Latin America, with exports of one million tons in 1988 (GEPLACEA 1990). This achievement was facilitated by the Programa de Reconversión Industrial, considered the "green light" for modernization of sugar mills during the administration of Miguel de la Madrid (1982-88).

In an official message on the "*Zafra*⁴² of Efficiency" (1986-87), de la Madrid asserted:

The production of sugar in Mexico has been in permanent ascension in the last five years; we have clearly consolidated our self-sufficiency in the sugar that we consume; we converted the deficit into an exportable surplus; the cañeros have increased their productivity in yield per hectare; the workers, with technical personnel and administrators, have also improved the conditions of efficiency in the mills (translated from *Manual Azucarero Mexicano* 1988:9).

This achievement de la Madrid attributed to the "constant and decided support of the Federal Government". The president of the CNC claimed that record harvests, and the export of surplus sugar would bring \$100,000,000 (U.S.) in foreign exchange to the country.

Despite the success of these recent achievements under state-directed development, the decision to reprivatize the sugar sector was made by Miguel de la Madrid. An infusion of private capital was to be sought to offset the expenditures of huge government subsidies (Esteva 1983). In reality, the crisis in the sugar sector was worse in 1975 than it was in 1982 when this decision was made (Paré 1990). Beginning with the term of Salinas de Gortari, privatization of sugar mills commenced. The rapidity of this process

⁴²Zafra is the cane harvest.

is marked within the sugar sector. In 1985, 52 of Mexico's mills were state-operated. By 1991, only five remained in the public sector, and all mills had been privatized by 1992:

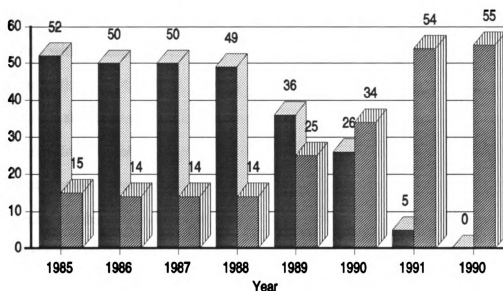


Figure 6. Sale of Mexican Sugar Mills.

Noteworthy is the fact that few mills that came under the control of peasant groups:

Table 3. Ownership of Mexican Sugar Mills.

| | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 |
|----------|------|------|------|------|------|------|------|------|
| State | 52 | 50 | 50 | 49 | 36 | 26 | 5 | 0 |
| Private | 15 | 14 | 14 | 14 | 25 | 34 | 54 | 55 |
| Union | | | | | 2 | 3 | 3 | 3 |
| Coop | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 0 |
| (closed) | | (3) | | (1) | | | (1) | (6) |
| Total | 69 | 66 | 66 | 65 | 65 | 65 | 64 | 58 |

(source: Azúcar, S.A.)

The government offered several incentives to private investors: the sale of sugar mills in packets; sale at "castigated prices"; and favorable terms of sale. Private

investors were obligated to purchase a mixture of productive and non-productive mills, which were sold in packets. However, Carlos Machado,⁴³ head of the Cámara Nacional de la Industria Azucarera asserted:

The sale of the 31 sugar mills did not respect [these conditions]; the sale of the most productive mills to powerful, private groups, who had recently entered the sugar industry, who enjoy the advantage of being vertically integrated, was facilitated. They were to have purchased meat and bone, and this they did not comply with (translated from Correa et al. 1989:14-15).

Three mills (San Cristóbal, Veracruz; Independencia, Veracruz; Los Mochis, Sinaloa) were slated to remain in the hands of the state, because of their economic importance. Independencia was eventually sold, however, to Grupo Sucrum, San Cristóbal to Grupo Escorpión (associated with Pepsico), and Aga (a soft drink firm) acquired Los Mochis. Only the worst mills were left for purchase by cane producers' unions (Becerril 1993a; 1993g).

Initially, the peasant-owned cooperative mill, Emiliano Zapata, was removed from the list of mills to be sold, due to pressure on the part of the workers' union. The workers wished to continue operating it, claiming, "We are not disposed to have our principal source of employment acquired by the private initiative, surely by a soft drink group called 'Escorpión'" (translated from *Tumbando Caña* 1990 (19):27). Ingenio Emiliano Zapata, with *no* debts, was strangely declared bankrupt and sold to Grupo Xafra (owner of Coca-Cola) in 1992 (Becerril 1993a). This closing is of historical significance, because this mill was established in the heart of the zapatista region after the revolution. Cárdenas founded this mill in the 1930s as a peasant-run cooperative, one of two in the entire country. Cañeros claim that El Mante, the second peasant cooperative, was always profitable and that the declaration of its bankruptcy in 1992 was promoted by Tamaulipas Gov. Américo Villarreal who wished to acquire the mill. It

⁴³Machado has owned ingenios Las Margaritas, El Refugio, Central Motzorongo, and Progreso since before privatization of the sector.

was ultimately purchased by Aarón Sáenz, the long-time sugar baron who wields considerable power in the sugar industry (Becerril 1993b).

El Higo and Mahuixtlán (both in Veracruz) were purchased in 1988 by cañero unions (pertaining to the CNC). A cañero journal praised the acquisition of these mills: "An old dream of the CNC family throughout its history, was always to convert ourselves into industrialists of our own product. Today, this vehement longing is a total reality, with the acquisition of Ingenios El Higo and Mahuixtlán by our UNPCA-CNC" (translated from *Tumbando Caña* 1989 (14):2). Under ownership of the CNC, both factory and field yields of the Mahuixtlán mill surpassed the averages for Veracruz, and it achieved the highest number of tons of sugar per hectare in the state. It had a profit of \$2,842,000,000 during a drought year. Cane production increased 30%, consumption of petroleum decreased from 17 to 6.5 liters per ton, the mill covered its operating costs, and in 1993 was able to pay five billion pesos on its debt to FINA. Profits of \$1,732,000,000 were reported at El Higo in 1988, but frosts, floods, and torrential rains in subsequent years caused severe losses (Becerril 1993g; *Tumbando Caña* 1990:17). A third mill, Melchor Ocampo, was purchased by the CNC in 1990 at a sale price of \$32,900,000,000 pesos and had better economic results than originally planned (*Diario de Colima* 1990b). The reinvestment of capital in peasant-operated mills contributes to their improved efficiency, whereas the bankruptcy of privatized mills (discussed below) is in part explained by the transfer of their capital into soft drinks. High officials within the industry, however, viewed the sale of mills to peasant unions skeptically, claiming that the unions wanted them "almost as a gift" and accused the unions of lack of administrative ability and failure to pay back their loans (official, Azúcar, S.A., personal interview).

Out of 44 state-owned sugar mills that were sold, four of the seven mills destined for producer control have subsequently reverted to the private domain. Not all mills

were privatized, but rather, several were closed down, contributing to unemployment in their regions. Three mills were closed in 1985-86 (Libertad, Veracruz; Nueva Zelandia, Tabasco; Santiago, Jalisco), two mills were closed between 1988-91 (Estipac, Jalisco; Oacalco, Morelos), and six mills were closed in 1991-92. The closure of Ingenio Oacalco prompted cañeros of the area to demand that President Salinas de Gortari intervene; 800 cañeros seized the offices of Azúcar, S.A. and demanded the mill be turned over to them. One year later, failing to achieve this goal, the zone was noted for its high unemployment and out-migration to the U.S. (Correa et al. 1989).

Soft drink corporations, purchasers of half of Mexico's sugar, predominate in ownership of Mexican sugar mills; 10 of the 44 mills sold include five to Pepsico, two to Aga, and three to the Asociación de Embotelladores Refresqueros Mexicanos (FINA official, personal interview). Azúcar, S.A. recognizes that the savings in utilization of sugar produced in the owner's mill is an attractive incentive to purchase sugar mills, especially for soft drink companies. Not only is the sector now controlled by private interests, but those interests are largely multinational.

The first sugar mill to be privatized was Atencingo, which along with Plan de San Luis, was purchased by Grupo Escorpión. Enrique Molina, president of Escorpión and owner of Atencingo, is associated with Pepsi-Cola, Mirinda, Pañafiel, Squirt, Manzanita, Sol, Titán, Sangría, Tim, and Seven Up; the mill was purchased to supply sugar for these soft drinks. This mill suffered losses of \$28,000,000,000 in 1988-89. It was purchased for \$47,500,000,000 and financed over a ten-year period (Correa et al. 1989). In 1990, FINASA cancelled the bid of Escorpio-Pepsico for the purchase of Ingenio "La Abeja", since it had already acquired five mills since disincorporation. The sale would have allowed Escorpión to monopolize the sector, which is purportedly not allowed under the provisions of disincorporation. It was reportedly sold to industrialist Francisco García González for \$9,000,000,000, yet, in May 1992 the Abeja mill had become the

property of Grupo Escorpión (*Diario El Independiente* 1990b).

Pepsico⁴⁴ now owns 12 mills and controls 20% of the country's sugar production (Malpica 1991). Pepsico bought out Empresas Gamesa (headed by Alberto Santos de Hoyos)⁴⁵, although its sugar mills were slated to be turned over to the CNPP, which had made initial payments of 15% on the purchase price. Cañeros of these regions were forced to associate with Grupo Gamesa. Pepsico admits that the key factor in its decision to purchase Gamesa was the U.S.-Mexican market integration. Escorpión is Mexico's largest Pepsi bottler, and together with Gamesa and Sabritas (yet another Pepsico industry with 70% of the salty snack market) monopolizes the junk food market in Mexico. Coca-Cola controls two-thirds of the soft drink market in Mexico, and Grupo Industrial Bimbo accounts for one-third of the snack market; it leads the country with 90% of the sweet snack market and 15% of salty snacks (Bouleau 1990, Correa et al. 1989, Malpica 1991). Coca-Cola and Bimbo are co-partners in Grupo Beta San Miguel, owner of five sugar mills, one of which was the subject of this research. Grupo AGA, manufacturer of the soft drink Sidral, bought Ingenio Puga; Embotelladores Mexicanos (a Coca-Cola manufacturer) bought Concepción; Grupo Querétaro, representing the Obregón Ruiz bottling company, purchased Tres Valles, López Mateos and La Gloria; and Rafael Ros acquired La Concepción (Correa et al. 1989).

⁴⁴Pepsico's annual sales are \$15,419,000,000 (U.S.) and it realizes profits of \$901,000,000 (Ortega 1990). As a multinational corporation, it has bought out Frito Lay, Taco Bell, Pizza Hut, and Kentucky Fried Chicken. A Mexican group which produces chicken for Tyson Foods has initiated a project in ejidos of the La Laguna region (on the Coahuila-Durango border) to establish chicken farms to produce chickens for Kentucky Fried Chicken outlets in Latin America (Poole 1991). Pepsico plans to expand the number of Kentucky Fried Chicken restaurants in Mexico from 53 to 200 (Bouleau 1990).

⁴⁵Empresas Gamesa is a consortium comprised of numerous enterprises: Promotora Agropecuaria Gamesa, Productos Gerber, Ingenios Gamesa, and Grupo Gamesa. Grupo Gamesa includes Nabisco Famosa, Harinera Santos, Dulces Lady Baltimore, Mareas Alimenticias Internacionales, Galletera Palma, Gamesa Comercial, Desarrollo Industrial Gamesa, Almacenadora Gamesa, Desarrollo Inmobiliario Gamesa, Pastas Tepeyac, Inmobiliario Jalisciense, Corporativo Gamesa, and Acrosantos. Pepsico, Inc. purchased 72% of Empresas Gamesa in 1990 at a cost of \$320 million dollars (Ortega 1990). Empresas Gamesa recently embarked on a pilot project with ejidatarios of Nuevo Leon to turn 10,000 acres of ejido land into wheat farming to supply wheat for Gamesa's cookies (Poole 1991).

These sales suggest the subordination of cane production to the interests of capital accumulation on the part of soft drink manufacturers, at the cost of supplying sugar for national demand (Correa et al. 1989). Despite the sugar sector's loss of export capacity from 1976 to 1985 (Azúcar, S.A. 1975-1990; GEPLACEA 1990), it remained vertically integrated through the process of transnationalization of the sugar industry. Reprivatization of the industry has increased this vertical integration, through direct ownership of the means of production, and horizontal integration, through the extension of private capital into the processing industry, which depends on sugar as its raw material. The soft drink and processed foods industries are constituencies of the Ministry of Industry and Commerce, which supported the 1958-1970 price freeze on sugar. Credit is channeled to these industries through the Banco Comercial y Fomento (Purcell 1981). The facile import of cheap sugar at world market prices benefits soft drink corporations, while it creates stiff competition for the social sector dependent on the sale of Mexican sugar. Through its importation of sugar and sale of sugar at subsidized prices, the government subsidizes the soft drink and processed foods industries (Correa et al. 1989).

At the processing end of the agroindustrial chain, 55 percent of national sugar production is destined for industrial use, primarily to the foreign sector. Of this amount, 55 percent is used in the manufacture of soft drinks, 14 percent for confections, 12 percent for breads, and the remainder for miscellaneous products such as wines and liquors (Banco de Datos de Estudios Rurales 1984). Since 1966, the industrialization of sugar has escalated in importance; sugar production has grown 51%, while the soft drink industry has grown 243% (Jiménez 1987). Within Mexico 1,200,000,000 cases of soft drinks (48% colas) are sold annually. The price of soft drinks increased 40% in 1989 (Correa et al. 1989). The amount of sugar destined to industrial use relative to domestic consumption over the past three decades shows a dramatic increase:

| <u>Year</u> | <u>Industrial Use</u> | <u>Domestic Use</u> |
|-------------|-----------------------|---------------------|
| 1963 | 29.20% | 70.80% |
| 1973 | 41.00% | 59.00% |
| 1983 | 55.12% | 44.88% |

(Jiménez 1987:18)

The influx of soft drinks and processed foods has had an immense impact on the Mexican diet. Per capita consumption of sugar is 45 kg. per year (1990) (Hernández 1992); sugar makes up 60% of the recommended calorie intake of the working class and Mexico is now the largest per capita sugar consumer in the world (Mora et al. 1990).

The profits that capitalists accumulate from the production of these products directly depends on cane producers who supply the raw material for production. Industrialists and peasants are bound together in formal, contractual relationships formulated in privatization policy, national development policies, and more specifically, the policy that defines the relationship between cañeros and sugar mills. In accordance with the Covenio de Reestructuración del Sector Azucarera, signed by representatives of the CNC, UNPCARM, CNPP, STIASRM, the private initiative, SARH, the Cámara Nacional de las Industrias Azucarera y Alcohólera, and several other federal dependencies, sugar mills were required to invest, modernize, and diversify their operations and promote alternative employment for mill workers. For its part, the federal government was obliged to modify the Decreto Cañero, fixing the method of payment so as to stimulate efficiency. Finally, the importation of sugar was to be liberalized, with a favorable tariff to avoid problems of speculation and supply. The provisions include:

- 1) to restructure Azúcar, S.A.
- 2) to modify the Decreto Cañero, establish new criteria for setting prices through a two-year pilot program, and make sucrose content the basis for payment of cane beginning in 1992
- 3) to eliminate sugar imports, set adequate tariffs, and eliminate differential prices
- 4) to eliminate the guaranteed factory yield within three years
- 5) to equally support research, projects, and works for the rehabilitation or construction of infrastructure and improve productivity of cane fields

- 6) to equally share costs for research, technical assistance, and experimentation on cane varieties
- 7) to increase factory efficiency and decrease sucrose loss (to 2.5 in 1989-90; to 2.4 in 1990-91; to 2.3 in 1991-92)
- 8) to make privatization responsible for payment, investment, indemnization, and diversification
- 9) to promote alternative employment
(*Diario de Colima* 1989b).

The remainder of this chapter will address how well these aims have been met. First, capitalists within the sugar industry have continued to rely on credit from FINA--a state-managed financial institution. Nonetheless, they have failed to pay off their debts and fulfill their obligations to cane producers and factory workers. Second, since privatization, mills have provided little sugar to Azúcar, S.A. the state agency that distributed sugar for public consumption until 1992. Lack of sugar has created major market distortions which seriously affect both sugar mills and cane producers. Third, important modifications have been made to the Decreto Cañero, an official document which specifies the basis for setting the price of cane and defines relationships between sugar mills and cañeros. These are each taken up in turn.

FINA, S.N.C.

Financiera Industrial Azucarera, S.A., the private institution founded in 1943, was converted into Financiera Nacional Azucarera, S.A. (FINASA) in 1953. In 1985, FINASA was transformed into a national credit society (FINA, S.N.C.) and became an institution of the Banco de Desarrollo. Its social capital is \$2 billion pesos, with 99.4% of this capital owned by the federal government (*Manual Azucarero Mexicano* 1988). As a state institution, FINA continues to operate with profits, according to officials⁴⁶.

The state, through FINA, continues to finance all credit to the sugar sector. As explained by a FINA official, its role is to channel resources, whether public or private,

⁴⁶Personal interview with Lic. Gerraldo Tovar, Financiera Nacional Azucarera, S.N.C., April 18, 1991.

to "credit subjects" who count with sufficient guarantees. He explained, "The act of reprivatization does not change the license of the institution; instead of an enterprise of the public sector, we channel resources to the private initiative". This role assures the subsidation of private sugar mills by the Mexican state, although this official denies that it constitutes a subsidy. The continuing role of FINA was explained by the official: "Without the raw material, the mill does not function. The influence zone depends on the sugar mill--it is an important sector. It is essential to support this sector". FINA gives credit to the sugar mills, which in turn, distribute credit to cañeros. Although FINA makes recommendations on who should receive credit, ultimately, it is the sugar mill that decides who may receive credit for cane production. Upon liquidation, the sugar mill discounts the amount owed to FINA from the producers' accounts.

FINA was responsible for the sale of sugar mills to private investors. The sale of these mills was difficult, according to FINA since "This was the first experience in our country with selling this type of enterprise". In 1989, a seven-year term of payment at 32% interest was offered, with a down payment of 10% of the value of the mill. But by 1990, only the worst mills remained, thus easier terms were given and mills were allowed to cover loan payments with the value of the sugar produced. The terms were eased to 10 years, with a 20% down payment and lower interest rates. FINA claims that the government has not gained enough from mill sales to reduce the national debt. The total sale price of all privatized mills was \$1,234,604,000,000 pesos (Becerril 1993a).

The continued government control of the price of sugar is an important factor in reducing the profits of sugar mills. The subdirector of Azúcar, S.A., however, admitted that lack of cash flow among mill owners is partially explained by the fact that they are utilizing their own product for processing, rather than selling it on the market (personal interview). The soft drink firms purchase sugar produced in their mills at depressed prices. PECE (Pacto para la Estabilidad, la Competitividad y el Empleo) set the price

of sugar at \$1,447.37 pesos per kg. (1993); the firms acquire it at \$217.00 for use in soft drinks such as Coca-Cola and Pepsi-Cola. This transfer of capital to private interests creates losses for the sugar mills (Becerril 1993b).

Most private investors were unable to make payments on their loans and attempted to modify the terms of the sales. By August 1992, debts for acquisition of sugar mills were being restructured. The balance owed among all private mills was \$728,387,000,000 pesos. Their claimed financial difficulties and lack of capital have become a rationale for minimal investments in the newly acquired mills. Thus diversification has been practically nonexistent. Fifteen sugar mills were threatened with closure (García 1992).

By May of 1993, the 14 private corporate groups, largely soft drink magnates, had repaid less than half of their sale contract obligations, owing 4.5 billion pesos. Neither had they covered their financial obligations to Social Security (IMSS), the National Water Commission, and the Sindicato Azucarero. Grupo Sucrum, headed by Juan Gallardo Thurlow, a representative in the NAFTA negotiations, failed to pay \$5,500,000,000 pesos owed to IMSS to cover medical services for workers and cañeros at Ingenio Independencia. These quotas had already been discounted from the pay of workers and producers, yet they were left without medical services. Two years after its purchase, without having made any monthly payments subsequent to the down payment, Thurlow declared the mill bankrupt. According to a representative of the cane producers' union, this tactic allows industrialists to evade payment on their debts to the government and later repurchase mills under "prestanombres" (false names). Ingenio Independencia already had modern equipment when it was sold to Thurlow, including three new generators valued at \$12,800,000,000; yet, the purchase price of the mill was only \$12,819,000,000. Thurlow purchased, apart from Ingenio Independencia, one mill in 1988, plus three other mills in 1990. On one of the latter mills, he has never made a

payment (Becerril 1993a; 1993d).

The largest sugar mill, Ingenio San Cristóbal, was sold to Grupo Escorpión (affiliated with Pepsico) in 1988 for \$50,359,800,000 pesos, but by the end of 1990, Escorpión still owed \$34,640,020,000. Escorpión had sold broken down equipment from the mill for \$69,000,000,000, which would more than cover the debt, yet failed to meet even its annual payments. In 1992 the government restructured its loan. Neither has it liquidated its loan on two other mills it purchased (Becerril 1993a).

Grupo Xafra (linked to Coca-Cola) deposited one-half the purchase price of its three mills (Modelo, Potrero, and San Miguelito, three of the best mills in the country) in 1988 and has not made one further payment (Becerril 1993a). In 1990, a producer and workers' strike broke out at Ingenio Potrero; workers accused the owners of intending to operate the mill for five years and resell it, in ruins, to the government. The management threatened to liquidate the workers and end the harvest, leaving producers and cutters without jobs (Torres 1991a; 1991b). On May 23, 1991, Grupo Xafra placed an advertisement in *El Financiero* for the sale of Ingenio Modelo at a price of \$19 billion pesos, to "physical or moral persons of Mexican or foreign nationality" (*El Financiero* 1989:15A).

Among other privatized mills, Redo y Socios, purchaser of seven sugar mills from 1988-90, had paid absolutely nothing by 1992. Piasa and Aga, both soft drink affiliates, received four mills "almost as a gift". The owner of Piasa and president of the Cámara Nacional de la Industria Azucarera warned leaders of producers' and workers' unions in 1993 that if his demands were not met, he would close down Ingenio La Gloria. The latter was rated in third place for production in 1992-93 (Becerril 1993a; 1993f; 1993g).

As of August 1992, two sugar mills were bankrupt and 12 were in virtual bankruptcy.⁴⁷ Of the six privatized mills, two shut down operations as sugar mills, and the remaining four operate at 50% capacity, with no worker unions or legal work contracts. At least one of these bankruptcies involved serious violations of human rights (Becerril 1993c).

Alberto Santos (owner of ingenios Alianza Popular, Bella Vista, Pedernales, and Puruarán) received financial support from FINA to modernize its mills, increase productivity, and preserve the zones as a source of work. On May 25, 1992, he closed Ingenio Puruarán, Michoacán--a source of employment for 30,000 people--and began dismantling the factory. Factory workers, cañeros, and local inhabitants, determined to keep the mill, which dates to 1715, open, took it over on December 7, 1992. Denied credit, they repaired the mill and processed the cane. From the sale of sugar, they covered salaries, advance payments, liquidations, and credit for fertilizer and insecticides. At the end of the harvest, they had \$700,000 (new pesos) worth of sugar in the warehouse. As they were putting the mill back in operation, Alberto Santos hired gunmen, who fired on three workers on October 10, 1992. The gunmen were detained by police, but released one hour later and their high-power weapons returned. Subsequently, on May 3, 1993, state and federal police invaded Puruarán and the sugar mill and entered the houses of five cañeros and workers. One of these was retired, had heart problems and diabetes, and had recently been released from the hospital. These victims were sequestered, and their whereabouts unknown (*La Jornada* 1993).

Under threat of strike in the 62 sugar mills of the country in March, 1993, a Convenio de Concertación de la Industria Azucarera was drawn up by private capital, the state, and workers. The government intervened in these negotiations, giving magnates

⁴⁷These include Navolato, Rosales (Sinaloa); Purísima, (Jalisco); Puruarán (Michoacán); Santo Domingo, Juchitán (Oaxaca); Hermenegildo Galeana (Tabasco); San Pedro, San Francisco Naranjal, El Higo, Mahuixtlán, Panuco (Veracruz); El Mante (Tamaulipas); Emiliano Zapata (Morelos) (García 1992).

such as Thurlow (associated with Grupo de Embotelladores Unidas), Brener (associated with Coca Cola), and Molina Sobrino (associated with Pepsico) access to new federal credit and agreeing to regulate the massive imports of sugar (Becerril 1993e).

Privatization has clearly not increased operating efficiency of sugar mills. Officials at Azúcar, S.A. and FINA in Mexico City report minimal investment in the now antiquated sugar mills to improve productive efficiency. Despite having purchased mills at depressed prices (on the average, 50-60% of their value), capital investment is only 25% of the expected rate. An official at Azúcar, S.A. related to the researcher, "It is very little money, practically nothing that the private initiative has invested to date". FINA proposed investments of \$300,000,000,000 at the national level, yet only a fourth of this amount had been extended in credit for maintenance and upgrading of mills at the end of the field research. Of 64 mills in the country, only 21 were operating at a profit in 1991; 16 had net losses, and the remainder were breaking even (FINA official, personal interview).

A recent study by STPS (Secretaría del Trabajo y Previsión Social) provides evidence that the principal cause of the crisis in the sugar sector lies in the inability of the new industrialists to manage their newly-acquired sugar mills and their failure to modernize them. This study contradicts the notion held by sugar industrialists that the primary cause is government control of sugar prices and excessive imports of foreign sugar. The soft drink magnates--primary purchasers of sugar mills, lacked experience and knowledge for administration of the enterprises, yet devalue the experience of the workers.⁴⁸ The entry of these corporations represents an important change from the

⁴⁸By way of illustration, the declaration of bankruptcy of Ingenio Independencia by Grupo Surco after two years of privatization followed a major increase in energy use. In 1989-90 (under state control), 3,000,000 liters of fuel were used to operate the mill; this amount increased to 50,500,000 liters in 1990-91. Previously the mill had processed 250 tons of cane per hour, but in 1992-93 factory efficiency declined to 190 tons per hour. Workers claimed that the mill would function for 10 minutes and then be stopped for one hour. Six months after Grupo Xafra acquired the peasant-owned Emiliano Zapata mill,

industry's management by the traditional sugar industrialists. The latter own mills as a family tradition, have decades of experience, and are more dedicated to sugar production. The former have entered this sector largely for speculative purposes, and lack the knowledge and experience of the traditional sugar families (Peter Singlemann, personal communication).

Azúcar, S.A.

Azúcar, S.A.,⁴⁹ the major parastatal of the sugar sector, was being phased out in 1991. Its 6000 employees of 1989 had been reduced to 900 by 1991, and the institution was predicted to be gone by 1993. Prior to privatization, Azúcar, S.A., whose aim was to ensure public supply, was the sole distributor of sugar. In 1988, Azúcar, S.A. distributed 100% of the sugar produced. The private owners utilize 70% of the sugar produced in the country, leaving only five mills (Puruarán, Pedernales, Alianza Popular, Bella Vista, and Emiliano Zapata)⁵⁰ that continued to provision Azúcar, S.A. with sugar for public consumption in 1990; in that year it received only 13% of the national production.

Government policy supports differential prices when it purchases sugar, in an attempt to ensure its own supply of sugar, which it then commercializes. According to the subdirector of Azúcar, S.A., this institution pays a higher price to transnational soft drink and bottling corporations than to nationals for the sugar purchased from them. The

erroneous technical decisions created constant production delays. The mill experienced 761 hours in lost time, a historical record. Huge amounts of molasses were being discarded into the local rivers, causing local inhabitants to protest the contamination of their water. Workers blockaded the mill and labor conflicts emerged, requiring months of negotiation to resolve indemnization of workers who had been laid off their jobs (Becerril 1993b; 1993c).

⁴⁹Personal interview with Lic. Rudi Omar Albertos Cámara, Subdirector de Planeación y Desarrollo, Azúcar, S.A., April 18, 1991.

⁵⁰The first four of these ingenios at the time of the research were in the process of being sold to the CNPP and the latter was a cooperative operated by the CNC, thus all were under state control. All of these mills later reverted to private ownership.

policy is to "give the most freedom to the sugar mill to participate in the market, without regulation" (personal interview). The soft drink industry utilizes 36% of sugar destined for industrial use, the remaining going to sweets, breads, chocolates, preserves, pharmaceuticals, wines, and liquor (García 1992). Despite government price controls on sugar, SECOFI authorized a price increase for soft drinks in 1989; an increase in the price of jellies, cookies, ice cream, candy, and chocolate was proposed as well. These price increases assured profits for the processing industry and sugar mills involved in their operations, in light of a 53% increase in the price of sugar (\$740 to \$1130/kg., standard) (*Diario de Colima* 1989c).

The loss of government control over distribution has created conditions for alternate periods of scarcity and speculation, followed by market flooding. When shortages of sugar occurred in 1989, Azúcar, S.A. blamed privatization and the subsequent drop in production in the sugar industry. Market speculation and withholding sugar from the market are frequently believed to be the culprit for Mexico's inability to export, neglecting the large proportion of domestic sugar being utilized by private mill owners for processing their own products. The shortages forced soft drink industries to import sugar. Thus, in 1989, Mexico once again became a net importer of sugar, importing 300,000 tons at a cost of \$665,000,000,000 pesos (Correa et al. 1989:12). The gravity of this situation increased with the importation of 800,000 tons of sugar in 1990. The cost of these imports, \$640,000,000,000 was equivalent to the value of seven privatized sugar mills (*Tumbando Caña* 1990 (19):22).

Scarcity of sugar supplies in 1991 fostered massive imports by Azúcar, S.A., leaving markets flooded. During 1990-91, Mexico imported 2.4 million tons of sugar⁵¹

⁵¹This sugar was imported from Colombia, Guatemala, Honduras, Venezuela, Argentina, Brazil, Cuba, the Dominican Republic, Haiti, Jamaica, Korea, and the Philippines (*Diario de Colima* 1991b; Zúñiga 1992).

at cheaper prices than Mexican sugar,⁵² in addition to the national production of 3.6 million tons. National consumption was 4 million tons, leaving a surplus of 2 million tons. CNPP leader, Jesús González Gortázar called the action "criminal", since sugar mills were unable to sell their own stockpiles (*Diario de Colima* 1991b; Zúñiga 1992). According to Sergio Villa Godoy, president of the Cámara Nacional de la Industria Azucarera y Alcohólera and general director of Grupo Sucrum, the opening of the border was an error that in 1991 cost \$600 billion pesos: "There is no sugar mill that produces sugar at the *dumping* prices that are at play in the international market" (translated from Zúñiga 1992:6A). Imports remained high in 1991-92; sugar imports of 2.6 million tons represented 70% of the national harvest (Becerril 1993d). One observer said of these imports, "If we were owners of the Sahara Desert, now we would be importing sand" (translated from Vázquez 1990:14). The government agreed to regulate sugar imports only after massive imports had caused severe disruptions to the national sugar market.

The future of the sugar market is also tied to NAFTA. A CNC leader asserted that, "The decisions of the Secretary of Commerce with respect to sugar, are tied to the context of the negotiation of the Free Trade Agreement" (translated from García 1992:21). Given recovery of export capacity, the sugar sector would be a major beneficiary of NAFTA; many, however, fear that the current crisis represents a lost opportunity, under the pending implementation of the free trade agreement. Under NAFTA, Mexico would increase its exports to the U.S. market from 80,000 tons to 2 million tons; to do so, Mexican cane producers would have to double their production. Cane producers, however, currently suffer the impact of mechanical inefficiency and bankruptcy of sugar mills, severe market distortions, and significant changes to the

⁵²At the beginning of 1991, the authorized price of sugar was \$1350 pesos per kg., but sugar mills, with 30% of the production in their warehouses, were forced to sell the product at \$1200 (Hernández 1991a). The 1992 world market price of sugar was between \$1600-\$1800 pesos. Imported sugar now undersells domestic Mexican sugar, which was \$1908 in August, 1992 (Zúñiga 1992).

contract that binds them to sugar mills.

The Decreto Cañero

The Decreto Cañero is a formal, national-level contract between cane producers and sugar mills whose key function is to regulate the price of sugar cane. A new plan for restructuring the sugar sector (Convenio de Reestructuración del Sector Cañero) proposed modifications to the Decreto Cañero, reformulating the method of fixing the price of cane for the 1992-93 harvest. Sucrose content was to be utilized as an indicator of extractable sugar for establishing the basis of payment. The guaranteed factory yield of 8.3% was to be gradually eliminated. The document committed the industrial sector to increase sugar production of mills at an annual rate of 3.7% after the 1990-91 harvest, increase factory efficiency, and diminish losses of sucrose from 2.64% to 2.3% by 1991-92 (Convenio de Reestructuración del Sector Cañero).

Decisions concerning the price of cane are jointly made by four state agencies: Secretaría de Hacienda, SPP (Secretaría de Programación y Presupuesto), SECOFI (Secretaría de Comercio y Fomento Industrial), and SARH, plus the Cámara de la Industria Azucarera, composed of representatives of the private initiative. In 1989-90, the price of cane was increased 13.85%, while inflation was on the order of 20%, fertilizers rose 38%, and diesel fuel 25%. The tremendous cost of government subsidies to maintain a low price on domestic sugar demonstrates significant power exerted by urban workers and the food processing industry. Given this price, cañeros received on the average an amount equivalent to the minimum wage (Paré 1990). Moreover, the private initiative made an unsuccessful attempt during the 1990-91 harvest to eliminate producer benefits such as health insurance, advance payments, and sacks of sugar given to producers; the effort was thwarted by a threatened producers' strike and subsequent renegotiation. The CNPP rejected the Decreto Cañero, arguing that it favored the capitalists and failed to take into account the point of view of cañeros; it claimed that

neither CNC nor CNPP were called upon to participate in its formulation.

A new Decreto Cañero (*Diario Oficial* 1991) formulated May 30, 1991 makes the monthly wholesale price of sugar the determinant for fixing the price paid for cane; this price will be calculated as a function of the sliding price of the U.S. dollar. Cañeros can thus expect to receive varying prices for their cane, depending upon the month it is harvested and delivered to the sugar mill. Since the price,⁵³ as a subsidy to urban workers, remains extremely low, it will continue to have repercussions on the income of cane producers. Each zone may opt to determine payment of cane delivered to the mill, either on the average amount of sugar recuperated from a ton of cane in the zone, or on an individual basis, through analysis of samples. Factory yield, then, continues to play an important role in the income of cane producers. Elimination of the 8.3% guaranteed factory yield will leave cañeros at the mercy of mechanically inefficient sugar mills. In 1992, it was announced that cañeros with less than 10 hectares would lose their social security (Corro and Correa 1992). Both social security, acquired in 1963, and medical benefits, received in 1956, represent major achievements attained through years of struggle on the part of cañeros.

Analysis of modifications to the Decreto Cañero indicate important changes in terms of price and producers' benefits. From 1943 to 1975, the price had been based on the amount of sugar extracted from cane in the mill, or factory yield. The 1943 Decree officially established mandatory supply zones for sugar mills, reflecting the diminished production and increasing consumption of sugar in the country at the time. In 1975, during the presidency of Luis Echeverría, the Decreto was modified, basing the price on the amount of sucrose in cane, or field yield and in relation to the guaranteed prices of rice, soy, beans, sorghum, and maize. This method makes cañeros independent of

⁵³As of August, 1992, the price per kg. of refined sugar to the consumer was \$1908 pesos; standard sugar, \$1718; popular white sugar, \$1789; and mascabado \$1561 (García: 1992).

efficiency, or lack thereof, in the factory; at the same time, it motivates the cañero to improve the yield of the cane. During this period, recapitalization of the sugar industry was largely at the cost of state subsidies. In 1980, under López Portillo, the Decreto was again changed, making factory yield, once again, the basis for determination of price. The burden of recapitalization of the industry is thus placed on the shoulders of producers--a serious blow, given the generally poor conditions of antiquated sugar mill machinery. This decree did, however, set a minimum guarantee of 8.3% factory yield (83 kg. sugar per ton), below which the cañero was guaranteed full price for the cane.

A second important modification to the 1980 Decreto is that cañeros no longer receive benefits from the byproducts--molasses, alcohol, bagazo, and so forth. Sugar mills often burn the bagazo to operate the factory, sell it for animal feed or to make compressed wood and a variety of other products. Previously, as established in the 1943 Decree, the cañero received 50% of the profits from these products. Now, the cañero is discounted for bagazo left in the cane, receiving lower profits, despite the lucrative benefit to the sugar mill (Paré 1987).

Cañeros are paid for their cane at liquidation in August. When they receive their liquidation, all costs of production, advance payments, interest, and other charges are already deducted. Cañeros pay interest charges on machinery, fertilizer, works such as "derocking" the soil, and on loans. An important component of the cost of production is the interest charged by FINA. The rate for *plantas*, or financing of new cane is 100%; the capital is distributed at rates of 60%, 25%, and 15% over a three-year period. These charges generally leave the producer with no net income. Given the high rate of indebtedness among cañeros, the government decided in 1990 to restructure debts for the 1989-90 harvest at normal rates of interest. The mechanisms for doing so had not yet been worked out, but if a cañero defaults on the loan, FINA can now seize his/her property.

The price of sugar cane ultimately depends on the market price of sugar, which continues to be controlled by the government. Sugar industrialists, as well as cañeros, blame the government for these price controls, since they contribute to the current crisis in the sector.

Social Contradictions of Reprivatization

The fate of the sugar sector is of ultimate importance to the country, since it is an important source of employment in Mexico. In 1990, it provided income to 131,533 cane producers, 76,854 cane cutters, 50,000 mill employees; some 400,000 people depend directly on the sugar industry and indirectly it supports between five and six million, or one out of every 15 Mexicans (Becerril 1993c; Correa et al. 1989, García 1992; Azúcar S.A. 1990).

In 1990, the *Manual Azucarero Mexicano* noted the severe economic crisis of the nation and projected that privatization and modernization of the sugar sector would create increased efficiency and productivity. This optimism is less conspicuous in the 1991 volume which notes the sharp readjustment and obstacles faced by the now almost totally privatized sector in the context of the globalization of the world economy. This volume states that if the sugar industry is weakened or disintegrates, this would break the equilibrium, with grave economic and social repercussions (*Manual Azucarera Mexicana* 1990; 1991). The sugar sector was said to be "in the worst crisis of its history" by the end of the 1980s (Correa et al. 1989:12) and by 1992, the sugar industry was described as "wounded to the death" (García 1992:18).

A total of 100,000 hectares of cane have been abandoned in Mexico. As a result, sugar production declined 13.4% between 1986-1991, and dropped another 6.4% in 1992. This represents a loss from 3,743,557 tons of sugar in 1987 to 3,172,503 tons in 1990 (Malpica 1991; Marcos 1992). From 1989 to 1990, the surface cultivated in cane

diminished 11%, processed cane dropped 16%, factory yield worsened from 9.7% to 9.1%, and tons of cane per hectare dropped 11% (Malpica 1991).

In terms of supply and demand of sugar, the indiscriminant opening of the border to sugar imports is blamed. Imported sugar carries a lower price than domestic sugar, provoking decapitalization of the industry. As a result of the failure to modernize the sector and resolve problems of productivity and efficiency, "The change in ownership has provoked uncertainty, lack of control, and disinterest in trying to make the sugar mills work at 100% capacity. There has been no modernization; instead negligence exists, in disaccord with the program of the government of Carlos Salinas de Gortari" (translated from Serrano 1990:15). The degree of bankruptcy in the sugar sector is strikingly perilous under conditions of privatization.

Sugar mills had been notorious for their over-employment under state administration. In accordance with objectives to "rationalize production", privatization of sugar mills has been accompanied by massive worker lay-offs. As early as 1990, 4430 mill workers, 10% of the total, had been laid off their jobs (Paré 1990). In 1992, 8,000 mill workers lost their jobs (Becerril 1993f). As the poor administration of privatized mills caused the majority of mills to operate with deficits, 20,000 of the 50,000 mill workers of the country were threatened with loss of employment (*Excelsior* 1992). Unlike the rescue operations carried out by the state before privatization, a FINA official stated, "[FINA] will not resort to the rescue of sugar mills that do not demonstrate viability, under the pretext of maintaining them as a source of employment, now that they are the responsibility of those who manage them" (translated from Corro and Correa 1992:30). Cane leaders complained that the industry was worse than when managed by the state and accused the new owners of acting with a "negative mentality" (Corro and Correa 1992). As explained by Luisa Paré (1990:23), "The majority of sugar mills were turned over to the private initiative, without taking into account the social sector".

Since the declared bankruptcy of Ingenio Independencia, the labor contracts and unions are no longer recognized. Workers have lost benefits, including social security, which were the result of years of class struggle. The private initiative has made a concerted effort to curtail workers' benefits, although the unions have thus far managed to retain retirement, housing, medical service, training, and scholarships, as defined in the labor contract. These triumphs are minimized by the failure of the industrialists to comply with the contracts (Becerril 1993f). Upon termination of the 1993 harvest, cañeros had still not received their advance payments, nor credit for field costs of the coming season. This situation threatens further declines in production (Becerril 1993g). Hence, while extolling modernization, private capitalists have attempted to restore the relations of production prevalent during the Porfiriato.

As new private mill managers have taken over the sugar mills, the need to redefine the relationship between cañeros and the state, and between cañeros and the sugar mill surfaces. Private mill owners have unwillingly inherited a cañero sector in which notions of a paternalistic relationship between themselves and the sugar mill persist.⁵⁴ Peasant cane producers hold a strong sentiment of "belonging" to the government and inability to adjust to the new private-cañero relationship.

Furthermore, the private initiative uses union conflict to weaken the power of producers' unions. In 1991, for example, the sugar industrialists supported a dissident group of cane producers in order to keep the CNPP divided (Hernández 1991b). The private initiative has been unwilling to effect modernized standards in the contraction of

⁵⁴An illustration of this problem was presented at Ingenios San Sebastián and Santa Clara, Michoacán which were sold in October of 1990. In November, 1990, an interim manager, serving until the arrival of the new manager, was interviewed by the researcher. During the interview, the phone rang and the manager began to complain to the caller about problems in their relation with cañeros: "The situation that they have, now that the mill is of the private industry, it no longer belongs to the federal government, the cañeros feel like part of the federal government and I think that much time will pass before they assimilate".

labor, paying low wages, tolerating child labor, and implementing demands that require workers to surpass the legal limits in labor hours. Malpica evaluates this situation:

...an inapplicable labor legislation and the nonexistence, blocking, and nullification of whatever organization that responds to the economic, judicial, labor or social rights of these workers. That is, the lack of protection that deprives workers redounds in a form of economic protection for agroindustrial capital (translated from Malpica 1991:71).

Privatization has failed to extract the Mexican sugar sector from its crisis; rather, the crisis has intensified. Villa Godoy, President of the Cámara Nacional de la Industria Azucarera, described the sector "with broken arms, ankles out of joint, bruises on the face and bleeding from the nose" (translated from *El Financiero* 1992). Mexican sugar mills remain unmodernized, in debt, beset by conflicts between unions and mill owners, and threatened by cheap sugar imports, in short, in the worst crisis of the sector's history.

This chapter has shown that privatization rests in neoliberal ideology that asserts the stated objectives of state deregulation, increased investment, greater economic productivity, technological efficiency, and modernization. Structural adjustment programs, however, are designed to protect the interests of debt-holding international banks and benefit multinational firms which have entered the Mexican economy for the purpose of quick profits. The internationalization of capital not only threatens national sovereignty, but has created a set of contradictions that imperil the social sector. The state's traditional role in the economy in ensuring social and political ends was thus curtailed in support of these vested interests.

Economic restructuring and privatization were shown to involve a complex interaction between international policies (IMF, NAFTA, etc.) and national development policy (National Development Plan, Convenio de Reestructuración del Sector Azucarera, etc.). Within the sugar sector, the contradictions of neoliberalism are most clear. The rapid privatization of sugar mills led to concentration of economic power, at the expense of the social sector. Rather than deregulation, the state continues to finance the

privatized sugar sector through FINA, S.A. and through various subsidies and price controls. In the experience of Azúcar, S.A., market opening and deregulation have created severe market distortions. Rather than modernization and increased productive efficiency, lack of investment on the part of private capital has resulted in bankruptcies and productive inefficiency. Moreover, the social and political costs to peasant cane producers--who were to enjoy increased standards of living and a participatory role in the process--include loss of employment, fewer benefits, perjorative modifications to the Decreto Cañero, greater external control over union organizations, and political repression of their protests against privatization. The next chapter analyzes the collective mobilization of the regional cane producers' union in its confrontation against the conditions described in this chapter that have resulted from state divestment and reprivatization of the sugar sector.

VII. COLLECTIVE ORGANIZATION

The theoretical orientation of this dissertation emphasizes the organic relationship between peasants and the state, and the subsequent reconfiguration of that relationship with privatization. The Confederación Nacional Campesina (CNC) is an important arena which expresses the state-peasant relationship. Theoretically, the CNC serves as a intermediary between peasants and the state; the CNC is a state instrument that penetrates peasant society and, at the same time, a class instrument that penetrates the state apparatus (Hardy 1984:16). Furthermore, the double control of UNPCARM (Unión Nacional de Productores de Caña de Azúcar de la República Mexicana), which is vertically situated within the hierarchical CNC, and state-operated sugar mills incorporated peasants into a structure of domination which conjointly linked their political organization to the agroindustrial complex.

In this chapter, I will discuss the historical development of the cane producers' union through which the state-peasant alliance was forged. Within UNPCARM, despite its hierarchical structure of control, cane producers have engaged in historical struggles to defend their interests. It is the purpose of this chapter to illuminate the dialectical nature of these struggles as the context shifts from state to private domains.

The chapter then turns to a particular event--the mobilization of the regional union following the privatization of Ingenio Quesería. This event demonstrates how cane producers, through collective organization, utilized their limited spaces of power to press their demands against the state and the privatized sugar mill. The event illustrates the interwoven connections between state and private structures of power and cane

producers' unions, and between the national UNPCARM and its regional-level organizations (UNPCA). This event is contrasted with an occurrence of collective mobilization when the mill was under state control.

Analysis of this event also incorporates peasant discourse, which evokes the cultural production of ideas as peasants evaluate the outcome of their collective mobilization. Peasant discourse becomes an instrument for contesting the hegemony of state and capitalist ideology and praxis. The chapter then turns to an analysis of the restructuring of state-peasant-capitalist relationships under conditions of privatization and concludes with a description of the emergence of an independent peasant organization that challenged the state from outside of the dominant structures of power.

Development of the Cane Producers' Union

At the time that agrarian reform was dramatically reshaping the sugar sector, the most historically significant peasant organization in Mexico, the CNC, emerged. The institutional incorporation of this organization into the official political system of the state transforms the history of the CNC into a history of the relationship between peasants and the Mexican state (Hardy 1984).

The first peasant organizations in Mexico emerged in 1922 with the formation of the Ligas de Comunidades Agrarias in Michoacán (Crespo et al. 1990). The 1930s marked the beginning of labor organization in the region of Quesería, Colima. As sugar cane production expanded, labor discontent increased at Ingenio Quesería, and by 1934-35, agrarian syndicates were a feature of rural production in Colima. Peasants of Colima were organized into the Liga de Comunidades Agrarias "Torres Núñez" in 1936 (Oseguera 1979).⁵⁴

⁵⁴This name is taken from two agrarian leaders, Ignacio Torres and Pedro Nuñez, who were assassinated by Cristeros during the Cristero Revolt (Oseguera 1979).

The appearance of various peasant organizations in the 1920s and 1930s, and the growing strength of the CTM (Confederación de Trabajadores Mexicanos) led Cárdenas to establish the Confederación Nacional de Campesinos in 1938, to unite competing peasant groups, bind the CNC to the official government party, and prevent an alliance between peasants and proletariat which might mobilize against the state. In 1938, the official party, the Partido Nacional Revolucionario, was transformed into the Partido Revolucionario Mexicano, divided into four autonomous, separate sectors--peasant, labor, popular, and military (Hardy 1984; Landsberger 1973).

The constitutional assembly of the CNC took place on August 28, 1938, attended by 300 delegates of the Ligas de Comunidades Agrarias and some three million peasants. At the time of its formation, the CNC incorporated Ligas of ejidatarios representing all states in the nation, unions, cooperatives, and *pequeños propietarios* (private landowners). The CNC is organized at four hierarchical levels: 1) village ejidal committees,⁵⁵ 2) regional committees, 3) state level Ligas de Comunidades Agrarias, and 4) the National Executive Committee (Hardy 1984). The first General Secretary of the CNC was Graciano Sánchez (Warman 1980a). Throughout its history, the democratic election of CNC leaders has been questioned and lack of grass roots participation is widely acknowledged (Restrepo and Eckstein 1975). A small circle of elite leaders tend to be reelected, who often lack support of the base membership, which has become increasingly marginalized. The leadership of the National Executive Committee has always been filled by non-peasants; this position is occupied by leaders selected by the state itself (Granados 1988).

Since the 1930s, the state has channelled peasant mobilization through their union

⁵⁵At the village level, the ejido remains the basic unit of peasant organization; the granting of ejidos is a product of class struggle and continues to serve, via its incorporation into the CNC, as an apparatus for state domination of the rural sector. The ejido guaranteed the intervention and vigilance of the rural area on the part of the state.

organizations and utilized the CNC as a mechanism to control and dominate the Mexican peasantry. The potential power of organized labor was severely weakened when the state restricted action of the CTM (Confederación de Trabajadores Mexicanos) to the industrial sector and that of the CNC to the agricultural sector. Within the sugar sector, the separation of field and factory that ensued from agrarian reform had already divided organized labor into *cañeros* (cane producers) and factory workers. The cane producers' union remained in the CTM until 1948, when it entered the CNC. In 1936, STIAASRM (Sindicato de Trabajadores de la Industria Azucarera Alcohólica y Similares de la República Mexicana) formed as an organization of sugar mill workers (Crespo et al. 1990). STIAASRM #82 remains the primary labor organization for mill workers at Quesería and links them to the union at the national level. Important here is the division maintained between factory workers and cane producers that precludes major challenges to regime stability through united efforts of these two sizable groups. In addition, the CNPP (Confederación Nacional de la Pequeña Propiedad), which incorporates sugar producers who own private property, was integrated into CNOP (Confederación Nacional de Organizaciones Populares) in 1943, effecting a further division among *cañeros*, based on different types of land tenure (Hardy 1984).

Cañeros affiliated with the CNC began to organize in 1941, demanding an increase in the price of cane. This effort had repercussions throughout the country, leading to the first Congreso Nacional de Cultivadores de Caña and subsequently, the first *cañero* organization, UNPCARM. Henceforth, the history of the cane producers' organization has been a history of conflicts over the price of cane and over the relationship of *cañeros* to mill owners (Crespo et al. 1990).

Unionized efforts on the part of *cañeros* have achieved significant goals. When the government lowered the price of cane in 1952, *cañeros* pressured for a price increase (Crespo et al. 1990). *Cañeros* received medical services by presidential decree in 1945

(Flores 1987). In Colima, upon formation of the Sindicato Nacional Azucarero, members demanded that Ingenio Quesería provide medical services for workers and their families. It later successfully fought for the establishment of a medical clinic. In 1944, President Avila Camacho legislated improved benefits to cane producers: a larger proportion of the excess above the 8% factory guarantee, 50% participation in the sale of byproducts (molasses and alcohol), and 1.5 centavos per kg. of sugar produced. The latter was the first direct state subsidy to cane producers (Crespo et al. 1990). This decree, however, established increased hegemony of the state in the sector, giving the state control over the price of sugar. Cañero opposition to the 1944 decree failed to obtain changes in its provisions (Flores 1987).

The late 1950s were marked by labor strikes as peasants accused union leaders of selling out to the government. During this period, President López Mateos broke strikes, imprisoned leaders, and asserted state control over producers' unions (Purcell 1981). After an unsuccessful attempt by the CNC to unify producers' organizations in 1959, UNPCA in 1961 broke away from the Confederation. New cañero organizations formed in the 1960s, opposing the CNC (Flores 1987). In 1960, subsequent to the 1958 price freeze, union demands were radicalized with the call for a 50% increase in the price of cane. Industrialists opposing state control of the price of sugar supported their demands, demonstrating the complexity of state-private-peasant relations. Consequently, some 45,000 workers and 85,000 cañeros went on strike in 78 mills of the country (Crespo et al. 1990). The CCI (Central Campesina Independiente, formed in 1963) protested that the profits of cane byproducts benefitted only the sugar mills, and made demands concerning the price of cane, transport, and credit. Social security was extended to cane producers in 1963, presumably to attract workers and producers to cane production (Flores 1987).

Despite these gains, the CNC in 1966 blamed the agrarian reform for the continued

dependency of cañeros on sugar mills, monopoly control by the mills, and forced production within designated zones--similar to conditions in the Porfiriato. Moreover, dissention within the union organization signified a weakening of bargaining power for cañeros (Crespo et al. 1990). During the period 1941-63, these conflicts kept cañeros of the nation divided into three main groups: UNPCA, the Asociación Nacional de Productores de Caña de Azúcar, and the Federación Nacional Cañera. Lack of unification among cañero organizations posed a major threat to the CNC, which in appearance represented cañero interests, but in reality defended state policy. Fractionalization and mobilization within producers' unions had transcended the limits of control exerted by the CNC, representing a crisis of legitimacy for the organization. Much of the conflict revolved around hegemony within the leadership of the CNC. In addition to conflicts in the social relations of production between sugar mills and cañeros, were conflicts between the CNC and its constituent unions, and between the central government and regional power groups (Flores 1987).

One of these regional power groups was located in the state of Veracruz. A leader of the Federación Veracruzana de Productores de Caña (FVPC), Roque Spinozo Foglia, who had broken with the CNC in 1969, succeeded in obtaining important social benefits for cañeros.⁵⁶ He denounced abuses by both mills and CNC leaders, fraud within the CNC, and repression and assassination of peasants; in turn, the CNC leader blamed Spinozo for promoting anarchy and peasant unrest. When dissention caused many to leave the CNC in 1972, mill owners refused to negotiate contracts with non-CNC members. The state supported the CNC against the FVPC. Work stoppages (the strike known as the "huelga de machetes caídos", or "strike of fallen machetes") at Ingenio San Cristóbal, Veracruz culminated in the intervention of the army. Pending violence in a

⁵⁶Spinozo fought for transport costs to be paid by the mill, an increase in guaranteed factory yields, scholarships for children of cañeros, and higher prices for cane.

number of mills prompted the arrest of Spinozo, who, after his release, led the occupation of Ingenio San Cristóbal by cañeros (Crespo et al. 1990; Igartúa 1987).

As these events unfolded, the connection between national hegemony of the sugar sector and sugar mill zones was illustrated in the region of Ingenio Quesería. In the context of discontent over the 1975 Decreto Cañero, then Secretary of Hacienda, José López Portillo, came to Quesería on October 27, 1975 to discuss the new decree and the price of cane with producers of the zone. In López Portillo's words:

The payment of cane is made through a new system apart or different from the efficiency achieved by the industry...when they produce well, the result of the cañeros' efforts will be compensated, rather than when the industry is inefficient, the cañero effort, even when there has been great productivity, is affected by the bad results of the sugar mill...(translated from Paré 1987:236).

López Portillo then revealed the political intent of this policy:

...the roads of the Revolution are always open; the very situation requires a new means and this new means can be had by an administration that is [conscientious] and at the same time responsible, that is attentive to the preoccupations and the justice of the workers; because this is what the government is for, to resolve the problems of the citizens...who work and produce...(translated from Paré 1987:191).

The appeal to the ideology of revolution, in a context of increasing discontent among cane producers is explicit. The weakening of the state-peasant alliance since the 1970s has made control of peasant mobilization and maintenance of political stability more difficult. UNPCARM and the Federación Nacional Cañera were united by the CNC in 1973 into the Coalición Nacional de Organismos Cañeros. This unification was to facilitate confrontation with the Alianza Nacional de Productores de Caña, which threatened to become an independent union; cañeros in Colima had joined the Alianza. The formation of the Alianza marks a crisis of legitimacy for the CNC, after which the state restructured peasant unions, absorbing the CNC, UGOCM (Unión General de Obreros y Campesinos de México, CCI, and CAM (Consejo Agrarista Mexicano) into the Pacto de Ocampo, allowing direct control from above. This vertical control

facilitates cooptation of union leaders and obstructs development of a class consciousness among cañeros. The sector was in the process of statization at this time, requiring a single organization controlled by the state to regulate the relations of production and promote capital accumulation of the sugar sector (Paré 1987). Subsequently, in 1977, a unification congress was held at Puebla to unite cañero organizations, facilitate government control of the peasant struggle, and to maintain cañeros in a subordinate position to sugar mills, many of which were now state-owned. This effort strengthened the link between cañeros and state, but struggle for hegemony of the CNC continued (Hardy 1984).

Thus, by 1977, a new kind of organization was emerging within the CNC, based strictly on productive activity. These organizations--cane producers, tobacco growers, and so forth, were constituted into regional and state-level organizations that had representation in the national CNC. The Unión Nacional de Cañeros held its constitutional assembly in 1977, attended by 1344 delegates from 66 cane-producing zones of the nation. Each production zone is represented by a regional union, which in turn, is integrated into the national-level organization. The union formulated two major objectives:

- 1) To fortify an alliance with the government to increase production and accelerate the social and economic progress of Mexico.⁵⁷
- 2) To elevate the social and economic conditions of cane producers (Hardy 1984).⁵⁸

UNPCA in Colima organized June 8, 1977. Each ejido has three representatives, forming a 33 member executive committee. This regional union has been an integral part

⁵⁷This included: promotion of the cultivation of sugar cane, acquisition of machinery, and legal formulation of contracts for the purchase and sale of sugar cane between cañeros and sugar mills.

⁵⁸This would be achieved through: life insurance, increasing productivity, credit, and improved salaries for cane cutters.

of the national cane producers' historical struggle for just prices, cañeros rights, and improved benefits. Among its achievements are: receipt of three 50 kg. sacks of sugar given to cañeros, biannual advance payments, life insurance, improved medical benefits, and social security. As participants in this struggle, cañeros in the zone of Quesería discern the connectedness between the state, private capital, and their own union organization, all of which imbues the relationship with a historical continuity, from the foundation of their organization to the recent privatization of the sugar mill. One cañero offered his perspective on this relationship:

With the change in owner [of the sugar mill], UNPCA has had more capacity. The government has capacity if it wants, but the government sets the price for the rich. From here, the unions were born, to support the screwed one, the peasant. If we aren't affiliated with the union, we aren't going to have any support from the government. The government was the one that supported the hacendados. In Mexico we began to open our eyes that we screwed ones could have the same support as the rich. Someone went to the CNC in Mexico and said, "We're going to start a union to deal with the sugar mill".

The formation of the cane producers' union was a significant force in the historical development of the sugar industry. Mobilization of peasants within this organization brings into relief the antagonistic relations and dialectical nature of the process of cane production that characterizes this sector. Although UNPCARM serves as a channel for peasant struggle, it epitomizes state mechanisms of economic and political control which assure allegiance to UNPCA-CNC. Organizations which do not conform to official state regulations may not be created. Thus, independent organizations have no rights to benefits (social security, etc.) enjoyed by officially-recognized organizations (*Tumbando Caña* 1990:19). Moreover, only organizations recognized by the CNC and CNPP may take part in the Comités de Producción Cañera (*Tumbando Caña* 1990:18). The social function of cañeros was to satisfy national demand for sugar, generate exports to earn the foreign exchange that would finance industrialization, to supply a cheap raw material, and to produce low cost food in order to maintain low wages for the work force (Flores

1987).

Hegemonic control takes place in the ideological, as well as political and economic arenas. In response to dissention and the emergence of independent producers' unions which have challenged the legitimacy of official organizations in the last few years, the UNPCARM journal reiterates state ideology by emphasizing the loyalty of cañeros to PRI, the state-peasant alliance, and the honesty of its leaders. It discredits any political opposition, accusing it of "disrupting the stability" and attacks its critics, characterizing them as "pseudoleaders", "pernicious", "subversive", and "against the progress of Mexico" (*Tumbando Caña* 1990 (20):2; (19):2; (17):28). When its legitimacy was challenged in 1990, UNPCARM asserted, "Precisely now, the cement of the Organization is more firm than ever; following the politics of the Partido Revolucionario Institucional...the UNPCA-CNC constitutes the most powerful cañero syndicate of the Country" (translated from *Tumbando Caña* 1990 (17):2). During a "National Solidarity Week" in 1990, the journal printed the speech of Isidro Pulido Reyes, national leader of UNPCARM:

The cañeros will always respond to the politics of the Chief of the Nation. We cañeros...never have said no to the instructions that we receive from Lic. Carlos Salinas de Gortari, a man preoccupied with the national country.... We maintain triumphant the ideological challenge of our revolution, that continues being the sustenance of a social aspiration, in which we place confidence (translated from *Tumbando Caña* 1990 (19):13).

A common theme in the Mexican political process is the cooptation of dissident leaders and groups into the CNC. In 1980, Roque Spinozo rejoined the CNC, becoming leader of UPCARM (Crespo et al. 1990; Igartúa 1987). In exchange for CNC recognition, the FVPC received a number of concessions (Flores 1987).⁵⁹ Statization of the sugar industry thus coincided with increasing state intervention in producer

⁵⁹These included a 10% increase in price, a cut in discounts for poor quality cane, payment for cane byproducts (*bagazo*), payment for unharvested cane, and construction of houses for cañeros and cane cutters (Flores 1987).

organizations. Cañero unions are clearly controlled through economic concessions, cooptation, and at times, repression. Clear evidence of the latter is the 1984 assassination of Spinozo; his assassins were never apprehended. The loss of bargaining power that followed the assassination of Spinozo was recounted by a cañero from Quesería:

The struggle that took place from '72 to '77, I was involved all that time. I was there in Veracruz, in Sinaloa, in Tamaulipas, in Michoacán, and I went there with the leaders. There, they held the congresses and with my presence, they said the state of Colima is participating with them. Well man, if they won the conquests from '75 until '84, more or less, we had a profit. But when they buried our national leader, the conquests ended.

The assassination of Spinozo occurred three years prior to privatization of the sugar industry, and marks a watershed in the state-peasant relationship. Since privatization began in 1988, strikes have emerged over compliance with the Decreto Cañero and worker contracts: "In the last three years, [the cañeros] have been obligated to stage strikes, as the only form to obligate the new owners to comply with their contractual obligations" (translated from Becerril 1993a:10).

Eight sugar mills staged a 15 day strike prior to the 1988-89 harvest, achieving a 55% increase in the price of cane. In 1989, demands centered on noncompliance with the Decreto Cañero, as well as the price. In the region of Quesería, cañeros threatened a strike when the new private owners of the mill attempted to terminate advance payments which are guaranteed in the contract. Once threatened, the private owners refrained from removal of this benefit. Furthermore, the union leader from Quesería participated in a commission that communicated with President Salinas de Gortari on compliance with the decree, which guarantees that the price of cane will be adjusted according to the rate of inflation. Salinas promised the cañeros that this noncompliance would last only one year, assuring them that, "You are not going to loose the rights of the Decreto". Subsequently, four mills declared a strike and cañeros demanded that they

receive a 20% increase in the price of cane to adjust for inflation during the previous year. They obtained only 13.88% (*Diario de Colima* 1989a).

Union loyalty is also a problem in Colima. An emergency meeting of UNPCA was held at Quesería on September 26, 1990 to resolve a split in the union. A group known as "Gracianistas",⁶⁰ wealthy cañeros who own their own trucks and equipment, desired to leave UNPCA because they did not wish to pay costs for this equipment charged to all union members. A list of some 50 dissenters was sent by Rodolfo Aguierré Suárez, regional UNPCA leader, to the national headquarters. The national UNPCARM discouraged the split. At the October 3 meeting of the regional union, the leader read the statutes of UNPCARM to impress upon the dissidents their obligations to the union. The control exerted over unions in the sugar sector goes beyond ensuring loyal affiliation to official unions, a fact clearly expressed in July, 1991, when sugar mill workers of Ingenio Quesería were publicly advised to attend a special meeting held by PRI, to hear the three party candidates speak, warning that those who were not present would be fined (García Lemus 1991).

Union members are cognizant of the structural relationship between the state and peasants. Despite the state-peasant alliance through which their organizations are incorporated into PRI, as one cañero explained:

The government has very powerful control over the peasants; the pequeños propietarios have their leader, the ejidatarios have their leader, and they are in charge of [the cañeros] here. They control them so they don't leave the corral. The leader only calls, and the bunch of assholes gathers, and from there, they are going to follow them.

⁶⁰In 1983, a dissident group at Quesería, led by Jesús Facio, broke off from UNPCA during a national meeting held in Puebla, forming an independent organization. This group joined with other CNC dissidents at the national level, who were purportedly supported by the CNPP. This group claimed that their candidate for leader had not been allowed to enter the Puebla meeting and was sequestered by the CNC. The group formed the Unión Graciano Sánchez, and disrupted the Puebla meeting. It is reported by cañeros that today the group is without power, being neither part of the CNC nor the CNPP. In the Quesería region, Facio remains a critic of UNPCA.

Union leaders, referred to in Mexico as "charros" (horsemen who ride in the rodeos) for their control over peasant organizations, are frequently accused of corruption and functioning as regional caciques. Despite ideological and political economic mechanisms of control, the Mexican state is today facing a crisis of legitimacy. Peasants have largely lost faith in the government and its mission to the peasant sector:

The mechanisms of survival of the CNC are precarious against state policies that do not resolve the rural problematic and are facing the growing divorce of the organization with the peasantry, a divorce that in some way explains the emergence of incipient independent organizations, still weak, but regionally present (Hardy 1984:12).

This brief overview of the development of cañero organizations points to strategies that cane producers take, as active human agents, in the historical struggles for their rights and interests, against the structures of domination that prevail in the sugar sector. However, the nature of that struggle has changed with the reprivatization of sugar mills.

Mobilization of the Cane Producers' Union

Cañeros in the zone of Ingenio Quesería have acted collectively in resisting the entrenchment of private capital in a formerly state-operated domain. They accomplish this primarily through two organizations, the Unión Nacional de Productores de Caña-CNC (referred to below as "UNPCA"), representing ejidatarios and the Confederación Nacional de la Pequeña Propiedad (CNPP), representing pequeños propietarios, or private landowners. There were 1185 ejidatarios producing cane for Ingenio Quesería in 1989-90 and 273 propietarios, totaling 1458 producers. Of these, 796 members are integrated into UNPCA.⁶¹

⁶¹At the national level, the CNPP is integrated by 39,460 producers, while UNPCA has 92,533 members, totaling 131,533 cane producers. These data are calculated, based on official reports that 70% of cañeros are integrated into the CNC and 30% into the CNPP, using the 1989-90 total. Published information on the number of producers varies widely since competition between the unions leads them to distort such information. The publications of the UNPCA-CNC, for example, claim an unrealistic membership of 105,000 producers (*Tumbando Caña* 1990:20). Correa et al. (1989) report 50,000

Important differences distinguish the two producers' unions.⁶² The former is made up of relatively poor peasants, while the latter is comprised of wealthy farmers, who have accumulated large amounts of private land and/or rent many hectares of land from ejidatarios. Each is incorporated into a different sector within PRI, one belonging to the "peasant class" of the CNC, and the other to the "popular class" of the CNOP. This structural factor, along with ideological and political disagreements between the two organizations, precludes unification. Conflicts between UNPCA and the CNPP over proposed demands and political strategies are frequent. Ambivalence toward these wealthy cañeros and the power they wield is clearly expressed by cañeros of the zone:

When a pequeño propietario goes to these big dogs (mill officials) and says to the secretary, "I want to speak with the manager", they let him in and they greet him. The propietario arrives prepared; he puts ten million pesos on the desk and he explains his problems and they fix them. And the screwed one goes to talk with this same big dog in order to let him pass and tell his problems and they say, "Yes, we are going to do this" and they never do anything. To us they say yes, but they don't say when, well its never. With the pequeños propietarios the money is falling to them, but with one [like us] no.

In 1990-91, the powerful CNPP leader launched a media campaign against the sugar mill, publicly criticizing it in the press, on television, and at public meetings. He demanded that cañeros receive 75% of the profits from the sale of sugar, rather than divide them equally with the industrialists. The leader rationalized this demand on the basis that cañeros of the zone own the land, trucks, tractors, and all the field infrastructure, amounting to 70% of the value required to produce sugar. He threatened

members for the CNPP, 55,000 for the UNPCARM, while another 13,000 belong to independent unions. Crespo et al. (1990) gives 1985 data of 123,771 producers, 86,392 UNPCARM members, and 37,379 CNPP affiliates. Hardy (1984) states there were 114,000 producers, of which 65,000 belonged to UNPCARM. Informed sources report that 61.5% of national production of sugar is attributable to the CNC, while 38.5% is produced by members of the CNPP.

⁶²The pequeños propietarios dominate the region economically and politically. The leader of their union, the CNPP, refused to be interviewed, thus comparative analysis of the two union organizations is absent. Most pequeños propietarios are urban dwellers; the few who resided in the research communities were also ejidatarios, thus data in this dissertation do not reflect important differences between these two groups.

in June, 1991 that if the sugar mill failed to process all the cane in the region, his union would take legal measures against Ingenio Quesería because "this arbitrariness in the lateness of processing on the part of the industrialists provoked urgency that is causing huge losses to cañeros" (translated from Ochoa 1991b:1). This situation is an anomaly in that the relationship between sugar mills and producers' unions is generally more favorable to the CNPP than to UNPCA. The sharp division between these two major groups precluded their unification in the 1990 mobilization for a just price for sugar cane.

The key objective of the 1990 cane producers' strike was to obtain an increase in the price paid for sugar cane, yet unions across the nation were concerned as well with a series of issues: the high cost of agricultural inputs, high interest rates, taxes paid to IMSS⁶³, and mounting debts. Five additional demands were specified: 1) advance payments on December 15 and March 15; 2) preliquidation for delivered cane in the amount of 90% of its value; 3) incentives for improved production over a five-year period; 4) sale to cañeros of three 50 kg. sacks of sugar at wholesale prices; and 5) road repairs to be covered by the industrialists (*Tumbando Caña* 1990:19).

From 1988-1990, the price paid for sugar cane had been inferior to the rate of inflation--in contradiction to the Decreto Cañero, leaving cañeros with a price deficiency of 18.88%, equivalent to \$10 billion pesos. By 1990, rising production costs required that producers receive at least a 50% increase in price merely to remain solvent. On November 6, 1990, the government offered a price increase of 26.9% for the 1990-91 harvest. At a special national meeting on November 7, 1990, the director of Azúcar, S.A., Carlos Torres Manzo, "obviously nervous, tried to explain to cañeros the motives

⁶³IMSS, the Instituto Mexicano de Seguridad Social, receives \$721 pesos for every ton of cane delivered by cañeros. Cañeros complain, however, that the medical services they receive are poor (*Tumbando Caña* 1990 (18):28).

of the proposed price...an increase in the price of sugar was eminent and the repercussions in other products as well as the wage demand of mill workers were considered. The sugar industry is passing through a critical moment" (translated from Sepulveda 1990:1-2). He noted the necessity of huge sugar imports and that the CNPP had already accepted the proposed price (a statement that was not borne out in truth).

UNPCARM rejected the proposed 26.9% increase, demanded a 100% increase in price, and threatened a national strike if their demands were not met. After consultations between the national and regional union leaders, 47 of the 64 mills agreed to carry out the national cañero strike (Sepulveda 1990). All regular and special meetings of UNPCA in the region of Quesería were attended to observe the process of negotiation. Of particular interest are the dialectical relations between cañeros, government officials, and private mill owners and critical linkages between producers operating within their regional unions and the national cane producers' union. The evolution of events revealed important shifts in objectives and determination as negotiations unfolded and the eventual failure of peasants to maintain their unity vis-à-vis national and regional leaders.

Phase One. As early as October 3, 1990, cañeros at a general UNPCA meeting in Quesería began to discuss the price to be paid for cane in the upcoming harvest. The union leader, Aguierré Suárez, reported a debt of one billion pesos owed to cañeros by the industrialists for failure to comply with the Decreto Cañero in the previous two years. This debt, discussed at the regional meeting, was to become an element in national level negotiations over the price of cane.

Eleven days later, on October 14, a special meeting was convened to address the issue of price. The price of cane is supposed to be set by SECOFI by October 1. Because the price had not yet been set, the union leader stated, "The situation is threatening the union". He announced that proposed changes to the Decreto Cañero would eliminate social security, advance payments, and sacks of sugar. Aguierré, along

with leaders of the other unions, were to meet with Hank González (director of SARH, Secretaría de Agricultura y Recursos Hidráulicos) in Mexico City on October 18 to negotiate the price. Aguirre announced to the group, "If they give us a good price, we will cut the cane; if not, we don't cut. This mill is not going to grind one piece of cane until they give a good price. We are committed to not harvest any cane". The doors to the sugar mill would be blocked to prevent the entry of cane. All cañeros present approved of this decision.

Verbal participation was encouraged by the union leader. One member argued, "[The private mill owners] want to make another law at their convenience and they don't comply with what they are supposed to pay as the guaranteed price". Another demanded, "We will not accept one modification to the Decreto. They should not take away what we have gained. They don't produce the sugar, it is us. We should make the rules because we deliver the raw material so that they can work and have their fruits. We will close the door and we will not deliver any of the cane". One cañero remarked, "We won't move a finger. The more we unite, the more we will better ourselves". Another added, "We will defend the price that corresponds to us, not more, or less". The leader responded, "If we don't defend ourselves, no one will defend us. We must be conscious [of this] if we want to continue living from the cane". Opinions were sought, commitment was high, and the group united in their demands against an unjust price and potential loss of benefits. Members were asked to accompany the leader to Mexico City (an 11 hour trip by bus). A cañero replied, "If you want me to go, I will go. I will yell at them, I am not afraid". At this meeting, group unity and commitment to achieve a 100% increase in price prevailed.

The union leader made six trips to Mexico City during the fall. The meetings were held in the offices of SARH, in the presence of officials from SARH, Azúcar, S.A., SRA, the Hacienda, and SECOFI. Aguirre confided in a personal interview:

Because the sugar mill now belongs to other owners, the government is not interested in paying us much. The Pact [PECE] is managed for the convenience of the people who do not produce; they do not manage the fertilizer, the herbicides. Last year fertilizer cost \$325,000 per ton, now it is at \$500,000. The industry does not manage the Pact. We who produce, they do not pay.

Another special assembly was called on November 11, 1990. The UNPCA leaders had now attended a third in a series of emergency meetings of the national UNPCARM. They had been offered a 26.9% increase in the price of cane; moreover, cañeros would now pay 100% of their insurance,⁶⁴ advance payments would continue at high interest rates, and the sacks of sugar given to cañeros would be reduced according to the number of tons of cane delivered⁶⁵. Unable to achieve anything, the union leaders had returned to the bases to decide how to proceed. Aguierre reported the results of the national meeting to the membership at Quesería, explaining that the costs had increased from \$58,700 pesos per ton to \$62,800, making the offered price unacceptable. He asked:

With the strong organization that we have, what shall we do? Let us do what is necessary because we are the only producers in the country who can defend ourselves. Let's put ourselves in agreement, so what is decided is not what I say, but how we all decide. The members often complain about the leaders, but what is important is that we are united.

Anger was expressed among cañeros over lack of government support and pronounced ambivalence toward the private initiative was apparent. One dissident voice retorted, "This is the regime of the great demagoguery". A voice from the audience asserted, "It is we who are the producers of cane and we are dying of hunger in the country". The union leader incited members, "Let's join the fight". He was answered by, "It's time". All cañeros had signed the demand for a 100% increase in price and retention of benefits; if it were not met, the strike would begin. Lists were passed out

⁶⁴Insurance costs had previously been shared equally among the government, the mill, and the cañero.

⁶⁵Previously, all cañeros received three 50 kg. sacks of sugar. Under the proposal, they would receive only one for each 100 tons of cane delivered, with a maximum of three sacks.

for the ejido comisariados to obtain signatures supporting the resolution.

During this period, the UNPCA leader gave the appearance of supporting the base membership. He had gone to the General Secretary of SARH and requested, "Come to the country and see how it suffers. At times we don't even eat, and here you are seeing the dinner hour". In a personal interview he reflected, "They do not know the poor, they only know how to administrate". He regarded the attempt to modify the Decreto:

It is like a man who has a woman and he cannot maintain her and now he wants to get another. They can obligate us to cut the cane and deliver it this year, but if they don't clear up things, we are going to knock down the cane and we will see who pays the debts that we have with the mill, because they cannot obligate us to continue with the cane. We already lost one revolution and we cañeros are not going to lose more. We will not give ourselves up in defeat--we will start another.

It was during this period that the leader appeared most sincere in his efforts to defend the cañeros and in his openness to being interviewed. Apparent at the November 11 assembly was the regional leader's incitement of members and increased dedication to the struggle.

Isidro Pulido Reyes, General Secretary of UNPCARM, sent a letter to Maximiliano Silerio Esparza, General Secretary of the CNC, on November 12, informing him that the 26.9% increase would result in economic loss for cañeros and that cañeros representing eleven states were prepared to strike. Cañeros across the nation continued to reject the proposed 26.9% increase and modifications to the Decreto Cañero (*La Voz de Michoacán* 1990b). The threat of strike spread to Colima. At midnight on November 15, 1990, the mill workers at Quesería planned to go on strike, in demand for higher wages. On November 15, 24 sugar mills in the country staged a work stoppage ("paro"), refusing to cut and deliver their cane. Processing of cane had fallen behind at the national level, with only 867,000 tons in comparison to 1,237,000 tons by the same date in the previous year, because of the work stoppage. The strike threatened to paralyze all 64 mills of the country, if demands for a just price were not met (*La Voz de Michoacán* 1990c).

Phase Two. Two days later, on November 17, Hank González of SARH announced that the problem was "totally resolved" and that there would be no national strike. This public deception was revealed by continued strikes at regional sugar mills (*La Voz de Michoacán* 1990d:4-C). Only five mills in the country had begun the harvest by November 23. UNPCA unions throughout the country sent delegates to another national meeting on November 26. These delegates, representing 100,000 cane producers, rejected the price increase and voted to continue the strike unless they received another 18.8%, in compensation for money owed them from the two previous harvests. Union leaders from 56 of the 64 mills voted to continue the strike. But on November 27, the national UNPCARM leaders agreed to commence the harvest, having been offered an increase of 14.5% in credits and other collateral benefits from the sugar industrialists, in addition to the 26.9% price hike. The vote was 82 in favor of the agreement, 28 against, with one abstaining vote. Twenty percent of those in disagreement decided to break with UNPCARM and join the CNPP (*Diario de Colima*, 1990e).

This agreement, signed by Azúcar, S.A., the Cámara Nacional de la Industria Azucarera y Alcoholicas, the CNPP, UNPCARM, and Financiera Nacional Azucarera, made the following provisions:

- 1) the price of cane, with a 26.9% increase, will be directly related to the wholesale price index of Mexico City
- 2) SARH will channel \$100,000,000,000, in earnings from the sale of sugar mills, to projects for irrigation infrastructure; cañeros would provide an equal amount⁶⁶
- 3) \$10,000,000,000 was to be provided by sugar mills for programs defined by FICAMEX⁶⁷; sugar mill industrialists would provide an additional \$10,000,000,000
- 4) the maximum allowable loss of sucrose in the factory will be reduced from 2.64% to 2.5%

⁶⁶Since the zone of Quesería has little irrigated land (960 hectares), this benefit would not materialize in Colima.

⁶⁷FICAMEX is a fund created by the CNC, CNPP, and the federal government, primarily to dispense provisions to cane cutters.

- 5) debts and delinquent interests will be renegotiated⁶⁸
- 6) advance payments for December 15 and March 15 will be retained
- 7) cañeros will continue to receive sacks of sugar
(*La Jornada* 1990:19)

The agreement resulted from dialogue between government authorities, sugar mill officials, and cane producers. The political and ideological mechanisms of control over UNPCA, however, were blatant at this national convention. The head of the CNC, Maximiliano Silerio Esparza, commended cañeros, who had demonstrated "understanding, patriotism, and nationalism in the past two harvests by receiving price increases smaller than the inflationary index to support the struggle against inflation". In referring to the PRD (Partido Revolucionario Democrática, an independent opposition party) which was accused of offering a house, a car, and \$120,000 per ton to each cañero to induce them to join their ranks, he begged cañeros "to not enter the terrain of deceit, demagoguery, and lies"; to this, the general secretary of PRI explained, "The definition of PRI is at the side of the peasants" (translated from Sepulveda 1990:2). On the other side of the ideological divide, cañeros in Colima accused their leader, Silerio Esparza, of being "bought". In the words of a cañero from the zone of Quesería, "We do not have support from any side".

Unable to economically sustain the strike, by November 28, seven mills had begun harvest.⁶⁹ The loss of 36,000,000 tons of cane, and thus 3.5 million tons of sugar, was imminent (Pérez 1990). By December 6, 11 mills were harvesting; the rest were soon to follow. The next meeting of the regional cañeros' union at Quesería occurred on December 6. UNPCA leaders, explained Aguirre, had gained nothing from the first national meeting, were offered an 8-9% increase at the second, and at the third, the

⁶⁸At Ingenio Quesería, renegotiation of debts would be accomplished on terms of three, six, or ten years, according to the debt, at normal interest rates of 32% per year.

⁶⁹These included ingenios Emiliano Zapata, Concepción, La Gloria, Casasano la Abeja, Adolfo López Mateos, Fábrica Vive, and Aarón Sáenz Garza.

26.9% increase had been accepted. Aguierre announced to those assembled, "The price of the cane has now reached its peak, *it is what corresponds to us*" (emphasis added). This statement represents a radical reversal of his previous position. Noting that "We as leaders are thinking about how to defend the cañero", Aguierre proposed a plan to request: 1) that the sugar mill pay 50% of the cost to maintain roads; 2) that the sugar mill pay 50% of the cost of cane cutters; and 3) that advance payments be made available to all, including those with debts. In addition, he presented a plan for UNPCA to contract and manage their own harvesters in order to cut expenses:

The sugar mill contracts all the people, but now it is going to understand the union. We want to contract capable people, and at a single salary, and the union wants to contract them. It is a loss of money if we allow them to continue managing it the same way...it is the worst error that we can commit. If we win this year, we are going to win forever.

The leader had not completely retreated from his former resolve, for he affirmed, "If we resolve these problems with the sugar mill, there will be a harvest; if not, there is no harvest. Nothing is going to be processed if they do not respond to us".

There was obviously less resolution to stop the harvest in this meeting, as most of the discussion revolved around strategies to manage the harvest--as if it were indeed going to take place. Price had shifted from the central issue; the contracting of cutters was now central. Moreover, the focus of discontent had shifted from the government and the national level, to the sugar mill at the regional level. The 26.9% price increase had been accepted, but with determination to press further demands.

Phase Three. Negotiations took place between the mill manager and the union leader; inconformity over advance payments held up the initiation of the harvest, planned for December 6. The union leader demanded that advance payments be made regardless of debts owed by cañeros and informed the manager that the day these demands are resolved, they would begin the harvest. On December 10, an agreement was reached and the harvest commenced.

The UNPCA meeting on December 13 began with the UNPCA leader's affirmation:

The government saw that we had the support of the bases and offered us 26.9%, what corresponded to us. The government did not want to give us the 18% for the inflation of the last two years. We fought for the 18.8%, until they shut our mouths. Now the sugar mills are not of the government, now they passed to the private initiative and they tell us what they are going to pay.

The union leader's statement implies that privatization of the mill has changed the rules of the game. The leader then emphasized the gains they had made. The government would provide scholarships⁷⁰ and supplies for the cutters. It was with the mill manager that other gains were negotiated. In reality, these gains were minimal; payment for 50% of road costs is a minor fraction of the costs of production⁷¹ and the advance payments were already guaranteed in the Decreto Cañero. Moreover, the cost to cover cutters was denied and cañeros with yields less than 40 tons per hectare would receive a reduced prepayment. Aguierre discussed the organization of the harvest season, expressing an expectation for better results than the previous year: "This year they made repairs to the sugar mill and it is probable that we will have more [profit]".

The leader presented a plan to cut costs by having the union contract 800 cutters itself, rather than contract them through the mill, saving \$2000 pesos per ton (cañeros paid the mill \$12,800 per ton for cutters in 1989-90; now the cost would be \$10,000). The management of the crews would be accomplished as a group, not by individuals. Although the order to burn would continue to emanate from the mill, the union would organize the number of cutters and where they are placed. The plan was to bring 200 cutters from San Luis Potosí and 250 from Guerrero.

Another member suggested, "A document should be sent to the sugar mill saying

⁷⁰Previously, scholarships for sons and daughters of ejidatarios were available, but dissolved with the disappearance of FIOSCER in 1985. Now each cañero has the right to solicit one scholarship, in the amount of \$90,000 pesos per month.

⁷¹According to the union leader, the average cost per cañero to repair roads is \$112,500 pesos (approximately \$37.50 U.S.), yet much ado was made of this gain in the UNPCA meeting.

that the owner of the parcela has authority on his land and that explains some points that we don't like". Problems with the field inspectors, employed by the mill, were implied:

Each inspector wants to do bad things and this is not going to happen; they want to manage the producer. There is going to be a program in which we are going to know who is going to cut, and how many parcelas, and if they have a problem they should come to the union, because the inspectors do things that are not correct.

One member complained, "they should give the owner of the parcela authority because the *guardacortes* (workers who oversee cutters) are sons of a bitches". The leader closed the meeting by replying, "It gives me great pleasure that we are defending ourselves. Now all the cañeros are going to spend equally, all of this is going to end". The predominant theme of this meeting was one of conformity and acceptance of the minimal benefits.

UNPCA did not convene another meeting until May 9, 1991, despite serious problems that continued throughout the harvest. The meeting was preceded by much informal discussion among cañeros who had arrived early. The primary concern among them was the huge amount of cane not being processed. They repeatedly claimed that the mill owners were not going to continue to operate with losses and expressed their fear that the mill would be abandoned. An exchange among several cañeros was recorded:

If the mill stops and all of the parcelas are left with cane, what are we going to do?

The San Marcos mill no longer works.

The government has to make the effort...

But they [the owners] are private...If they don't pay?

This conversation was interrupted by the union leader announcing that work had been done on the boilers, but they still were not functioning. For the past three weeks, only 12,000 tons per week had been delivered for processing (the capacity is 4200 tons per 24 hours), "because the mill is no good. Unfortunately, in this harvest, the mill is

failing". Aguierre had talked with the mill manager, stressing that the delays were the fault of the mill, not of the cañeros, thus those whose cane is not processed should be compensated. All agreed that he should present a petition to the manager.

To dispel disquietude over the harvest, the leader then announced, "We are thinking in the good, not in the problems that we cannot resolve, the problems of the harvest. The sugar mill no longer wants to support us with money; we are thinking of a benefit that each cañero could have, we are thinking about social security". He then presented a plan for an increase of \$2 million pesos (from the current \$6 million) in social security benefits for all who deliver a minimum of three tons of cane. He then affirmed the solidarity of the group by asserting, "Whoever has any problem, they can speak with confidence; we are friends, we belong to the cañero family. There is no reluctance to speak of the things that are left".

A cañero asked about payment for their cane. The union leader responded:

The national union in Mexico now is fighting so that the sugar mill pays us, but I see it as difficult. These people, the new owners, are very hard in making agreements between them and ourselves. We have always taken the best advantage that we can and that we were able to make. In this harvest we have not been able to because the mill is failing a lot. As you know, the first harvest they did not want to give us advance payments for December and March, and now we have received them by the force of stopping the harvest. I am sorry that our cane is left [in the fields], but I assure you that in this year they are going to have to pay for all the wasted cane. It is not the fault of the cañeros that the mill has not worked well--the mill is no good. We supply what corresponds to us; not them.

Following months of experiencing mechanical breakdowns and culminating in the inability to process all cane in the zone, the producers' union negotiated a series of conditions to be applied to the harvest. On June 8, 1991, the agreement worked out between union leaders in Colima and Ingenio Quesería was announced:

- 1) each cutter was to receive a gratification of \$100,000, with the objective of increasing the harvest
- 2) the harvest would terminate on June 29, or last until the rains begin

- 3) Ingenio Quesería would pay a factory yield of .9241 over the guarantee of 8.3⁷²
- 4) Ingenio Quesería was obligated to pay for uncut cane (*Diario de Colima* 1991a)

The December agreement did not terminate conflicts between cañeros and mill owners in other regions. These events were followed by seizure of the offices of Ingenio Emiliano Zapata by workers, and demonstrations in front of SARH. Following the protest to SARH, which began on December 10, negotiations resulted in agreement for sugar mills to return to cañeros \$800,000,000 pesos in illegally retained quotas. Moreover, cañeros in other regions continued to demand that they receive both a 100% increase in price and 50% of the profit from byproducts or that the product, i.e., sugar, be delivered to them for direct commercialization by cañeros themselves. Because of the poor management of commercialization, cañeros asked for representation in Azúcar, S.A. (*Diario El Independiente* 1990a).

Peasant Evaluation of Collective Mobilization

This section is concerned with discerning how collective organization manifests itself in the complex network of relations between cañeros, union leaders, mill officials, and the state. Analysis focuses on how cañeros explained the failure of the union to achieve its objective of a 100% increase in the price of cane, utilizing interview responses and peasant discourse to demonstrate the cultural construction of meaning concerning the efficacy of collective strategies utilized by cañeros.

Prior to the UNPCA strike, the union leader had openly expressed in interviews his militancy in defending the rights of cañeros and fighting for a just price. He even eluded

⁷²The base for determining liquidation in the previous year was .8592; applied to the 1989-90 price of sugar, the 26.9% increase would have yielded a price of \$60,831.36 pesos per ton. Having given a base for determining liquidation of .9241 in 1990-91, cañeros of this zone, with a 26.9% increase in price, received \$65,426.28.

to the need to start another revolution. Following the 1990 strike, this leader, in personal interviews, was defensive of the sugar mill. Unlike before the strike, he was evasive on political issues, blaming declining earnings on lack of rainfall (this factor had been discounted by mill personnel). He claimed that the mill was now more efficient, that confidence had improved, and denied the slow progress of the harvest--at the height of mechanical breakdowns. He consistently contradicted himself in interviews and his attitude had shifted from one of disconformity to conformity.

When questioned about the complaints of cañeros concerning breakdowns in the mill, delays in the harvest, and rotting cane, the leader said their comments were based on "pure hearsay". The phone rang, interrupting the interview; Aguierre answered it, saying, "I have burned cane, it is going to waste". During the interview the leader remarked that it was good that this researcher was getting information from the field superintendent and himself, because the cañeros would not give correct information. His comments were not indicative of a leader placing confidence and support in the membership. The need to cover up the poor performance of the harvest was apparent. He argued that Grupo Beta was giving good attention to the mill, investing more in it than the government had. Aguierre did admit that the mill was only processing 2000 tons of cane per day, when its capacity is 3000 tons (the correct figure is 4250), but the mechanical failures were being corrected. Next he admitted that Grupo Beta, having bought a package of good and bad mills, was only maintaining Ingenio Quesería. The owners have no interest in replacing the equipment, because the mill is unprofitable, he claimed.

Interviews were carried out with cañeros in the research communities to elicit their assessment of the results of the strike. The 1990 strike was supported by 63.3% (n=30) of the cañeros interviewed. The remainder were unaware of the strike, unconcerned, or believed it was an issue to be dealt with by the leaders. Generally, those who failed to

attend meetings and lacked concern were members of the collective group in Chiapa, which cultivates 34 hectares of cane. Each person in the collective has only one or two hectares (some have less and others have none), thus a common response is, "We don't have cane, we only have it for the insurance. The meetings would be a waste of time", or "With one hectare we are in agreement that the comisariado of the ejido attends". Many cañeros argue that going to union meetings would be a waste of time or that they cannot afford the cost of transportation to Quesería. One person did observe, "There you go, we have been thinking, what did they do in the meeting? If we all took responsibility, there would be more support for the leader". The high percentage of those who rent out their cane also contributes to apathy about cane production and is a disincentive to participation in the producers' union. This is particularly true in Ocotillo, where one pequeño propietario rents nine parcelas. The UNPCA representative from Ocotillo, dismayed at the lack of attendance of union meetings during the turn of events in the fall of 1990, lamented that many cañeros in Ocotillo do not work their own cane fields. As one cañero reflected, "Antonio has all the cane--why fight for the price?"

How did cañeros themselves explain the failure of the strike and acceptance by their leaders of a price insufficient to guarantee solvency? Peasants were interviewed to assess how well the leader's position reflected that of the base membership and to discern their varied reactions. Thirty cañeros answered questions about why the 1990 cañeros' strike had failed to achieve its objective of a 100% price increase. Almost one-third claimed not to know the reason; 10% said the union leader had been bribed, and another 10% attributed the acceptance to the small price increase obtained:

Table 4. Reasons for the Failed Strike (n=30).

| | |
|-----------------------------------|-------|
| Don't know | 30.0% |
| Combination of responses | 13.2% |
| Union leader was bribed | 10.0% |
| Received a small price increase | 10.0% |
| Union leaders accepted the price | 6.7% |
| Majority agreed with the leader | 6.7% |
| Other benefits were negotiated | 6.7% |
| CNPP accepted the price | 6.7% |
| Other mills had begun the harvest | 3.3% |
| Sugar mill refused the price | 3.3% |
| Had to begin harvest | 3.3% |

When pressed to further explain the acceptance of the 26.9% price increase, the control of decisions by the government, mill, and union leaders--both regional and national--was evident in peasants' responses. The majority of cañeros explained that their leaders were bribed into accepting the price and failed to support the base membership. Yet another factor is that mobilization is begun too late in the season, allowing too little time to bargain. Once it is time for the harvest to commence, economic pressures bend the will to pursue the struggle. Finally, unwillingness to voice their inconformity impedes the process; as one person said, "We all support whatever the leader supports".

One of the more politically adverse cañeros claimed that the leader does not defend cañeros; rather, he supports the mill for fear of losing his position. Bribery is widely recognized among cane producers. The following quotes taken from peasant discourse after the strike reveal this common thread:

The CNC⁷³ would have to put pressure so that the sugar mill does not take an arm and a leg. But it is tranquil, it does not do it. Between the union and the mill, they have an agreement; they polish the apple (give a small price

⁷³Technically, cañeros are referring to UNPCA, but since it is a branch of the CNC, this is the term of reference in local discourse.

increase). But the propietarios pay their bribes, and it is going to be the same story. When the union was pressuring, Rodolfo accepted the bribe and it was fucked. And we humble ones, what? It is pure dirty work that the government has with the sugar mill, the CNC, everything.

All the leaders sell themselves to the best offer, the one who offers most. Thus, never are we going to improve, because no one defends the cañeros, and the people here do not make the decision to defend themselves...Salinas trampled on the Decreto because taking the basic products as a base, we would have \$85,000 pesos per ton. Well, we are left with them owing us \$18,000 pesos. In this situation there was inconformity at the national level. Unfortunately, our leaders did not know how to comport themselves at the top level for the necessities of the cane producer. Why? Because our national leader, in fighting for change--well they only made the agreement in the government meeting--when they let the general secretaries of the unions know, it was because he had already signed.

Nothing is resolved here in Queserfa. Prices can't be set here. If the regional leader does not agree with the national leaders, unfortunately, if the regional leader doesn't get [what he wants], he can no longer do anything. This is what happens--the leader is bought. He has certain conveniences. It is not he who defends the cañero. If the sugar mill says "I'll give you a certain number of centavos", it dies. The regional leader has to go to the national leader to reach an agreement. It is possible that there, he also is bought.

The cañero leader can defend the cañeros, but there is no longer much confidence in them because they are bought. The peasant is the one who suffers everything, and do you know why? Because the leaders do not defend us. Unfortunately, the leaders are traitors to the cañeros. If the sugar mill and the leaders do not act in favor of the cañero like the obligation that they have, there is a failure at the level of the cañero. Everything depends on the leader. The strike did not succeed because the leader was bought. The thing is screwed.

They give money to the leader to shut his mouth, everything is arranged with the sign of pesos.

It is what always happens. The government and the PRI--it is the same thing--the politics is hard. The people cry, "We are going to do this". The owners offer a bribe to the leaders; they say, "Here, I'll give you 100 million--you have to fuck the rest of them".

In the 1990 strike, I was ready if there was no harvest, that we suffer, that we tighten our belts. If the mill didn't grind, it was going to be a greater injury. The national leader lacked decision--he loosened up. He had the support of all the unions of the country, but he did not defend us. For this, we never achieve anything. We need a change of leaders who are more decisive and with more valor, because Roque knew how to organize. He, yes, defended the rights of all cañeros. They did not shut his mouth with money, nor did they chain his hands with the fear of threats. Those who want to help the most exploited, they kill.

Yes, but I knew they weren't going to carry out the strike because there are no longer good leaders. They already killed the one who defended us, Roque Spinozo Foglia.

A sense of betrayal is evident in the prolific commentary on the outcome of the cañeros' struggle. The frequent referrals to Roque Spinozo demonstrate the deep impression left by the assassination of one of the few national leaders who defended the cañeros. Not only do cañeros feel betrayed by national leaders, but also by their own regional leader.

When one goes to the CNC, they attend you with much friendliness. They listen and they tell us, "Don't despair" when we explain the problem. We leave enchanted, but they never resolve the problems. Instead, a filthy rich person goes, shows them money, and for him, they resolve the problem easily.

You remember what I told Rodolfo in the union meeting, "I think that the organization has shown itself to be too peaceful. I consider the Señor President of the last regime and the one we are in, they have been anti-agrarian, anti-proletarian presidents because, unfortunately, they do not give the products of the country value". Well you saw what the reaction of our leader was. He said, "Nacho is a know-it-all"...for what I told him, he was offended. I told him, "Our leader Roque Spinozo is gone, and you should have followed the same ideological platform that he left us. But now you have gone to the other side".

The foregoing commentaries contradict the claim of UNPCA that the dynamics of the organization is based in the support and participation of the base membership, from the bottom up, rather than from the top down. Sugar mills capitalize on the top-down control exerted over official peasant organizations. When asked to explain the sudden conformity in the fall of 1990, the field superintendent at the mill summed it up in one word, "discipline". The discourse of a cañero who had been an activist in the region illuminates how this discipline poses difficulty for those with leadership ability to realize their potential:

I am different because I spent much time in the brawl and I went with the leaders and they awoke my consciousness. I wanted to fight against the corruption and it is difficult here. I wanted to do something to succeed and I could not because if I had followed the road that is marked to rise to a position, that of polishing the apple, serving to carry out orders, lick the shoes and not divulge what you don't agree with, I would have had position and

money--not like now that I walk barefoot. I did not do it because it is degrading, because it is against my principles.

The leader of CEDPA, an independent peasant organization (discussed below), described the failure of the strike and acceptance of the price by employing the metaphor of the volcano (the Volcán de Fuego, which dominates the region, erupted on April 16, 1990):

The system is a perfect dictatorship. It is like the magnum of the volcano. The fire in the volcano rises to the surface. There are tremors and it accommodates and reaccommodates the surface of the land, until everything is calm and it returns to normal, and everything is as if it never had happened.

The government has a corporate system, a well-organized system of control. The leaders carry their people and they incite them, that they do not have to cease until they are given a just price, and they tell them to fight so the situation changes. In these meetings they incite them to spark their anger. Also, the maximum leaders permit the members to take their protests as far as they want, because it is convenient for them if they protest and discharge all their anger. But the readjustment arrives. Now they consult with the maximum leader and later the small leaders go with their members. Then they tell them that they have gained the maximum that they should earn, that they do not deserve more, until they calm down. The small leaders tell them, "Up to here, I permit you to arrive". They do everything so that from the simple view, it appears that there is democracy, that yes, the leaders can protest and the leaders, yes, do something to help them. Thousands of leaders in Mexico do this as a means of control. To the small leaders, they give to these so they benefit from the system, they are sold, and they cannot leave the game.

The cañero has an alternative, he can go with or against the leader. But the cañeros are afraid to break the shell of the scheme. There are people who don't know of what, but they are afraid of something unknown. They say, "To go against the leader, I have no companions and if I venture there, who is going to accompany me? Do I go alone?"

The leadership structure has a profound effect on participation in unions. The nature of participation in UNPCA was discerned both through observation and structured interviews with cañeros. Despite the fact that the majority (60%, n=30) of interviewed union members believe that the leaders are selected by the base membership (rather than by the government or sugar mill), only 20% believe decisions originate primarily from members:

 Table 5. Origin of Decisions in UNPCA (n=30).

| | |
|------------------------------|-------|
| UNPCA leaders | 33.3% |
| Members | 20.0% |
| Government | 16.7% |
| Sugar mill | 10.0% |
| Don't know | 10.0% |
| UNPCA leaders and members | 6.7% |
| Sugar mill and UNPCA leaders | 3.3% |

This perception influences attendance at UNPCA meetings. Only two of 30 cañeros interviewed attend all UNPCA meetings. Sixty percent never attend, 30% seldom attend, and 3% attend frequently. Low participation in the producers' union diminishes influence that cañeros are able to exert. Asked how much influence they have in issues related to cane production, 23.3% (n=30) responded "much", 36.7% "some", 13.3% "little", and 26.7% "none". In general, then, peasants lack active participation and control over their organizations. Participation means "to listen, only to keep silent so there is order". Through observation, it may be concluded that those who do attend meetings are more likely to complain about the results once they leave, than to actively take part in the discussions. Membership in UNPCA largely entails followership, rather than leadership. Leadership is highly centralized and the appearance of representation and active participation by the base is largely illusory. Peasants act on their perceptions of the leadership structure and decision-making processes, which in turn, determine efficacy in problem resolution. Nevertheless, the degree to which cañeros, verses peasants in general, are claimed to be able to unite for common purposes differs significantly:

Table 6. Ability to Unite.

| | <u>Cañeros (n=30)</u> | <u>All Peasants (n=97)</u> |
|-----------------|-----------------------|----------------------------|
| Very united | 20.0% | 7.2% |
| Somewhat united | 43.3% | 32.0% |
| Little united | 20.0% | 14.4% |
| Not united | 16.7% | 46.4% |

Paradoxically, the issue of organizational efficacy remains quite distinct from the predominant ideology of organization held by most peasants. This ideology, a vestige of years of state tutelage, proclaims the positive power of organization. In reality, peasants are extremely individualistic, unwilling to unite and cooperate, hold the political efficacy of their organizations suspect, while championing the force of organizational capacity.

Sixty percent of cane producers interviewed affirmed that cañeros are able to organize to defend their interests. Among the primary reasons stated were that the union has national support and that with collective force of the union, they have the capacity to strike. Respondents mentioned other factors that contribute to the ability to organize; for example, UNPCA protects cañeros, defends them against the mill, and it is a mechanism to deal with government officials. This idea was expressed by one cañero, "It is to promote--credit, trucks, lifters, better prices. It is a union to pressure. We are many and they pay attention to us. One alone, they don't pay him any attention". This ideology of organization is prevalent in peasant discourse. Numerous peasants stated, "The organization is the principal base for [resolving] problems", "United, we have power", or "The organization is strong".

Underneath this ideology lies a deep skepticism that stands out in the contradictory statements made:

If we are not in an organization, we are not going to receive any help from the

federal, state, or municipal government. For the government to help we need to be within an organization. Here, we don't understand that we have to cooperate. We are disorganized.

It is difficult if there is no union. In the cañero union they can organize well. They do not reach agreement. Everyone does things in his own favor.

The union gives us power. If every peasant would take part in the strike...at the peasant level we would unite to do this. For everyone, they would need to comprehend first; it is necessary to focus. The law of life is not to go hungry. Everyone organized, I believe we would resolve something. There has been no mobilization. I do not know where we are headed--it is very hard. Me, every now and then they scold me--they judge me crazy. The whole world rejects us.

Inability of cañeros to organize is attributed to the cañeros' incapacity to reach agreements, UNPCA's more favorable treatment of wealthy cañeros, the failure of its leaders to defend cañeros, its weakness vis-à-vis the sugar mill and the government, corruption, and apathy on the part of cañeros.

Given these obstacles, 40% (n=30) of the cañeros saw no benefits of belonging to UNPCA. Asked the benefits of membership, one person replied, "None, well, what? What benefit?" The benefits of UNPCA membership that were identified included:

Table 7. Benefits of UNPCA Membership.

| | |
|--|-------|
| Resolves problems | 6.7% |
| Provides insurance | 6.7% |
| Defends cañeros | 6.7% |
| Helps when cane is accidentally burned | 6.7% |
| Provides cane cutters | 3.3% |
| Provides equipment for the harvest | 3.3% |
| Assures all cane is paid for | 3.3% |
| Don't know | 3.3% |
| Other ⁷⁴ | 19.8% |

Even though skepticism is prevalent, cañeros hold slightly stronger convictions than

⁷⁴Credit, loans, houses, scholarships, resolves problems, allows participation, allows exchange with national level, and combinations of other responses.

non-cañeros that organizations help to resolve problems:

Table 8. Ability of Organizations to Resolve Problems.

| | <u>Cañeros (n=31)</u> | <u>Non-Cañeros (n=66)</u> |
|-----------------------|-----------------------|---------------------------|
| Resolve many problems | 38.7% | 30.3% |
| Resolve some problems | 45.2% | 36.4% |
| Resolve few problems | 16.1% | 19.7% |
| Resolve no problems | - | 13.6% |

Cañeros were asked to identify the major problems of the union. Among the problems UNPCA confronts, the price of cane holds top priority, followed by the failure of UNPCA to defend the rights of its members. The percentage of cañeros who identified each of the following problems is given:

Table 9. Problems of UNPCA (n=49 responses).

| | |
|--|--------|
| Don't know | 26.53% |
| Price of cane | 18.37% |
| Does not defend cañeros | 10.20% |
| Debts | 8.16% |
| Disrepair of mill | 8.16% |
| High costs of production | 4.08% |
| Poor leadership | 4.08% |
| Disorganization, inability to mobilize | 4.08% |
| Lack consciousness | 2.04% |
| Lack government and mill support | 2.04% |
| Mill Does Not Comply With the Decreto | 2.04% |
| Accidental Burnings | 2.04% |
| Lack Access to Equipment | 2.04% |
| Low Yields | 2.04% |
| Cheat in Lab | 2.04% |
| None | 2.04% |

In their collective struggles, cañeros of the zone have utilized a variety of strategies to redress their problems and defend their rights. These include strikes, demonstrations, blocking the entry to the mill, signing petitions, splitting away from the union, and

sending commissions to Mexico. As seen above, in 1990, cañeros gained a small increase through joining forces in a national-level strike, as well as obstructed the attempt by the private mill owners to remove benefits such as advance payments. The previous year they had also sought a price increase; whereas some cañeros claim to have achieved nothing, they did receive a 13.8% increase in price in 1989. The events of that year left little impression on cañeros in the zone of Quesería, who only vaguely mention signing a petition. In 1988-89, the year that Ingenio Quesería was privatized, a strike broke out in Colima and the entry to the mill was blocked, in demand of a higher price. The mill had not wanted to increase the price and was concerned with the delivery of cane with less "garbage" (dirt, rocks, etc.). New demands were placed on the field inspectors to see that the cane was delivered "clean". As in 1990, the mill had suffered mechanical problems in the factory, leaving cane rotting in the fields. Cañeros blocked the doors in demand that all cane be delivered. Again, cañeros merely explain, "they didn't achieve anything."

The most eventful mobilization remains the cañero strike of 1984 (see Randall [Chollett] 1986 for a detailed description). Although it occurred during the period of state control, it will be discussed in some detail in that it illustrates important differences in motivation, active participation, and efficacy of outcome to the 1990 strike against the privatized mill. The mobilization of 1984 also stands in stark contrast to the peasants' more vague recollection of the events of other years; this event is indelibly inscribed in the memories of cañeros of Colima. The strike was not an effort to gain a just price, but rather, a political action taken to free the imprisoned UNPCA leader from jail.

The imprisonment of Crecencio Núñez Silva involved a complex set of processes and relations that transcended the area of influence of the regional union. In 1979, when cane cutters of Colima tried to form a syndicate in conjunction with demands for medical benefits and increased wages, they met the opposition of wealthy landowners of the area.

Crecencio Núñez not only helped the cutters to organize, but fought for equal treatment of ejidatarios and pequeños propietarios by the sugar mill. In this process, he created enemies.

Members of the Graciano Sánchez group, who had split from UNPCA in 1983, now moved against Núñez, audited the union's books, and charged him with embezzling \$10 million pesos from the union. He was arrested and jailed on November 11, 1984, at the beginning of the cane harvest. Núñez, however, enjoyed the loyal support of union members; cañeros of the zone of Quesería immediately mobilized, demanding his release from jail.

On November 14, 500 cañeros had signed a statement of faith in the leader, which was then presented to the governor. Demonstrations were held at the sugar mill in Quesería, with some 500 cañeros participating. Cañeros of Colima contacted the national union leader, who in turn, contacted the governor of Colima. The national leader informed the governor that if Núñez were not released, a national strike would be held in support of the cañeros of Colima; unions across the nation were willing to mobilize on behalf of the Colima producers. On November 16, the union at Quesería formally declared a strike, refusing to deliver their cane to the mill until Núñez was released. A telegram was published in a national newspaper to President Miguel de la Madrid, begging his intervention. The telegram was co-signed by Roque Spinozo Foglia, a national-level leader within UNPCA. The event is indicative of the interpenetration of events at national and regional levels within which peasant producers take action.

During the mobilization, the head of the Liga de Comunidades Agrarias of the CNC charged union members with rebellion and inciting the strike. They, in turn, attacked him, as a major official of the CNC, with failure to support cañeros who were affiliated with the CNC. This official publicly denied taking actions that threatened "our rural family" (Randall [Chollett] 1986:114). The issue became highly politicized and reached

national level proportions. The hand of the government was forced, and the leader was released on November 16. Cañeros of the zone had put up titles valued at \$30 million pesos in lieu of bail.

These events were vividly described by cañeros of the research communities who actively participated in them. A woman from Ocotillo who took part in the demonstrations related:

We went to sleep in the government palace. Some were standing, others asleep in the night. We held guard, there was everyone, women and men. We weren't leaving until Chencho was taken out of jail. It was very beautiful demanding that they get him out because it was unjust that they cast him in jail out of envy. Well, they were saying that he had robbed money and when they did an audit, they found nothing that he had robbed.

A cañero of Ocotillo was the first to block the entrance of the mill with his own truck to prevent the entry of cane trucks to the mill. Others soon joined him. Another cañero from Ocotillo parked his car in front of the gateway to the mill for two days, preventing mill officials from leaving in their own cars. Another participant in the strike described the events:

There was this Chencho. They threw him in jail. We held a strike. I went, they blocked the doors [of the mill] with trucks. I did not allow anyone to pass. They had a fire to roast meat. A policeman came and asked, "Who is the leader? He must come and open it." But nobody went. The governor was forced to release him. They opened the doors because they were blocked with cargadoras. Now [with the change of leaders] everything is done over there [in Mexico City].

Another Ocotillo activist in the strike recounted:

When Chencho was in the jail we went to demand that they let him out and everyone supported equally, men and women. Some were in the government palace, others at the jail, and others at the sugar mill. At the sugar mill we did not allow any truck to enter and the police came and demanded that we leave. There were some very valiant women and they were together by the door roasting meat for everyone in the night. The police arrived and asked them, "What are you doing here?", yelling at them. One of them, also yelling, "Well, roasting meat. If you want, come, and if you come to bother us, don't be fucking with us" and the police left.

The comisariado ejidal from Chiapa at the time of the strike elaborated further:

When they detained the secretary of the cane union, Crecencio Núñez, for false reasons--because they never proved he had robbed like they had blamed him--we all united and went to the governor and she told us that here there was nothing to arrange. We went again to the governor because now we had gone from one place to another. We had already talked with the national leader in Mexico and he called the governor, [saying] that if they did not release him from the jail, there was going to be a national strike. And right away it was resolved, with the support of the national union. The strike had already begun in Colima. They were saying that by mandate of the governor, we were to leave the gates [of the mill], that they brought Chencho to Quesería and everyone shouted happily.

The man who had arrived first to block the entry mused, "Everything was very beautiful because we made them listen to us and release Chencho from jail". Núñez is singular among cane leaders, for only his name is mentioned frequently in conversations about the union. In identifying the UNPCA leader who has contributed most, 68.4% (n=19) named Núñez; 10.5% named the current leader, Rodolfo Aguirre Suárez, only one other person was named once, and the remainder responded that the leaders are all the same or that they did not know. A 1984 statement of a cañero from the region reflects the general consensus of the period: "Whatever problem, we go to Crecencio. He resolves it". A plaque hangs on the wall of the UNPCA headquarters which reads, "The Cañeros of the CNC Suppliers of Ingenio 'Quesería' to Companion Cresencio Núñez Silva in recognition of your unconditional just and loyal struggle in defense of the integrity of our organization 1981-1986".

Nine days after the incident in Colima, on November 25, 1984, in the state of Veracruz, Roque Foglia Spinozo, the national cane leader who had supported cañeros in Colima, was assassinated; the assassins were never brought to light. A newspaper editorial referring to this event bears recounting, as it illustrates the intimate association between the Colima strike and the murder of the national cane leader:

The assassination could have its [roots] in the deep division that has reigned in this union recently and which, as we have seen in Colima, affects members of the Federación de la Pequeña Propiedad, as well as those of the CNC.... If in Colima, fortunately, these phenomena have not yet reached this level [of violence], it is because in certain circumstances it has been the governmental

power that calls for the prudence of the struggling groups and in others, the movement of the organizations in search of a peaceful settlement through democratic processes (translated from *Diario de Colima*, November 27, 1984:2, quoted from Randall [Chollett] 1986:417).

This event continues to symbolize the peasant struggle and its inherent danger today under conditions of privatization. During the 1990 cane producers' strike over the price of cane, a cañero explained, "We are defending a just price and we know the danger, since he who defends himself, they kill him like they did with Roque".

Privatization and the Restructuring of Relationships

Cañeros are linked in a web of relationships with the state, sugar mill, and producers' union, which poses a formidable obstacle in the context of privatization. Weakening of the organic relationship maintained between peasants and the state coincides with a deepening of capitalist penetration in the sugar industry. Neoliberal ideology has manifested itself in the dynamics of state-capitalist-peasant triadic relationships. Peasants have become active agents in rejecting these changes; their response toward both state and mill, and in turn, their own union organization, has been highly critical:

The cañero has three rivals. The first is the sugar mill. The second is the government, because no one tries to help him; it tries to see how much it can take. The third is the union of the cañeros. These give him the coup-de-grace (ex-cañero).

Changing relations of production have called into question the channels through which cañeros should direct their protests and demands, since the union remains under the auspices of government control, yet the process of production is subsumed to the private mill owners. The confrontation is more complex; cañeros cannot confront the industrialists to negotiate the price because the price--the ultimate concern of all cañeros--is officially set by the government. Yet, many remain confused about who controls the price of cane: "The price is set by the true chief of the nation charged with these things.

Now that it is private, who knows?" Numerous complaints about the low price of sugar cane attributed this injustice to the mill itself, rather than the government. Ambivalence is clear in much of the discourse:

We can't go to the union because they don't pay attention to us. With the government, we can, but they don't resolve problems. SARH sets prices and does not want to increase the price. The sugar mill wants to take an arm and a leg from the peasant. There, one gets nothing. One can do nothing; the only thing is to be in agreement with them.

The preceding statement brings into relief the mixture of ambiguity and ambivalence, as the diadic relationship between peasants and the state is reconfigured into a complex, triadic peasant-state-capital relationship. Peasants were interviewed to elicit their views on the changing relations between the sugar mill and UNPCA. Many (22.7%) stated that there was no change, noting that the relations between the producers' union and the mill had never been positive and that the union had always been ruled by wealth, power, and corrupt leaders:

Table 10. Changing Relation Between the Sugar Mill and UNPCA
Since Privatization (n=22 responses)

| | |
|--|-------|
| No change | 22.7% |
| Sugar mill gives less support, exploits cañeros | 22.7% |
| UNPCA has less capacity | 18.2% |
| Cañeros want to quit production, ending relation | 13.6% |
| Sugar mill does not respect decreto, obligations | 9.1% |
| Sugar mill imposes strict requirements | 9.1% |
| More equal treatment of UNPCA and CNPP | 4.5% |

Among those who recounted changes in the relationship, an equal number (22.7%) pointed out that the sugar mill is less willing to aid, assist, and support cañeros than the government, as owner, had been. The two form opposed entities, one exploited by the other. They noted that the mill is less willing to negotiate the price of cane and shows lack of respect for the union. Responses elicited convey a loss of capacity on the part

of the union to strike and press demands: "Now they want to pay as they like. There is less opportunity to negotiate the price. They are very strong, powerful corporations, but they don't want to pay for the sugar". Peasants were interviewed to evoke their changing perceptions of the role of the state in UNPCA with privatization of the sugar sector. The majority, 40% (n=20 responses) indicated that the government continues to control UNPCA. A cañero explained, "Yes, it continues to intervene, because the CNC and the government is the same. The CNC depends on the government". Despite this, tabulation of these replies suggests withdrawal of state support to cane-producing peasants:

Table 11. Changing Role of the State Since Privatization
(n=20 responses).

| | |
|---|-----|
| State continues to control UNPCA | 40% |
| State gives less support to cañeros | 20% |
| State intervenes less | 15% |
| State is allied with the private investors | 10% |
| State gives more support than private investors | 10% |
| State is interested only in sugar | 5% |

The varied reactions demonstrate a great deal of ambivalence; while one cañero acknowledged, "The government is always going to insert itself in whatever situation", another asserted, "Yes, it has changed because the state now sets aside the problems and pays us no attention. It has now washed its hands". Yet another clarified, "It is pure dirty work of the government, united with the sugar mill, the CNC, everything".

The declining economic position of cane producers in the region of Quesería engendered bitterness toward the government, the sugar mill, and the union. An astute cañero described the dialectical relationship between UNPCA, the private investors, and the government thus:

They are selling industries, they are going to the hands of the private initiative.

It does not serve them to give good prices. We all thought that the government was putting money in its pocket, but it was helping the cañero. Since three years ago, we have no profit, we feel like we have gone backwards. When it belonged to the government, they built houses for the cañeros, FIOSCER built the casa ejidal. Only when the owner changed, all this ended. These [owners] want nothing more than to take out money and the peasants are of no concern to them. We complain by means of the CNC and they deal with them to see what can be done. But the government and the private initiative have agreements; the government defends the private initiative. The only thing that can help us is the government, but it has commitments. The private initiative says to the government, "I am going to buy [the mill], but help me"--by not accepting demands from the peasant, so they receive a profit. The private initiative says to the national leader, "This price is not convenient for us" and nothing more can be done.

A former cañero who had wholeheartedly supported UNPCA in 1984, has since abandoned cane production, as well as his loyalty to the union:

Now the CNC no longer serves for anything because it does not defend us like it should. Now the mill and the government manage and do with one what they want. The government...has power and money but it pays no attention to us. The mill, if it didn't have so much interest in robbing like it does now, would help us, but now they want only it to profit.

Given the changing relations of production, peasants were asked to whom they should turn for redress. More peasants (47.4%) say that it is to UNPCA that cañeros should address their demands:

Table 12. To Whom Cañeros Should Make Demands (n=97).

| | |
|---------------------|-------|
| UNPCA | 47.4% |
| Government | 25.8% |
| Sugar mill | 18.6% |
| No one | 3.1% |
| Don't know | 2.1% |
| Government and mill | 1.0% |
| UNPCA and mill | 1.0% |
| All three | 1.0% |

The strong proclivity to work through the union is revealed in their responses:

Because it is the womb of the cañeros. There the cañero should have recourse to demand that [the union] respond as it should.

The cañero union should shelter and protect the cañero because the union was made with this idea.

Recourse for unorganized, landless workers is even more limited:

The cañeros, to the union; there each expounds his problems. We workers, what? What importance do they give us? With whom? The only thing is with the inspectors, but they are bought, with a bottle. We have neither voice, nor vote.

Peasants were asked to specifically identify who was to blame for the current crisis in the cane sector. One person generalized, "Everyone is at fault--some for being fools, others for being clever. The government is on the side of money (the owners). The sugar mill wants profits. The cañero left the maize to plant cane". There are, however, important differences in the degree of blame placed on these different agents. Peasants in the sample indicated with whom they place fault for the problems cane producers face. The sugar mill stands far above others identified as recipients of this blame, followed by the government, then UNPCA:

Table 13. Who Is To Blame For Problems of Cañeros (n=97).

| | |
|---------------------------|-------|
| Sugar mill | 46.4% |
| Government | 28.9% |
| UNPCA | 13.4% |
| Cañeros | 3.1% |
| Government and UNPCA | 2.1% |
| Government and sugar mill | 1.0% |
| UNPCA and sugar mill | 1.0% |
| Don't know | 1.0% |

Thus, while primary blame for problems is placed on the mill, it is through the state-controlled union that grievances must be redressed, deflecting confrontation between capitalists and peasant producers on to the government.

Among those who placed primary blame on the sugar mill for their problems (46.4%; Table 13, page 199), it was stated that, "This year, yes, I blame the sugar mill.

The mill and the union are two things in conflict. The cañero is doing the labor. They don't give us pay. We give the raw material, but the sugar mill, no". A series of evaluations elicited during interviews reveals the depreciation of the private, relative to the state-owned mill in the cultural understandings of peasants:

The government should not have sold the sugar mill to other people since it gave more help to many people. It made more work in the sugar mill, and now all this has fallen down. The private mill only wants the money.

When these new owners entered, we were left with debts and it is the same cane. We don't even know if this owner grabs more, because the owner changed, and we were left in debt.

It is really bad. Everyone complains about this sale. We are no longer left with anything. We are left with debts. The only thing, those who bought it are screwing us. The increase [in price] was little and what can one do?

It was bad for all the cañeros. It was better when it belonged to the government. It is not good that it has been sold. The change in owner of the sugar mill was the breaking of the cañeros, because I have heard that these [owners] try to take advantage in everything. They come with new ideas of doing business and wherever they are seen, they exploit the cañero and the harvester.

Now we are chained and we have to go as far as the contract obligates us. They don't want to negotiate with one. They do everything for their own benefit. Thus, the way they are working, they only leave the cañero dancing in the string of mules. They do their dirty work and ultimately, they leave one broke.

These [owners] are very much against the cañeros. They are the owners and they have no commitment with the cañero. The government had another way of treating us.

Next to the mill, peasants placed blame on the government for the current crisis in the cane sector (28.9%;, Table 13, page 199). Cañeros bitterly denounce the withdrawal of the state since its divestment of parastatal enterprises. The retraction of state subsidies and support has broken the former alliance and fomented sharp criticism of the government. As one cañero complained, "The government goes against the one that works, they hit us with sticks, like mules, and they say 'keep going, bunch of assholes'".

Cañeros criticize the fact that the government continues to keep the price of cane

low, yet the sense of betrayal in having sold the mill is profound; repeatedly, they blamed the government because it sold the mill. A cañero of Chiapa contended, "When it was seen that the sugar mill was being sold, those of the CNC went, and the governor deceived us because he told us that the mill was not up for sale and that it was not going to be sold. Now we have lost confidence in the government". The generalized negative attitude toward the government has dramatically affected allegiance to PRI. During research in 1984, 91% of the sample (n=33) identified PRI as the political party that contributes most to peasant well-being; 64% were card-carrying members. By 1990, only 49.5% (n=100) so identified PRI and 46.4% claimed that *no* political party helps.

Relatively less blame is placed on UNPCA (13.4%; Table 13, page 199) for problems confronted by cañeros than on the sugar mill or the government. One of the more loyal cañeros acknowledged the continuing importance of UNPCA's role in the privatization process:

We have the support of the CNC. If it were not for the CNC, they would do with us what they wanted. It is a strong industry; they are very rotten in this country. How are we going to deal with them if it is not for the CNC? They pay attention to us, we of the CNC. The former owners (the government), up to a certain point, attended more to those of the union because the government wanted to. The whole world was robbing the government and now it has changed. With these who make cookies, there no longer is corruption like before. Those of the CNC have more now, but before they supported the *pequeños propietarios* more. Now, with these new owners, it is more equal. They want those of the CNPP to form the same line as those of the CNC. They [*pequeños propietarios*] were attended and no longer, they are now equal. They give more attention now that the government does not intervene. From the congresses at the national level we cañeros have support.

Despite this evaluation, a general theme in the commentaries regarding UNPCA is that it has less power since privatization. Much of this is related to state withdrawal: "The union has changed because the government made it change. If there is no intervention from the government, there is nothing, there is no credit. It intervenes less". One cañero explained, "It no longer has the same power". Some believe that UNPCA "...is bought by the sugar mill and the government", while others discredit the

help provided by the union: "Because first they say yes, but they don't extract one from the pressures. They don't pull the mule from the corn patch. A rich one goes and yes, they resolve [his problem], and for one [like me], nothing".

Even in light of the low evaluations and negative attitudes towards the cane producers' union, compared with the support cañeros claim to receive from the government and the mill, the union provides relatively more support to producers. The following table reports cañeros' responses about the degree to which each of these institutions help cañeros:

Table 14. Support Given to Cañeros (n=30).

| | <u>Government</u> | <u>Sugar Mill</u> | <u>UNPCA</u> |
|---------------|-------------------|-------------------|--------------|
| Much | 23.3% | 6.7% | 23.3% |
| Some | 20.0% | 20.0% | 33.3% |
| Little | 10.0% | 16.7% | 13.3% |
| None | 46.7% | 56.7% | 30.0% |

Juxtaposition of these responses with the predominant conclusion among cañeros that their leaders are "bought" and do not defend them, suggests that their struggle for just treatment by government and mill officials will continue to be aborted. It is instructive to compare how peasants evaluate UNPCA, the organization most closely associated with cane production, to the ejido, the organizational unit for all agrarian reform recipients:

Table 15. Evaluation of Progress.

| | <u>UNPCA (n=30)</u> | <u>Ejido (n=97)</u> | <u>Peasants (n=97)</u> |
|------------------|---------------------|---------------------|------------------------|
| Rapidly | 6.7% | 3.1% | - |
| Slowly | 26.7% | 59.8% | 19.6% |
| Remains the same | 13.3% | 16.5% | 18.6% |
| Getting worse | 50.0% | 18.6% | 58.8% |
| Combination | - | 2.1% | 3.1% |
| Don't know | 3.3% | - | - |

Compared to how sample members rated the progress of the ejido, UNPCA is rated substantially lower. The majority (59.8%) state that the ejido is slowly progressing, against only 26.7% for UNPCA. Substantially fewer (18.6%) believe that the ejido is getting worse, as compared to UNPCA (50%). The changing relations of production with privatization contribute to this differential evaluation. When asked to evaluate how peasants in general (including unorganized, landless peasants) were progressing, the majority, 58.8%, claimed their conditions are worsening; however, unless they are incorporated into UNPCA, the ejido, or the cattle producers' union, peasants of the region are completely without representation.

This chapter has thus far dealt with collective organization and the relationship of peasants to official structures of power. A question raised in the introduction, however, is whether cañeros would adopt alternative collective strategies in the context of a crisis in state legitimacy and privatization of the sugar sector. The prediction that cañeros would desert official organizations and join forces with independent, non-government unions is largely not borne out to date in the state of Colima. Nevertheless, an independent producers' union--which incorporated some cañeros--did emerge in 1990. The dynamics of its generation are analyzed in the next section.

Alternative Collective Strategies

Despair with the official union encourages few cañeros in Colima to consider alternative organizations. Lack of official recognition disempowers independent organizations, a fact not lost on cane producers:

In reality, one can do nothing if we separate from the CNC and form another organization. It is worse because if the CNC doesn't pay attention to us, in the CNPP, it is less so. Like what happened with the Graciano Sánchez group, they left and they don't belong in one place or another. They are not going to be accommodated anywhere. They are without power and without vote. There is no consciousness for us because the government has us by the reins and does not allow us to move.

When 29 cañeros were asked how they can best achieve their collective goals, 82.8% declared that goals can best be achieved by strengthening the UNPCA organization; only two would consider joining independent organizations, two claimed there is no way to achieve goals, and one argued that the only alternative is to quit cane production and put the sugar mill out of business. Alternative organizations do exert power in other regions of Mexico. For example, UNORCA (Unión Nacional de Organizaciones Regionales Campesinas Autónomas) forms a network of some 60 autonomous peasant organizations, which opposes privatization of parastatals and of ejidos. The UCD (Unidad Cañera Democrática), incorporating 12,000 cañeros from 25 sugar mills, formally organized in 1990, in objection to the corruption of official unions. It was active in challenging the changing conditions of production resulting from privatization until its leader was imprisoned in 1991.

In 1990, an alternative, independent peasant movement was taking place in Colima. The Comité Estatal Para la Defensa de los Productores Agropecuarios (CEDPA), incorporates producers of all sectors, including cañeros; independent of party affiliation, its objective is to attain just prices for agricultural products. Unlike other peasant organizations, CEDPA encourages the membership of non-ejidatarios; many of its members are landless peasants. As an alternative to the peasant struggle, peasants

participate as active members, rather than as spectators. The organization uses peasant struggle, confronts the government, and proposes alternatives.

The strategies of this organization were diverse: members held marches, demonstrations, and *tianguis* (open markets) to sell their crops at prices set by the peasants themselves. On November 10, 1990, 1000 CEDPA members held a demonstration in the center of Colima, throwing their crops (bananas, limes, coconuts, cane, etc.) in the streets to protest their low value. Government officials (Secretaría de Gobierno, Secretaría de Desarrollo Urbano, SARH), on learning of the planned demonstration, called CEDPA leaders to a meeting; government officials tried to persuade the protesters not to march, but their admonishment went unheeded. In addition to their demands for better prices, the marchers demanded that the governor ask Salinas de Gortari to end the excessive import of basic crops which compete with the products of peasants. Among the demonstrators, cañeros protested that cane costs \$70,000 per ton to produce, yet they receive only \$46,000; they demanded a just price of \$92,000.

Peasants then confronted officials at the government palace:

The Mexican countryside is found in frank decapitalization as a consequence of the fact that the federal government has implemented an erroneous agricultural policy, permitting the import of basic grains...harming the workers of the national countryside; besides we are being drowned with low prices, expensive inputs and usurious bank interest rates. All of this is provoking the gradual abandonment of the country (translated from *Diario de Colima* 1990c:1).

An editorial in response to the demonstration reported:

The Mexican countryside is experiencing an era of maltreatment on the part of those who rule in agricultural politics, without being able to see that the know-it-all Carlos Hank González can pull the mule from the ravine.... Because of this, everywhere in the country, complaints are being raised, each day more angry and violent, and for this, opposition parties are strengthening and the government is losing more and more the sympathy of the men of the countryside (translated from Cortés 1990:2).

Officials condemned the demonstration, and in response, announced a march on November 15 that would be peaceful, and not political. Manipulation of peasant

organizations by PRI was evident in the events of the day. The march was sponsored by the CNC, UNPCA, the CNPP, and other officially-recognized peasant organizations; it was orderly, tranquil, silent, and solemn. Banners carried by the 800 participants demanded "The Transfer of Parastatal Enterprises to Producers of the Country with Adequate Credit", "There Will Be No Cane Harvest Without Just Prices", "Restructuring of Credit to the Country and Low Interests", and "The Diesel Gasoline Went Up and This is Solidarity?".

A plea containing five points was read and turned over, to be delivered to Salinas de Gortari: 1) restructuring of credit and reduction of interest rates; 2) application of strong tariffs to crop imports; 3) just taxes to producers; 4) transfer of parastatals to peasants, with credit; and 5) control of prices (Ruiz 1990:7). The governor spoke to the crowd from his balcony:

This is an unusual march, but it is a march of unity...of the authentic producers of the country who feel the anguish and the desperation.... For generations and generations we have been linked to the land; the free trade is another activity, ours is the countryside and we continue united in the country (translated from Ruiz 1990:7).

The speech lasted less than five minutes and the governor promised to take the petition to Salinas de Gortari. As he returned to his office, shouts rose up from the crowd "That is a lie, there will be no solutions". The next day, the price of fertilizer rose 40%.

Upon arrival of the march at the government palace, Arnoldo Vizcaíno's entry to the governor's office had been blocked. He accused the event of turning into a political party act, arguing, "If they invited us to participate, they should permit us to speak with the governor, because we also are leaders of an organization of producers". Some PRI

members were also offended. They complained that their banners were censored,⁷⁵ taken away from them, and they were "gagged" so as not to reveal their inconformity. Popular protest was absent and only the leaders of official organizations were invited to a private dinner with state officials. A letter to the editor complained: "What was supposed to be an open dialogue between people and government, resulted in a monologue from the principal balcony" (translated from Ruelas 1990:3). A local newspaper reported:

The desperation of the agricultural producers of Colima has moved them to take means that they have never before realized, principally for being institutionalized.... The reality of the Colima countryside, in truth, is disastrous, at a level that they have opted to abandon the crops that in previous years were the principal source of income for thousands of families.... The agricultural producers of Colima have been promised much and little has been done—from president Salinas de Gortari to the secretary of Agriculture Hank González (translated from *Diario de Colima* 1990d:2).

In response to CEDPA demands, the General Secretary of SARH, Hank González came to Colima to hold discussions with peasants. This event occurred only one month after CEDPA began its demonstrations. There was fear on the part of state officials that the visit of Hank González would be used to spotlight the complaints of CEDPA. Two meetings behind closed doors and with leaders of official organizations, were planned; CEDPA was not to participate. The governor sent a message to Vizcaíno: "Tell Arnoldo that I reaffirm my friendship, but that he abstains from foolishness on Friday". At midnight, the police arrived at the home of Vizcaíno, informing him that the governor was calling him by phone. He was escorted in patrol car to the government office in Cuauhtémoc. He was told he would be allowed to join the meeting with Hank González,

⁷⁵According to a local ejidatario, censored banners included: "Citizen, unite with this civic opposition, against the disguised and cynical dictatorship", "We reclaim the postulates of the Mexican Revolution, Enough simulations of corrupt politics", "Peasants disunited, we are being oppressed, we are manifesting that we will struggle, secure that we will conquer", "The people suffer inequality, poverty, and malnutrition, the functionaries enjoy \$\$\$, they say modernizing the nation", "Comisariados, 'leaders', senators or representatives, now that you have abandoned your electorate, you are very happy charging \$\$\$, but the people already see you as traitors" (Ruelas 1990:3).

but only leaders of the organizations would be allowed in. The CEDPA leader replied to the governor, "Excuse me, governor, but my companions and I are looking for a response to our problems and I do not have more rights than them; they also, have a right to present themselves and be heard".

The day of the visit, Vizcaíno arrived with his group and was introduced to Hank González. When his turn came to present the demands of CEDPA, he told the SARH official:

I am a member of a state group that isn't even legally recognized, called CEDPA, and it formed to respond in some way to the desperation that all the agricultural producers have because we are producers and we are hard hit by heavy problems.

After explaining the problems, Hank González replied, "All the problems that you have presented are grave and we are going to give you a solution". The SARH chief rose to leave; Vizcaíno countered, "One moment, friend. You came here to give a solution to our problems and you did not give me a concrete solution. I cannot allow you to leave until you give something to my people. For this, we came and we are not leaving until you hear them". The reply: "I am sorry, my time has run out". Vizcaíno retorted, "No señor, my companions also have a right to hear what you are going to say". Hank González responded: "I am sorry, I promise you that I am going to return soon, with more time. Today, I definitively cannot, the time here has run out". Vizcaíno had the final word: "If you are sincere, I thank you, but I speak for the desperation felt by all the producers of the region".

Crucial differences distinguish the objectives, strategies, and modes of participation of CEDPA from official institutions. In contrast to Salinas de Gortari's Programa de Modernización, which would place the rural area in the hands of the private initiative, CEDPA would place control in the hands of the peasants. In contrast to the control exerted over its members by UNPCA, CEDPA creates "spaces of power", and aims to

develop peasant consciousness. In contrast to the vertical leadership of UNPCA, according to the CEDPA leader, "we were born from the anger of the people. We have opened doors that we could not open" (Arnoldo Vizcaíno). This leader acts not *for* his fellow members, but *with* them.

The gravity of the crisis and destabilization in the rural areas of Colima prompted the following assessment of the emergence of CEDPA:

With this circumstance, it is not strange that the Comité Estatal Pro-defensa de Productos Agropecuarios has formed, with the clear and specific objective, the search for just prices for their products and the modernization of infrastructure.... We do not share the point of view manifested by the government of the state, when it reprimanded the members of CEDPA, accusing them of terrible and dramatic acts. The throwing of products in the principal street and in front of the facade of the Government Palace is not being dramatic. It was a symbolic act where they manifested the anger of these people, removed from the privileges and benefits of the supposed modern economy (translated from Preciado 1990:5).

CEDPA published its position against the government in January, 1991:

Under the slogan of modernization of the country the government has permitted, promoted, and accepted the importation of agricultural products...without considering the internal production.... In these difficult circumstances and in this gloomy agricultural panorama where the official peasant organizations do little or nothing to defend their "representatives", that at the beginning of last November, an incipient, alternative group, a true peasant struggle emerged, the Comité Estatal para la Defensa de los Productores Agropecuarios (translated from *Ecos de la Costa* 1991).

According to Vizcaíno, the accomplishments of CEDPA are: 1) it inaugurated a different style of struggle; 2) it disclosed the erratic policy of the government toward the country; 3) it achieved bringing Hank González to Colima; and 4) they obligated traditional agricultural organizations to act. On the negative side is the adverse stance of traditional organizations to recognize their struggle, and the official obstacles placed against their activities. Despite widespread media coverage received by CEDPA in the fall of 1990, few peasants in the research villages were knowledgeable about the organization; 90% (n=97) reported they did not know of CEDPA.

CEDPA represents an alternative response to the modernizing, privatizing forces of

government policy. Unlike UNPCA, it provides for grassroots participation and has not been coopted by government control. Such independent organizations, however, lacking official recognition, face severe restrictions on their activities. Few cañeros of Colima would consider these as a viable alternative. Whereas the ideological underpinnings of the official organization remain firmly in place, cane producers in the zone of Ingenio Queserfa are reacting with increasing skepticism toward the efficacy of mobilization within UNPCA, their struggle against political control by the neoliberal state, and economic exploitation by the newly-privatized sugar mill.

This chapter has shown that the constitution of the CNC created an organic relationship between peasants and the Mexican state that simultaneously gave peasants an organization for collective action and the state a mechanism for economic, political, and ideological control of the peasantry. This relationship was doubly reinforced for cane producers whose union was subsumed within the government-controlled CNC and simultaneously linked to state-owned sugar mills. The nature of this relationship was shown to be dialectic. Despite its subordination to the state, militancy of the union resulted in important achievements: price increases, medical benefits, social security, payment for byproducts, and so forth.

A particular event, the cañero strike of 1990 was documented to demonstrate the limited efficacy of the union vis-à-vis the privatized mill. The process occurred through three phases: 1) initial unity of union members and commitment to achieve a 100% increase in the price of cane; 2) a shift in focus from the national state to the regional sugar mill, and from the price of cane to demands for alternative concessions; 3) conformity and acceptance of minimal benefits. In analyzing peasants' understandings of this outcome, an ideology of organization, the result of state tutelage, was present, yet in terms of concrete efficacy, the majority of cane producers are apathetic, demonstrate minimal participation, lack faith in their leaders, express their wrath toward the new mill

owners, and feel betrayed by the government for selling the mill. In contrast to the union's mobilization of 1984, its influence today is perceived to have deteriorated.

The chapter argues for a transformation in the relations of production since privatization of the sugar mill. The diadic relation between peasants and a paternalistic state has evolved into a more complex, triadic state-peasant-mill relationship, which separates the peasant struggle from the source of exploitation. The new structure of production has engendered ambivalence toward the sugar mill, the state, and the producers' union. This ambivalence is related to major transitions in the economic viability of sugar cane production that have affected the supply zone of Ingenio Quesería since its sale to private capital. It is to these changing conditions that the next chapter turns.

VIII. THE REGIONAL CONTEXT OF REPRIVATIZATION

This chapter will analyze the economic contradictions associated with reprivatization of Ingenio Quesería. As discussed in Chapter VI, neoliberal policy asserts that privatization of parastatals will foment investment, create more efficient firms, increase productivity, and thus, invigorate the economy. In the regional production zone of Quesería, Grupo Beta San Miguel promulgated a new series of policies to achieve these ends. This chapter analyzes: 1) the implementation of these policies, 2) their impact on both field, and 3) factory. How these regional transformations affect peasant cane producers is then investigated through analysis of liquidation documents, which reveal 4) prices paid to producers, 5) their costs of production, and 5) net gain or loss. The chapter concludes with 6) peasants' evaluation of the transformation of production and the changing relations of production that characterize the region. The chapter, then, examines the relations of production between the privatized mill and peasant cane producers, inherent in a political economy approach. The initial phase of state withdrawal and reprivatization of the sugar industry has fostered conditions which contradict the explicit objectives of privatization and are dissonant with the social and economic well-being of peasant cane producers. In keeping with the theme of an ideologically sensitive political economy, much peasant discourse is presented to evoke the ideological underpinnings that materialized in the collective mobilization of cañeros in 1990 (as seen in the previous chapter), and that became manifest in numerous, individual strategies of resistance, to be discussed in the following chapter.

Grupo Beta San Miguel

On April 26, 1987, at the centennial celebration for Ingenio Quesería, the Programa de Reversión Industrial, part of the National Development Plan to increase quality, productivity, and competitiveness in the sugar sector was announced. This program would invest \$2,400,000,000 pesos to expand and modernize Ingenio Quesería. The governor of Colima, Elías Zamora Verduzco, announced that "Ingenio Quesería will not be sold. It is the property of the nation and as such will continue, in hands of the official sector, seeking to balance the social forces of labor and production". McGregor Beltrán, general director of Azúcar, S.A. announced an agreement made with President Miguel de la Madrid to make this the "*zafra*⁷⁶ of efficiency", predicting a surplus of 500,000 tons of sugar, along with the export of 40,000 liters of cane alcohol, which would bring Mexico \$100,000,000 dollars (U.S.) in foreign exchange. At the national level, the government was to spend \$186,000,000,000 over a five-year period in the Programa de Reversión (Quiles 1987).

The optimism of the centennial celebration had faded by December, when it was recognized that the Programa de Reversión had carried out none of its planned objectives for Ingenio Quesería. The decision to sell the mill was announced November 16, 1988. Ingenio Quesería was sold February 9, 1989, after 19 years of state ownership, to Grupo Beta San Miguel, a consortium of Coca-Cola, Nestlé, Industrial Pan Bimbo (a Mexican bread manufacturer), and Mundet (a soft drink company which produces the popular Sidral beverage). The purchase demonstrates the vertical integration of sugar cane production into the agroindustrial chain, and the horizontal expansion into several branches of the food processing industry. Eneko Belausteguigoiti heads the consortium. Ing. Alfonso Gunter González, general director of Grupo Beta in

⁷⁶The *zafra* is the cane harvest.

Mexico City, informed that the group originally wanted to purchase mills in Veracruz, but the cost of these mills was too high. It was publicly announced on November 24, 1988 that Grupo Beta had advanced \$5 billion pesos for the purchase (Verduzco 1988). It is rumored that the sale price of Ingenio Quesería was on the order of \$10 billion pesos (approximately \$3 million U.S.). Grupo Beta is also associated with Ingenio Constanca, Veracruz (which has always been private), and purchased ingenios San Francisco Ameca, Jalisco; Ponciano Arriaga, San Luis Potosí; and Alvaro Obregón, Quintana Roo as part of the sale packet.

Of five sugar mills owned by Grupo Beta, Ingenio Quesería is the least productive. Preferential investment in different mills has most likely affected Quesería. Although it operated with profits until 1983, since 1984, the mill has operated in the red and was already in process of decapitalization when purchased by Grupo Beta. From 1984-87, Quesería had small losses, operating with profits from interest, rather than capital. From 1987 to 1990 it operated, according to the mill manager, with "scandalous red numbers". But this, he claimed, is not a problem without solution. Asked if the situation will improve, he replied, "If it doesn't die, it will improve". Ingenio Alvaro Obregón, the largest sugar producer of the group, suffered losses as well, but in 1989-90, profits from Ponciano Arriaga and Ameca covered the losses of Alvaro Obregón and Quesería (FINA official, personal interview). In contrast to the mean of 75 tons of cane per hectare at Ameca, Quesería yields only 59 tons. Grupo Beta has made no important investment in Ingenio Quesería since privatization, but is investing \$1.2 billion pesos in Ingenio Alvaro Obregón so it can produce refined white sugar. By 1990-91, this mill, built in 1978, was no longer in the red, since it was "already at the point of take-off". The differential position of Ingenio Quesería vis-à-vis the other mills in the group indicates that Quesería may be the subject of benign neglect, as the mill owners direct their efforts to the more profitable mills in the sale package. The five mills comprise a total area of 60,000

hectares, although ideally, Grupo Beta would like to expand this to 75,000 hectares.

The private investors have come to the sugar mill with a particular set of perspectives. This received wisdom brings the industrialists into direct confrontation with producers and workers, upon whom the industry depends. Ing. Gunter claimed that international interests will bring improvement to the mills because of their superior technology. He agreed that foreign investors take money out of the country, but believes that overall earnings within the country will be higher; apparent was his affinity to "trickle-down economics". The field chief at Ingenio Quesería described the mill under state control as "another series of vices". An important criticism of state-run mills was the overemployment they sustained. The privatized mill has released many workers in the top-heavy bureaucracy. Before privatization, Ingenio Quesería had over 100 administrative personnel, but this number had been reduced to 44 by September, 1990. During the 1990-91 investigation, the mill was installing a computer system and expected to lay off 127 workers, 15 of whom were office personnel. Many of the former personnel have been replaced. Without exception, mill officials believe that privatization is an improvement over conditions under the state-led sector.

Policy and Reprivatization

As privatization recreates a new set of relations of production, it superimposes major policy changes which affect the sugar sector. Ing. Alfonso Gunter related in a 1990 interview that the law should be changed to eliminate the ejido: "The ejido is now absolutely antiquated". It would then be possible to work more hectares as a single unit, he explained. Mechanization would be more efficient on 100 hectares, than on 10, thus plans are to make loans to cañeros who work large tracts of land, for the purchase of trucks, tractors, and *cargadoras* (mechanical cane lifters). In recognition of the land sales this change would induce, he showed little concern for where a large segment of

ex-ejidatarios would seek other means of employment. The recent decision to modify the Mexican constitution and privatize ejido lands may prove to be a significant factor in insuring the general director's objective "to grab the entire ejido, as a single entity, to produce pure sugar cane". The field chief of Ingenio Quesería pointed out that when cañeros have debts, ejido lands are protected, but the mill can seize land of indebted private landowners. Several non-cañeros reported to the researcher that the mill had offered to rent their land to plant sugar cane. A villager who utilizes his parcela to raise cattle related, "The Ingenio of Quesería offered to rent my land. Ultimately, they are going to want to have the lands [for themselves]. They no longer want for there to be ejidos. Now, they are exploiting us".

Contentious relations are present between the mill and the private landowners as well. The general director of Grupo Beta blames these private landowners for low yields, arguing that even though they may deliver 40,000 tons of cane, the sucrose content is extremely low. Because they control large amounts of cane land from which they reap huge profits, they are little interested in increasing yields. This group has been highly critical of the privatized mill, utilizing the media to voice the objections of this powerful group. The director evaluated this situation, "It is a game of pressures--we will see who pressures most".

More specific policies of the privatized mill were related by the general manager of Ingenio Quesería, Ing. Roberto Arreola Manzano, who was transferred from Ingenio Ameca at the time the mill was purchased. He contends that under state control, the government subsidized laziness, negligence, and apathy; confusing "labor politics" with "political politics", the two collided. Industrial groups, on the other hand, know how to manage a sugar mill. He believes that when investing in mills, the owners took on a great risk.

Ing. Arreola's objectives, as mill manager, are to increase productivity through

efficiency in the industrial process and to show the cañero that it costs the same to produce 60 tons of cane as 100 tons. He stressed completing all the labor tasks. The key is to raise the consciousness of the cañero. He believes the largest obstacle is "ignorance" and Grupo Beta has experts "to remove the ignorance", revealing that the ideology of modernization theory has been put into place with the reprivatization of the sugar mill.

The master plan of Grupo Beta is to be carried out in several phases. The consortium is investigating technologies in the U.S., Cuba, Brazil, Europe, and Africa to determine which might be most efficient to put into place in Mexico. The first phase involves investment of \$10-\$15 million pesos (about \$3000-5000 U.S. dollars) per sugar mill over a three-year period. Although this is a minimal expenditure, the benefits of "putting the field in order" will be high. The second phase will require greater investment, but the benefits will be less than in phase one. Consolidation is the objective of the third phase. Specific objectives of the five-year master plan are to increase productivity of field and factory through: 1) expansion of the production zone from 8020 to 15,000 hectares; 2) introduction of new cane varieties; 3) stricter requirements in the production process; and 4) by limiting credit to producers with the potential to increase yields.

Over an eight-year period, expansion would increase the tons of cane harvested from 400,000 to 850,000. Varieties of cane that are more resistant⁷⁷ and higher in sucrose content were adopted to increase field yields from 40 tons per hectare in 1988-89, to 50 in 1989-90, projecting 65 tons by 1990-91. The predominant older variety (MEX-54-81) still covers 67% of the surface of the zone; all producers in the research communities plant this variety. New varieties, while higher yielding, require more frequent replanting

⁷⁷MEX-69-290, for example, is higher yielding, resistant to drought and high temperatures; MEX-57-473 requires good soils and is being introduced in irrigated lands.

(an investment that generally requires three years to pay off), thus passing the cost of increased productivity on to the producer. The cost to plant new cane, or *plantilla*, not including harvest and transport costs, is \$2,794,000 pesos per hectare (1990-91), compared with \$900,000 for *socas* and *resocas* (soca refers to the first cultivation and resoca to subsequent cultivations after planting).⁷⁸ The cost of the harvest is \$4500 per ton for cutters, plus \$26,000 for other harvest expenses. One of the cañeros explained the demand for new varieties from the peasant point of view: "One hectare of cane, to plant it costs \$3,500,000, and one is left in debt for five or six years, without benefit. After that it is time to plant new cane again, thus we are tied up".

In terms of labor tasks, the cultivation of fields after harvest--often neglected by cañeros of the zone--is being stressed. This neglect is a common problem which exacerbates strangling of roots and compaction of the soil. The field chief of Ingenio Quesería attributed unusually low yields from 1988-90 to failure to cultivate, blaming cañeros for being irresponsible and for "lack of culture". Seasonal factors play some role in cane yields, yet low rainfall is not considered by the field superintendent as a significant factor.⁷⁹ A common impediment to cultivation is the presence of large rocks and boulders in the fields. Formerly, cañeros paid enormous sums to have these removed;⁸⁰ the mill will attempt to cut costs by eliminating this process (these charges were still being made on 1990-91 liquidation documents).

⁷⁸Plantilla is grown 16-18 months before it is first harvested, thus renders no profits during this period. Once cut, socas and resocas are cut annually. The life-span of the cane depends on soil characteristics, plagues, care in cultivation and fertilization, irrigation, and variety. Whereas new varieties must be replanted after five or six years, traditional varieties are grown up to 20 years before replanting.

⁷⁹Rainfall was extremely sparse in 1989-90, yet yields surpassed the previous year when rainfall was more plentiful. While cane generally requires 1400 mm. of annual rainfall for good yields, rainfall beginning in 1988-89 and for three consecutive years was 1515.8mm, 880.2mm, and 1266mm, yet cane yields were 40.7, 50.2, and 59.2, respectively. These increases are attributed to greater attention to cultivation.

⁸⁰Officially, the cost is \$600,000 per hectare, but interest rates often exceed 300% of this amount.

Changes in cultivation practices suggest an increased use of agrochemicals. The mill is now recommending a decrease in labor to weed (from three or four times per year to one) and one to two applications of herbicide. Cañeros have reported that they are now using herbicides to reduce wage labor in weeding the cane, adding that the use of chemicals has, in fact, increased their costs. In addition, mill plans include increased use of fertilizers. Common usage currently includes 500 kg. per hectare of Triple, an equal mixture of nitrogen, phosphorus, and potassium, but varies depending on soil conditions. The cost is \$46,000 pesos per hectare if applied by hand, \$140,000, if by tractor.

Other labor demands focus on the harvest. Problems arise over delivery of cane with rocks, dirt, and extra foliage. Previously, cutters cut the cane off at the base, piling it into *tercios* of 33 kg. The new owners now demand that harvesters remove all foliage from the cane, both above and below the section with the highest sucrose content. The field superintendent exclaimed, "The ingenio accepts cane, not garbage". This new form of cutting doubles the time required to cut the cane, yet real wages (paid on a piece-rate basis) have declined. The goal of these efforts was to achieve in five years: 800,000 tons of cane, 70 tons of cane per hectare, 80,000 tons of sugar, and seven tons of sugar per hectare.

The selective distribution of credit--only to those who are capable of advancing--allows the sugar mill to control who may continue to produce cane and who may not, engendering increased socioeconomic differentiation. Some producers, for example, have been denied credit because of low yields. It is they who are least in a financial position to make new investments, while the better-off, more productive farmers continue to receive financial support. Some cañeros reported that the mill refused to accept their low-yielding cane, but they "rented" the cane to field inspectors from the mill who assured them they could get the cane into the mill for processing. This practice nullifies the objective to increase productivity. When the restructuring of cañeros' debts occurs,

those with low yields will get no credit; according to Ing. Gunter, "The cañero is the most important--without the cañero, there is no sugar mill, but a bad cañero has no reason to receive credit". Since credit is essential to cane production, the producer is forced to turn to other crops, thus losing access to health insurance provided by the mill and union membership (there is no union organization for production of other crops grown in the region). In stark contradiction to the concept of privatization, all credit continues to be provided to the sugar sector by FINA. Ing. Gunter states that if FINA disappears, "There will be chaos, resulting in anarchy". His statement suggests the intent of the private initiative to continue to depend on state financing.

The aim of Grupo Beta was to increase production within a three-year period to stimulate peasants to produce more cane. In fact, most cañeros foresaw the results of the 1990-91 harvest as key in their decision "to continue cane production or to quit". There is evidence that yields are increasing. The zone evolved from a mean of 62 tons per hectare in 1985-86, to an all-time low of 41 in 1988-89, rising again to 59 tons per hectare in the 1990-91 harvest, although falling short of the goal of 65 tons.

Overall, modernization and development are viewed by private capital in narrow technological terms without taking into account the social sector. The private capitalists remain evasive when discussing sociopolitical issues and ethnocentric toward the producers and workers upon whom they ultimately depend to realize their profits.

Regional Transformations

Reprivatization of Mexican sugar mills, according to neoliberal ideology, promises to stimulate modernization of field and factory with private investment, increase productive efficiency, and augment production. The research focused on regional transformations to evaluate how well these objectives were being met within the region of Ingenio Queserfa. A combination of data derived from interviews with cañeros in the

research sample, interviews with mill personnel, and liquidation documents⁸¹ collected from the sugar mill provided the content for analysis. The liquidation documents of all cañeros from the research communities, plus a 2% sample of the entire production zone, covering the period 1985-86 to 1990-91, were utilized. In addition, bottom-line results of profit and loss were taken for the entire zone. These data were analyzed for significant changes over the five-year period in field production, factory production, and results of liquidation, including relative changes in the price of cane and costs of production, and debt structure. Comparisons are made between the pre-privatization (1985-86 to 1987-88) and post-privatization (1988-89 to 1990-91) periods.

Field

The domain of the field draws attention to several important issues discussed below. One of the most striking issues is the continued exploitation of cane cutters and the growing antagonism between local and migrant cutters. Interpersonal relationships between cañeros and mill personnel are also problematical. Cañeros and mill personnel will be shown to adhere to opposing perceptions about modernization and efficiency in field production. Finally, the issue of environmental degradation will be taken up.

The seven month harvest season constitutes the most vital element of cane production and is a period of intense activity in the cane sector. The 1990-91 harvest officially commenced in Colima on December 10 and ended on July 3, 18 days after the rainy season began. Cañeros of the zone do not engage in the harvest, but employ wage laborers to cut the cane. Harvest costs are divided between distributive costs (administrative costs and payment to cutters) and direct costs (an "*enganche*",⁸² or

⁸¹Each producer receives a liquidation document at the end of the harvest which itemizes tons of cane, value of the cane, costs of production, and net profit or debt.

⁸²The *enganche* was reported by cutters from Guerrero to be \$100,000 pesos. Several "*cabos*" arrive in their villages to contract them as a team, accompany them to Colima, and manage them throughout the harvest season.

payment to entice cutters from other states, costs of transportation from their home state and to the fields, wages for *guardacortes* who oversee the cutters, and for making the breaks between fields which will prevent the spread of fires from one field to the next).

Privatization of the sugar mill has not modernized working conditions for cane cutters. Cane cutting is recognized as the most difficult, back-breaking labor in rural Mexico (Paré et al. 1987) and the cutters become covered from head to foot with the sticky residue from the burned cane. Random cutters from Guerrero and San Luis Potosí were interviewed while working in the cane fields during the 1990-91 harvest season. They reported that some children begin to cut cane as early as five years of age; children from eight to twelve years--extremely small for their ages--were observed harvesting cane. Some of the difficulties mentioned were that the cane has spines which cut their hands, the sun beats down on them, many suffer severe headaches and fever, they breathe in ash from the burned cane and the ash gets in their eyes, and many become ill from working so hard and being malnourished. Rheumatism, arthritis, and bladder infections are common. One cutter observed, "One is left with pure spines, because for money, one is left with nothing". The following commentary of a local cane harvester underscores the hardships endured by these workers:

To be able to earn a little more one has to work more. Me, for example, when I am cutting cane, I hardly eat. I put a taco with beans in my pockets so that in short moments I can eat a little. When I can't stand the hunger, in the shade of a tree, I make a fire, I heat what I bring for sustenance and I eat. After eating, I put myself to work cutting cane, working hard, not like the others who talk and rest. I get out a little more in the cane harvest, but I kill myself much more than the others. They no longer like to work in the cane because it is hard; they say, "No, I'm not going to get filthy with the soot". Now no more than five from here in Chiapa go to cut because now the new owners have become very strict. They want one to cut cane by cane and one spends more time in cutting it and one does not earn sufficiently.

The field process is beset by labor conflicts among a complex set of actors, as well as new labor demands made by the privatized mill. The payment of cane cutters by private capital involves double exploitation. Unlike before privatization, when cutters

cut a bundle of cane stalks at a time, making one slash of the machete, now they are told to cut one stalk at a time, making a second slash to remove the tops of the cane. Before imposition of new cutting methods, cutters could average 200 tercios per day; since the new requirements were put into place, they often cut only 100 tercios;⁸³ the average cutter, applying the rate of \$150 pesos per tercio, would thus experience a drop in income from \$30,000 to \$15,000 pesos per day. Records at Ingenio Quesería indicate a drop in the average number of tons cut per day from 3.5 in 1986-87 to 3.4 tons in 1988, declining to 3.0 tons in 1989-90. The new labor requirements were an important topic of discussion among peasants in the zone of Quesería:

Now those that bought [the mill], the private ones, put more requirements so that the cane goes free of roots and here the cañero loses; and if one does not do it that way, the sugar mill loses. They have become very strict. Before one grabbed all with the hand. Now it is cut one by one. Many are quitting the cane; they are abandoning the work. I worked in the weeding, fertilizing, seeding, cultivating, before. This work has now gone down.

They are very strict. The people no longer want to cut. Before they cut a large tercio. Now they have to cut the root and take off the tassel. The root has no juice, if it carries the root, it weighs a lot, but it is not convenient for the sugar mill. They discount the cañero. Before no, before it was no problem. Now that the owners changed they became very clever. They don't want to lose. Those of the mill don't want to earn little, to work just to be working. Instead, they want to pay less. It is jeopardizing us.

Cañeros, according to the cane cutters, have also resisted this new method of cutting, since in removing the excess foliage, it reduces the weight of the cane. Since they are paid by the ton, they instruct the cutters to cut the cane one notch above where the mill inspectors tell them to cut it. How do cutters react to this contradiction between cañeros and the mill? They replied, "The sugar mill authorizes everything; it is the sugar mill that pays us". From the perspective of private capital, a mill supervisor

⁸³The amount of cane each individual can cut per day varies widely, depending on age, experience, physical stamina, and general health. Under the old cutting methods, harvesters reported cutting up to 300 tercios per day (one cutter claimed to have cut 600 tercios) if they work "very, very hard"; most reported 200-300 tercios per day. Children are more likely to cut around 50 tercios. Since cutting requirements have changed, they realize only one-half of the former amount.

explained how the new cutting methods benefit the mill by cutting processing costs, with little concern for the decreased earnings of these wage laborers.

There has been a shift in the use of labor for the cane harvest. In 1985, 1000 local cutters were employed (the local population is mestizo) and only 50 indigenous workers from other states. The large landowners first began bringing in these "foreign" workers. In 1989-90, when the zone fell short of the required 600 cutters by 400, a local cañero leader explained, "We have not been able to get [them]...because they have been asking for too much salary for which we have continued searching to find people that...have a desire to work and that are not so problematical" (translated from *Diario de Colima* 1990a:1,6). Today, former cutters from the research communities complain that they can no longer obtain work, because of all the "indians" brought from Guerrero. While overall, local cutters have generally outnumbered non-locals, data provided by Ingenio Queserfa indicate the highest proportion of non-local cutters hired in 1989:

Table 16. Origin of Cane Cutters.

| <u>Year</u> | <u>Local</u> | <u>Percent Local</u> | <u>Non-local</u> | <u>Percent Non-local</u> | <u>Total</u> |
|-------------|--------------|----------------------|------------------|--------------------------|--------------|
| 1986 | 590 | 53.4% | 515 | 46.6% | 1105 |
| 1987 | 580 | 52.7% | 520 | 47.3% | 1100 |
| 1988 | 550 | 55.0% | 450 | 45.0% | 1000 |
| 1989 | 510 | 39.2% | 800 | 61.5% | 1300 |
| 1990 | 577 | 53.4% | 503 | 46.6% | 1080 |

The local ideology holds that "indians" (also referred to as "chutaros" or "cochos") are harder workers than the local mestizos. Locals refer to them as "illiterate", "ignorant", "less civilized", and as having "less ambition". The union leader says the "foreigners" are good workers, because they work all day, adding, "The people from Guerrero turn out to be cheaper than the people from here". He referred to the locals as "lazy"; they do not want to work--they only work from 7:00 a.m. to 2:00 p.m. The

logic of contracting outside workers is clearly understood and embedded in the ideology of local wage laborers:

Three or four years ago, we demanded a better salary; for this, they bring people from Guerrero. If they pay us \$20 pesos, they earn \$15--this is the reason that they bring people from over there, to pay less, they pay them miserably. It is bad because we have no work. When I worked, it was for the government, and now they are private. The government paid a price to the worker. These pay very serious.

Yes, they work harder, but they do it for little salary. They are easily convinced because what they are paid, they accept. Whatever they are given, they are content. They cut faster, they hardly go to drink water, they don't rest. They earn very little for their nourishment. This is their North. They don't defend themselves. They are paid a misery. For this, they bring them from another state.

In 1990, Ingenio Quesería imported 300 cutters from San Luis Potosí at wages that substantially undercut local wages. Although the official rate to be paid to cutters in 1990 was set at \$150 pesos per tercio (33 kg., or approximately \$4500 per ton⁸⁴), local cutters were receiving \$140 pesos per tercio, cutters from Guerrero were earning \$130 pesos, and the San Luis Potosí cutters in one field were found to be receiving only \$95 pesos. Assuming an average of 105 tercios per day, cutters would earn \$14,700 (\$4.90 U.S.), \$13,650 (\$4.55 U.S.), and \$9975 (\$3.33 U.S.) pesos per day, respectively, whereas the rate of \$150 would yield an income of \$15,750, or \$5.25 U.S. The workers from Guerrero came, having been promised \$150 per tercio, yet they observed discrepancies throughout the zone in the amount cutters were paid. Remarkable among these cutters is their acceptance of low wages, differential payments, being cheated by the guardacortes, and substandard working and living conditions.

Many of the indigenous workers come from regions of extreme poverty and unemployment, and often do not speak Spanish. One cutter said wages in Guerrero were \$10,000 per day, adding, "We come out of necessity, not for the pleasure". Since these

⁸⁴Wages of cutters in Colima were \$4000 pesos per ton in 1989-90, \$3500 in 1988-89, and \$1500 in 1987-88 (UNPCA leader, personal communication).

cutters come on a seasonal basis, generally for six months, from diverse parts of the country, they remain unorganized and powerless to demand better pay and working conditions. Unlike local cutters who often leave the cane harvest to work on other crops, those who are imported must depend on the cane harvest. Peasants of the region, who exhibit a high degree of out-migration to the U.S., repeatedly claimed of the cane cutters who migrate from Guerrero, "Here is their North".

Migrant cutters are housed along with their families in barracks-type housing, having to draw water from the river as the piped water rarely works. Plumbing and sewage systems are generally inoperable, yet locals criticize these people for leaving their excrement in the fields. Up to 800 cutters inhabit four barracks in Quesería, Cuauhtémoc, Trapiche, and El Cóbano, where malnutrition and illnesses reach alarming levels. Cane cutters in Mexico have never been recipients of social security. Workers living at El Cóbano reported having no furniture, sleeping on *petates* (woven mats) and eating primarily beans and tortillas. They receive supplies,⁸⁵ but must work every day of the week to receive them. Earning on the average less than \$5.00 U.S. per day, they are looked down upon as less than human beings. Nonetheless, the union leader spoke of the improvement in the lives of the indigenous cutters: "Whichever one has their sewing machine, their radio.... When they come here they arrive in no more than their little rebozo. They have improved two hundred percent".

Attitudes toward nonlocal cutters are complex. Local wage laborers, while recognizing the exploitation of cutters imported from other states, largely resent the competition for scarce jobs, as expressed in the following statement:

For the people here, the sugar mill no longer gives work. Now they give preference to the indians that they bring from outside. I was going to the parcelas and the guardacorte hired me. Now, they no longer want to give

⁸⁵These consist of 1 kg. sugar, 2 kg. maize, 1 bottle of oil, pasta, 1 kg. salt, 1 kg. crackers, 1 can of chilies, 1 kg. rice, and sardines (as one *cañera* explained, "--right down to the toilet paper").

work, only to the "coches" of Guerrero. The guardacortes always fuck them when the hour arrives to pay the cutters. Now they no longer give work because those from here defend themselves and they don't make fools of us with the accounts. The foreigners--those poor things, they bring them because they don't know how to defend themselves, well they don't know how to keep records.

Competition with migrant cutters, but also low pay and aversion to such hard, filthy work were reasons that locals no longer cut cane:

Those from here became very smart and for that, they don't employ them. They no longer want to work for free. To the indians, they pay them whatever miserable amount and the poor things hardly defend themselves.

The cutting of cane is very hard. I got sick from the ashes and the heat. I did not like it. I am not going to work even to eat.

Before they worked only with people from here. Since ten years ago, they don't want to give facilities. If they gave to us like they do to them, those from here would work. I don't even earn enough to eat. With the ash, it ruins the clothes a lot. You have to embrace the cane. The woman, poor thing, has to wash the clothes.

Poor working conditions are exacerbated by endemic efforts to defraud cutters of their pay. Guardacortes, or "cabos", often rob the cutters by reporting fewer tercios than actually cut. The UNPCA leader denied this, saying it was a "lie". Cutters, however, informed the researcher that guardacortes, who are paid \$4500 pesos per ton of harvested cane, could make up to \$150,000 pesos extra per week by reporting 6-8 fewer tercios than actually cut by each harvester on a daily basis. Many cutters made similar comments about these supervisors: "The one that takes advantage is the one that works less and the one that gains most". As a local cane cutter remarked, "All the time we were the ones that were the most exploited, the hardest worked, badly paid, and swindled". Exploitation of cane harvesters by field personnel is a frequent topic of conversation:

They rob a lot of the tercios from the poor cutters, from the sweat of their work, which is very hard. The cabos discount the cuttings in order to pay those who don't work. They discount tercios and they have two salaries--that of the sugar mill and that of the cutters.

The complicity of cañeros in this process was also described by various peasants, one of whom explained, "[The guardacortes] discount the cutters because they are on the side of the landowner. The same landowner tells [the guardacorte], 'fuck them'". Thus while cañeros are exploited by the sugar mill, they, in turn, exploit the cane cutters. Asked about changing this system and cutting costs by having the cañeros themselves supervise cutters in their own fields, a field supervisor explained that it would "disrupt the cañero equilibrium". He elaborated that cañeros want to work as little as possible, yet earn high profits and that "the cañero himself has approved of these vices". There is "lack of consciousness on the part of the producer". In part, cañeros do tend to neglect their fields, since most of the work is done by wage labor.

Problems with mechanical efficiency of the sugar mill (discussed below) also posed a severe threat to cane cutters brought from other states. The harvest, marked by repeated breakdowns in the mill, cut the work days and consequently, the earnings of cutters. In February and March of 1991, some cutters reported only working three days per week. A cañero described the effect of disruptions to the harvest on the work crews from Guerrero hired by a wealthy, private landowner:

Now because there is hardly any cutting, the poor ones no longer know what to do. Besides, they cut the cane and it stays in the field five or eight days. At the hour of weighing it, what happens? Nothing--it is very dry and since they pay them by the ton, the guardacorte crosses himself. It's really desperate and he tells the owner to pay him what is just or return him to his own land. [The landowner] says, "Get out of here. No one is keeping you here". He tells him, "Better to kill you than give you the money". [The guardacorte] answered, "Well, if you want, kill me, but I have sons to maintain". The poor things are burdened with sadness, it is really hard for them.

Much evidence has been presented for deteriorating relations between cane cutters and the sugar mill, yet relations between cañeros and mill personnel are equally adverse. On one occasion, the field supervisor visited a cañera in Ocotillo to discuss her lack of attention to the cane. He insisted, "Things have to be done on schedule, not yesterday, or tomorrow". The cañera complained that a wealthy landowner had shot the chain from

the irrigation gate with his pistol, illegally appropriating all of the irrigation water. She had gone from office to office, but failed to obtain assistance. The inspector later related to the researcher that this cañera was merely using the event "to justify the problem". His job is to ensure that cañeros comply with the labor tasks "so that the mill has cane".

On another occasion, a cañero entered the accounting office of the sugar mill, complaining of the debt he owed. The chief of accounting became angry and ordered him to read the liquidation document. He argued there was nothing he could do, that the cañero should get someone to read the document for him. Voices were raised. Finally, the accounting chief ordered the man to bring in someone who can read, accusing the man of being illiterate. A cañera approached the same official to enquire why her earnings from the five hectares of cane were so low, when she had invested so much money and hard work to cultivate it. It had been accidentally burned and left several days before cutting and harvest. His reply: "Look señora, it is that you do not understand. The cane was accidentally burned and this is not the same. What you don't understand is the sugar cane". These accidental burnings of cane fields are frequent, with serious repercussions on producers' incomes. They are, however, but one of many difficulties that affect the sugar cane harvest.

Given the critical and recurrent problems that beset the 1991 harvest, the sample members' identification of these problems was elicited:

Table 17. Problems of the Harvest (n=96).

| | |
|---------------------|-------|
| Unprocessed cane | 46.9% |
| Accidental burnings | 16.7% |
| Corruption, bribes | 11.5% |
| No problems | 9.4% |
| Other | 8.2% |
| Do not know | 7.3% |

The most frequent comments concerned the slowness of the harvest and the massive amount of cane being left in the fields (this issue is discussed below). The next frequent problem addressed the issue of accidentally burned cane and resultant discounts made by the mill. A number of peasants even complained that the mill intentionally sends people to burn the cane early, so that they may pay a discounted price for the cane. Corruption includes crediting fewer tercios than cut, under-weighing the cane, bribes, and so forth. A wide variety of other problems related to the harvest were mentioned: poor organization of burning schedules and delivery of the cane; low price for the cane and low wages paid to cutters; bribery and corruption on the part of guardacortes, field inspectors, and truck drivers; favoritism toward private landowners in delivery of cane; loss of work due to mechanization; stricter regulations regarding the cutting process and quality of the cane; and concentration of land. Some cañeros asserted that this was the worst harvest ever, an opinion that reflects the general consensus among cañeros of the zone.

Compounded with these contentious issues in the field are the contradictory results of the sugar mill's efforts to expand cane production in the zone. Although the projected expansion of cane to 15,000 hectares would have a decidedly negative effect on crop diversification, present trends do not indicate the feasibility of achieving this goal. The mill has taken several measures to combat loss of area. A new zone was opened up at Asmoles in 1989, at a great distance (approximately 42 km.) from the mill. A field inspector encouraged ejidatarios to convert their land to sugar cane near Los Asmoles, promising that "it will bring you much money". Ten ejidatarios planted 65 hectares of cane, but none of the cane for which ejidatarios sacrificed their lands over a two year period, were ever processed. The soils were unsuitable (with excess chlorine and calcium carbonate) and yielded an average of only 38 tons per hectare. A cattle raiser from Ocotillo accepted the offer, his cane was first cut in 1990-91, but he had no

earnings. He planned to go to BANRURAL for a loan to replant his land in pasture. The field chief of Ingenio Queserfa said of the experiment "it gave us a blow to the head".

A second region has been given impetus, San José del Carmen, Jalisco, which is experiencing excellent results with the new variety MEX57-1456. Its producers are given much support by the mill and the new varieties are obtaining high yields, some up to 200 tons per hectare. This cane, however, is subject to a fungus referred to as "carbón". Finally, Grupo Beta intends to encourage many who have quit to return to cane production. The general director of Grupo Beta claimed that the ideal is to expand within the present zone, rather than to extend it. When a field inspector urged an ejidatario of Chiapa who raises cattle to convert to cane, promising to assist him by helping him get credit to purchase a cargadora and truck, the ejidatario replied, "How am I going to involve myself in this business, hearing the lamentations of the cañeros? They are suffering the black pain of the cañeros who work without profit". The field inspector for Ocotillo even offered to rent parcelas of certain cattle raisers in order to plant sugar cane. The belief that profits will encourage a return to cane production may be wishful, since production costs at Queserfa are much higher than in other zones--a decided disincentive to producers.

In 1988-89, the year that Ingenio Queserfa was privatized, the new owners predicted the mill would process 530,000 tons of cane and 42,000 to 46,000 tons of sugar; the net result, however, was only 367,532 tons of cane and 31,012 tons of sugar. Similarly, a total of 500,000 tons of cane and 40,000 tons of sugar were expected in the 1990-91 harvest, but results were 470,000 tons and 38,362 tons, respectively. The record year (since 1975) remains 1984 when, under state control, Ingenio Queserfa attained a field yield of 75.27 tons per hectare, processing 729,156 tons of cane and 57,000 tons of sugar (Ingenio Queserfa). Inability to meet predicted objectives can not be attributed to

declining yields, since average yields have increased for the past two harvests:

Table 18. Field Yield (tons per hectare).

| | |
|--------|-------|
| '85-86 | 61.94 |
| '86-87 | 63.55 |
| '87-88 | 50.23 |
| '88-89 | 40.70 |
| '89-90 | 50.20 |
| '90-91 | 59.15 |

(source: Ingenio Quesería, S.A. de C.V.)

Whereas important efforts were made to regain yields per hectare, the three years before privatization averaged 58.7 tons, while the three harvests after privatization yielded an average of 50.0 tons. Even at the currently reduced number of 8020 hectares, an additional 8.7 tons per hectare would have surpassed the goal by 39,774 tons, adding 69,774 tons of cane to the 1990-91 results. By calculating the number of hectares times the average yield in the zone for each year, the number of tons of cane actually processed fall short of the expected amount by: 3180 tons in 1986, 129 tons in 1987, 22,333 tons in 1988 (a total of 25,642 before privatization); 28,145 tons in 1989, 21,835 tons in 1990, and 40,990 tons in 1991 (a total of 90,970 after privatization). From the 1985-86 to the 1987-88 harvests, the average number of tons processed was 570,691; after privatization (1988-89 to 1990-91), the average was 415,578. These figures demonstrate that beyond the dramatic drop in number of hectares dedicated to cane production since privatization, that substantially large areas of cane are not being processed by the mill. This inability to process all cane in the supply zone serves as a measure of inefficiency in the utilization of productive lands in the region.

The concern with productive efficiency in the field begs the question of modernization which is central to privatization policy. Blaming of the victim was evident in a state newspaper, in which SARH called for cañeros in Colima to modernize or retire

from cane production. Failing to recognize the failure of private capital to extract the industry from crisis, this government bureaucracy blamed traditional technology and the \$6 billion peso debt on inefficient production. The subdirector of SARH indicated that: "Producers have to understand that one thing is the price and another is industrial management, because if the price falls, they fail to invest and care for their crops...market opening is a pressure that obliges us to improve". He then gave Asmoles as an example of the success of adequate technology! (Vidaurrázaga 1991a:1,7).

Modernization from the perspective of policy makers takes on a different cast at the grassroots level. The peasants in the sample were asked their opinion of the national Modernization Program; an overwhelming 47.4% (n=97) did not know about the modernization program. As one person queried, "It hasn't happened, right? I didn't know that this happened". Another replied, "I don't understand it because no modernization has arrived. It is the same". The next largest group, 38.1% said modernization had not occurred here:

Table 19. Opinion of the Modernization Program (n=97).

| | |
|--------------------------------------|-------|
| Don't know | 47.4% |
| No modernization has occurred here | 38.1% |
| Modernization has been helpful here | 11.3% |
| Combination | 2.1% |
| Some modernization has occurred here | 1.0% |

In discussing modernization, peasants pointed out that the increasing use of machinery destroys the soil and has diminished the availability of work. They acknowledge that the high cost of mechanization, and the absence of government help with such costs, puts it beyond the reach of most peasants. Their production is held back by lack of credit. Peasants frequently stated that mechanization is not possible in the zone because of the huge rocks in the soil and also because "I am accustomed to plant

in one form. The lands are very uneven, we cannot mechanize". Frequently, lack of government support is blamed: "The government does not think about helping us. If it does not help, it is our government, what can we do?" Others complained that modernization only helped ejidatarios or the leaders, or the bank. The more positive responses tended to focus on improvements such as derocking the soil, the new canals, and the dam that was under construction in 1991. Some felt that mechanization allowed work to progress more rapidly and created more jobs.

Aside from the social relations of production and issues of productive efficiency, environmental concerns affect the supply zone of the sugar mill. Smoke, ranging from black to yellow to white, depending on the processing phase, billows from the several smokestacks of the mill, spreading across the sky for miles, literally competing with the volcano in the amount of smoke exuded. Yet another area in which mill owners have been reluctant to invest is in the installation of anti-pollution equipment. The town of Queserfa is covered with ash and dirt (the mill sits on the town plaza) and the area of the mill itself is polluted by chemical wastes. Pollution laws continue to be conveniently overlooked with privatization. Twelve ingenios in the country were to have been closed in 1990 to install anti-pollution equipment, but the closings were lifted for "economic motives" (*La Voz de Michoacán* 1990a:4-C).

In addition to voluminous contamination by the sugar mill itself, the annual burning of cane fields contributes more pollution to the air. As a field burns, birds fly up to escape the blaze and small animals scurry from the fields. The burnings threaten the vulture population which nests in the cane fields and serves as an important source of garbage control, where such sanitary facilities are absent. The entire sky is blackened and the ash floats down in large flakes for miles, filtering into the open windows of houses. Added to the ash that accumulates in the streets, are pieces of decaying cane that have fallen off the cane trucks as they carry their loads to the mill.

Older residents frequently express their disparagement over the effect of sugar cane expansion on the local environment over the past 30 to 40 years. A peasant from Ocotillo related that 27 years ago, when he rented land in Las Higueras, there were many trees, mangoes, and other plants. In the rental contract, he agreed not to cut one tree. He lamented that within 10 years of planting the land in sugar cane all the trees were gone. Repeated burnings have destroyed trees, vegetation, dried out the soil, and increased soil runoff. Local residents perceptibly denounced these changes:

As the situation is, as I see it, it is going to disappear. This zone is good for the cane, but we have a tiny part. The trees, the vegetation--everything is disappearing. Everything [was] green, green, and now there isn't anything because the cane is making it disappear. Now [the cane] is giving very little result, even to the big growers. For many the sugar mill is life; for others it is death. No longer are there trees, water, nothing. Some have to die so that others can live.

Me, what I see bad about the cane, is that it is getting rid of the trees and the water, they are disappearing from here. Where are the springs that still ran in those times? There is no longer anything. The birds are no longer seen. Before, one went to get guayabas, limes, and many wild fruits, and now, no. I went to hunt guilotas, armadillos, and now, they are no longer seen. It burns everything and what interest is the cane, if now everyone complains that they are left with no money?

The cane, on burning, gets rid of almost everything--the woods, the animals, and it is leaving the soils very arid. Ultimately, if it continues like this, we are going to have a desert instead of the woods that we had.

In addition, cañeros have noted that the soil has become diseased by planting the same cane year after year. Local peasants explain that once cane has been planted in a field, if the land is converted to other crops such as maize, the worms (*aslome*) that infested the cane remain and destroy the new crop. The cane roots are difficult to remove, and send up new shoots among the newly planted crops. Equally adverse conditions are affecting productivity of the factory.

Factory

Like the field, the factory is defined by both social relations and level of productive efficiency. Massive layoffs and a new management system contributed to poor relations

among mill personnel. Moreover, failure to invest in the factory had decreased productive efficiency, causing critical delays in the harvest and processing of cane in 1990-91. Regardless, the mill realizes huge profits in the sale of refined sugar, largely to the food processing industry.

During the harvest season, the researcher spent numerous days collecting data in the sugar mill, particularly in the field and accounting offices. Following massive layoffs of personnel, office workers were observed to be under tremendous pressure. Those employees who remain must take on the work load of their former colleagues and are constantly buried in stacks of paperwork. On February 7, 1991, the outside entry door to the accounting office was locked to prevent employees from stepping outside of the office. Part of the workers had been removed to another office and those who remained had no way to communicate with the chief official, since they were forbidden to leave the room. Thirty-six employees of this office had already lost their jobs and another layoff was expected, yet workers did not know which ones would be selected. Entry was gained only by passing through the factory which is noisy, filthy, and dangerous. Workers on that day gathered to complain of their inhuman treatment and signed a petition of protest. One worker described the mill manager as "despotic--he's another Hadam Hussein".

Compounding these difficult social relationships were tensions caused by technical problems. Data emerging from the region of Ingenio Quesería indicate that the reprivatized sugar mill is not realizing the increased efficiency expected with private investment. Measurements of factory efficiency support the reports cited above on the failure of private owners to invest in the mill. Lost time in the factory has increased significantly since privatization. From 1989 to 1990, the percent of lost time almost doubled, reaching an all time high in 1990-91, when the mill suffered repeated delays due to mechanical breakdowns:

1

2

er

—

big

(div

Table 20. Factory Efficiency.

| | <u>Lost Time In Factory</u> | <u>Factory Yield</u> |
|--------|-----------------------------|----------------------|
| '85-86 | 15.16% | 7.88 |
| '86-87 | 17.70% | 8.56 |
| '87-88 | 13.29% | 7.87 |
| '88-89 | 13.04% | 8.44 |
| '89-90 | 25.06% | 8.12 |
| '90-91 | 38.34% | 7.92 |

(source: Ingenio Quesería, S.A. de C.V.)

The mill was closed a sum total of two months during the seven-month harvest season due to these successive breakdowns. Some 45,000 tons of cane were left unharvested in the fields, almost 10% of the amount processed⁸⁶ (this figure is multiplied to 1,500,000 tons at the national level, illustrating the generalized nature of mechanically inefficient mills in the country). In February, the union leader reported that the milling equipment was working at half capacity; moreover, two of the four evaporators were not functioning.

Factory yield, the amount of sugar produced per ton of cane, has not altered significantly since privatization, although private investors were committed to increase factory efficiency (a record was set in 1975, with a factory yield of 9.11). The mill ideally should be able to extract 100 kg. of sugar from each ton of cane, giving a yield of 10. While the overall differences compared to the state-operated mill are minimal, factory yield at Ingenio Quesería declined each year since privatization (see Table 20). The drop from 8.44 in 1988-89 to 7.92 in 1990-91 is significant when applied to the entire production zone; the difference between these two yields, .52, would result in the

⁸⁶Since this cane represents 742.65 hectares that were unharvested, it can be assumed that some of the higher-yielding fields were left unattended. The average yield of these fields would have been 65.93 tons (dividing the number of tons by the number of hectares), compared to the average of 59 tons in the zone.

production of 2444 more tons of sugar. The mill owners support revisions to the Decreto Cañero which make factory yield, rather than field yield, the basis for determination of the price of cane. This modification places the economic burden of inefficient mills on the shoulders of the cañero. Although inefficient sugar mills have detrimental effects on the price of cane, the field chief insisted that factory yield should be used since "It is a business, it is necessary to have a profit for the sugar mill".

Another indicator of declining factory efficiency is the allowable loss of sucrose during processing of sugar. The 1980 Decreto Cañero guarantees that pre 1989-90 losses in sucrose do not exceed 2.64%; according to the 1989 agreement, the private initiative is committed to reducing this loss to a maximum of 2.5% in 1989-90 and 2.4% in 1990-91. Only once in the five-year period has this loss not exceeded the specified limit:

| | |
|---------|-------|
| 1989-90 | 3.09% |
| 1988-89 | 2.84% |
| 1987-88 | 2.95% |
| 1986-87 | 2.64% |
| 1985-86 | 3.04% |

(source: Ingenio Quesería, S.A. de C.V.)

While overall differences are small between the mill under state and private ownership, the private initiative not only has not reduced this loss according to its commitment, but losses increased from 1989 to 1990, reaching the highest point in five years (1990-91 data were not available upon termination of the field research). Yet another measurement of factory efficiency is the number of tons of cane processed per day for the period of the harvest. These were: 2558 tons in 1989-90, 2940 tons in 1988-89 (a mean of 2749 since privatization; the 1990-91 data were not available), 3373 in 1987-88, 3683 in 1986-87, and 3280 in 1985-86 (a mean of 3445 before privatization). Mill capacity is 4250 tons per day.

Sugar mills are capable of producing some 125 different products from the byproducts of sugar cane. A strategy utilized by Grupo Beta to lower its petroleum costs

is to run the factory on "pure bagazo". While the burning of this cane byproduct represents a savings to private capital, it is a loss to cañeros who are no longer compensated for profits realized from cane byproducts. Moreover, the price of cane is discounted for excess bagazo. Having lost access to these byproducts, cañeros of the zone report that they go to the mill to purchase bagazo to feed to their own cattle. This product was sold for animal feed at a price of \$40,000 pesos per ton in 1989-90. Nor did utilization of bagazo contribute to more efficient use of petroleum, since the number of liters of petroleum per ton of cane processed increased substantially: 21.27 in 1985-86, 16.06 in 1986-87, 16.37 in 1987-88, 20.67 in 1988-89, and 30.17 in 1989-90 (Ingenio Quesería). Ingenio Quesería also utilizes the syrup, a byproduct of sugar production, which is sold at \$150 pesos/kg., mostly for use in cattle feed, but also for alcoholic products such as rum. Three tanks with capacities of three, five, and eight million liters store the liquid. Extraction is 45 kg. of molasses per ton of sugar (using 38,000 tons of sugar as a measure, this represents a profit of \$256,500,000 pesos). The contradiction in mechanical deterioration of the mill and profits extracted from byproducts is not lost on cañeros: "In the question of the factory it is the incompetency of them. They don't even get out the sugar, since they bring it to the syrup stage, and in whatever manner they earn, because they process the syrup and from there, they don't give anything [to the cañeros]".

To explain the factory inefficiency evident in these data, both investment and management must be considered as relevant factors. It was expected that Grupo Beta would invest the \$5 billion pesos proposed by the Reconversión Industrial to install new boilers for the mill, but this objective had still not been accomplished in 1991. During the 1990-91 harvest, only three of the mill's seven boilers were working, and two had been repaired. No investments had been made in the factory until 1990, when

improvements costing \$680 million pesos were made.⁸⁷ Irregularities in the steam boilers and evaporators constituted the two gravest factory problems of the harvest season, yet they were not replaced. This neglect contradicts the purchase agreement which commits private investors to increase operating efficiency. Lack of investment also confines the viability of sugar production to short-term gain. The reluctance to invest in the sugar mill does not negate the fact that the new owners of Ingenio Quesería inherited an antiquated, mechanically inefficient mill. Although its managers under state control were notorious for factory inefficiency, little improvement has been made since privatization. Appendix C contains the translated text of one of the mill workers, who traced mechanical problems inherited from the past.

The lack of technical expertise and inability to manage the mill provoked a rather serious incident during the 1990-91 harvest. The mill manager insisted that a mill worker open the door to the malfunctioning boiler (generally, the malfunction is because the tubes that enter the boilers rupture). When the worker refused, the manager demanded that the door be opened. The worker responded, "I will open it, but you are going to be responsible". When the door was opened, the boiler exploded. Mill officials contend that \$3,100,000,000 (about \$1,000,000 U.S.) was planned to repair the boilers and for general maintenance of Ingenio Quesería in 1991-92. Current efforts are to "stabilize the mill".

By May, 1991, the situation at Ingenio Quesería was critical. A local newspaper, in an article titled "Threat of Closing Ingenio Quesería for Being Unprofitable", announced the probability of closing the mill altogether, provoking unemployment (translated from Ochoa 1991a:1). The general director of Grupo Beta announced that excessive imports, lack of commercialization, and the high cost of modern technology

⁸⁷These included new pipes to bring water in to the mill, 7 barometric condensers, 5 compressors, 2 pumps for the syrup, installation of a vapor compressor for the boilers, and repair of one boiler.

have resulted in an absence of profitability. The cost of foreign technology to upgrade the mill would be in the neighborhood of \$10-15 million (U.S.), according to another article titled, "The Ingenio of Quesería Could Quit Functioning; It Has Not Been Profitable". Lic. Gunter explained that the mill may close its doors "...because no one is willing to spend their money so it can function" (translated from Ruiz 1991:1).

These serious problems in the factory had severe repercussions for the cane harvest. On February 2, 1991, some 100 trucks were observed at the mill, waiting to unload cane. Large mounds of cane in the patio were two weeks old and cut cane in the fields had been waiting delivery for six days. This situation persisted throughout the harvest. By February 13, Quesería was behind 70,000 tons (130,000 tons had been processed); the CNPP leader accused mill owners with failure to correct irregularities in the obsolete machinery (Vidaurrázaga 1991b). When one of the boilers broke down in March, 1991, rumors spread among cañeros that mill officials had claimed, "If cane is left in the fields, it is the problem of the producers", since they already had produced sufficient sugar to meet their own needs. On April 24, the CNPP leader appeared on local television, reporting a backlog of 226,000 tons of uncut cane; that same day, a national television program urged cañeros of the nation not to abandon cane production, assuring them that sugar mills would satisfy their processing needs. By May 9, 176 hectares remained uncut and the mill was shut down for eight days. A total of 120,000 tons of cane remained unprocessed on May 22 and the harvest was extended into June. Although the union put pressure on the mill to compensate producers for this loss, leaving the cane for the subsequent harvest will decrease yields some 20%, reduce the juice in the cane, cause undesired root growth, and leave the cane subject to field rats.

On June 14, one day before the rains began, Ingenio La Purísima, Jalisco placed an advertisement in the Colima newspaper (*Diario El Independiente* 1991a) offering to purchase cane at \$70,800 per ton (the price being paid at Ingenio Quesería was \$65,426).

The field chief reported the 1990-91 harvest to be the worst for Quesería in 15 years, noting "an infinity of problems", along with the very grave debt owed by the mill. The issue of factory inefficiency permeated discussions among cane producers in the zone:

There is less production. At any rate, not all is processed because the mill is really screwed and it spends much time shut down. Those at the mill do not make repairs and for this, right away it is stopped, while the cane is drying in the fields. Then when it enters the scales it is very low in weight. The ingenio is going bankrupt. We are no longer going to want to continue giving the product as a gift.

They go very slow because the mill is spending much time shut down by mechanical failures, because they no longer invest money in the mill. This is the worst harvest ever. The others were bad, but this is the worst. Much cane is left thrown out and the fools that have cane are going to lose.

The mill is failing; all that we arranged in the CNC is failing because the mill is not working well.

Efficiency of field and factory are interrelated. Crespo (1988) defines the overall efficiency of both factory and field as the number of tons of sugar produced per hectare within the production zone. Using this criteria, overall efficiency was superior before privatization:

| | |
|--|-------------------|
| 1990-91 | 4.78 |
| 1989-90 | 4.08 |
| 1988-89 | 3.43 |
| 1987-88 | 3.96 |
| 1986-87 | 5.44 |
| 1985-86 | 4.89 |
| 1983-84 | 5.88, record year |
| (source: Ingenio Quesería, S.A. de C.V.) | |

The mean in the pre-privatization phase is 4.76, while that in the post-privatization phase is 4.10; there is improvement, however in each of the years since privatization.

Commercialization of sugar has also become a concern of the factory, rather than of Azúcar, S.A., since privatization. Sugar output by the mill (see Table 35, page 269) averaged 46,419 tons annually in the three years prior to privatization, and 34,206 tons in the three years after privatization. Based on records in Ingenio Quesería, sugar sales during a two month period, July and August 1991, include the following:

| <u>Client</u> | <u>Purchases</u> | <u>Kgs.</u> |
|--|------------------|---------------|
| Embotelladora de Colima, S.A. | 28 | 1,047,000 |
| Artículos Mundet P/Embotelladora, S.A. | 21 | 743,300 |
| Embotelladora de Apatzingán, S.A. | 9 | 194,000 |
| Embotelladora de Zamora, S.A. | 4 | 110,000 |
| Embotelladora de Lázaro Cárdenas, S.A. | 1 | 36,000 |
| Bimbo de Toluca, S.A. | 11 | 390,000 |
| Bimbo del Pacífico, S.A. | 5 | 120,000 |
| Tia Rosa Suandy, S.A. de C.V. | 7 | 252,000 |
| Continental de Alimentos, S.A. | 10 | 350,000 |
| Alimentos Findus, S.A. | 4 | 109,000 |
| Frexport, S.A. de C.V. | 23 | 480,175 |
| Siasport, S.A. | 7 | 126,000 |
| Comercial Terrones e Hijos | 3 | 30,000 |
| Segunda Dotación de Azúcar a Obreros Empleados Sindicales | 1 | 55,975 |
| Segunda Dotación Azucarera Obreros Jubilados | 2 | 15,600 |
| Victor Ramón Iñíguez Barajas | 11 | 195,000 |
| Oscar Rafael Castañeda Palomino | 8 | 92,000 |
| Yolanda Carrillo Vergara | 5 | 70,000 |
| Ing. Gerardo Flores Sánchez | 1 | 20,000 |
| Sr. J. Jesús Rivera Bravo | 2 | 20,000 |
| Manuel Valdez Godinez | 1 | 15,000 |
| <u>Flavio Castillo Martínez</u> | <u>1</u> | <u>12,000</u> |
| Total | 163 | 4,483,050 |

(source: Ingenio Quesería, S.A. de C.V.)

Five different soft drink bottlers were supplied with sugar by Ingenio Quesería (Coca-Cola and Mundet are partners in Grupo Beta). A total of 47.52% of sugar sales in these two months was for soft drinks, 17.00% for breads and sweet snacks (Pan Bimbo is also a partner), and 10.24% went for production of animal feeds. The nature of three of the companies is unknown; discounting these (accounting for 14.19%), 74.76% of the sugar went to the processing industry. Individuals purchased only 9.46%, presumably for retail, although this is not known for fact. The price of sugar was \$1365.49/kg. in July and \$1371.28/kg. in August, thus total sales for these two months were \$6,152,088,060. Production in this mill is primarily destined to profit-making industries, rather than public consumption. This chapter will now turn to the economic effect of cane production on peasants of the zone, taking into consideration these changing dynamics from the pre and post-privatization phases.

Outcome of Liquidation

The economic results of cane production are a function of the price of cane, the costs of production, and a series of other charges made by the sugar mill. All cañeros rely on credit and are subject to interest payments. Cane producers receive two advance payments on December 15 and March 15 to cover their production costs, which are then deducted at the time of liquidation, generally in August. The liquidation documents they receive are complex and will be analyzed below (see Appendix D for copies of typical liquidation documents). Price is central to analysis of the relations of production between capital and cane producers, yet deductions for costs of production also link cañeros into a system of exploitation by the sugar mill. Total dependence on credit to cover these costs determines that credit sets into motion the capital, and thus, labor power required to realize the production process. The contradictions of controlled prices and increasing costs are then analyzed in terms of the degree of debt generated among cañeros.

Price

The low price paid for the raw material remained a primary concern of cañeros in 1991. Despite the National Development Plan's proclaimed intent to improve conditions for low-income producers, the majority of cane producers are caught in a cost-price squeeze. The price, contrary to free market principles, continues to be controlled by the state. In accord with the Solidarity Pact, the price of basic products, including sugar, is adjusted to control for inflation. Determination of the price of sugar cane is made in September, before the harvest begins, thus cañeros are not compensated for inflation which accrues between September and liquidation the following August.

In September, 1990, Grupo Beta was working with SARH and the Secretaría de Comercio to obtain a higher price for cane and for sugar. It is in the interests of Grupo Beta to assure a better price to cañeros, according to mill officials. Ing. Gunter quipped, "Rich cañero, mill without problems; poor cañero, mill with problems". Ing. Gunter

criticizes the government's control of the price, explaining that the government views the private investors as taking advantage. The field superintendent for Ingenio Quesería judged a 40% increase in price to be in order for the 1990-91 harvest; the proposed 26.9% increase, he claimed, would be hard on cañeros. These statements would seem to contradict the generally held belief that the private initiative influences the government to keep the price of cane low.

To calculate the price paid for cane, the price per kg. of standard sugar at the national level is multiplied by the percentage of the average sugar yield within each supply zone (i.e., at the regional level), the product of which is multiplied by the tons delivered to the mill by each individual cane producer. The prices in the zone of Quesería have been:

Table 21. Annual Price Increases for Sugar Cane (per ton).

| <u>Year</u> | <u>Price</u> | <u>Percent Increase</u> | <u>Level of Inflation</u> |
|-------------|--------------|-------------------------|---------------------------|
| 1990-91 | \$ 65,426.28 | 36.48% | 23.87% ⁸⁸ |
| 1989-90 | \$ 47,938.83 | 10.73% | 38.95% |
| 1988-89 | \$ 43,292.98 | 61.93% | 20.20% |
| 1987-88 | \$ 26,735.75 | 130.49% | 119.56% |
| 1986-87 | \$ 11,599.73 | 112.28% | 132.48% |
| 1985-86 | \$ 5,464.343 | - | 87.57% |

At the national level, a 140% increase was obtained for 1987-88, 55% in 1988-89, and 13.88% in 1989-90 (*Tumbando Caña* 1990 (20):19; 1988 (13):2; 1988 (13):4). As seen in Chapter VII, producers demanded a 100% increase in the price of cane for the 1990-91 season. They received an increase of 26.9% over the previous year, insufficient to cover rising costs of production. The officially approved increase would have

⁸⁸Inflation rates are based on the consumer price index for the city of Colima, provided by Banco de México, Indicadores Económicos, May 1991. The 1990-91 rate of inflation is based on incomplete data, ending April, 1991, thus the April 1991 rate was compared to the April 1990 rate.

represented a price of \$60,834.375 per ton. The price actually paid in the zone of Quesería, however, was \$65,426.28, based on a net yield of 9.24 determined for the zone. The differential effect of a 26.9% increase, versus the price actually paid, was calculated for 24 cañeros in the two research villages. The results show a net difference of \$1,977,366 pesos; the average profit for cañeros in the research communities would have declined from \$9,548,842 to \$8,413,930 pesos had the 26.9% increase been utilized. This price increase explains the greater profits and consequential decrease in number of producers with debts relative to the previous year when costs, on average, exceeded the price of cane.

The price of sugar cane is mediated by deductions for accidentally burned cane, cane delivered late, and extraneous material delivered with the cane; these discounts cut into potential profits. Accidental burnings, prior to order by the mill, are common. Even without accidents, if cane transportation cannot be arranged and cane is delivered late, it is discounted. When cane is burned without order from the mill, it is discounted 10% if delivered after 48 hours, and 20% if delivered after 72 hours, in accordance with Article 9 of the Decreto Cañero. After another period of 24 hours the cane is not accepted for processing (although it is often accepted in practice). In 1990-91, 44,855 tons of cane were accidentally burned; 4,449 tons were discounted (field superintendent, personal interview). Ejidatarios, unlike private landowners, do not own their own transport equipment. Drivers of the cane trucks have reported that accidentally burned cane of ejidatarios is often cut and delivered late and then discounted, whereas that of private landowners is always harvested and entered into the mill on time, without discounts.

Cane is also discounted for "garbage"--dirt, rocks, extra foliage, etc., as specified in Article 11 of the Decreto Cañero. Although evaluation is supposed to be based on a physical sample of the cane, the amount of garbage is subjectively evaluated when the

truck arrives at the scales to be weighed. Upon this visual estimation by experienced mill personnel, the percentage of foreign material per ton is discounted, in accordance with the price per ton. UNPCARM argued in 1988 that these discounts to the value of the cane should not be applied in any mill, for they render negative economic results to the producer. The small difference between gross and net weight of the cane in calculating the price paid can mean the difference between a small profit and debt.

In 1991, due to negotiations between cañeros and mill personnel, cañeros were credited for cane that was not harvested or delivered due to mechanical inefficiency of the mill. Whereas cañeros were paid for cane left in the fields, they were still charged all production costs incurred during the year. These costs will now be analyzed.

Costs

Because the price of sugar is kept low by government subsidies and costs of production have soared, an increasing proportion of producers are indebted to the mill. Since 1987-88, the rate of increase in costs of production has outpaced increases in the price paid for cane. In 1988-89, cane producers received a 55% increase in price at the national level; costs of production rose 87%. In 1989-90, a price increase of 13% was granted; costs again rose some 55%. Actual costs of production in the research region were \$49,507 pesos per ton, surpassing the price of \$47,938.85 per ton. Fertilizer alone rose from \$281,000 pesos per ton in 1987 to \$402,000 pesos in 1989 (a 43% increase), then to \$594,000 in 1990 (a 48% increase), according to FERTIMEX. By 1990-91, average production costs were reported to be \$70,000, although the cost of seeding new cane was substantially higher, \$85,000 pesos.

According to rates charged by Ingenio Quesería, the cost of cane cultivation per hectare for new cane (*plantas*) was \$2,905,325 in 1991; this cost represents a 31.43% increase over the previous year. The cañero is charged 60% of the capital the first year, 25% the second year, and 15% the third year; interest is charged at 100% of the capital

in each of these three successive years. Cultivation costs for plantas include preparation of soil, planting, cultivation, opening paths between fields, and the cost of inputs.⁸⁹ These costs do not include an additional \$234,500 for irrigated cane, nor the cost of the harvest. The cost for established cane (*socas* and *resocas*) is \$1,159,175 pesos per hectare, a 40.83% increase over the 1990 cost.

Data derived from liquidation documents of all cañeros in the two research villages (n=59),⁹⁰ are based on percentages of the total costs of production, minus advance payments and loans. The sugar mill calculates the cost of machinery and labor for cultivation and the cost of fertilizer on a per hectare basis. Other charges in the liquidation document are calculated by the ton: cutting, loading, transport, UNPCA payments for harvest, medical and social security benefits. Yet other costs are calculated on the number of *jornales*, or daily wages for labor; these include the guardacorte and other hired labor. These various means of calculation obfuscate analysis of trends. Thus, unless otherwise noted, costs are given per ton. The following table provides data on each cost, as a proportion of the total costs of production, and compares these costs before and after privatization of the mill:

⁸⁹Cane fields are fertilized twice with one application of 500 kg. of the formula 20-10-10 and one 300 kg. application of Urea per hectare; herbicides of 2 kg. Kármex or Ditox-800, 2 liters of Esterón-47, and one liter of Surfacante are applied. After the harvest, fields are again fertilized with 700 kg. of 20-10-10, as well as another dose of herbicides of either a) 2 kg. Kármex or Ditox-800, b) 3 kg. Gesapax-50 and 2.5 liters Esterón-47, or c) 5 liters Gesapax H-375. Insecticides are utilized as well to combat soil plague, either manually, or sprayed by plane.

⁹⁰Several cañeros receive liquidations documents for multiple parcels, for example, one private landowner rents or owns 13 parcels, and one ejidatario also rents two other parcels. Each liquidation document is analyzed as a separate case.

Table 22. Costs of Production Before and After Privatization.

| | <u>Before Privatization</u> | <u>After Privatization</u> |
|---------------------------|---------------------------------|--------------------------------|
| Transport of cane | 27.3% | 16.1% |
| Machinery and labor | 21.7% | 27.3% |
| Fertilizer | 12.7% | 14.3% |
| Field labor | 8.4% | 10.3% |
| Cutting | 6.5% | 6.5% |
| Loading cane | 6.2% | 3.8% |
| Deductions (loans, taxes) | 5.7% | 12.3% |
| Derocking soil | 4.5% | 2.9% |
| Cutter costs | 3.8% | 4.4% |
| Benefits | 2.6% | 1.7% |
| UNPCA | .7% | 1.0% |

Before privatization of Ingenio Quesería (1986-88), the largest single cost of production was transport of cane to the mill. Since privatization (1989-91), the major portion of costs is absorbed by machinery and labor for cultivation (*avío*). After transport, machinery and cultivation formed the largest proportion of costs in the pre-privatization phase, followed by fertilizer, also the third largest expense since privatization. Interest is for short-term credit, while the deductions include both capital and interest on outstanding loans. Benefits received by cañeros are discounted at the time of liquidation. FIOSCER, founded in 1971, provided many benefits (potable water, electricity, roads, schools, housing, community projects, etc.) until it was eliminated in 1988; deductions for FIOSCER continued to appear on liquidation documents in 1990-91. FIMAIA was established to aid cañeros in acquiring machinery and trucks to transport cane. Cañeros also pay premiums (at reduced rates) on medical benefits, IMSS (social security), life insurance, and bags of sugar. From 1986 to 1990, overall costs of production and harvest increased at the rates indicated:

Table 23. Annual Increase in Costs of Production and Harvest.

| | <u>Socas</u> | <u>Plantas</u> |
|--------|--------------|----------------|
| '86-87 | 64.08% | 51.80% |
| '87-88 | 94.39% | 112.95% |
| '88-89 | 90.08% | 84.66% |
| '89-90 | 66.54% | 39.54% |
| '90-91 | - | - |

(source: Ingenio Quesería, S.A. de C.V.)

These costs of production include substantial interest rates, since all cane producers rely on credit. Interest, as a proportion of total costs, averaged (n=59):

| | |
|------|-------|
| 1986 | 10.3% |
| 1987 | 14.8% |
| 1988 | 18.2% |
| 1989 | 12.4% |
| 1990 | 19.9% |
| 1991 | 15.9% |

Combining data for the two periods results in an average interest rate of 14.43% before, and 16.07% after privatization. The proportional increase in costs for machinery and cultivation is relevant to the mill's attempt to promote new cane varieties. Credit for new cane is repaid at higher interest rates than for cane after the first cutting. From 1986 to 1991, these rates diverge dramatically:

Table 24. Interest Rates on Machinery and Cultivation.

| | <u>Socas</u> | <u>Plantas</u> |
|--------|--------------|----------------|
| '85-86 | 25.6% | 60.5% |
| '86-87 | 54.4% | 91.8% |
| '87-88 | 60.3% | 126.6% |
| '88-89 | 27.8% | 115.6% |
| '89-90 | 38.8% | 89.1% |
| '90-91 | 29.0% | 67.3% |

Similarly, interest rates on fertilizer are less favorable for newly planted cane:

Table 25. Interest Rates on Fertilizer.

| | <u>Socas</u> | <u>Plantas</u> |
|--------|--------------|----------------|
| '85-86 | 31.7% | 57.9% |
| '86-87 | 48.7% | 95.3% |
| '87-88 | 59.4% | 95.7% |
| '88-89 | 18.6% | 55.3% |
| '89-90 | 42.8% | 113.0% |
| '90-91 | 24.2% | 54.9% |

The highest rates of interest charged on costs of production are for derocking the soil. These averaged: 206.6% in 1986, 233.1% in 1988, 209.2% in 1990, and 253.3% in 1991. The lowest single rate identified was 50.2% in 1990, whereas interest rates have reached as high as 536.7% in 1991. No charges were made in 1987 and 1989.

Interest rates charged to cañeros are not to exceed the rates of CETES (treasury certificates which have determined interest rates since 1990) specified by the government. In 1986, when interest rates were determined by the Average Percentage Cost (CPP), the maximum allowable rate was between 31.5 and 32.5% until April, after which it increased to 76.26% for planting, fertilizer, and infrastructure (*refaccionario*) and 81.03% for machinery and labor (*avío*). Maximum allowable rates for all years were:

| | <u>Infrastructural</u> | <u>Machinery and Labor</u> |
|------|------------------------|----------------------------|
| 1987 | 83.43% | 88.65% |
| 1988 | 42.65% | 44.65% |
| 1989 | 41.55% | 43.05% |
| 1990 | 29.96% | 31.96% |

In most years, then, the rates charged appear to exceed the allowable amount. An official of FINA was asked why certain interest rates exceed these amounts. He replied, "This can't be. This is a very delicate matter if the sugar mill charges a rate higher than Financiera is paying". The mill is obligated to charge the same rate to cañeros that it pays to the credit institution. Average costs per ton, based on liquidation documents from all cañeros (n=59 cases) in the research communities are presented:

Table 26. Costs of Production in the Zone of Ingenio Quesería.

| | 1985-86 | | 1986-87 | | 1987-88 | |
|-------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | <u>Cost/Ton</u> | <u>% Total</u> | <u>Cost/Ton</u> | <u>% Total</u> | <u>Cost/Ton</u> | <u>% Total</u> |
| Avío | \$ 1,026 | 22.3% | \$ 1,607 | 19.4% | \$ 4,467 | 22.3% |
| Fertilizer | \$ 430 | 9.3% | \$ 999 | 12.1% | \$ 3,372 | 16.8% |
| Cutting | \$ 340 | 7.4% | \$ 517 | 6.2% | \$ 1,157 | 5.8% |
| Loading | \$ 279 | 6.1% | \$ 533 | 6.4% | \$ 1,219 | 6.1% |
| Transport | \$ 1,287 | 28.0% | \$ 2,289 | 27.7% | \$ 5,285 | 26.4% |
| Guardacorte | \$ 401 | 8.7% | \$ 707 | 8.6% | \$ 1,608 | 8.0% |
| Harvest | \$ 138 | 3.0% | \$ 359 | 4.3% | \$ 825 | 4.1% |
| Derocking | \$ 377 | 7.3% | \$ 333 | 4.0% | \$ 454 | 2.3% |
| Payments | \$ 274 | 6.0% | \$ 544 | 6.6% | \$ 917 | 4.6% |
| Benefits | \$ 26 | .6% | \$ 332 | 4.1% | \$ 603 | 3.0% |
| Union | \$ 27 | .6% | \$ 57 | .7% | \$ 134 | .7% |

Table 26 (cont'd).

| | 1988-89 | | 1989-90 | | 1990-91 | |
|-------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | <u>Cost/Ton</u> | <u>% Total</u> | <u>Cost/Ton</u> | <u>% Total</u> | <u>Cost/Ton</u> | <u>% Total</u> |
| Avío | \$ 14,287 | 29.6% | \$ 15,943 | 29.3% | \$ 15,691 | 23.1% |
| Fertilizer | \$ 11,284 | 23.4% | \$ 4,783 | 8.8% | \$ 7,264 | 10.7% |
| Cutting | \$ 2,390 | 5.0% | \$ 4,157 | 7.7% | \$ 4,667 | 6.9% |
| Loading | \$ 1,882 | 3.9% | \$ 2,040 | 3.8% | \$ 2,556 | 3.8% |
| Transport | \$ 7,986 | 16.5% | \$ 8,648 | 15.9% | \$ 10,779 | 15.9% |
| Guardacorte | \$ 5,641 | 11.7% | \$ 5,451 | 9.8% | \$ 6,447 | 9.5% |
| Harvest | \$ 1,910 | 4.0% | \$ 3,484 | 6.4% | \$ 1,822 | 2.7% |
| Derocking | - | - | \$ 2,375 | 4.4% | \$ 2,954 | 4.4% |
| Payments | \$ 1,701 | 3.5% | \$ 6,497 | 11.5% | \$ 14,511 | 21.4% |
| Benefits | \$ 1,022 | 2.1% | \$ 846 | 1.6% | \$ 875 | 1.3% |
| Union | \$ 216 | .5% | \$ 240 | .4% | \$ 327 | .5% |

The combination of data from the pre and post-privatization periods indicate increases in the percentage of costs paid by cañeros for machinery and cultivation, fertilizer, cutting, harvest labor, UNPCA costs for harvest, payments, and interest on current loans, entailing some of the greatest costs of production. Decreased costs are found for loading cane, transport, derocking, benefits, and union dues; of these, only transport represents a substantial portion of the production costs. These changes have thus proved unfavorable to cane producers.

The total value of cane produced in the region in 1990-91 was \$34,512,071,834 pesos, while costs of production (including advance payments) amounted to \$31,495,770,233, or 91.26% of the value of the cane. A total of \$3,331,438,358 was paid to cañeros in net profits, while a debt of \$5,317,940,890 remained owed by cañeros of the zone. Of 1323 cañeros tabulated,⁹¹ 764, or 58% received net profits and 559, or 42%, owed debts at the end of the year (Ingenio Quesería). The increasing extraction

⁹¹117 cañeros remain unaccounted for because results do not indicate the nature of consolidation of accounts; this occurs when charges or credits are applied to another account.

of surplus value from peasant producers is clear in analysis of liquidation documents. Total costs, as a percentage of value of cane delivered to the mill have now made production of this basic product untenable, having risen from 74.6% in 1985-86 to 94.9% in 1990-91, with an all time high of 108.5% in 1989-90:

Table 27. Changing Costs of Production (per ton, n=59).

| | <u>Costs of Production</u> | <u>Costs as a Percentage of the Value of Cane</u> ⁹² |
|--------|--------------------------------|---|
| '85-86 | \$ 4,075.30 | 74.6% |
| '86-87 | \$ 7,910.82 | 68.2% |
| '87-88 | \$ 18,799.35 | 70.2% |
| '88-89 | \$ 46,469.06 | 108.5% |
| '89-90 | \$ 49,507.17 | 103.3% |
| '90-91 | \$ 61,102.05 | 94.9% |

Only since privatization have costs of production, on the average, superseded the value of cane. Costs absorbed 71% of the value of cane, overall, during the three years prior to privatization, whereas in the three years following privatization they absorbed 102%, creating a net debt.

⁹²These data are calculated using the actual value of industrialized cane given in the liquidation document.

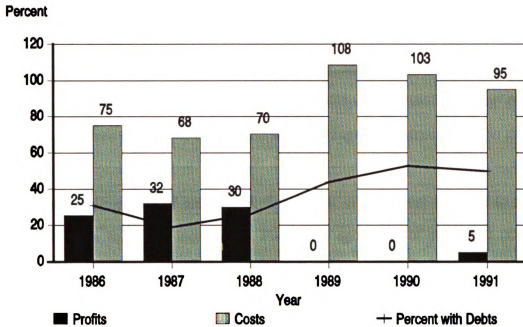


Figure 7. Costs of Cane Production as a Percentage of the Value of Cane.

The liquidation document received by cañeros is extremely complex and difficult to interpret (refer to Appendix D). The average educational level of cañeros ($n=33$) is 3.18 years, and many are illiterate (12.1% have no formal education). Moreover, beginning in 1990-91, a new category, "consolidation of accounts", was added to the document, obfuscating analysis. When added to the income credit section, this item represents earnings from a different document, applied to the document in question. When added to the costs, it represents earnings from the current document applied to another account. Thus, the balance (profit or loss) often shows a sum of "0". This strategy prevents large cañeros who work numerous parcels from collecting on some parcels, while they owe debts on others. This researcher found only one cañero who had attempted to analyze his liquidation documents--the former mayordomo of Hacienda Chiapa. The remainder rarely save these documents. Even an astute cañera who serves on the union board and

is knowledgeable and articulate about cane matters had not understood her liquidation documents, keeping them tucked away in odd sewing machine drawers, bureaus, etc. She remarked, "In the liquidation there are so many numbers that we don't understand and here they make their discounts to us". Without an understanding of these documents, cañeros are unable to question and challenge the charges made to them.

Debts

Given spiraling costs of production, the number of producers indebted to the mill at the end of the harvest is increasing. Five years ago, 19% of producers (n=1532) owed debts at the end of the harvest; by 1990, the proportion had increased to 53% (n=1458):

Table 28. Proportion of Cañeros Within the
Production Zone Owing Debts to the Mill.

| | |
|--------|------------------|
| '85-86 | 31% ^a |
| '86-87 | 19% ^a |
| '87-88 | 26% ^a |
| '88-89 | 44% ^a |
| '89-90 | 53% ^a |
| '90-91 | 50% ^b |

^abased on 100% of the production zone

^bbased on a 2% sample of the production zone
(source: Ingenio Quesería, S.A. de C.V.)

The upward spiral in debts was particularly marked in 1988-89 (the year the mill was privatized), more than doubling the number from the previous year. As the proportion of cañeros owing debts to the mill increases, the amount owed as a percentage of income credit (value of cane, seed cane, and other credits for delivery of the raw material), shows significant increases since privatization:

Table 29. Proportion of Net Debt and Profit
Relative to Income Credit (n=59).

| | <u>Debt</u> ⁹³ | <u>Profit</u> ⁹⁴ | <u>Mean Debt</u> |
|--------|---------------------------|-----------------------------|------------------|
| '85-86 | 14.3% | 12.2% | \$ 193,715 |
| '86-87 | 1.8% | 15.3% | \$ 395,409 |
| '87-88 | 25.5% | 13.3% | \$ 690,654 |
| '88-89 | 39.7% | 14.5% | \$ 3,572,774 |
| '89-90 | 29.4% | 9.6% | \$ 6,495,860 |
| '90-91 | 35.8% | 27.5% | \$15,785,422 |

A comparison of the debt relative to income credit reveals an average of 13.87% before privatization and 34.97% after privatization; likewise, the relative proportion of profit to income credit was 13.6% and 17.2%, respectively. Thus, the substantial weight of debt by far surpasses the capacity of many cane producers for capital accumulation.

The total debt increased from \$1,700,000,000 in 1989 to \$4,600,000,000 in 1990 (at the national level, the debt reached \$700,000,000,000). By the end of the 1990-91 harvest, the cañero debt for the entire zone of Quesería was \$6,000,000,000 pesos. Individual cañeros saw themselves bound to a system of debt obligations that required them to continue cane production; as expressed by one cañero, "[The owners] leave the cañero to one side. They aren't concerned about anything, if one has no debt. If one has a debt, they are interested that you pay". The debts of cañeros were to be restructured over a period of three to six years, requiring some cañeros to forgo liquidation in order to pay off their loans. Approximately 70% of the producers at Ingenio Quesería were to have their loans restructured. One of the more bitter cañeros appraised the rising debt in the region: "In the sugar mill they are fucking and fucking.

⁹³These data are calculated by dividing total charges by total income credit for each producer.

⁹⁴These data are calculated by dividing net payment received by total income credit.

Who is going to want to continue if instead of earnings one has a mountain of debt?"

A comisariado ejidal reflected, "Now they are abandoning the cane because if you owe twenty-five million, for the next year it is going to double; what kind of joke is this?"

Rising debts raise the question of whether economic insolvency is, in fact, attributed to inefficient production practices on the part of cañeros. A frequent criticism is leveled at these producers for failing to invest in planting new cane, which results in low yields. Data provided by Ingenio Quesería suggest that variety and age of cane are minimally related to outcome of liquidation. Cane classified as "plantas" (new cane planted in 1988, n=7) had an average yield of 68.57 tons per hectare, "socas" (planted in 1987, n=7) yielded an average of 54.29 tons, "resocas" (planted in 1986, n=2) yielded 21.21 tons, resocas (planted in 1985, n=5) yielded 50.00 tons, resocas (planted in 1984, n=2) yielded 42.5 tons, and resocas (planted in 1983 or previously, n=21) yielded 60.24 tons. These data are based on all cane parcels in the research villages, all of which are rainfed. All except two cases were variety Mex 54-81, although the two MEX 69-290 cases alone averaged 80 tons, higher than the mean of 68.57 reported for that group. Thus, the highest yields do accrue to new cane, yet the second highest yields are for the oldest group. The bankruptcy which forces cañeros out of cane production does not necessarily derive from inefficient production methods utilized by producers. As one cañero who planted cane for the first time in 1984 explained:

Since I planted cane in the parcela, there have been six cuttings and nothing, not one cent divided in half has been left for me. At first I was thinking, and the guardacortes asked me why I didn't have anything left. I paid the debt and I waited, and nothing. This last year I said, "I am going to work the cane and take care of it, well for this, I have had no profit". I cared for it, I put all the fertilizer, I cultivated, I did all the labor. The tons increased. There was more than before, but my debt doubled. Finally I was left with a debt, or really I don't know how the sugar mill does it, so that at any rate, one is left with no more than pure debt.

An ex-cañero, when asked why so many cañeros have debts, replied:

This is what I would like to know. The one who has most wants more and he

doesn't care, being full, that the rest die. Well for this ambition of theirs we can perish, much of humanity, and so here, the one who is well does not know of the one who has hunger. Ultimately, the mill itself can take away our lands for the debts. Lázaro Cárdenas came to give lands, but it seems that another arrives that wants to repossess them. In the end, not paying it, finally they come and confiscate my house, and ultimately, I am left in the street.

Peasant Evaluation of the Transformation of Production

Given these conditions, cane producers have clearly and unequivocally rejected the change in ownership of the sugar mill. The chapter concludes with an analysis of peasant ideology with respect to the impact of state divestment and reprivatization of the sugar industry. Ethnographic analysis demonstrates that this ideology represents widely shared cultural meanings, constructed to contest the weakening of the distributive power of the peripheral state and the increasing exploitation by the capitalist industry, as relations of production are vertically inserted into an increasingly internationalized system of production.

The peasant struggle against the private owners of the mill is peculiarly colored by the fact that 75% (n=97) of peasants interviewed did not know who Grupo Beta was. When asked who purchased the sugar mill, another 18% gave vague responses such as, "they are not from here", "foreigners", "industrialists", "the rich", "powerful", "caciques", "three people from Monterrey", "a cookie industry", or that they use "prestanombres" (false names to conceal their identity). Five percent of the sample identified the owners in more specific terms: "sons of de la Madrid", "Lino" (the largest cane producer in the zone and leader of the CNPP), "Banco Comercio", "La Marina" (a large department store in Colima), "Coke, Pepsi, Sidral, and AGA". No one could correctly identify members of the consortium that make up Grupo Beta. One peasant doubted that a transfer in ownership had taken place: "It has masked our eyes. It could be this fake name but I don't think so. It could be the same government and it is using

a borrowed name in order to change the rules. I am in doubt that they sold it". These misconceptions do not conceal a profound animosity on the part of cañeros toward Grupo Beta. Peasant ideology materializes in a discourse that makes explicit the threat of exploitation by the new private owners:

It does not pay much for the cane. This is the principal thing. It is private.

It should return to the hands of the government. Now the owners are private; it is not like before.

The private group, they are those who have some control outside of the ejido. We have this huge debt. They don't let us earn. When it belonged to the government it was better; now, we are going to the grave.

[The new owners] aren't from here and they are going to take the money and grab the money and leave the people here more screwed.

It is not good that it has changed ownership. Now only one is going to earn, the most cleaver [the sugar mill].

These [owners] are rich, and of what importance are the poor cañeros to them? They have their ideas of how to grab money.

Even the pequeños propietarios with much equipment are rejecting it. The government always worked better. No one complained. The people had friends with them. It is hard now in the sugar mill. These have been here two harvests. When they bought [the mill] they said it was going to be better, but it is worse.

The profits of the sugar mill fall to other hands and not to the state. It is not good because I notice that in these times, the cane is cleaned out of the fields.

Since the change, nothing more than problems. They are private, these ones. For the cañeros it is bad because very little cane is cut.

They began to want no more than to make bucks for themselves. Since three years ago, the worse, for the sale of sugar mills by the government itself. The private owners are also losing.

A common thread in these commentaries is that the mill is now private, not public, and the private capitalists have very different objectives than did the State. Yet, it is important to recognize the diversity of opinion among cañeros. While most hold negative attitudes toward the private owners, some are highly critical of the sugar mill when it was under government control. One of the largest private landowners, who controlled

hundreds of hectares of cane until he abandoned production in 1989, expounded:

Everything was good until the government of Díaz Ordaz. Before, it paid, when it was private, the sugar mill was very good. When it was private, they brought in very good people, people that knew the work, that knew what they were doing. In the government of Echeverría, the government grabbed the sugar mill and from then on, I saw that our country of the regime of Echeverría, since then, we have sunk to the bottom. We have gone into bankruptcy. The losses I began to have when the mill passed to the hands of the government. Then the mill changed a lot, because the government did not learn how to manage it. All the people placed in enterprises of the government, only enter to rob; not to work, but to enrich themselves from it, and the firm went down. In my manner of thinking, the government should not have even one enterprise.

When it passed to the hands of the government, there was pure favoritism. They brought in the compadre, the relative, the friend, only in order to make themselves rich, but not because they knew the cane. All those that they placed there, pure scoundrels, pure bandits. It began to hire people that dedicated themselves to nothing but robbery. Then, they ordered us to burn the cane, in order to rob us; they robbed us in the scales, they robbed us in the yield. They dedicated themselves to pure robbery, to become multimillionaires, all of them. Thus, the sugar mill could not sustain itself. Me, on seeing how much they robbed me and how much I suffered, I retired as a cañero. I abandoned it two years ago [1989]. These who bought the [mill] have been here two years. Who knows how they are. Me, no longer, I don't know anything. I have quit.

The fact that the mill was transferred to persons unknown to the peasants of the region is compounded by the fact that the sale took place without consulting cane producers--the suppliers of raw material to the mill. The sale thus left cañeros with a sense of powerlessness: "I don't know the motive, only suddenly, it changed owners. They were decisions of the government itself. The peasants couldn't say anything"; "It wasn't even known when the other people entered, they didn't publish anything; they did it very secretly".

When asked their opinion on the sale of Ingenio Quesería, 96% of the sample (n=100) replied that the sale was bad. Only one person stated that the sale was good, one claimed it was a mixture of good and bad, and the other two said that the mill was the same since the sale. Most peasants, 63%, would prefer that the mill were still owned by the state; 24% prefer that it were owned by UNPCA, and 9% said that it should

continue to be operated by the present owners. The following quote expresses the desire for the mill to be operated by the cañeros themselves: "All of the ejidos united should buy the sugar mill, working together. If we were owners, with the energy of all of us, as producers of prime quality material, the taxes would lower".

Asked to explain why Ingenio Quesería was sold, the majority, 62%, replied that the sale was a result of government action. Contributing factors that they identified included: the government was losing or going bankrupt, there was bad administration and corruption under government control, labor demands and strikes forced it to sell, the government had overemployed and oversubsidized the industry, it did not maintain the mill well, and sold it to rid itself of problems, to improve the mill, to promote sugar exports, or to pay the national debt. Most spoke disparagingly as they attempted to explicate why the mill was privatized. Peasants demonstrated acute awareness of the place of its privatization in the global context:

Two years ago the government tried to sell all the companies. Perhaps it is better for the government, but the government got rid of all this responsibility. All the sales of businesses are not enough to pay the debts. The money belongs to the nation, all those of the nation lose.

They wanted bucks when they sold it to pay the debt to the United States. Echeverría and López Portillo asked the United States for credit--the nation was sold. When are they going to pay the debt?

According to most informants, the sale of the mill closely correlates with the crisis in the cane sector:

Table 30. Initiation of the Crisis in the Cane Sector (n=95).

| | |
|-----------------------------------|-------|
| Began when the mill was sold | 70.5% |
| Predates sale of the mill | 23.2% |
| Predates sale, but is worse since | 3.2% |
| Do not know | 3.2% |

Many, however, claim the crisis predates the sale, although a few who believe it

began before the sale state that it has worsened since privatization of the mill:

Since the moment that the private ones grabbed the sugar mill, one hears the lament of the cañeros.

The cañeros were ruined with this change.

There were various things that affected it: first, the cañeros asked for money to do the labor and they didn't do it. It has sharpened since the sale, because these owners are more demanding and they do not help the cañero like the government did.

Since the sale of the sugar mill, they bring new ideas about using more mechanical lifters and they push to the side the cane harvesters and bring indian cutters that are more assholes and they fuck them more. They discount the money that the cutters are owed, those who kill themselves most working--not those who are sitting and writing with typewriters and being assholes.

[The crisis began] two years ago. Before, many people were maintained by the cane. Whatever person received his millions. And now, nothing. [With] the crisis, simply, there is no work.

It is now three harvests that the cañeros only go around crying because they are left with no money.

[The crisis began] five years ago, because the managers began to rob. The government has interest in helping us, but it puts in people that rob one and only see their own profits and they don't care if the cañero is fucked.

The researcher enquired who they thought was to blame for the crisis in the cane sector, deriving the following results:

Table 31. Blame For the Crisis in the Cane Sector (n=97).

| | |
|--|-----|
| Private owners | 27% |
| Low cane price and high production costs | 25% |
| Government | 22% |
| Labor issues (loss of work, new labor demands) | 11% |
| Other | 15% |

Those who blamed the new owners for the crisis criticized the lack of administrative ability, corruption, personnel layoffs (especially knowledgeable and skilled workers), exploitation of cañeros, imposition of more costly field techniques, discounts to cane, the

low price of cane, lack of aid to cañeros, and the capitalists' primary objective of making profits at their expense. Those who said the government was responsible mentioned bad administration, corruption, overemployment, oversubsidation, setting low prices, discounting cane, and cañero debts.

While the current ideology focuses on the deteriorating economic position of cañeros with privatization, it draws on historical understandings. For example, one cane leader likened the current situation to the system of debt peonage and the *tienda de raya* of the former haciendas. A synthesis of other commentaries evokes an ideology that is generalized among cañeros in the zone of Ingenio Quesería:

The private group is allied with the government. These associates are going to work in other ways; they are caciques. The cañeros are going down, they are going to throw out the peasants.... The government and the private owners have agreements--the government defends the private initiative. There is an anomaly; the new owners are against the peasant. They don't want to give good prices. They don't let us profit. What advantage to we have? The sugar mill wants to take out the eyes of the peasant.... The cañero is the servant of the sugar mill; he is worse than the peon, for him, after eight days, they pay him.... I don't know what the government wants to do. What plan does it have? Now it is pure loss in the cane. Never are we going to get out of debt. If we continue, we cut our own throats. But if we quit, also. Where are we going?... All the people that manage the industries are foreigners. All the money that they make leaves for outside, and the people here are going to be screwed. Now one hears talk of privatizing the ejido, no longer are there going to be lands for peasants. For this, we are going to return to the times of the Porfiriato.... The government is going to want to sell even the people with the territory, like Santa Ana did.

Given the pervasive nature of negative evaluations of the mill since privatization, it is not surprising that, when asked to identify any advantages associated with reprivatization, 92% answered that there were *no* advantages. The other eight percent mentioned factors such as: it would contribute to sugar exports and market growth; new, more professional personnel had been hired; corruption had ended; the stricter requirements were better; it created more jobs; cane was paid better; insurance was given by the mill; the harvest was proceeding well; and cutters received more fringe benefits. Responses concerning the disadvantages of the sale were copious:

Table 32. Disadvantages of the Sale of the Sugar Mill
(percent that gave each response, n=96 respondents).

| | |
|--|--------------|
| Cañeros earn less, bankruptcy, and debts | 98.9% |
| Many are quitting cane production | 74.0% |
| Strict regulations for cutting, cane quality, discounts to cane | 47.9% |
| Low price for cane, high costs | 37.5% |
| New owners do not help with loans, costs, inputs | 33.3% |
| Mill unrepaired, cane not processed | 28.1% |
| Cutters earn less, receive fewer benefits | 22.9% |
| Less work in cane, factory layoffs | 18.8% |
| New owners only want profits | 14.6% |
| Loss of cañero benefits, sugar | 13.5% |
| Increased interest rates | 5.2% |
| Increased price of sugar | 5.2% |
| New owners are bad, rob cañeros | 4.2% |
| Environmental damage | 2.1% |
| Bribes and corruption | 1.0% |
| Private capitalists do not understand cañero problems | 1.0% |
| More political problems | 1.0% |
| Cane is now being rented out | 1.0% |
| No disadvantages | 1.0% |

The data demonstrate that the predominant issues are loss of profits and debt, due to rising costs and a low price for the product, abandonment of cane, new demands placed on producers and laborers by the private management, and failure of the management to invest in the factory or financially support producers in the process of production. It is through the rich discourse that emerged in interviews that the profundity of these problems is brought to light:

Now, there is less production. The parcelas are bald. Before, the cañero worked the cane because he knew he was going to be left with earnings. Now, it is better to rent because one knows beforehand that there is going to be no money left; on the contrary, debts. They give the order to burn, and [the cane] remains 10 days. The mill works slow. The cañero is not to blame when the mill has irregularities. The fields are paralyzed. All the peasants are screwed with the discounts. In place of profit, one is screwed.

No longer is the government going to subsidize and we are going to be left without money. The price is very low; everything rises, the cane cutter, the

fertilizer, and the cane, the same price. The cañero is left with pure debt. Now it is pure loss in the cane because the sugar mill and those of the CNC only try to rob the most they can. He who continues with the cane is never going to get out of debt. Before, it even provided enough to sustain one, and now, we are like the *barzón*.⁹⁵ [The government] had more interest in one earning, even if it was little. These [new owners] are going to want to benefit themselves for their own enjoyment.

We have the idea of abandoning the cane that corresponds to the ampliación and putting cattle there. If they cut, they are going to have a great loss. The government treats us like the song "El Barzón". We work hard for the government and the government makes us long bills with so many increases in the fertilizer. And when we settle accounts, we end up owing it, but like the "barzón", it says to us, don't worry--here is the land; keep working.

Now the peasants are left with pure debt. If the sugar mill gives them ten pesos, it takes away twenty. Because these owners come to do business and extract the most possible. They don't care if the cañeros don't earn. Some owe 70 million; now they are sold to the sugar mill.

Before the cañeros had two or three million or more left over. Now, they are left with two or three million in debts. The one that is earning is the sugar mill. Those of the mill rob, fuck the cañero. They are going to discount [the cane], and why? Because more is left for them. It is pure tricks on their part.

It is not the same. Before, they gave a little bit of profit to whatever parcela owner. Now, they have debts of three or four million. From this has come the bankruptcy of the cañeros. Many people maintained themselves and now it is exploitation. If the mill does not grind what it was grinding, if it doesn't achieve the rhythm of before, how many are going to abandon the cane for the same reason? With ninety million in debt, with what are they going to pay? With looks? This is what I don't understand. I worked the cane, I planted, cut, and never has this happened until this change. Could this be a gain?

The discounts don't end. And what discount? All that garbage they sell. Now the cane fields are losing faith, they can bear no more. If before a little bit was left over, now three or four times the debt. When the harvest ends, everyone leaves crying, like when the udder is taken away from the calf.

The critical issue in a political economy approach to privatization of the sugar sector concerns the transformation in relations of production between state, peasants, and

⁹⁵This comment refers to a popular campesino song "El Barzón". Numerous peasants mentioned this song during interviews, when speaking of their own situation. The song makes a political statement, metaphorically telling of a team of draft horses; the yoke broke, but they just kept on walking. The peasant returns home to tell his wife he has no maize, because the patrón took it to pay what he owed to the hacienda. The patrón told him to keep working the soil, but his wife urges him to get on the list to receive an ejidal parcel, rather than live in poverty and keep on working for nothing (thus breaking away from his own yoke).

capital. An important part of the interview process involved eliciting peasants' ideas about their relationship to the sugar mill, especially how that relationship had changed since the mill was transferred from state to private ownership. They provided a broad range of different responses (n=49), the most frequent being that the private owners do not want to help cañeros:

Table 33. Relationship of Peasants to the Sugar Mill
(percent that gave each response, n=97 respondents).

| | |
|---|-------|
| Private owners do not want to help, fewer benefits | 41.1% |
| Cañeros have, or want to quit production | 37.1% |
| Private owners exploit cañeros and cutters more | 29.9% |
| Private owners want only to profit, pay a low price | 26.8% |
| Cañeros are against the mill and the manager | 19.6% |
| Cutters resent loss of employment | 13.4% |
| Peasants oppose the new requirements | 11.3% |
| Loss of ability to negotiate, owners less approachable | 10.3% |
| Mill only supports the rich, is against cañeros | 10.3% |
| Lack of understanding between peasants and the mill | 5.2% |
| The mill is corrupt (robs, cheats, bribes) | 4.1% |
| Cañeros are chained to their contracts, mill does not respect Decreto Cañero | 4.1% |
| Less technical assistance | 3.1% |
| Private investors understand, help peasants more | 3.1% |
| Mill controls, has much power | 2.1% |
| More political problems between mill and cañeros | 2.1% |
| Private owners are more professional, ended paternalism | 2.1% |

During these discussions, cañeros expressed their lack of confidence toward the intentions of the sugar mill:

These things fall on the government which knows this problem of the sugar mill and of the cañero. Salinas de Gortari, he sold it to these associates. We need a change of government that knows the cañero problems and that has a good administration.

The cañeros are in disconformity with the sugar mill. Not one is content with the mill because they do not have earnings, or if not, they have debts. These fucking bastards don't help anything. What have they helped? It is terrible, this thing of the cane, it is not good for anything. They are bigger robbers than anyone. They came to fuck the cañero.

I don't understand these owners. I don't know, but on seeing that they now want no more than to profit, one does not see true interest. I don't know what interest the sugar mill has in strangling the cañeros, but as it seems, this is what they want.

Everything depends on the sugar mill; it will not improve until they pay well for the cane. They are the ones that have the word on improving the situation. Those of the mill hold the reins. But it is no longer going to correct itself because those of the mill are the ones that are going to continue to profit. Those that already cut and burned [their cane] are crying because they know that they were left with a huge debt. It is better to abandon the cane; this is the best of solutions. They say how much they pay and how much they give, but if we quit, the problem ends.

While political economy tends to discount peasant ideology--expressed in discourse, research which incorporates the notion of human agency provides evidence of the manner in which this ideology is materially transformed into action. At the regional level, peasant response involves collective action to place demands on the mill for a just price and preservation of previously gained benefits, and individual strategies of resistance, including abandonment of sugar cane production. The power of the above ideas is both generalized and materially manifested in a retraction of cane production within the region. A significant proportion of cañeros in the region have withdrawn from cane production:

Table 34. Number of Cane Producers.

| | <u>Producers</u> | <u>Percent Change</u> |
|--------|------------------|-----------------------|
| '85-86 | 1,479 | +10.04% |
| '86-87 | 1,532 | + 3.58% |
| '87-88 | 1,443 | - 5.81% |
| '88-89 | 1,508 | + 4.50% |
| '89-90 | 1,458 | - 3.32% |
| '90-91 | 1,373 | - 5.83% |

(source: Ingenio Quesería, S.A. de C.V.)

The average change over the pre-privatization period was an overall increase of 7.81% in the number of producers. In the three years after privatization, there was an

average decline of 4.63%. A drop of 10% in the number of producers from the high point in 1986-87 has had a significant impact on sugar production in the region. The number of hectares dedicated to cane production declined from 10,618 in 1986 to 8020 in 1990-91; 1425 hectares were diverted to other uses in 1990 alone. Abandonment of cane is responsible for a reduction in cane delivered to the mill--from 616,689 tons in 1985-86 to 470,000 tons in 1990-91. Quesería experienced its record harvest in 1984, with 729,156 tons of cane. The amount of sugar produced dropped from 48,642 tons in 1985-86 to 38,035 tons in 1990-91.

Table 35. Changes in Land Use and Production.

| | Hectares | | Tons Cane | | Tons Sugar | |
|--------|---------------|-----------------|---------------|-----------------|---------------|-----------------|
| | <u>Mexico</u> | <u>Quesería</u> | <u>Mexico</u> | <u>Quesería</u> | <u>Mexico</u> | <u>Quesería</u> |
| '85-86 | 579,894 | 10,618 | 40,366,927 | 616,689 | 3,691,102 | 48,642 |
| '86-87 | 596,636 | 10,255 | 41,372,482 | 629,870 | 3,743,557 | 53,952 |
| '87-88 | 561,383 | 9,828 | 37,244,119 | 465,515 | 3,590,079 | 36,663 |
| '88-89 | 434,094 | 9,579 | 28,454,370 | 367,532 | 2,769,306 | 31,012 |
| '89-90 | 511,653 | 8,154 | 34,893,127 | 409,202 | 3,173,679 | 33,244 |
| '90-91 | - | 8,020 | 38,000,000 | 470,000 | 3,772,000 | 38,362 |

(source: Ingenio Quesería, S.A. de C.V., *Manual Azucarera, Estadísticas Azucareras, 1985-1991*; *Diario El Independiente* 1991b)

The reduction in producers, hectares of cane, and sugar produced contributes to an incipient transformation in the nature of productive activity in the zone of Ingenio Quesería. A cañera in the research village described the general wane of economic activity:

Now many have let cows into the cane or the cañeros sell the cane for pasture. Before, in these times, many people from Guerrero were seen. They took and brought truckloads of them and the trucks didn't stop to sleep, carrying cane and passing collectors up there above Ocotillo. In the sugar mill were seen the long lines, waiting for the cutters to be paid. Now everything seems lonely, no longer is there movement of people and money. Now, here, no one works in the harvest, since they no longer pay and there are many without work. No longer do you see so many indians working. Everything has been falling down, since the sale of the sugar mill. One sees less movement of money, of

work, of workers, of cane lifters, of trucks, of cutters, of everything. If it continues like this, the sugar mill is going to end, and things here are going to be more difficult.

Peasants provide unending commentary on the abandonment of cane in the region:

No longer is the cane seen. The biggest cañeros have quit. What of the little ones? Worse.

Now one sees less cane, now there are cows and before, there were pure cane fields.

Before, they abandoned the maize to plant cane. Now many are abandoning the cane.

This chapter has presented the policy of the privatized sugar mill, which aims to reproduce and transform the relations of production through expansion of cane lands, concentration of land, new varieties to increase yields, stricter labor requirements, and redirection of credit to more productive producers. Contradictions were shown to be apparent, however, in the lack of investment in the infrastructure of the mill, inability to process all cane in the zone, and declining efficiency in the factory. Field relations under privatization result in a double exploitation of migrant cutters, who work at wages that undercut local wages, and thus contribute to underemployment among local wage laborers. The pre- and post-privatization phases were compared to demonstrate an overall decline in tons of cane harvested and tons of sugar produced. While the sugar mill benefits from the sale of sugar and its byproducts, and imposes discounts that reduce profitability for cañeros, the state's continued control on the price of cane and inflationary production costs have contributed to increasing debt among cañeros of the zone.

Contesting ideologies are present in the devaluation of peasant knowledge by mill personnel and the acute wrath toward the privatized mill, which is generalized among cañeros of the zone. Under the neoliberal program, the mill has utilized means to increase its appropriation of surplus value from peasant producers; given this context,

peasant evaluation of the privatization of Ingenio Queserfa is predominantly negative. They view the privatized mill as more exploitative than when it was under state control, linking the crisis of the sugar sector to the sale of the mill. Given the limited gains of collective mobilization, many have chosen a strategy which is within their power--the abandonment of sugar cane.

The dynamics of socioeconomic change in the region of Ingenio Queserfa are conditioned by internationalization of the agroindustry, substantive restructuring of the relations of production, state control of prices and credit, soaring costs of production, increasing debt, and the failure of private capital to rejuvenate the sugar industry. However, rooted in these transformative processes are dialectical forces which challenge the emerging structure through collective mobilization (Chapter VII) and individual strategies of resistance, the subject of the next chapter.

IX. THE LOCAL CONTEXT OF REPRIVATIZATION

This chapter turns its attention to the local dimensions of the transformative processes discussed in Chapter VIII. Theoretical concerns with the forms of production and the production and reproduction of the peasant household, as well as issues of resistance discussed in Chapter II are brought to bear on analysis of the local context. The chapter commences with the peasant community, presenting results of analysis on the sample members' assessment of their changing economic status, and analyzes household economic data to make distinctions among different sectors of the peasant population, particularly as they relate to cañeros, versus non-cañeros.

A concern of this chapter is the degree to which peasant households are able to reproduce themselves and/or accumulate wealth. Simple reproduction implies that the household merely provides for its own subsistence needs. Access to the means of production and changes in access to resources, production for use or sale, involvement in wage labor, and ability to accumulate net income are analyzed to arrive at conclusions about reproduction of the household unit. After a brief discussion of household economics and the forms of production present in the research communities, the chapter turns to transformations in the production system. An important issue is the degree to which the crisis in the sugar sector is contributing to changing production strategies; thus, this section will evaluate factors influencing production strategies, and provide a comparative analysis of the major crops in the production system and their contribution to production and reproduction of the peasant household. Finally, the chapter introduces the ideological matrix associated with cane production and identifies individual strategies

of resistance utilized by cane producers in the context of state withdrawal and reprivatization of the sugar industry.

The Peasant Community

The two research communities, Chiapa and Ocotillo (see Chapter IV), are highly differentiated according to land tenure and economic wealth. This section concerns itself with the question of whether distinctions can be made on the basis of cane production as an economic strategy. Based on the argument for an ideologically sensitive political economy, analysis requires attention to socio-political and ideological underpinnings, as well as material conditions that are transforming the ability of cañeros to produce and reproduce their means of livelihood. The sampled informants' own evaluations and their commentaries are first presented, followed by household economic data, in order to assess the degree to which cañeros in the community may be differentially affected by transformations in the sugar sector. Questions asked of informants concerned their quality of life, relative economic position, and ability to improve that position.

Almost all peasants recognize marked economic differences among villagers. A total of 71.1% (n=97) stated that there is "much difference" in economic status within the village, 19.6% said there was "some difference", and 9.3% said "all are equal". The same question in 1984 resulted in responses of 60.6%, 15.2%, and 24.2% (n=33), respectively. Community consensus holds that differentiation is greater today than five years ago. Members of the sample rated their quality of life on a scale of 1-5; the majority rated their life "average". What is striking are the differences in the way peasants evaluate their quality of life over a period of years:

Table 36. Quality of Life.

| | 1991 | | 1984 | |
|------------------|--------------------|----------------|--------------------|----------------|
| | Non-cañeros | Cañeros | Non-cañeros | Cañeros |
| | (n=66) | (n=31) | (n=20) | (n=13) |
| Very good | - | - | 25.0% | 46.2% |
| Good | 6.1% | 12.9% | 15.0% | 23.1% |
| Average | 72.7% | 80.6% | 35.0% | 23.1% |
| Bad | 18.2% | 6.5% | 15.0% | 7.7% |
| Very bad | 3.0% | - | 10.0% | - |

In 1984, almost half of the cañeros claimed their life to be "very good", and almost one-fourth, "average". More recently, none ranked their life as "very good", and over 80% regarded it as "average". There was a decided drop in the number of non-cañeros who ranked their life "very good" or "good". Cañeros gave higher ratings than non-cañeros in 1984, but by 1990 the differences between these two groups were no longer as pronounced. When asked to rank their relative economic position vis-à-vis others in the village, more cañeros categorized themselves "better" in 1984; in 1991, more non-cañeros classified themselves as "better". While in 1984, no cañeros classified themselves as "worse", in 1991, 38.5% of them did so:

Table 37. Relative Economic position.

| | 1991 | | 1984 | |
|---------------|-------------------|---------------|-------------------|---------------|
| | Non-cañero | Cañero | Non-cañero | Cañero |
| | (n=69) | (n=31) | (n=20) | (n=13) |
| Better | 43.5% | 41.9% | 25.0% | 30.8% |
| Same | 15.9% | 22.6% | 55.0% | 69.2% |
| Worse | 40.6% | 38.5% | 20.0 | - |

Again, differences between cañeros and non-cañeros had evened out over time. Much of the blame for the declining economic position of peasants is placed on the government:

The government does not help very well and the crisis is very strong, it is very hard. One gets out only enough to eat. The government promises one thing and it does not comply. Instead of walking, we are crawling.

The government does not support us. The maize that we plant, never do they pay well for it. At first they say, when we are going to plant, that it is going to be at a price. Afterwards, they pay for it almost as if we gave it for free.

It is not a question of the peasant, it is all the government; the government should give value to the products and not charge so much interest.

The peasant can't do anything because the government, instead of helping him, puts the noose around his neck so that he does not advance.

It is really a thing of the government. The peasant, they should give him more support because we give what is most important--life, food, and it is he that they screw most, the peasant.

I am going to speak clearly. The government does not help us. We are in debt. There is no work. There is no labor. Not even for the *milpa* (corn field), there is no insurance. The fertilizer, high, expensive--more than \$300,000 a ton. We lost the camotes. One has no hope. It is hard. Instead of helping us, the government is fucking us.

These comments reveal the despair concerning state retraction and lack of support for the peasant sector. The government's inattention to peasants evokes a deep sense of injustice, since they provide the subsistence for the entire nation, yet are the most exploited:

The only problem is that the none of the products have value and it is a benefit for the whole country. One wants to produce for the country, for his family, but it isn't worth anything--one is bankrupt. You have already seen the cane fields. In not one product is any money left over. The maize is worthless; the camote, also. One has debts, obligations.

All of us cañeros are thinking that it is not possible that we have the lands in order to produce debts that drown us. We have the lands to produce food for the whole republic, not just for ourselves. We are important because we are the ones that feed those who do not make the land produce. For the same [reason], we ought to leave something for the sustenance of our family.

The work of the peasant has no value. He cannot cover his costs. One soft drink is worth more than two kilos of maize, and it is better to give maize to your family than sugar water.

Many leave to work in the United States. The country here, it no longer gives even enough to eat.

The salary gives only enough to half-way eat. For everyone in or outside of the ejido, it is the same problem. We have no centavos. We plant with the illusion of hope. We spend a million, and we have another debt--it is very difficult for us.

The maize has no value and it is the only thing that provides. Thus, no one wants to plant only to go in debt. We all think of the crisis. We know that the crisis will not end while the government is the PRI.

All the peasants here dedicate themselves to planting maize, and this does not pay them. The fertilizers, herbicides, really expensive, and the maize, cheap. [We are] only getting enough to half-way eat.

The production of the country has had no result. Now no one is going to plant this year. Not because the land does not produce; but for the bad balance of costs and expenses.

A major shift has occurred in the way peasants see their opportunity to improve. The majority (72.7%) in 1984 stated that their capacity to improve was "average"; the proportion who replied to this question in 1991 was reduced to 43.3%. In 1984, the difference in the way cañeros and non-cañeros answered this question was statistically significant; but in 1991, the group means are almost identical (1=very good, 5=very bad):

Table 38. Opportunity to Improve.

| | 1991 | | 1984 | |
|-----------------|--------------------|----------------|--------------------|-----------------|
| | Non-Cañeros | Cañeros | Non-Cañeros | Cañeros |
| | (n=66) | (n=31) | (n=20) | (n=13) |
| Good | 6.1% | - | 10.0% | 30.8% |
| Average | 36.4% | 54.8% | 75.0% | 69.2% |
| Bad | 30.3% | 29.0% | 15.0% | - |
| Very bad | 27.3% | 16.1% | - | - |
| Mean | 3.79 | 3.61 | 3.05 | 2.69 |
| | | | | (t=2.01, p=.05) |

All cañeros in the research sample have access to ejido land. The ejido serves as an institutional unit which differentiates landed and landless peasants--explicitly stated by one peasant: "There are two classes of people: ejidatario and neighbor". The latter are

those without ejidal parcels, and generally, worse off economically. As changing material conditions affect all peasants, whether landed or landless, peasant discourse continues to reveal the more advantageous position of ejidatarios:

For us, there are no programs, nothing. The ejido advances a little more because for them, the government supports them more with fertilizers, herbicides, and loans from the bank. For the landless peasants, no help.

Only they [the ejidatarios] improve. They organize. They are left with money. They are the ones that benefit.

For the ejidatarios, yes, [the ejido] serves them because for them, they are given attention. Since they have a parcela, they give them cattle credit, and the government supports them.

Ideologically, economic differences among community members are seen to be great, but is there empirical evidence that these notions are manifested materially? Net annual income (total household income - expenses) for the sample results in a bi-modal distribution for the villages, providing evidence for marked economic inequality:

Table 39. Net Household Income, 1990-91 (n=100)
(overall mean = +\$722,052 pesos).

| | |
|------------------------------|-----|
| over -\$10,000,000 | 7% |
| -\$5,000,000 to -\$9,999,999 | 38% |
| \$0 to +\$999 | 18% |
| +\$1,000,000 to +\$9,999,999 | 28% |
| over +\$10,000,000 | 9% |

Differentiation among ejidatarios and landless peasants has always marked peasant communities. The primary interest of this investigation is the economic differences between cañeros and non-cañeros. Significant differences occur between cañeros and non-cañeros in their ability to accumulate material wealth. Using an index developed as

a measure of material wealth⁹⁶, the mean per household (n=100) was \$73,865,516 pesos. A breakdown into categories illustrates the degree of differentiation on the basis of material wealth:

Table 40. Index of Material Wealth (n=100).

| | <u>Percent</u> | <u>Non-Cañero</u> | <u>Cañero</u> |
|---------------------|----------------|-------------------|---------------|
| Below \$50,000,000 | 50% | 58.2% | 33.3% |
| \$ 50- 99,000,000 | 26% | 23.9% | 30.3% |
| \$100-149,000,000 | 15% | 13.4% | 18.2% |
| \$150-199,000,000 | 4% | 3.0% | 6.1% |
| \$200-249,000,000 | 1% | 1.5% | - |
| \$250-299,000,000 | 1% | - | 3.0% |
| \$350-399,000,000 | 1% | - | 3.0% |
| Above \$400,000,000 | 2% | - | 6.1% |

A t-test gives a statistically significant difference for the two group means--\$56,717,875 for non-cañeros and \$108,682,455 for cañeros ($t=-2.51$, $p=.016$). This difference, it will be argued, although it continues to serve as an element of stratification, is more indicative of the past relative advantage of cañeros, since most of this material wealth was accumulated before the onset of the crisis in the cane sector. Fewer houses, a major component of the index, were built in the last five years than previously. Out of nine houses in the sample built in the past 10 years, only three were constructed within the past 3-5 years, and the remaining between 5-10 years ago. Houses (or additional rooms) in the villages are frequently constructed with remittances from the U.S.

Increasing debt has forced many to migrate to the U.S. Nearly half of the adult

⁹⁶This index is not meant as an exact measurement of material wealth, but approximates the value of goods for comparative purposes. It is based on the value of the house, major household possessions, vehicles, animals, and so forth. Estimates of the average values in 1991 were obtained from SEDUE, local furniture stores, and knowledgeable informants. The same amount was applied to each item owned, and the values cumulated for each household.

offspring migrate to the U.S. Remittances constitute an important source of revenue for the purchase of material goods. An informant clarified this point, "No one has money to do things in their own interest and the village does not advance, nor the people. Some, yes, they rise up because they work on the other side [the U.S.]. They go north and get enough to live better". Eighteen percent of sample members reported on how they spent remittances, which averaged \$2,943,889 pesos, and ranged from \$100,000-\$24,000,000 pesos. Remittances were channeled to the following sources:

| | <u>% of Peasants</u> |
|-------------------------|----------------------|
| Food/household expenses | 83.3% |
| Build house/room | 55.6% |
| Household furnishings | 33.3% |
| Clothes | 22.2% |
| Fiesta | 5.6% |
| Care of grandchildren | 5.6% |
| Pay debts | 5.6% |

It became clear in collecting these data that families which had previously spent remittances on improving their homes and the purchase of refrigerators, stoves, televisions, and so forth, were utilizing these funds to a greater extent for reproduction of the household (largely food) in 1991. Remittances accounted for 23.11% of the total income among 17 informants. Contrary to expectation, there is little difference between cañeros (25.23%, n=9) and non-cañeros (24.08%, n=8) on the contribution of remittances to income. Poorer cañeros have a greater migration rate; 70% of those who had migrated to the U.S. experienced cane debts in 1991, as opposed to 30% of those who had received profits from cane. Overall, remittances tend to be small and infrequent. An informant who received only \$100 from his son in one year, and nothing from his three daughters who are in the U.S., retorted, "It is like the burro played the flute".

Household Production and Reproduction

The Peasant Household

The household, for analytic purposes, is defined as all those who are cohabiting in the residence, including persons who lack consanguineal or affinal relationship to the household head. Interviews, for the purpose of data gathering, were conducted with the person identified as the household head by the census. Exceptions are data gathered on household budgets, in which case, the most knowledgeable person--usually the woman--was interviewed. Since few women are directly involved in agriculture, most informants were males, although occasionally, female gender and household head coincided (most census data--collected before selection of the sample--was gathered from women).

On the average, household heads in the sample contributed 77.4% of all household income (n=90) in 1990-91. In those households where the head had a net deficit (n=10), their losses were equivalent to 81.9% of the total household income. The household head worked at a secondary, non-agricultural occupation in 24 cases,⁹⁷ contributing an average of 76.9% of the total income (based on data for 17 cases). Wage labor comprised 77.26% of total household earnings in over half of the households (n=51). Of the latter, 79.3%, on the average, is from wage work in agriculture. Thus, the household head is a major contributor to family income. Their earnings, however, are highly dependent on supplementing agricultural activities with waged, non-agricultural labor.

Among households of the sample, 38% of families depend on the labor of sons and daughters. Their contribution makes up 31.1% of family income. Spouses contributed to net income in 10 households, the mean being 38% of total income. Thirty-five households supplement their family incomes by providing various services. These are

⁹⁷Non-agricultural jobs included: brick mason, construction, salt mines, fence building, government office, watchman, chauffeur, vendor, and weaving chairs.

primarily the contribution of women, who add 15.6% to family income, on the average, providing services such as: selling snacks, soft drinks, food, or meals (21.5%); making crafts such as doilies, embroidered napkins or pillow cases (15.4%); sewing, washing, or ironing (9.2%); operating a small store in the home (6.2%); selling clothing or shoes (4.6%); beautician (3.1%); and other activities (midwife, selling small animals, delivering mail, babysitting, holding raffles, selling beer at the plaza de torros (one case each)). These data demonstrate the substantial supplementary income, apart from the primary provider's agricultural earnings, that contribute to the economic viability of these rural families. The multiplex division of labor within the household thus complements the forms of production, which contribute to the economic base of peasant households.

Forms of Production

Peasant households in the research communities are complexly organized into a variety of forms of production, based on differential access to land and multiplex production strategies, aimed at reproduction of the household unit, as well as production for profit. This complexity is reflected in the makeup of the sample, discussed in Chapter IV. A few producers hold privately-owned land, thus are relatively free of external controls, yet subject to foreclosure if they are unable to cover their debts. Ejidatarios, who have usufruct rights, to date have had protection from the risk of confiscation of their property, but remain subject to powerful controls by the state, the sugar mill, BANRURAL, CONASUPO, SARH, SRA, and so forth. Some choose to rent out their land, rather than work it themselves. Rental of ejido parcels is frequent in Ocotillo, where nine ejidatarios rent 49.3 hectares of cane land to three persons: two private landowners from outside the village and one local ejidatario. Seven of these renters are women, one of the men suffers rheumatism, and the other is an alcoholic. The dominance of wealthy and powerful private landowners in the region, who live outside of the villages, is present in this community where one person rents seven of the

parcelas.⁹⁸

Arrendatarios (land renters) enjoy the advantage of disposing of products and profits as they see fit, but must pay the cost of high land rents. *Medieros* (sharecroppers) can evade this monetary fund of rent, but must sacrifice through payment in kind (generally one-half of the harvest). Many of these forms for organizing the peasant household incorporate a multiplicity of strategies, as well as wage labor. To speak of "peasant" as a unitary entity is, thus, erroneous.

The various forms of production that can be identified within the research communities are neither "types", nor are they static entities. They are systems in a dynamic process of change. Several general trends may be delineated, however. The predominance of cane (n=29 *cañeros*) and cattle production (n=37 *ganaderos*) is almost an exclusive domain of ejidatarios, *propietarios* (private landowners), or *agricultores* (those with access to land, i.g., through a spouse or relative). Only one arrendatario engages in cattle and cane production. Most ejidatarios (62%) combine cultivating their own parcelas with renting, sharecropping, and wage labor. Whereas 22% of ejidatarios (n=50) are forced to supplement their income with wage labor, this proportion increases to 95% of all arrendatarios and medieros (n=40).

Production systems within the region are complex, yet reflective of this differentiation. Each different production strategy utilized by peasants involves a unique mix of crops and/or pasture. For 1990-91, a total of 32 different productive strategies, utilized by 92 producers, can be identified for the two research communities, whereas in 1985-86, 19 different strategies can be identified, among 52 producers. These shifts in the number and type of strategies indicate an increasing diversification of the

⁹⁸The data cited above are for 1990-91 only. In other years, between 12-14 parcelas (averaging 91.5 hectares) have been rented out, generally to the same four private landowners, although three rented only one cane field each, while the other rented the remainder.

production system over the five-year period. The mean number of different crops and/or cattle produced by sample members was:

| | |
|---------|-------|
| 1985-86 | 2.196 |
| 1989-90 | 2.745 |
| 1990-91 | 2.922 |

Sugar cane is a component in 38% of the of the 32 strategies in 1990-91, yet never occurs alone. It is most often associated with cattle and/or maize production. Cattle is a component in 63% of the strategies, yet only 3% of the producers dedicate themselves solely to cattle raising; it is frequently associated with cane or maize. Maize, a component in 72% of the strategies, is the only crop that occurs alone to a significant degree. One-fourth of the producers cultivate only maize, yet it is highly associated with cattle production when it is not grown as a monocrop. Both of these phenomena--monocropping of maize and combining maize with cattle raising--have increased over the past five years. None of the other crops (camote, jícama, beans, tomatoes) form exclusive components of the production system, occurring in a myriad of combinations, involving anywhere up to five crops within any one strategy.

The single most prevalent production strategy in 1985-86 was a combination of maize and cane (15.39% of producers), followed by cattle-raising and maize (9.62%), then cane and pasture (5.77%). Cane was a single crop strategy for 7.69% of producers in that year; cattle raising also occurred alone in 7.69% of cases and maize in 5.8%--all other crops were grown in combination. By 1990-91, cane was always associated with other crops; maize (25% of producers), pasture (3.26%), and jicama (1.09%) were the only strategies practiced alone. Monocrop production of maize was the most numerous among the production strategies, followed by a combination of pasture and maize (9.78%) and cane/pasture/maize (9.78%). These changes in production strategies from 1985-85 to 1990-91 are indicative of important transformations in the system of production.

Transformations in the Production System

Analysis of the local production system takes into consideration the different forms of peasant production, changing land tenure and use, economic constraints and opportunities that affect cropping strategies, sociopolitical factors of peasant organization, policies of agrarian institutions, the nature of agroindustrial development, and the dynamic interaction of all of these forces. These provide the context within which peasants make decisions in regard to resource allocation and select cropping strategies to deal with economic uncertainty. Decisions at the household level, as producers adapt to increasing risk, are transforming the production system. This section provides detailed analysis of changes in production strategies, changes in land use, and the factors that influence these changes. Comparative analysis of the costs of production, net outcome, and contribution of the different crops to household income situates cane production within the larger system of production.

Changing Production Strategies

Important shifts in land use have occurred since 1985-86. As sugar cane has been taken out of production, the majority of this land has been diverted to maize and pasture (see Table 41 on pages 285-286). The amount of land, number of producers, and proportion of land dedicated to cane has decreased since 1985. While the proportion of land dedicated to cattle raising increased between 1985-86 and 1989-90, the proportion of ganaderos did not change substantially; this trend is attributable more to extension of grazing lands, than to the entry of new ganaderos. Maize shows the most marked increase in proportion of land and producers from the mid 1980s to the 1990s. This change is related primarily to a greater number of producers cultivating maize. There is a trend for fewer peasants to select camote, but those producers dedicate a greater proportion of their land to the crop.

Taking just ejidatarios, propietarios, and agricultores (1985 data were not gathered

Table 41. Changes in Production Strategies, 1986-1991.

| | <u>1990-91</u> | <u>1989-90</u> | <u>1985-86</u> |
|-----------------------|----------------|----------------|----------------|
| Total hectares | (1014.98 has.) | (997.74 has.) | (636.52 has.) |
| Cane | (n=28) | (n=32) | (n=33) |
| Has. | 168.68 | 213.84 | 228.02 |
| Mean Has. | 6.02 | 6.68 | 6.91 |
| % Total Crop Land | 16.62% | 21.43% | 35.82% |
| Mean % per Producer | 30.7% | 36.3% | 53.5% |
| % of Producers | 30.5% | 35.6% | 64.7% |
| Pasture | (n=50) | (n=42) | (n=29) |
| Has. | 467.50 | 372.00 | 267.50 |
| Mean Has. | 9.35 | 8.86 | 9.22 |
| % Total Crop Land | 46.06% | 37.28% | 42.03% |
| Mean % per Producer | 53.6% | 50.4% | 57.2% |
| % of Producers | 54.4% | 46.7% | 56.9% |
| Maize | (n=79) | (n=80) | (n=29) |
| Has. | 272.70 | 321.90 | 104.50 |
| Mean Has. | 3.45 | 4.02 | 3.60 |
| % Total Crop Land | 26.87% | 32.26% | 16.42% |
| Mean % per Producer | 56.6% | 60.6% | 44.7% |
| % of Producers | 85.9% | 88.9% | 29.4% |
| Canote | (n=21) | (n=26) | (n=15) |
| Has. | 62.50 | 71.50 | 30.00 |
| Mean Has. | 2.98 | 2.75 | 2.00 |
| % Total Crop Land | 6.16% | 7.17% | 4.71% |
| Mean % per Producer | 26.9% | 23.5% | 14.7% |
| % of Producers | 22.8% | 28.9% | 29.4% |
| Jicama | (n=12) | (n=8) | (n=2) |
| Has. | 8.40 | 4.00 | 2.50 |
| Mean Has. | .70 | .50 | 1.25 |
| % Total Crop Land | .83% | .40% | .39% |
| Mean % per Producer | 20.6% | 12.1% | 19.2% |
| % of Producers | 13.0% | 8.9% | 3.9% |

Table 41 (cont'd).⁹⁹

| | <u>1990-91</u> | <u>1989-90</u> | <u>1985-86</u> |
|---------------------|----------------|----------------|----------------|
| Tomato | (n=14) | (n=6) | (n=2) |
| Has. | 22.10 | 13.50 | 2.50 |
| Mean Has. | 1.58 | 2.25 | 1.25 |
| % Total Crop Land | 2.18% | 1.35% | .39% |
| Mean % per Producer | 19.4% | 25.7% | 46.4% |
| % of Producers | 15.2% | 6.7% | 3.9% |
| Beans | (n=11) | (n=2) | (n=2) |
| Has. | 13.10 | 1.00 | 1.50 |
| Mean Has. | 1.19 | .50 | .75 |
| % Total Crop Land | 1.29% | .10% | .24% |
| Mean % per Producer | 9.4% | 4.4% | 10.3% |
| % of Producers | 12.0% | 2.2% | 3.9% |

on other peasants), the net changes in hectares from 1985-86 to 1990-91 were:

| | |
|---------|--------------|
| cane | - 59.34 has. |
| jícama | + 1.50 has. |
| beans | + 8.00 has. |
| camote | +15.50 has. |
| tomato | +15.50 has. |
| maize | +72.80 has. |
| pasture | +157.00 has. |

Slight increases in the production of more minor crops, such as jícama, tomato, and beans are noted. Reconversion of 59.34 hectares of former cane land to new productive uses is documented:

| | |
|----------------|------------------|
| pasture | 30.60 has. |
| camote | 11.05 has. |
| maize | 9.10 has. |
| non-cultivated | 6.59 has. |
| tomato | 1.00 has. |
| <u>beans</u> | <u>1.00 has.</u> |
| total | 59.34 |

⁹⁹The 1985-86 data include only landholding peasants because renters and sharecroppers had difficulty recalling these data. Data for this year, with the exception of sugar cane, do not reflect the total sample, thus percentages, rather than actual numbers are more relevant for interpretation.

The following charts place these shifts in production strategies into perspective:

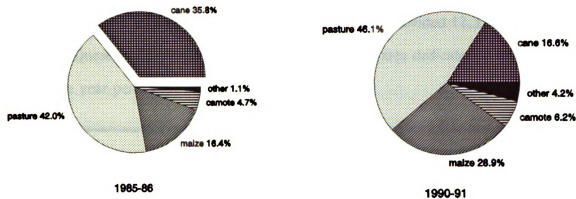


Figure 8. Changes in Land Use.

Shifting cropping strategies are clearly influenced by low market prices, soaring costs of production, tightening access to credit, and generalized insolvency among peasant producers. The immediate concern of peasants is with household security. One peasant explained:

The harvest has no value. The country does not provide, but we have to work, we plant out of obligation. A person that is malnourished has no desire to work; then, how are we going to work? The maize ends up cheaper buying it than planting it. The government raises the fertilizer and the herbicides on us and the costs of food increase. This is the most grave problem that we have in life. I blame the government; it should maintain the price for the crops.

Lack of profitability has forced peasants who formerly sold their crops on the market into subsistence production for family needs. As land is withdrawn from cane production, there is a trend toward increased production of cattle on the part of those with access to credit, and a withdrawal into subsistence production of maize on the part of peasants with limited resources. A peasant in the latter position told the researcher, "It is difficult because there is no longer any result. I have tried everything. I am no

longer going to plant, only [enough] to eat".

The dynamics of shifts in production strategies indicate the role of sugar cane in the diversification of the production system. The two research communities had 35 cañeros in 1991, working a total of 222 hectares of cane land, and provided 12,323 tons of cane to Ingenio Queserfa. A substantial decline in cañeros and area dedicated to cane is noted over a five year period:

Table 42. Cane Producers, Hectares and Tons of Cane, 1986-1991.¹⁰⁰

| | <u>Producers</u> | <u>Has. Cane</u> | <u>Tons Cane</u> |
|------|------------------|------------------|------------------|
| 1986 | 36 | 296.7 | 14,950 |
| 1987 | 25 | 209.0 | 12,455 |
| 1988 | 30 | 202.1 | 9,348 |
| 1989 | 19 | 128.1 | 4,001 |
| 1990 | 22 | 165.9 | 7,030 |
| 1991 | 30 | 196.2 | 12,323 |

(source: Ingenio Queserfa, S.A. de C.V.)

Abandonment of cane is a driving force in the diversification of the production system. An important dimension of this process is the nature of abandonment. Seven cañeros of the two villages have completely abandoned cane since 1985. The decrease in actual number of producers is less significant than the decline in number of hectares--79.84 hectares--from 358.45 in 1985-86 to 278.61 in 1990-91. The mean hectares per cañero dropped an average of 1.66 hectares per producer, from 10.95 in 1985-86 to 9.29 in 1990-91 (Appendix E lists the number of hectares for each cañero over a six year period). The strategy to reduce the number of hectares of cane is addressed in the

¹⁰⁰Two of these "producers" are collective groups comprised of 60 members who jointly work these units of cane land. Each ejido also has a parcela escolar, counted as one producer, for the benefit of the village schools. The number of producers reported does not reflect the total number of producers in the two villages because in some years, cane is not delivered, and occasionally, the data are missing. The number of hectares reported here includes ejido land only, because cane from private property is tabulated separately by the sugar mill. Tons of cane are from ejido land only.

section on strategies of resistance.

Factors Influencing Production Strategies

Having documented shifts in production strategies, analysis will now turn to the contributive factors, including producers' own ideological understandings and rationale for these changes, peasant identification of key agricultural problems, and discussion of official agencies through which peasants must gain access to productive resources. Peasants of the sample were asked to identify their most important crop; their replies differed markedly from 1984:

Table 43. Most Important Crop.

| | <u>1991</u> | <u>1984</u> |
|-----------------|-------------|-------------|
| | (n=99) | (n=15) |
| None | 32.61% | 0% |
| Only grow maize | 19.57% | n.a. |
| Cattle | 17.39% | n.a. |
| Jícama | 16.30% | 6.7% |
| Camote | 8.70% | 33.3% |
| Maize | 3.26% | 20.0% |
| Tomatoes | 2.17% | 0% |
| Cane | 1.01% | 46.7% |

The most striking difference is that in 1984, almost half of the respondents identified sugar cane as the most important crop; by 1991, almost one-third claimed there is *no* crop that is profitable and only one of the 100 sample members named cane as their most important crop. Political and economic factors that generated transformations within the sugar sector have led peasants to reformulate the ideological underpinnings of sugar cane production. During the 1984 field season, peasants expounded on the benefits of cane production--the sugar mill provides credit, advance payments, loans, fertilizer, machinery, and they reaped large profits. Since state retraction from the sector and privatization of the mill, literally all commentary about sugar cane is perversely negative.

As peasants discussed changes in production in the past five years, the most significant changes were couched in terms of increased costs, decreased profits, and rising debts. Changes in access to productive resources are having two major effects. One, peasants are utilizing fewer inputs (fertilizer, herbicides, etc.) to cut costs; this in turn, reduces yields. Second, they are cutting back on the number of hectares because of lack of resources to cultivate. Peasants projected cutting back 12.42% on hectares dedicated to cane, 22.67% on pasture, and 7.0% on maize for 1991. To reduce the product that is the staple of the Mexican diet suggests severe problems in regard to household reproduction.

As peasants cut back on the amount of maize they cultivate, a greater proportion of that maize is going for household consumption, rather than being commoditized in the market. On average, approximately 10% more of the maize produced is retained for household consumption:

Proportion of maize kept for family consumption

| | |
|---------|--------------|
| 1990-91 | 28.2% (n=61) |
| 1989-90 | 32.1% (n=76) |
| 1985-86 | 20.8% (n=20) |

A reduction in work was frequently mentioned as an important change that had occurred in recent years. For some, especially landowners, this was an advantage, since herbicides and mechanization had lightened their work load. But for others, renters, sharecroppers, and wage laborers had experienced cuts in needed work due to mechanization and the expansion of pasture lands, which require fewer hired hands. A number of peasants explained that, in response to high costs, they have been forced to cut back on production or to hire fewer wage laborers; this is a strategy used by many to cut costs. Some *jornaleros* (wage laborers) claim that they would work longer hours, but the landowners won't pay them for all day. Consequently, a few producers attempt to cultivate alone, or they employ their children in the fields, to cut the cost of wage

labor.

Fifty-seven percent of the sample ($n=100$) engage in wage labor; among these, 38% claim that their need to engage in wage labor has increased in the past five years, for 46% it has remained the same, and for 16%, it has decreased. By far, maize production allows for the greatest employment of wage labor, employing 78.26% of the 46 wage laborers for whom these data are available. Employment in maize is followed by camote (23.91%), cane (17.39%), cattle-raising (13.04%), tomatoes (10.87%), and jícama (8.70%). Wage laborers have less work since privatization of the mill, since the cane harvest is now providing fewer opportunities for local cutters, in favor of migrant cutters from other states. A number of peasants are being forced into non-agricultural labor (working in the salt mines along the coast has provided one alternative to migration to the U.S.).

Changes in land use not only affect the amount of wage labor jobs available, but also land available for landless peasants to cultivate. One person explained, "They are planting pasture in much of the land and now there is no longer work. This diminishes the production of maize and camote". Landless peasants claim that the expansion of cane in earlier years has made it more difficult to rent land to grow maize. Now that cane is being taken out of production and fields are converted to grazing cattle, it is equally difficult to gain access to land. In the words of one peasant, "Before, there was work for all the peasants, during the rains and the dry season--everyone worked in the country, even the women. The cane arrived and this work disappeared".

Wage labor is crucial to most peasant families--they can no longer rely on agriculture alone for reproduction of the household. Taking into consideration only those households ($n=73$) which experienced net earnings in 1990-91, only 41.2% of those earnings were agriculturally derived. In the 27 cases where the head incurred net losses, these were equivalent to 14.7% of the debt. The need to engage in wage labor is greater

for non-cañeros; 76% of non-cañeros (n=67) work for wages, and only 30% (n=33) of cañeros. This difference, however, is attributed to the fact of landownership, not production of cane. There is little difference in the proportion of total income that is contributed by wage labor--74.55% by non-cañeros and 77.81% by cañeros. Among cañeros, all those who work for wages, with one exception were among the cañeros who experienced debts or zero net earnings from cane in 1991.

The internal dynamics of household production and reproduction thus have been reorganized through changes in land use, crops produced, in dedication to use value or commodity production, in utilization of productive resources, and shifts in employment of and involvement in wage labor. These, in turn, are influenced by external factors that affect the agricultural sector. A portion of the interview was directed toward identification of impediments to agricultural production. The primary problem, mentioned by 70% of the sample members, was low prices for agricultural products and high costs for agricultural inputs such as fertilizer, herbicides, pesticides, implements, transport, land rent, and wage labor. Peasants point out decreased earnings which contribute to declining standards of living. Eight percent mentioned that they are now only subsisting and others claimed that they now eat less than before: "Now we eat less, instead of three meals, two".

Responses elicited in 1990 differ markedly from 1984, when 24.2% of a sample of 33 said that no problems existed for agricultural production:

Table 44. Identification of Agricultural Problems (percent that mentioned).

| <u>1990-91 (n=100)</u> | | <u>1984-85 (n=33)</u> | |
|------------------------|-----|-----------------------|-------|
| Price/costs | 70% | Credit | 27.3% |
| Barely subsist | 8% | No problems | 24.2% |
| Credit | 6% | Lack irrigation | 18.2% |
| Lack land | 5% | Marketing | 15.2% |
| Low productivity | 5% | Low productivity | 15.2% |
| Other | 6% | Lack land | 12.1% |
| | | Cane-related | 9.1% |
| | | Lack government aid | 6.1% |
| | | Lack technology | 6.1% |
| | | Low wages | 3.0% |
| | | Other | 6.0% |

The economic crisis has clearly refocused the concerns of peasant producers. Important constraints are lack of land and irrigation. Landless peasants often said that the only land they could rent or sharecrop was for maize production. Maize production has largely been affected by lack of market profitability. Thus, many peasants who formerly sold maize on the market now plant only enough maize to ensure auto-consumption. Beans, like corn, form a basic ingredient to the diet, but obtain a higher market price than maize. Many informants complain that with the economic crisis, they are forced to eat "pure beans". Neither camote nor jícama have guaranteed prices, are often affected by plagues, and markets for camote and jícama are extremely unstable--often flooded, thus production of these crops involves greater risk. Tomatoes are quite profitable, yet highly susceptible to plague, threatening the loss of substantial investment. Camote, jícama, tomato, and beans are neither subject to official credit, subsidized and controlled prices, nor official markets. Unlike crops, cattle raising offers the advantage of selling when the market price is high. Cattle production requires substantial infrastructural investments, thus access to credit is essential. Although this sector was the most lucrative five years ago, ganaderos are now often forced to sell all of their cattle

to pay their loans to BANRURAL. Cattle raising, however, remains a strong indicator of socioeconomic differentiation.

Investigation into access to production resources, as mediated through official institutions,¹⁰¹ further clarifies the strategies chosen by peasant producers. The major components of the production system--cane, cattle, and maize--all link peasants into a network of state-operated agrarian agencies, and therefore, into power relationships that transcend the local village. The role of each of these agencies--BANRURAL, ASEMEX, FERTIMEX, PRONASE, FIMAIA, SARH, CONASUPO, SRA, the Liga de Comunidades Agrarias, and Ingenio Quesería--in controlling access to credit, inputs, markets, land, and political power is briefly outlined, then evaluated by members of the sample.

Credit. One-half of the sample members (n=100) have never had access to bank credit, since BANRURAL gives loans only to ejidatarios (who make up 49% of the sample). Among those who have received credit, 51% report that access to credit is worse than five years ago. Criticism is leveled at high interest rates, late delivery of credit, failure to compensate peasants for crop losses (peasants were required to purchase crop insurance until 1990), and bank debts.

Cattle and maize are the only two strategies supported by BANRURAL in the research region (credit for camote was cancelled in 1984, when many were left with unpaid debts). Cattle raising receives broad governmental support, relative to other productive activities. While bank policy promotes cattle-raising, all but one of the ganaderos in Chiapa were deeply in debt and unable to repay their loans to BANRURAL in 1991.

While substantial loans are available for cattle raising, BANRURAL in 1990 denied

¹⁰¹Many of these institutions were restructured since the fieldwork, further diminishing peasants' access to productive resources. The discussion herein pertains to the ethnographic present.

maize producers in one of the research communities credit, due to outstanding loans. These cutbacks in credit and policy changes instituted by BANRURAL have led to a decline in production in the research communities. In 1990, 65 individuals from Ocotillo and Chiapa owed BANRURAL a total of \$137,294,400 pesos for maize and cattle credit; the mean is \$2,112,221.54 per person. This amount includes interest, which accounts for 67.73% of the capital (source: BANRURAL). While these debts are going unpaid, they are accruing high interest rates.

BANRURAL is cutting back on the number who will be subject to credit and preference is given to those producers with "productive potential". Each producer is extended 60% of the costs for maize production. For one hectare of maize, the costs, including credit, are \$2,200,000. The bank projects a profit of \$3,240,000 from the sale; theoretically, after deducting costs and repayment of the loan, the producer is left with a net profit of \$1,040,000. However, to achieve these results requires a yield of 4.5 tons per hectare--approximately 2 tons above the average yield in the area. The bank presumes ideal conditions. Assuming 2.5 tons per hectare, the sale price would be \$1,800,000, leaving a net loss of \$400,000 after deducting \$2,772,425 in costs. Nor do the bank's policies take into account the maize that will be utilized for family consumption, rather than sale. The BANRURAL official blamed peasants for inefficient production, failure to invest labor, and increasing costs by hiring wage labor. Credit is but one of the productive resources which has become increasingly scarce in recent years.

The discourse on BANRURAL illuminates common frustrations of peasant producers with the only credit institution available to them, outside of the sugar mill:

A friend lost more than \$4,000,000 in credit for cattle. They are going to the tomb with the cattle credit. Many spend the money and they can't pay the debt. In the ejido parcela, everything is disappearing and the debt is left.

One wants to make a big planting of maize, but one is preoccupied if he does

it with credit. You are left really obligated with the money, because the harvests are not sure. Better that I don't have anything to work with; with credit, I am never going to work. One is left indebted. Two years ago they offered credit and one was committed to the bank. But they didn't loan until I put up the mortgage of my little house in Colima. The bank does not pardon. The interest accumulates month by month. If you don't have anything to pay the bank, it takes away what you put up as guarantee. I got rid of the commitment and I did not return to deal with them.

Only twice was I helped by the insurance and I didn't like it because of the high interest. I paid and I did not return. Now, they send a notice that I owe \$400,000. I did not leave owing anything and I am not going to pay them anything. All this money goes into the pocket of the entrepreneurs. They begin to spend it on themselves, and the bills come saying I am short, and they say, "Now I will make these asshole ranchers cooperate", and they send someone to say that one owes. They are a bunch of scoundrels. One leaves ashamed, but it is he who maintains this whole bunch of lazy asses". When they give cattle credit to an ejidatario, in the simple view, he seems to have progressed, because he sees some calves. But the reality is another. One realizes that they are in debt down to the shoes, and what the cattle with the calves produced is not enough, nor what he spent to feed them; one loses everything. And this is progress?

Common to these discussions on BANRURAL is a sense of being exploited and of the resources of peasants being drained for the benefit of others. The problems associated with BANRURAL are closely tied to the government crop insurance institution, ASEMEX (formerly, the notorious ANAGSA). ANAGSA was publicly noted for corruption and scandal in handling crop insurance for peasants; it was dissolved in 1990. The new ASEMEX had recently formed at the time of the field research.

Crop insurance was mandatory to receive credit under ANAGSA; ASEMEX plans to cut back on the number of persons insured and will only insure crops that have already become established, since new crops are at greatest risk of loss. It will only insure crops at 70%, and cattle at 95%; however, it will no longer cover cattle that are stolen, or that jump the fence and are killed. ASEMEX defines three categories of potential clients: high risk insurees (Ocotillo and Chiapa fall into this category) who will pay a higher rate for insurance, medium risk (those with maize yields of 3 tons per hectare or greater), and low risk (those with access to irrigation). Insurance costs \$120,000 per hectare. If a

peasant reports crop damages of over 55% within four years, ASEMEX is no longer going to pay beyond this amount. When this information was conveyed at a community meeting, a peasant spoke up, "I don't see where is the solution". Another explained to the researcher:

Until now, they have had us with our feet up and our feet down. We lost. There is much corruption. They come to one who has losses and say that it is good. They report good crops as "bad" for bribes. Others have beautiful crops. They go to a barbecue, they give them a bottle, and they report losses.

Inputs. The largest complaint among producers is the rising cost of fertilizer. Almost one-third (30.1 %, n=93) state that access to fertilizer, herbicides, and pesticides is more difficult than five years ago. FERTIMEX is the Mexican company that produces fertilizer. Data were provided by FERTIMEX on the costs of fertilizer over time:

| <u>Cost of Urea per ton (in U.S. dollars)</u> | | |
|---|----------|----------|
| 1990 | \$167.23 | ↑ 53.53% |
| 1989 | \$108.92 | ↑ 4.58% |
| 1987 | \$104.15 | ↑ 50.31% |
| 1986 | \$ 69.29 | ↑ 12.76% |
| 1985 | \$ 61.45 | - |

The two major problems with fertilizer, according to informants, are the rising prices and untimely delivery:

In no moment does it help, the price went up to the sky.

[The credit] is delayed a lot; it is needed within 21 days, and it arrives late; they don't give all that is needed for the labor.

Previously, fertilizer was distributed through BANRURAL. Late delivery of credit often kept them from fertilizing their fields on time. Peasants are now given receipts to purchase it at warehouses. Fertilizer is also obtained by cañeros through the sugar mill. One cañero suspected irregularities: "The Triple is more expensive, but they don't give it--pure sulfate in the sugar mill. They are sacks of 50 kg., but they have 45-47 kg. From each one, they take a little bit, but to them, it is a lot".

The Mexican seed company, PRONASE, provides another important input to the

production process. Many who have experimented with improved seeds have done so with poor results. Not only is the cost beyond the means of many producers, but the quality of these seeds was in question:

Last year, I bought two bags of maize; they were nibbled. [Purchased seed] is hardly used, each one saves a part of the seed [from the harvest].

They only exploit one. The [purchased] seed costs three times as much, only to be painted.

They give a cat for a hare. It was painted maize; they take advantage of one.

Several peasants criticized the newer varieties, reporting that they were worse, did not yield as well, and that they had returned to the traditional *criollo* variety. The use of traditional varieties, set aside from each harvest is common; 45.6% (n=90) do not buy maize seed (this figure may represent under-reporting). Others combine traditional maize with purchased varieties. Among the 49 who do purchase seed, 22% said access to seed is worse than five years ago. Many complained of the increased cost of seed.

Mechanization. Production is still largely unmechanized in the region. Only 44.1% (n=93) of peasants use any type of mechanized equipment, including trucks for transportation. For 85 cases, 20% cultivate using only a *barretón* (digging stick); 74.1% use draft animals and a hand-held plow, and 1.1% use a combination of these. Among those who use mechanized equipment (generally tractors and trucks), 22.0% reported that their access to this equipment has worsened over the last five years. The rising cost of renting tractors and for transporting their crops was a common complaint.

Few producers in the research communities have benefitted from FIMAIA. One cañero obtained a truck to deliver sugar cane--with the understanding that it would benefit cañeros of the ejido. Many cañeros complain, however, that this individual charges high quotas to deliver cane, and that he uses the truck for his personal gain. Timely delivery of cane is crucial, since the mill will only accept cane within 72 hours of cutting. The poor distribution of transport vehicles for sugar cane has plagued the

region for many years.

Technical Assistance. The Secretaría de Agricultura y Recursos Hidráulicos (SARH) is highly centralized and powerful in matters pertaining to the agrarian sector. It oversees irrigation and technical aspects of production, making major decisions about projects, prices, and distribution of resources. It is respected among peasants for provision of irrigation water: SARH supplied half the funding for the dam that was under construction in 1991 and has assisted in the building of irrigation canals for the ejidos. Various peasants also recognized improvements instigated by SARH, such as derocking the soil, and planting of improved grazing pastures.

Forty hectares of Ejido Vicente Pinto are irrigated (each half receives irrigation in alternate years) and 60 hectares of Ejido Felipe Chávez.¹⁰² Each ejidatario has only one (Ocotillo) or two (Chiapa) hectares of irrigated land; arrendatarios and medieros are more likely to rent rainfed lands for their crops. Irrigation water derives from the river, Las Grullas, whose flow is controlled by a small dam to the north of the villages. This dam dates from 1921 and is in disrepair.¹⁰³ The irrigation canals which channel water to the fields were cemented shortly after the 1985 field research. The dam under construction in 1991 will irrigate only the southern portions of the two ejidos, thus water remains a scarce resource. The comisariados of each ejido are charged with regulating the distribution of irrigation waters, although peasants frequently complain that they do not receive their allotment, because other ejidatarios have paid bribes to receive more than their share.

Marketing. CONASUPO, the state-subsidized marketing institution, plays a double role in the research communities. First, it maintains a chain of peasant-operated, rural

¹⁰²Another 90 hectares receive irrigation, but are not classified as irrigated by SARH.

¹⁰³Ejido Vicente Pinto petitioned SARH in 1978 for rehabilitation of this dam. The project was approved, but never implemented.

outlet stores that sell basic products at guaranteed prices; these are being phased out with privatization. Today, most peasants claim that prices in the rural stores are higher than in the city markets. On the rural stores, one informant remarked, "They sell just as expensive, they only say it is CONASUPO".

Secondly, it purchases maize and beans from peasants, then warehouses and markets these products. Although CONASUPO offers a somewhat better price for maize (\$680,000 in 1990), it makes demands and applies discounts--policies which encourage peasants to sell to intermediaries (*acaparadores/coyotes*). Intermediaries were paying \$600,000 per ton in 1990. CONASUPO does not accept maize on the cob (*olote*); the *acaparadores* purchase it on the cob. CONASUPO discounts maize for a variety of conditions. Many complained that CONASUPO buys maize at \$600,000, then sells it for \$800,000. One person complained, "Now, it is not CONASUPO, it is *ROBASUPO*". Very few peasants sell their crop to CONASUPO, for reasons prolifically discussed during interviews:

For the maize, they discount the cob, the truck is in a line all day. They test the moisture and spoilage with tubes; they weigh 1/4 kilo and they count grain by grain. For moisture, they discount 5-10% per ton. CONASUPO does not buy the cob. Now some plant no more than for family use.

There are coyotes; they loan money for the harvest--CONASUPO, no.

For CONASUPO, it lacks much adaptation to the peasants. They have many weaknesses. It has not been able to get rid of the *coyotaje* because they give more facilities. A while back I went to CONASUPO and they wanted to discount me a lot. Thus I went with a coyote. Here, CONASUPO does not respond to our needs.

Land regulation. The Secretaría de la Reforma Agraria (SRA) concerns itself only with ejidatarios. Peasants without land remain estranged from the agency: "I don't know about [the SRA], it helps the ejidatarios"; "I don't have any benefit--it is for pure ejidatarios". It is perceived in ambivalent terms by landed peasants: on the one hand, they received their land and are administered through the SRA; on the other hand, the

SRA represents a bureaucracy that exerts control from beyond the village and it has failed to turn over lands to the ampliación already granted by presidential decree.

Members of the collective frequently complained of this irregularity:

It is treating us in the ampliación with pure deceit. We have no lawyer, but a rich one arrives with his money, and they make an *amparo*.¹⁰⁴ It is trampling the law of the Agrarian Reform. They don't deliver anything to us, it is only on the side of the rich.

We see and we feel that the person that is there supports the pequeña propiedad more than the ejido. They lie. The money [bribes] enters on the side of the pequeña propiedad.

Twenty-five years ago, I was involved in politics. All this I realized--lies, treason, pure deceit. The Agrarian Reform is to support the country; however, it is to the contrary.

Members of the ampliación held a very tenuous relationship to their land resources. Despite a presidential decree granting them land, wealthy landowners have paid bribes and taken legal action to prevent redistribution of their lands to the collective group. A much more sinister threat to the land base was under way at the close of the field season, however, as plans were being made in the national capital to privatize the ejido (the constitutional amendment to Article took effect on January 6, 1992). Once government regulation of agrarian reform land terminates, land may become an even scarcer resource.

Political Organization. The Liga de Comunidades Agrarias comprises the state-level political organization of the CNC. Few informants were closely involved in, or knowledgeable about the Liga. The institution evokes strong feelings of nationalism, however, exemplified in the discourse of the peasant who commented, "[The Liga] is the mother of all the ejidos. When we have a problem, we go to Mama Liga". More skeptical informants offered a different series of comments:

¹⁰⁴Amparo is a legal action, frequently used by wealthy landowners to block expropriation of their land for the benefit of ejidos.

In eight years, it has given nothing, since we received the land in the ampliación.

It is pure politics, it does not execute the law.

Political power is also a resource, yet one that offers limited access within the official institutions, such as the Liga. The leader of the Liga was highly criticized for his lack of support to cañeros in 1984, as they struggled for the freedom of the jailed union leader, Crecencio Nuñez (see Chapter VII).

Ingenio Quesería. The linkages between cañeros and the sugar mill have been closely examined; these include: total control of the mill over credit, inputs, mechanized equipment, harvest labor, technical assistance, the production and harvest schedule, and sale of the product. The mill is increasingly denying credit and enforcing new production demands, which place the burden of increasing productive efficiency on the producer. In turn, the mill has not modernized or improved the factory which ultimately determines the cañeros' economic outcome.

Given the dependency of peasants on an array of agrarian agencies for dealing with land disputes, irrigation and technical extension, credit, marketing, and agricultural inputs, informants (n=100) were asked to rate these agencies for how well they help peasants (5=very good, 4=good, 3=average, 2=bad, 1=very bad). These evaluations are graphed below; what is significant is that the institution with the very lowest rating is the sugar mill:

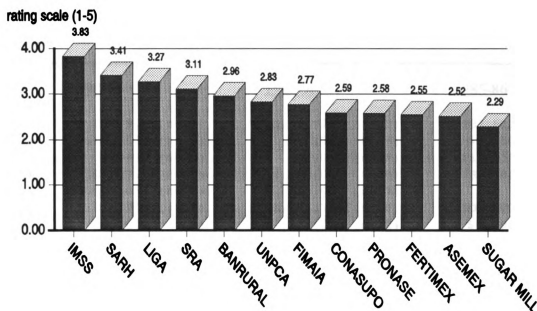


Figure 9. Peasant Evaluation of Agrarian Agencies.

The economic crisis has generated considerably more negative attitudes toward rural agencies, which are particularly sharpened against the privatized sugar mill. The depth and breadth of the crisis will now be shown through comparative analysis of costs of production, profits from sale, and debts incurred. The most relevant factors which diminish profits, and thus capital accumulation, are low prices and high costs of production. Of the seven major components of the production systems in the villages, the cost of cane was in third place in 1985-86, rose to the most expensive crop in 1989-90, and was surpassed only by jícama and tomatoes in 1990-91:

Table 45. Mean Costs of Production per Hectare (in pesos).

| | <u>1990-91</u> | <u>1989-90</u> | <u>1985-86</u> |
|---------------|--------------------|--------------------|------------------|
| Cane | \$2,177,973 (n=25) | \$1,515,287 (n=27) | \$181,613 (n=30) |
| Cattle | \$1,532,593 (n=37) | \$ 577,714 (n=28) | \$ 66,380 (n= 7) |
| Maize | \$ 792,487 (n=62) | \$ 548,845 (n=78) | \$115,719 (n=21) |
| Camote | \$1,592,929 (n=14) | \$1,292,005 (n=26) | \$337,180 (n=10) |
| Jicama | \$3,406,033 (n=10) | \$ 800,000 (n= 7) | - |
| Tomato | \$2,816,000 (n= 5) | \$1,504,762 (n= 5) | \$500,000 (n= 1) |
| Beans | \$ 801,000 (n= 5) | \$ 350,000 (n= 2) | \$ 50,000 (n= 7) |

How well each of these components contributes to net earnings, and thus production and reproduction of the household is assessed by subtracting costs from the price received for the harvest. Given the rate of inflation in Mexico during the years of concern, data are adjusted to the U.S. dollar to facilitate comparison:

Table 46. Average Net Earnings per Hectare (U.S. dollars).¹⁰⁵

| | <u>1990-91</u> | <u>1989-90</u> | <u>1985-86</u> |
|---------------|----------------|----------------|----------------|
| Cane | \$ 117.32 | -\$ 83.39 | \$169.78 |
| Cattle | \$ 334.14 | \$ 412.22 | \$616.20 |
| Maize | \$ 4.73 | -\$ 3.43 | \$258.58 |
| Camote | \$.20 | \$ 580.71 | \$ 1.97 |
| Jicama | \$ 47.40 | \$ 921.33 | - |
| Tomato | -\$722.67 | \$1082.82 | \$15,000 |
| Beans | -\$101.25 | \$ 17.39 | -\$250.00 |

Sugar cane evolved from the fourth most profitable crop in 1986 to the least profitable, with net losses of \$83.39 in 1990, taking second place in 1991, yet still below the net earnings of 1986. Cattle has provided a relatively high net income in most years,

¹⁰⁵The net earnings are given in U.S. dollars. The rate of exchange varies daily and increases throughout the year. For ease of calculation, an approximate exchange rate of \$200 to the dollar is used for 1985-86, \$2300 pesos to the dollar in 1989-90, and \$3000 pesos to the dollar for 1990-91.

yet earnings declined over the five year period. Earnings for maize, camote, and jícama are minimal, whereas tomato and beans are subject to net losses in 1991. Tomatoes, grown only by few producers, suffered heavy losses due to plague conditions. Clearly, as cane production becomes less economically viable, alternative production strategies aimed at commoditization are limited.

Costs relative to the value of the product (costs/gross profit) provide a comparative measure for discerning changes through time, without correcting for inflation. These costs have always been uncommonly high for sugar cane. In comparison with other crops, although sugar cane surpassed all other crops in 1985-86 and 1989-90, this was no longer true in 1990-91:

Table 47. Costs as a Proportion of the Value of the Crop.¹⁰⁶

| | <u>1990-91</u> | <u>1989-90</u> | <u>1985-86</u> |
|-----------------|----------------|----------------|----------------|
| Cane | 94.5% | 124.8% | 83.3% |
| Cattle | 69.5% | 42.3% | 45.1% |
| Maize | 72.4% | 82.2% | 73.9% |
| Camote | 183.4% | 114.6% | 64.2% |
| Jícama | 101.2% | 21.1% | - |
| Tomatoes | 494.4% | 39.4% | 14.3% |
| Beans | 69.5% | 104.2% | - |

Although a decrease in the costs of production as a proportion of the value of the product occurs for sugar cane, maize, and beans between 1989-90 and 1990-91, in every production strategy except maize, the ability to accumulate through commoditization has drastically dropped since 1985-86. Below, the four major components of the productive strategies present in the research communities--cane, cattle, maize, and camote--are compared by percentage changes in these data and in the proportion of producers whose

¹⁰⁶In the case of cattle raising, this value is represented by profits from the sale of meat and milk. The value of maize retained for household consumption is included with proceeds from sale.

costs were equal to or exceeded the value of the product:

Table 48. Percent Change in Costs as a Proportion of the Value of the Crop, 1985-86 to 1990-91.

| | <u>Costs/Value</u> | <u>% Producers With Costs \geq Value</u> |
|---------------|--------------------|---|
| Cane | + 11.2% | ↑ 46.7% |
| Cattle | + 24.4% | ↓ 5.2% |
| Maize | - 1.5% | ↑ 10.7% |
| Camote | +119.2% | ↑ 10.8% |

Despite some overall improvement in cane earnings for 1990-91, 60% of cañeros experienced costs greater than the value of their crop; only the three tomato producers--all of whom suffered losses, exceed this figure. In 1989-90, 86.2% of cañeros had costs greater than the value of their crop; with the exception of tomatoes in 1990-91, no other crop, in any of the three years compared, has left more than 50% of its producers with costs that exceed the value of the crop. The proportion of producers with costs greater than the value of the crop is the lowest (13.3%) among cane producers in 1985-86, indicating dramatic changes in the viability of sugar cane as a production strategy from 1985-86 to 1990-91. The *relative changes*, compared to other crops, suggest that sugar cane is differentially affected, vis-à-vis other crops, in the context of the larger economic crisis. It may be concluded that the economic crisis alone is not responsible for adverse conditions affecting cane producers.

Debt and bankruptcy are an increasing reality for rural producers. The mean debt of those peasants who incurred negative results, reveals that cattle production has been the primary contributor to bankruptcy. Cane took second place by 1989-90, and the relative debt for maize has experienced gradual increase. Data are given in U.S. dollars to correct for inflation:

Table 49. Mean Debt per Producer, 1985-86 to 1990-91.¹⁰⁷

| | <u>1990-91</u> | <u>1989-90</u> | <u>1985-86</u> |
|---------------|---------------------|---------------------|----------------------|
| Cane | \$266.57 (n=15) | \$1446.10 (n=25) | \$545.38 (n=19) |
| Cattle | \$5277.09 (n=13) | \$2097.93 (n=5) | \$18,501.95 (n=3) |
| Maize | \$1037.91 (n=22) | \$930.69 (n=15) | \$803.32 (n=11) |
| Camote | \$49.25 (n=3) | \$65.80 (n=6) | \$756.65 (n=6) |

Debts owed for cane, as a percentage of total agricultural debts, averaged 76.9% in 1985-86, 80.5% in 1989-90, and 65.8% in 1990-91, for those cañeros who owed debts. When the total debt of all producers is calculated, cañeros show a significantly higher debt. The mean for non-cañeros (n=67) is \$1,439,652, and for cañeros (n=33), \$5,230,701 (t=-2.32, p=.023). Outstanding debts, not figured into net income and expenses, clearly place cañeros in a disadvantaged position. Ninety-one percent of cañeros hold outstanding debts; of these, 72.72% had debts for cane in 1991, ranging from \$1,000,000 to \$45,000,000 pesos. The government abrogated the obligation to cultivate cane within supply zones in 1975. Until then, the reproduction of the system had been guaranteed by law. Since then, the subjection of peasants to cane production takes other forms. Debt now keeps some cañeros tied to the mill who would otherwise prefer to quit. Debt is less a factor for landless peasants who have no access to credit either from the sugar mill or BANRURAL. Participant observation in both 1984-85 and 1990-91 allows the conclusion that a greater number of all peasants are relying on loans from friends, neighbors and relatives than before.

¹⁰⁷Data are for those producers who incurred debts. U.S. dollars are calculated using an approximate exchange rate of \$200 pesos to the dollar for 1985-86, \$2300 for 1989-90, \$3000 for 1990-91.

Within the larger economic crisis that affects the entire production system, the relatively more disadvantageous position of sugar cane is often compared to previous years. To take one example, a cañero who decided to abandon cane production in 1988 because he no longer earned a profit, compares that year with better times in the past:

I was a cañero from 1960 until 1988. Since three years ago when I quit, I already had pure debt. The last harvest that I delivered, I didn't even approach them to see if I had a profit or debt. I believe that I did not have a debt or they would already have visited me to demand that I pay the bill. At first, the government did help the cañeros and we were relieved. I remember that in 1970, when I went to deliver the cane, like in August, they did my liquidation and they gave me \$23,000 pesos. At first I was scared. I thought that they had made an error. In my house I guarded the money for a week and they did not come from the mill to reclaim it. Then I began to take it to pay what I owed in one place and another and I spent \$3000. And with what was left over, \$20,000, I built the house, everything, from walls, roof, floor.... Now not even the big cañeros earn, it doesn't give them profits, only pure debts.

Cane production gradually evolved in the zone into a culturally embedded productive strategy, ultimately, bringing many cañeros to bankruptcy. The contradiction between this ideologized past and the present reality are striking in the words on one young cañero: "I remember when I was a boy and they said 'God and Cane'; that's what they said. I was a boy and I thought, 'What does this mean?' Well, in that time, yes, they profited. And now, everyone is left with pure debt."

Cane is contributing a smaller proportion of income to families. Whereas it comprised 63.48% of cañeros' agricultural incomes in 1985-86, in 1989-90, cane *reduced* net earnings by 51.28%, and made up 62.1% of net crop losses (compared with 18% of losses in 1985-86). In 1990-91, 32.25% of cañeros' net crop income derived from cane earnings, and for those with net losses, 24.73% were due to sugar cane. Cattle-raising, on the other hand, has increased in relative contribution, from 84.08% in 1985-86 to 104.81% in 1990-91. Maize contributes 15.06% more, whereas earnings from camote, relative to other crops, have dramatically decreased:

Table 50. Average Relative Contribution of Crops to Total Crop Income.¹⁰⁸

| | <u>1990-91</u> | <u>1989-90</u> | <u>1985-86</u> |
|---------------|-----------------|----------------|----------------|
| Cane | | | |
| Net Profit | 32.25% (n=15) | -51.28% (n=18) | 63.48% (n=27) |
| Net Loss | 24.73% (n= 9) | 62.10% (n=10) | 18.02% (n= 5) |
| Cattle | | | |
| Net Profit | 104.81% (n=27) | 129.29% (n=26) | 84.08% (n= 7) |
| Net Loss | -73.83% (n= 6) | 63.65% (n= 4) | 15.30% (n= 1) |
| Maize | | | |
| Net Profit | 52.08% (n=38) | 31.27% (n=51) | 37.02% (n=15) |
| Net Loss | 113.56% (n=20) | 53.36% (n=20) | 122.10% (n= 2) |
| Camote | | | |
| Net Profit | 17.07% (n=11) | 72.19% (n=21) | 72.01% (n= 8) |
| Net Loss | 220.54% (n= 5) | 89.58% (n= 5) | 150.40% (n= 1) |
| Jicama | | | |
| Net Profit | 71.62% (n= 6) | 51.09% (n= 7) | - |
| Net Loss- | -182.80% (n= 3) | - | - |
| Tomato | | | |
| Net Profit | 82.30% (n= 5) | 75.10% (n= 5) | 98.40% (n= 1) |
| Net Loss | 99.60% (n= 3) | - | - |
| Beans | | | |
| Net Profit | -62.85% (n= 2) | 22.40% (n= 2) | -3.60% (n= 1) |
| Net Loss | 46.13% (n= 3) | - | - |

¹⁰⁸Rows that indicate "net profit" refer only to those cases who had a net profit for all of their crops combined. Rows that indicate "net loss" refer only to those cases who had a net loss for all of their crops combined. Due to multicropping, these figures may contain combinations of profit and/or loss for any one crop. If the producer had a "0" balance, he/she is not considered.

A word of explanation is in order for the positive and negative results on any one crop. For producers with a positive net balance, if the crop earnings are positive, they indicate that crop's contribution to the net income. If the earnings are negative, they indicate the proportion to which losses reduced net income. A few cases result in a contribution of over 100%. This can occur, for example, if the profits for cattle are offset by losses from sugar cane, thus reducing the total net income to less than the profits made for cattle.

For producers with a negative net balance, if the crop also had losses, then the contribution of that debt to the total debt is given as a positive figure. For crops with a positive balance, but a negative total net income, a negative figure indicates the proportion that crop contributed to reducing the total debt. If the crop's contribution is a fraction of 100%, then the total debt was greater than the profit for that crop; if it is greater than 100%, then the total debt is smaller than the profit for the crop. Both the complexity of the cropping system and the high degree of insolvency among peasants make the analysis more convoluted.

The contribution of cane to family income (for those who had positive net incomes) is more clearly appreciated graphically:

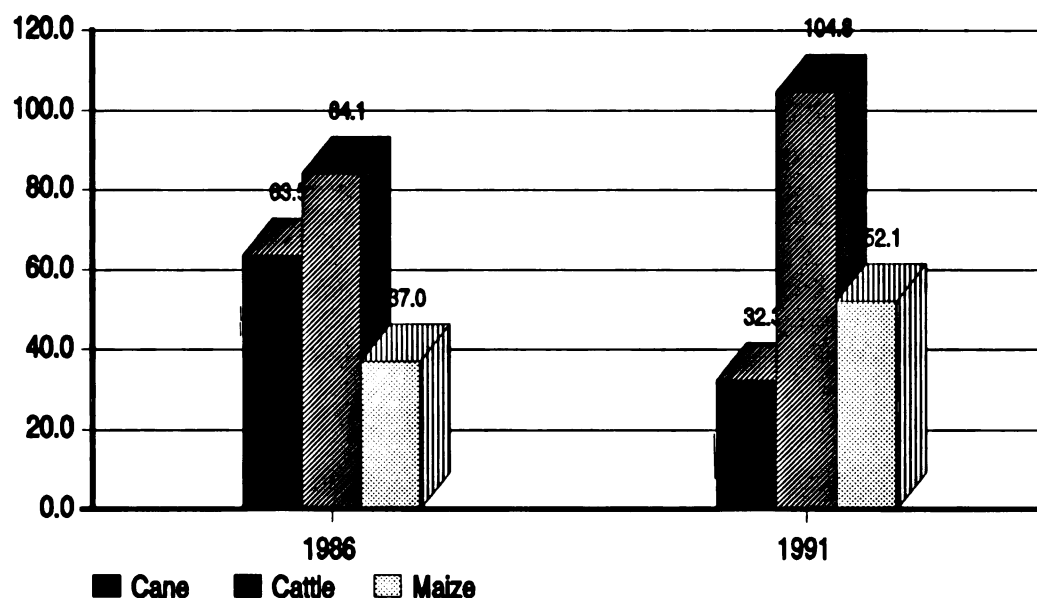


Figure 10. Percent of Net Income Contributed by Crops.

The proportion of producers with positive and negative household balances (income-expenses) were calculated; the data reveal the following distribution:

| | <u>Non-cañeros</u> | <u>Cañeros</u> |
|------------------|--------------------|----------------|
| Negative balance | 46.3 % | 42.4 % |
| 0 balance | 19.4 % | 15.2 % |
| Positive balance | 34.4 % | 42.4 % |

Given the landed position of cañeros (49% of the sample are landless; 27% of the sample in 1991 were cañeros, all of whom own land), a greater difference in results would be expected than is found in the household balance. Moreover, among cañeros alone, 54.55% had a net household deficit (83.33% of these had either negative or no

earnings from their cane), thus 45.45% had a net balance (yet 60% of these also had no earnings or debts from cane). Cane profits sustained cañero families until 1986. Since then, there has been a decrease of 18.18% in the number of cañeros in the research communities. Abandonment of cane production not only threatens the reproduction of this crop in the supply zone, but it fails to reproduce conditions for access to credit, agricultural inputs, insurance and social security benefits, and involvement in producer organizations. These data do not indicate the presence of conditions for cane production as a viable household economic strategy within the context of state divestment and reprivatization of the sugar sector. This chapter will now turn to individual actions taken by peasants, as active human agents, in the dialectical, transformative process of redefining their relationship with the sugar mill.

Individual Strategies of Resistance

Within the context of a larger agrarian crisis, the severity of the crisis in the sugar sector is acted upon by cane producers in the research communities. After examining the ideological matrix of sugar cane production, analysis will proceed to address how this ideology becomes materially manifested in strategic actions taken on the part of peasants to defend their economic interests.

Thirty cane producers discussed the advantages and disadvantages of sugar cane production during interviews. They identified 53 different disadvantages, and only 23 advantages; 43.3% said there were *no* advantages, and only one person said there were no disadvantages. This stands in stark contrast to 1984, when 15 informants identified 50 advantages, and only 14 disadvantages to producing sugar cane. Credit, equipment, and cutters provided by the mill were the most important advantages given in 1984 (24%), followed by social security and medical benefits (22%), and high earnings (14%). The key disadvantages in 1984 concerned:

Table 51. Disadvantages of Cane Production, 1984 (n=15).

| | |
|--------------------------|-----|
| Delivery problems | 43% |
| Accidental burnings | 21% |
| Charges made by the mill | 21% |
| Debts | 7% |
| Low price | 7% |

In 1990, aside from the 43% who claimed no advantages, medical insurance was seen as the primary advantage (40%). Assistance, including credit, advance payments, and inputs were second in importance (23%). Disadvantages were discussed more profusely:

Table 52. Disadvantages of Cane Production, 1990 (n=30).

| | |
|---------------------------------|--------|
| No profit, low price | 90.00% |
| Mill in disrepair | 20.00% |
| Accidently burned cane | 16.67% |
| Discounts | 13.33% |
| Lack of control over production | 13.33% |
| High interest rates | 6.67% |
| Loss of benefits | 6.67% |
| New cutting requirements | 3.33% |
| No disadvantages | 3.33% |

Lack of profitability heads the list of disadvantages. Lengthy interviews with cañeros of the zone yield in-depth insight into how these producers view the increasingly disadvantageous production of sugar cane. A cañero of 20 years asserted that even with high yields, he earned no profit, claiming, "Never have I had a thing hit so hard as now. But we have a commitment to the country because we have to produce the sugar that is consumed in Mexico". Lack of profitability has affected not only ejidatarios, but many of the wealthy and powerful private landowners are reported to owe tens of millions of pesos to the sugar mill. A cañero from the village described one case:

Before, there was a great cane grower--besides he is a pequeño propietario. All the members of the family possess much, much land. They have many trucks, cargadoras, tractors, and their own crew of cane cutters--there were still approximately 70-80 three years ago. Now they quit being cane growers and now they are going to plant their lands in pastures because, according to him, no longer is the cane profitable.

The exploitative nature of cane production is ideologically located in the cultural construction of meaning. The comisariado referred to sugar production as "*sembrando la chingada*".¹⁰⁹ Moreover, being a cane producer is an anxiety-producing phenomenon. Cañeros worry about whether their cane will be accidentally burned, and if so, whether it will be cut on time, delivered to the mill, and be discounted. A cañera contrasted the everyday anxiety associated with cane production with a particular year when she rented out her cane:

If it gets cut on time, if the cane is delivered...to sell the cane, we rented the cane...a-a-h, I slept well. Whether it would burn or whether it would not burn, to me, it didn't matter. Other years I heard the blazing, that the cane was burning, and man! Two times we saved it, two times we escaped, it was already burning. One part burned, some 50 square meters, and we escaped. And the other time in the Milpillera, and we managed to escape, two times we saved the cane. We have the responsibility, and until May the field [can] burn by itself. Imagine with no more than a little match. Man!

State retraction of subsidies from the sugar sector, together with privatization of the sugar industry, is increasingly marginalizing the majority of producers of its raw material. Peasants in the research region are challenging their increasing exploitation through the cultural production of knowledge and through diverse forms of resistance. Chapter VI documented and analyzed collective strategies of resistance to the transformations in the sugar sector; peasant collective organization was seen to be weakened vis-à-vis the structures of state and capitalist domination. Nonetheless, peasant

¹⁰⁹The "chingada" is a metaphor that is embedded in the history of Mexico. Mexicans often refer to themselves as "hijos de la chingada"--the mestizo product of the Spanish conquerors and the indigenous population. More specifically, Cortés was aided in the conquest by his indigenous mistress, Malinche, who served as his interpreter. The union is metaphorically seen as the rape of the Mexican people by the Spaniards.

producers, as active agents, utilize a variety of individual strategies of resistance, to challenge the structures of power and domination. The remainder of this chapter argues that the aggregation of these acts has a significant political and economic impact. Moreover, their intent is polyvalent; ethnographic fieldwork and participant observation lend support to the political intent of resistance, yet their weapons simultaneously disclose resistance to surplus extraction, a means to feed a hungry family, and attempts at capital accumulation. These strategies include: 1) abandonment of cane production; 2) reduction of hectares; 3) changes in land use; 4) use of cane for cattle; 5) rental of cane fields; 6) appropriation of agricultural inputs provided by the mill; and 7) bribes. It will be argued that lack of profitability in the sugar sector encourages strategies that fail to augment productivity. Such strategies of resistance spill over into other parts of the production system, dramatically changing the way land is being used.

Abandonment of cane. Well over half of the cañeros (53.6%) claimed that it would be better to terminate cane production in the zone. The rationale for terminating or continuing cane production was elaborated on by 97 of the informants:

Continue:

| | |
|-----------------------------------|--------|
| Provides work | 31.96% |
| Importance of sugar | 16.49% |
| Cane pays more | 4.12% |
| Medical insurance | 2.06% |
| Until collective members retire | 2.06% |
| Cane is beneficial to environment | 2.06% |
| Use cane for cattle feed | 1.03% |

Terminate:

| | |
|-------------------------------------|--------|
| No profit, debts | 47.42% |
| Need to diversify production | 5.15% |
| Cane is damaging to the environment | 4.12% |
| Poor condition of the mill | 2.06% |

Differential insertion into the forms of production and land tenure influence these choices. Wage laborers stand to lose a source of work if cane were to be abandoned in the zone. Sharecroppers and renters would experience mixed results--loss of wage labor,

but improved access to lands no longer tied up in monocrop cane production. The largest portion of cañeros would choose to terminate cane production. Lack of financial viability is the primary reason for abandoning cane in the region:

The cane has now changed a lot because before it paid--little, but it paid. If they don't give any benefits like before, why continue with the cane?

This business has to end. Those of the sugar mill are going to lose much money and we are going to bear the hunger, because if it ends, a lot of work in the country will end too, and there is going to be much scarcity. It is a difficult situation because if the cane is abandoned because it gives no profit and leaves pure debts, we don't produce sugar, and this hurts the nation. But no way are we going to continue putting ourselves in debt. If we continue, we cut our own throats, but if we quit, also. What do we do?

[If we quit] then one dedicates himself to cattle and the country is reforested, because now it is already destroying the trees and animals. We should pull up the cane and quit this bad business, business for others. The cañero is a fool if he continues.

The cane has to disappear. This product is going to fuck us.

The last year...they charged me a bill that I did not owe. I got desperate and I said "go fuck yourselves" and I quit.

It is better to hold a strike and not sell anything to the sugar mill. When things get more difficult, the only thing that we can do is wield the machete and get rid of the cane. *This would give a severe blow to the sugar mill.*

We can hold a strike and we are left with nothing until the mill decides to give a better price. If we do not deliver the cane, and we leave millions of debt with the mill, *the sugar mill receives a severe blow.*

If it is not agreeable with us, we can abandon the cane, *we will make the sugar mill disappear.*

The significance of these last three statements should not be overlooked. They provide corroborative evidence that abandonment of cane is not mere withdrawal on the part of "passive victims" of privatization; rather, abandonment is a strategic action taken on the part of peasant cane producers against the sugar mill. Nor is their offstage discourse empty posturing, for it materializes in acts that are often not recognized as political. It will be recalled that 2598 hectares of land were taken out of production between 1986 and 1991, a decline of 24.5% of the zone. Should abandonment become

more widespread, this trend could potentially undermine the future of the sugar industry.

While the larger economic crisis has indeed limited the viability of alternative production strategies in the region, peasants may not continue blindly for lack of alternatives, but they may *choose to do so* for specific purposes. Several of these reasons will be examined.

Maintenance of medical insurance. The high proportion of cañeros who maintain that it would be better to terminate production raises the interesting question as to why they continue. Medical benefits turn out to be the primary reason that cañeros persist:

Table 53. Reasons for Continuing With Cane Production (n=28).

| | |
|-------------------------------------|--------|
| Medical insurance | 39.29% |
| Member of collective | 21.43% |
| Already quit or plans to | 21.43% |
| Unable to quit because of cane debt | 10.71% |
| Lack other production alternatives | 7.14% |
| Keep cane for cattle feed | 7.14% |
| Keep cane for earnings | 3.57% |
| Keep cane for benefits | 3.57% |

Medical insurance looms large in the consideration of whether to continue production or not. Asked specifically what they would do if medical insurance were withdrawn, 75% of cañeros said they would terminate production. Members of the ampliación will collect social security from the mill when many of them retire in several years; the collective unit is holding out only for this purpose. Members of the collective voted not to abandon the cane and those who disagree have no choice but to remain. One member explained, "The cane has insurance--this is all the advantage". To retain medical insurance, the strategy has been to cut back, maintaining only enough hectares for them to retain rights to the insurance. If, as mill officials argue, larger plots of land are more economically efficient, this situation promotes a strategy that reduces productive

efficiency.

Given that medical insurance is a primary motive to continue, is this advantage not offset by the huge debts many cañeros hold? Few cañeros have considered this question, although one person raised the issue: "They do not abandon it for the social security, but for this, it costs them more having the insurance from the mill". Medical insurance outside of the mill costs \$510,000 per family, per year. Cañeros have \$801.54 per ton of cane deducted from their liquidation for medical insurance (thus they do pay for it). The break even point is 636 tons of cane; if the cañero delivers less, then insurance is cheaper through the mill. In 1991, 30 cañeros in Ocotillo and Chiapa delivered under 636 tons of cane; only 6 delivered over 636 tons. The criteria for this decision thus becomes largely a matter of the debt one must bear, in order to maintain insurance. If advance payments were dropped (as the mill has attempted to do), 63% would quit. Only 11% would quit if the mill no longer gave them bags of sugar--they recognize that they are discounted the price of the sugar at liquidation anyway.

Cane as a source of work. Despite their many criticisms of the sugar mill and cane production, many peasants rationalize the need to maintain the industry for the economic viability of the zone. The mill and associated cane fields are a tremendous source of employment in a job-scarce environment. They believe that if the mill stops functioning, poverty in the region will increase. Many also fear what would happen both to the supply and the price of sugar, should the mill go out of business. The price of sugar is kept low by the government, but as one cañero explained, "It would be better to pay more for a kg. of sugar in order to continue maintaining a means of work for many people that have no other alternative employment". Strong differences of opinion exist; many, especially non-ejidatarios, believe that diversification of the crop system would supply more jobs, more land to rent, and decrease land rent.

Changes in Land Use. What would cañeros do with their land if they quit cane

production? This chapter has documented important changes in land use as cane land has been taken out of production; much of it was converted to grazing or maize. The following statistics report the proportion of cañeros (n=30) that would convert their land to various uses if they were to quit; many of the responses were combinations of different crops:

| | |
|----------------------|--------|
| Maize | 73.33% |
| Pasture | 53.33% |
| Camote | 30.00% |
| Beans | 23.33% |
| Tomato | 16.67% |
| Jícama | 10.00% |
| Punta ¹¹⁰ | 6.67% |
| Potatoes | 3.33% |
| Papaya | 3.33% |

One cañero, with six hectares of cane, converted five hectares to pasture, maize, and beans, in 1988. He was no longer making a profit with the cane, yet retained one hectare for his cattle. Now that he is no longer a cañero, he explains, "I am searching for the way to improve with other crops than cane". Yet another response was, "Whatever crop, only that it is not cane".

Use of cane for cattle. As cattle raising expands at the expense of sugar cane, some producers have sold their cane for cattle feed, or alternatively, rented the land for cattle grazing. One cañero with a 1990 debt of a million pesos, cut his cane, sold it for cattle feed, paid off his debt, and was left with earnings of \$800,000. One of the few wealthy cattle raisers in Ocotillo, who retains between 25-40 calves at a time, prepares balanced feed for his cattle using sugar cane. In association with an ejidatario from the ampliación who provides the cane and grinds it, they are quite successful in this economic venture. Others sell the punta de caña left in the fields after harvest. The going rate in 1991 was \$80,000-100,000 per hectare. Further evidence for extensive use of cane for cattle feed

¹¹⁰"Punta" is the tassel of cane used for cattle feed.

was found in the municipal seat. A man in Cuauhtémoc had purchased a *molino* (grinding machine) for \$1,800,000, now rents 1 hectare of cane, paying \$1,000,000 per hectare, and grinds the cane for his own cattle. One of the cañeros of the village planted one hectare of new cane, specifically to feed to his cattle. They explain: "In other years, many had parcels of cane. It no longer pays them. They prefer to cut it, grind it, and give it to the cows instead of delivering it to the sugar mill".

A cañero from Ocotillo relayed the following account to the researcher:

When I went to a pueblo, I saw the cane of Nacho, beautiful, the cane, tall, and thick, and there were cattle in the cane. I went to him and I said that the cows had gotten into the cane and he answered me, "No, it's that I already quit being a cañero and better to give it to the cows".

A powerful, wealthy cañero of the region, who had raised cane for many years, converted his cane to cattle-grazing. The conversion of cane to grazing and animal feed can be seen as a form of resistance, which denies the sugar mill the opportunity to extract surplus value from the cañero.

Rental of Cane Lands. Given the current situation, 31% of cañeros alleged that it was better to rent their cane land out, than to work it themselves. Privatization has encouraged this strategy. Renting the cane out frees cañeros of worries and problems: "I rent the cane because if I manage it, it does not pay me. For this I sell it, well I got rid of the problems". They refer to the money they receive in rent as "clean money" and the burdens of cane production are passed on to others. Increased economic insolvency also encourages the sale of ejidal parcels for short-term benefits, a practice which spells long-term economic disaster.

Land is often rented to wealthier producers, who live outside of the community. This practice is increasing the concentration of lands in the hands of a few individuals. Ironically, mill officials complain that it is the wealthy renters of large tracts of land who are least concerned with increasing yields, since they already reap huge profits from their

concentrated control of the land base. The lack of concern for productive efficiency is expressed by the comisariado who discussed the rental of cane lands with the researcher:

Some cañeros have more cane and they rent many parcelas. They ask the sugar mill for many loans and they use all the money in the fields that they want, and of course, they give preference to their own. They don't attend the cane well, the production drops, and they don't benefit it. They only leave the cane in debt, the little parcel of the screwed ejidatario and they tell him, "Look at me, I was left with debt; I no longer want the land", and they leave the poor one full of debts. Some cruel ones that rent the cane land of others don't have any interest in the region. They spend less on labor, don't make the guardarrayas well, they burn more parcelas, and they burn the trees too, as if they had no interest in the land. They only have interest in seeing how much money they can squeeze from the parcela for their own benefit.

Apathy is particularly high in one of the research communities, where one individual has rented up the parcelas of 10 cañeros. One of the cañeros from the collective (whose members show little interest in the cane) remarked, "Antonio has all the cane--why fight for the price?" These factors contribute to lack of interest in the producers' union as well. Noting the lack of attendance at a union meeting, the union representative from Ocotillo retorted, "What a joke it is--there are five of us who do not rent out the cane" (12 cañeros of the 23 in Ocotillo did not rent their cane in 1991); for this, few attend the meetings. Without active interest and participation in the union, the power of collective action is diminished.

Appropriation of Agricultural Inputs. Some strategies of resistance contribute to lowered yields. Because the cost of fertilizer has increased over 100% from the year before privatization to the 1991 harvest, a high proportion of producers have chosen to sell the fertilizer they receive from the mill, rather than apply it to the cane (it is often sold to non-cañeros who have no other access to this resource). Mill officials attribute this practice to laziness and irresponsibility on the part of peasants. This strategy is anti-productive in terms of increasing cane yields, yet is rational to the person threatened with, or already facing, bankruptcy. The mean yield for the research communities was 58.4 tons per hectare in the three years prior to privatization and 50.02 tons since,

resulting in a 14.6% drop in mean yields. Appropriation of fertilizer for personal use thus denies the sugar mill potential profits in the production of sugar.

Some cañeros merely fertilize around the outside edges of their fields, since field inspectors never enter the cane to see that the remainder remains untreated. Others apply the fertilizer to their maize; maize is basic to the Mexican diet, whereas, as one peasant explained, "We don't eat pure sugar". In fact, maize growers who would otherwise be forced to cut back on fertilizers, given the high cost, report acquiring this input from the cañeros. These strategies are a means of taking back the surplus value extracted from cañeros by the mill.

Bribes. Given the increasing demands for high yielding cane, mill policy is encouraging the "mordida" in order to pass through cane that otherwise would not be accepted into the mill. A cañera in one of the villages was told that the sucrose content of her cane was not acceptable. The field inspector paid her \$800,000 pesos for six hectares of cane, and passed it off at the mill as good cane. In turn, cañeros themselves bribe the guardacortes to report fewer tercios, or bundles, of cane than actually cut, thus lowering wages paid to the cutters. Another tactic is for cañeros to report more cutters in the field than there really are, thus receiving more money to pay their wages. As cane earnings decline, bribery offers a small degree of recuperation.

These forms of peasant resistance make clear that contrary to the professed goals of agrarian policy, soaring costs of production, technological inefficiency, controlled prices, and increasing debts not only contribute to declining incomes and economic insolvency, but encourage strategies that reduce productive efficiency. Peasant producers are keenly aware of their role in providing the raw material that earns profits for multinational corporations and the national elite, while they receive diminishing returns for their labor. As peasants renegotiate their relationship to the state and private capital, they demonstrate that they are not merely victims of state shrinking and capitalist

penetration, but rather, active agents utilizing collective organization to press demands, and when that fails, resorting to individual strategies of resistance.

This chapter shifted from the regional focus of Chapter VIII to the dynamic processes of change within the two research communities. It is at the local level that dimensions of household economics, the complexity of forms of production, and changing productive strategies are best appreciated. Not only were community members shown to view a decline in their economic status relative to six years earlier, but culturally-defined distinctions and economic differences between *cañeros* and non-*cañeros* based on empirical data were less pronounced by 1990.

Peasants in the research communities are differentiated according to distinct forms of land tenure and engage in multiplex forms of production. Important transformations in the production system reveal deteriorating conditions for sugar cane, within the broader economic crisis that is affecting all sectors of the rural economy. It was argued that abandonment of cane was contributing to a diversification of the cropping system; former sugar cane lands are being converted largely to cattle and maize. However, low prices, high costs, retraction of credit, unstable markets, and scarce land contribute to declining production, cutbacks on labor and inputs, and redirection of production for household consumption.

Real net earnings for cane have decreased since privatization of the sugar mill, as they have for most crops. A comparison of costs relative to prices shows that most crops have lower margins of profit than in 1986, yet cane producers are affected relatively more by a significant increase in the number of producers whose costs are equal to or greater than the value of the product. Cane production places a larger proportion of its producers in debt than do other crops. Cane made up 63% of net income in 1986, and only 32% in 1991, demonstrating its loss as a strategy for household reproduction and capital accumulation.

Sugar cane has been culturally redefined from a desirable, lucrative production strategy to one that is the object of much contempt. As a result, peasants have chosen to abandon or cut back on cane production, seeking diverse ways to reappropriate the surplus value extracted from them by the mill. It was argued that the forms of resistance they utilize deprive the mill of its raw material and contribute to concentration of land, productive inefficiency, declining yields, and apathy toward the union organization. The strategies described in this chapter may serve self-interest but at the same time they rob the mill of potential profits. These practices are generalized in the supply zone, constituting campaigns of attrition which Scott argues: "When such acts are rare and isolated, they are of little interest; but when they become a consistent pattern...we are dealing with resistance" (1985:296).

X. CONCLUSIONS

Political Economy

The theoretical framework of political economy was utilized in this dissertation to analyze state divestment and reprivatization of the Mexican sugar industry. Political economy, along with other structural systemic paradigms, became the subject of critique in a post-modernist, post-structuralist, and post-Marxist scholarly milieu. Recent epistemological challenges to conventional theoretical frameworks propose important new directions. The new social movements literature, for example, is more complexly configured, focusing on "explanations of political, social, cultural, spatial, and temporal dimensions that are not reducible to structural determinations, economic or otherwise" (Calderón et al. 1992:30). I have chosen in this work not to dismiss structural determinations, but rather to appropriate the assertion that "structure and agency interact in manifold ways and in which actors produce meanings, negotiate, and make decisions" (Escobar and Alvarez 1992:4) to a political economy perspective. Recognizing that peasants are engaged in a cultural and political struggle for access to mechanisms of power (Escobar and Alvarez 1992), I espouse a political economy approach that remains sensitive to ideology and the cultural construction of meaning, without discarding the structures of power that impinge daily on the lives of peasants. Political economy is thus reconceptualized to take into account hegemony and ideology, structure and agency, and yet retain the basic Marxist concept of mode of production. I argue that this reconceptualized political economy is the most efficacious approach for understanding the transformations within the sugar sector.

The historical grounding of a political economy approach is crucial for understanding the transformations within the sugar sector and the insertion of peasants into the structures of power and domination. Throughout the colonial period, the Spanish Crown ensured the reproduction of the luxury product by granting entrepreneurs access to land, labor, and capital, setting into motion relations of hegemony, power, and unequal distribution of wealth. Hegemony has not gone uncontested, but has been confronted through a series of class conflicts that have reordered the relations of production. In this process peasants were both victims and agents in constituting their own histories. Peasants' confrontation of the landed oligarchy in the Mexican revolution was a dialectical process which transformed the relations of production. Out of this revolution, the modern Mexican state emerged. It is this state which forged an organic state-peasant relationship through redistribution of land and creation of the hegemonic political system that continues to incorporate peasants into the structures of power.

Whereas orthodox approaches deemphasized the role of the state, I have shown that in the sugar sector, peasants were brought into direct relations of production with the state through state ownership of sugar mills; thus, the state must be of central theoretical concern. This relationship transcended economic relations since the state utilizes ideology and a centralized political party system to control peasant unions. Political economy assumes that relations of production are dialectic, encompassing contradictory forces which lead to structural transformation. Contradictions were inherent in the statization of sugar mills aimed at preserving the source of peasant livelihood and the simultaneous exploitation of peasant cane producers by the state. Inability to sustain the reproduction of the parastatal industry with the advent of the economic crisis led to the reprivatization of sugar mills. Thus, the sugar sector experienced a major transformation in the relations of production with the assumption of ownership by private capital.

I argue that privatization remains problematical in the experience of peripheral

capitalist economies. Peripheral states such as Mexico are characterized by a unique set of features which contribute to culturally embedded traditions of state involvement in the economy. My analysis of reprivatization of the sugar industry demonstrates an abrogation of the organic relationship between peasants and state which is vehemently contested by peasant cane producers subject to the internationalization of capital and reorganization of the relations of production.

Privatization of sugar mills created a peculiar class arrangement. Dialectical materialism traditionally counterposes two classes in conflict over the means of production; however, a reformulated political economy must account for the transformation from diadic to triadic relations as the state, through continued control of the price, interposes itself between private capital and peasant cane producers. In the case of sugar cane producers, the object of their struggle (the price) no longer coincides with the source of their exploitation (the sugar mill). The transformation from a diadic state-peasant relationship where, under state control, cañeros simultaneously confronted mill owner and controller of the price, allowed for a more efficacious bargaining power. Reprivatization has caused cañeros to divide their efforts between a struggle over price with the state, and a struggle with the mill over benefits and just working conditions. Moreover, in recreating its alliance with private capital, the state controls the peasant struggle through the PRI, the CNC, and UNPCA. This division of efforts thus weakens the challenge to hegemony in the sugar sector.

Peasants stand poised between the state and private capital in various, contradictory class locations. Peasant cane producers have not been separated from the means of production; yet, exploitation occurs through the extension of credit at usurious rates. Credit is deducted in the same *liquidation process* that determines payment for their raw material, thus surplus value is skimmed off by the sugar mill in profit. Although this process was similar under state control, the political and ideological conditions of these

relations of production differ. The state was interested in producing surplus sugar to earn foreign exchange--a critical necessity for peripheral capitalist social formations. Nevertheless, during periods of social unrest, the state perpetuated its hegemony through distribution of material rewards; it was the state that, through agrarian reform, returned to peasants their means of production. Private capital, to the contrary, demonstrates a primary interest in profit, with even less concern for the welfare of those who provide the mill with its raw material and those who labor in the sugar cane harvest. Reprivatization of the sugar industry marks an important historical juncture that raises questions about the abrogation of the state-peasant alliance and Mexico's accommodation to the neoliberal paradigm.

Neoliberalism and the Internationalization of Capital

Neoliberalism forms the ideological foundation for structural adjustment policies which, international and Mexican policy makers assert, will bring positive economic benefits. I will critique several of the objectives of these policies.

1) Increased investment. Neoliberal ideologists claim that the opening of the Mexican economy to foreign investment will invigorate the economy. A particular feature of peripheral capitalist economies is the weak state of national capital, requiring heavy state involvement in the economy. Much of Mexico's state-led development, particularly during the period of statization of the sugar sector, rested on petroleum to fuel development (a process referred to in Mexico as "sowing petroleum"). The world-wide drop in oil prices was a catalyst to Mexico's economic crisis and perilous foreign debt. Was the objective of debt restructuring to salvage the Mexican economy?

This dissertation argues otherwise; debt-for-equity swaps served to protect debt-holding foreign banks and transfer capital assets, in the form of privatized firms, to international interests. Furthermore, within the sugar sector, it is the consortiums of

national and international capital who have purchased sugar mills. Producers' groups that owned sugar mills, while shown to have experienced at least, if not better, economic results as private capital, not only have been denied a role in purchasing mills, but cooperative mills held by the CNC were questionably declared bankrupt and passed to the hands of private capital. The denial of participation by these groups in the privatization process contradicts professed national policy objectives.

National policy no longer protects Mexican sovereignty through regulation of foreign shares in Mexican firms. Consortiums, as purchasers of Mexican sugar mills, hold franchises to international firms such as Coca-Cola, Pepsi-Cola, and so forth. Whether franchises are held by national or international interests, these corporations are vertically integrated into the international chain of production and support international interests through their horizontal integration into the food processing industry; Ingenio Quesería alone provides sugar as a raw material for Coca-Cola, Nestlé, and a range of Mexican sweet snack and soft drink products. Private investment, however, has not rejuvenated the Mexican sugar industry, nor extracted it from its economic crisis. As a result, internationalization of production subsumes peasant cane producers to the interests of capital accumulation.

2) Modernization. Throughout Mexico, sugar mills remain antiquated, with little capital investment. By 1992, four years after initiating their sale to private capital, 12 mills faced bankruptcy and 40 required restructuring of their loans (García 1992). Backlogs in the harvest, due to mechanical breakdowns are common, leaving unharvested or undelivered cane in the fields. At Ingenio Quesería, in contradiction to the Decreto Cañero, the mill in 1992 refused to compensate cañeros for undelivered cane.

In the few years since privatization began, cane yields at Ingenio Quesería have, indeed, shown small increases. These advances, however, are at the expense of cañeros and cane cutters, rather than the sugar mill. The introduction of higher yielding varieties

of cane locks producers into more frequent debt, due to the shorter life of the new varieties. Moreover, demands on harvesters are aimed to increase the proportion of extractable sucrose for the sugar mill, while requiring more demanding labor tasks for cutters. While this may contribute to a more "modernized" production process, it has not accorded a complimentary increase in wages to the most underprivileged segment within the cane sector. "Modernization" of the sugar industry coincides with lack of enforcement of child labor laws, payment of wages insufficient to guarantee nutritional standards, failure to comply with historically gained producers' benefits, arbitrary control of producers' unions, suppression of independent organizations, and non-compliance with environmental regulations; the persistence of a non-democratic political system stands in contradiction to the principles of modernization.

3) Retraction of State Subsidies. Paradoxically, although one objective of privatization is to free up state resources for reduction of its national debt and investment in national development, the Mexican state, through FINA, continues to subsidize the sugar industry. These subsidies no longer support the public sector, but rather, private capital, both national and international. Restructuring of the loans for the purchase of sugar mills constitutes yet another arena for state subsidation to the sector. At the same time, traditional subsidies to the peasant sector, such as guaranteed prices through CONASUPO, extension of credit through BANRURAL, and supports, such as SAM (Sistema Alimentaria Mexicana), to the production of basic food crops, have been withdrawn, leaving peasants with fewer alternative options. Modifications to Article 27 of the constitution (discussed below) signify the penultimate act of state retraction from its traditional obligations to peasants.

4) Free Market and Deregulation. Throughout history, state intervention in the sugar sector has been an essential ingredient to capital accumulation. Mexico's protective tariffs have ensured profitability of sugar in an unstable and fluctuating world

sugar market. While the sector periodically faces periods of instability, various institutions, such as UNPASA, and more recently, Azúcar, S.A., acted to control marketing and distribution. With the receding of protective tariffs, cheap sugar imports have flooded the Mexican market, jeopardizing the sale of domestic sugar and contributing to bankruptcy of sugar mills. The absence of Azúcar, S.A. as a regulating device has encouraged speculation, withholding, and alternating periods of surplus and shortage. In the markets for both sugar and other agricultural products, peasants have been forced to compete at a disadvantaged position with international capital.

Free market principles have not accrued, given the concentration of economic power and oligopoly control over the production process. Domestic supply of sugar is threatened by the increasing use of sugar and its byproducts for the processed foods industry. Thus, mill owners may now utilize these products without placing them on the market, freeing them from government price controls and taxes imposed through market sale (Singelmann and Otero 1994). This is a contributive factor to Mexico's loss of export capacity since reprivatization.

Contrary to the notion of the free hand of the market, the state continues to control the price of sugar. Keeping the price of this commodity low through state subsidies has three important ramifications. One, it indicates the government's tactic to keep wages low through maintenance of a low-cost wage good for urban labor. Two, it prejudices peasant cane producers who simultaneously struggle with the inflationary cost of production, thus signifying a state that is today less responsive to peasant demands. Whereas price controls have a long history, in the past they were softened through other kinds of subsidies to the peasant sector. Third, it represents the ambivalent position of the government and private capital in their relative positions over the price of sugar. On the one hand, private capital has an interest in maintaining low sugar prices to the processed foods industry, and supports government price controls. On the other hand,

the industry relies on sugar cane producers and must market a portion of its product, thus higher prices are in order to ensure the source of raw material to the industry and to realize profits. The state thus serves as an arena in which class conflict is played out by contending actors---urban labor, peasants, and private capital.

5) Economic Efficiency and Increased Productivity. Economic restructuring and privatization have not resulted in economic efficiency, nor have they increased productivity for either field or factory. Liquidation documents form the basis for statistical analysis of transformative changes since privatization of the sugar industry. As shown previously, changes in the costs of production, interest rates, and net profit or loss from the pre-privatization (1986-88) to the post-privatization (1989-91) phases indicate increasing economic insolvency for peasant cane producers. Central to the conclusions drawn are changes in the cost per ton, shifts in these costs as a percentage of the total value of the cane delivered to the mill, and the increase in the percent of producers with debts from 1986-1991. While all sectors of the agrarian economy are affected, among the major productive strategies present in the research communities, sugar cane places its producers in a relatively disadvantageous position, given the more rapid increase in the number of producers owing debts. As a result, area in cane production has declined, production has decreased, and less sugar is being produced than before privatization.

As the crisis in the sugar sector poses ever-increasing economic risk, it is superimposed on yet a broader crisis in the countryside, placing constraints on alternative productive strategies. The repercussions of economic inefficiency for peasant households were demonstrated in Chapter IX. There has been little change in ownership of the means of production to date; this situation may change as a result of the privatization of ejido lands. As cañeros retract from cane production, significant shifts in circulation have occurred. Whereas some continue to commoditize products--sugar cane, cattle

products, maize, and camote--on the market, rising debt diminishes the capacity for capital accumulation. Others have chosen to confront the crisis through production for use. Tightness of credit, inputs, and unstable markets have thus contributed to declining productivity both within and outside of the sugar sector. While a few producers have sustained their capacity for capital accumulation, the larger proportion are able to attain reproduction of the household only through combining wage labor, out-migration to the U.S., and increased production for use value with their former production strategies. Reproduction of the peasant household has thus been transformed through alternate means. It was argued that strategies of cane producers--abandonment of cane, reduction in hectares, rental, shifting to alternate crops, appropriation of agricultural inputs for personal use, and bribery are counter-productive. These strategies have effectively checked the sugar mill's objective of expanding monocrop production of cane in the region; paradoxically, the result has been a slight diversification of the cropping system. Abandonment of cane, lack of productivity, and inefficiency challenge the mill's efforts to reproduce the relations of production at Ingenio Quesería.

A central theme of this dissertation is that, when applied to agrarian policy, this paradigmatic change is fostering a historical dissonance between dominant neoliberal ideology and praxis and emerging social reality in the countryside. Free market principles intended to foment capital accumulation and productive efficiency increase social disparities, allow benefits to accrue to the wealthy, and limit democratic participation (Ibarra 1990). Peasants are today responding to the increasing internationalization and vertical integration of production wrought by privatization. The consequences of economic restructuring and privatization foment social and political conditions that may require an increasing resort to repressive measures, as peasants and workers develop new strategies of resistance. Stallings makes clear that repression, loss of labor and union organization rights, and declining standards of living are "...not mere

coincidence. It is an integral part of stabilization as workers refuse to passively accept the burden of maintaining the banks' profits" (1978:18). Marcos draws the connection between the crisis in the sugar sector and neoliberal policy and praxis: "The crisis of the sugar industry can convert itself into the symbol of the failure of the reprivatizing policies and the costs that are being derived from the government obsession to take the application of its neoliberal project to its ultimate consequences" (translated from Marcos 1992:10).

The Peripheral State, Peasants, and Capital

Relations between the state, peasants, and capital in this peripheral social formation are imbued with power, yet always conditioned by historical context. At different historical junctures, the state forged an alliance with private capital, at the expense of popular groups; at others, alliances were reconfigured, in response to peasant unrest. Political stability in Mexico is attributed not only to the state's cooptation of peasants through their union organization, but also its willingness to benefit peasants through state subsidies, guarantee prices, provide access to credit, and offer various social welfare programs. The state frequently responded to the demands of peasant cane producers, granting them numerous economic and social benefits. Policy directives associated with economic restructuring, however, explicitly disavow this paternalistic role. As the state has withdrawn these subsidies, many peasants have lost faith in the CNC and loyalty to PRI. Despite the generalized disenchantment expressed toward the government through peasant discourse, a degree of allegiance was retained among many ejidatarios, as recipients of the historically significant agrarian reform. Superimposed on this situation is the government's renouncement of the Mexican revolution through modifications to Article 27 of the constitution. This modification took place on January 6, 1992, giving peasants the right to sell ejido land, including sale to foreign investors. As the social

glue which held the society together dissolves, and alternative means for production and reproduction fail to emerge, we may expect peasants to select more radical means to ensure their survival. With the public eye on the NAFTA agreement, peasants may again force the state to respond to their demands. In 1994, for example, initial repression of the EZLN (Ejército Zapatista de Liberación Nacional) uprising in Chiapas brought criticism from human rights organizations, forcing the government to negotiate with the rebels. State autonomy vis-à-vis the peasant sector is tenuous.

Neither has the state maintained its autonomy in relation to national and international capital. The attention of this dissertation to state divestment is incomplete without equal consideration of its continuing role in controlling the price of sugar, provision of credit, and restructuring the loans of the purchasers of sugar mills. To these factors must be added the extremely favorable terms of sale, and the state's continued control of political opposition to transformations in the sugar sector. The private initiative is highly dependent, as it has been historically, on the Mexican state and official policies which ensure its ability to accumulate capital. Continued state involvement is indicative of its responsiveness to the demands of private capital.

Reprivatization of the Mexican sugar sector was shown to be a complex result of international and national initiatives. Carlos Salinas de Gortari, as a political actor, wholeheartedly supported the neoliberal program. It is doubtful, however, that he could have chosen another path, given the international forces of the IMF and World Bank and the internal economic crisis. Salinas' bid for continued U.S. support, restructuring of the Mexican debt, and access to U.S. markets rested on his compliance with mandates for market opening, state divestment, and privatization. The Mexican state's potential autonomy vis-à-vis the international financial system was weakened through its accommodation to the neoliberal paradigm. The focus of this paradigm is largely economic, for both the U.S. and Mexico have conveniently overlooked the social and

political manifestations of economic restructuring.

What, then, can be concluded about the role of the Mexican state in the process of privatization? The state, contrary to neoliberal ideology has remained a present and continuing force with the sale of Mexican sugar mills to private capital. Moreover, the continuing crisis in the sugar sector cannot be attributed solely to the penetration of private capital, whether international or national. The state's continued control of the price of sugar (and concomitantly, sugar cane) is an important factor in the economic insolvency of sugar mills and of cane producers. The control of price, however, is no longer counter-balanced by complementary subsidies to the peasant sector. I thus conclude that the *simultaneous* coincidence of privatization and withdrawal of state subsidies is of great significance.

To consider the counterfactual, had sugar mills not been privatized, would cañeros not have experienced the negative results that have occurred with privatization? As Chapter V makes clear, the industry is subject to fluctuations in the world market and has been affected by alternate periods of prosperity and depression throughout its history. To take the period of state control, the industry suffered its worst depression from 1970-75; by the early 1980s, it experienced record production. The state-operated parastatal was highly criticized for its inefficiency, overemployment, lack of productivity, exploitation of producers and workers, and political corruption. Nevertheless, statization of the sugar sector was a rescue operation, prompted by economic crisis while the sector was in the hands of private capital. Furthermore, it was upon the recent privatization of the sector that Mexico once again lost its export capacity for sugar. The fortune of the sugar sector, as suggested in Chapter VI, is not merely a matter of state versus private control. The sugar industry, whether state or private, has always been subject to government subsidies and regulation; this intervention is essential to correct the failures of the "free hand of the market". Nonetheless, the state's control of the price of sugar

subjects the industry to economic peril. Finally, it cannot be assumed that the economic crisis would have allowed the state to continue to subsidize this vast industry. What has not occurred, however, are improvements promised by the neoliberal program.

Hegemony and Resistance

The history of the sugar industry is a history of the dialectical relationship between peasants and mill owners, wherein class struggles have culminated in transformation of the relations of production. These transformations are understood through a political economy approach which remains sensitive to the issues of structure and agency and attuned to the ideology of peasant discourse. Peasant cane producers have confronted hegemony in various forms. The state, represented by the Spanish crown in the colonial period, used its power to release land and labor for the colonial sugar industry. During the economic liberalism of the Porfiriato, peasants were subject to the expansionary processes of the large, landed estates. As was shown, the growth of haciendas was supported by state policies. This particular appropriation of their resources and labor led peasants to provide a major force for resistance during the Mexican revolution. Peasant rebellion against the hegemony of sugar cane haciendas was a class conflict between sugar cane workers and the landed oligarchy that culminated in the Mexican revolution and restructured the relations of production. The means of production--the land--was separated from the factory and transferred to the hands of peasants, vastly diminishing the power of the rural oligarchy. The collective power of peasants was also subsumed to the political bureaucracy of the Mexican state.

In the aftermath of the revolution, reluctance to produce sugar cane for private sugar industrialists was counteracted by a state decree, requiring production of cane within specified supply zones. Many peasants of Colima have accommodated themselves to this

structure of power, some even deriving lucrative benefits. Whether through accommodation, pressing demands, or resistance, peasant cane producers are present as active human agents. As the state gradually assumed control of the sector, forcing the retraction of private capital, cañeros utilized their union organization to gain important rights--improved prices, medical benefits, social security, and a share in the profit of cane byproducts. Thus, the union is an arena in which state hegemony is both constituted and challenged. The last two decades, however, have seen a weakening of their union organization. The greater weakness of UNPCA relative to previous fieldwork (1984-85) when the mill was under state control was analyzed through the collective organization of 1990.

Collective Resistance

The cane producers' union continues, under conditions of privatization, to be subject to the tutelage of the Mexican state and the PRI. Vertically integrated into a bureaucratic structure founded on patronage, rather than democratic participation, the instrument for challenging the changing relations of production stands in contradiction to the modernizing principles of neoliberal ideology. Nonetheless, in 1990 members of this organization, as active human agents, challenged their waning economic position under conditions of privatization. The unity of the majority of cane producers in the country was a potentially powerful force in the conflict between peasants and capital. While their gains were minimal, they caused the state to increase the price of cane 26.9%, prevented private capital from rescinding hard-won benefits such as advance payments and medical insurance, and forced the mill to compensate them for unprocessed cane.

The shared construction of meaning among peasants of the zone encouraged them to challenge the mill by withholding the raw material upon which it depends for profits. Collective efforts are weakened, however, by differentiation within the peasantry. Present are contradictory orientations, based on diverse forms of production and land

use. Peasant discourse was used to reconstruct the diverse experiences and orientations within and outside of the cane-producing group. In the interstices of rural production, some chose to abandon cane and others to struggle for improved benefits. Although the collective ampliación had been granted additional lands by presidential decree, the Agrarian Reform office failed to confront the large, wealthy landowners and comply with the decree. Members of the ampliación, with only one or two hectares, lack interest in cane production or in attending union meetings. Likewise, those who rent out their land as a strategy to deal with financial loss were uninvolved and uninformed about union activities. Sharecroppers and renters, in general, believed the demise of the mill would increase the availability of land to work, while landless rural laborers saw the continued operation of the mill as insurance of a future job market. In addition, antagonistic relations between the large, wealthy landowners of the region, integrated into the CNPP, and the ejidatarios integrated into UNPCA, precludes a united struggle of all cañeros of the region. The lack of a unified peasantry weakens collective action in the region.

Individual Forms of Resistance

Organizational weaknesses inherent in the cane sector lead cañeros, who are economically differentiated, to engage in diverse, individual strategies of resistance. These strategies, while inefficient in terms of productivity, are the weapons used by peasants of the zone to create spaces of power and contest the hegemony of state control of their union and increasing exploitation by the sugar mill. It may be asked, are these, indeed, acts of resistance, and what is their intent? I contend that discourse and political action are mutually shaping and socially constituting. Extensive analysis of the voluminous discourse recorded during fieldwork, plus intensive participant observation lead to a conclusion in the affirmative. In comparing the 1984-85 field season (when the mill was operated by the state) and the 1990-91 field season (which included the third harvest since privatization), what was striking was the dramatic change in orientation

toward cane production, the sugar mill, and the government. The lack of positive evaluation in this dissertation (although a few examples are presented) reflects the reality encountered during field research. Peasants' own explanations for their strategies demonstrate the polyvalent nature of their resistance, which may be simultaneously economic and political, concurrently risk-reducing and confrontational.

This dissertation raises significant questions about the efficacy of both collective and individual strategies of resistance against the structures of hegemonic power. If "at the end of the day" state and/or capitalist hegemony holds sway over the less powerful, are their efforts at resistance rendered theoretically meaningless? I have argued that the culturally shared meanings among peasants of Colima have materialized in a vociferous rejection of the transformations that accompany reprivatization of the sugar mill. Both through their discourse and their actions peasants have appropriated spaces of power to contest these changes. Their voice and their polyvalent strategies of resistance are both meaningful and relevant. This does not mean that they always win.

Considerations for the Future

This dissertation documented deterioration of economic conditions for peasants since the sale of the sugar mill, ideological disavowment of the government and party loyalty, collective organization, and individual strategies to contest the transformation of production in the sugar sector. It remains to be seen whether these efforts will culminate in a major challenge to the hegemony of the privatized sugar mill. Within Mexico lies the potential for increasingly coercive and repressive measures as economic restructuring has undermined the state's redistributive capacity. As declining support reaches a critical level, we may expect to see peasant producers utilize new strategies to challenge the legitimacy of the state. Peasants in Colima are politically conservative, relative to other parts of the country. Should conditions worsen, however, they may choose to adopt the

strategies of the EZLN which seized several towns in Chiapas and declared war on the Mexican government on January 1, 1994. On February 7, cañeros and workers of Ingenio Puruarán, Michoacán, mentioned in Chapter VI, decided to join forces with the EZLN in order to press their demands for the reopening of the bankrupt sugar mill. The Mexican state has responded through increasing political surveillance and control of the area (Robles 1994).

Compounded with a worsening of their economic status is the recent modification to Article 27 which would allow ejidos to privatize their lands. Ejidos today comprise 50% of agricultural land in Mexico; it would require a 66% majority for any ejido to decide to privatize its land. Initial steps in this direction were realized with the passage of the Ley de Fomento Agropecuario in the sexenio of López Portillo, allowing the association of ejidos and private interests. These measures are likened to the Ley Lerdo and the Ley de Desamortización of 1856 which divested peasant communities of their lands and allowed the concentration of land by haciendas. Some scholars believe that privatization of the ejido emanating from the modification to Article 27 will result in a renewed concentration of land. The privatization of sugar mills, compounded with the potential privatization of ejidal lands, poses a perilous situation for debt-ridden cañeros, who are currently bound to the mill in a form of neo-debt peonage. Economic crisis encourages the willingness of ejidatarios to commoditize land for short-term gain. A possible strategy of Grupo Beta may be to withhold investment in the mill until it can confiscate the land of indebted cañeros. Once the unity of field and factory is accomplished, the mill could then invest in the mill to increase its productivity, with the added advantage of a cheap source of labor in the former cane producers. Thus, we may once again see the concentration of lands in agroindustrial regions. Should this prove to be a strategy of the mill, it begs the question of why they would surrender the current practice of subcontracting; when peasants hold the land base, it is they who bear the risks

of production. Another possible strategy may be to preferentially invest in the more lucrative mills in the sales packet, and subject the other mills to benign neglect. This could, potentially, result in fewer, more productive sugar mills in the country. These are issues that should be the subject of longitudinal analysis.

This research yields an initial profile of the impact of privatization of the sugar industry on peasants, how they may be differentially affected, and the strategic actions they have utilized to assert themselves against the hegemonic forces of the state and private capital. The results of this research are not presumed to present a comprehensive analysis of the ramifications of privatization--a project that would require a much longer time-frame to complete. It intends to contribute base-line data from the pre-privatization context and the initial harvests following privatization, upon which longitudinal analysis can build in future years. This research leaves unanswered whether the sector may recover after the difficult years of conversion, or whether private capital will be unable to wrest the sector from its current crisis. Future research should be directed toward these developments, what role the privatization of ejidos will play, and the rapidly changing political context within Mexico.

For the present, half a decade after initiating the privatization of Mexican sugar mills, the sugar sector is in the throes of the worst crisis in its history. While neoliberal ideology proclaims the benefits of structural adjustment, free trade, and privatization, an increasingly marginalized peasantry has taken an active role in rejecting the changing relations of production. These unfolding processes, as they have been analyzed herein, reverberate in the dissenting voices of producers of the cane:

If they don't clear up things, we are going to knock down the cane and we will see who pays the debts that we have with the mill, because they cannot obligate us to continue with the cane. We already lost one revolution and we cañeros are not going to lose more. We will not give ourselves up in defeat--we will start another.

APPENDICES

APPENDIX A

Equipment of Ingenio Quesería

- 27 Ford 4500 tractors
- 3 MF-50 tractors
- 3 J & L L-8000 cane lifters
- 15 J & L cane lifters
- 12 Thompson ME-321 cane lifters
- 1 Continental 50 ton scale
- 1 Revuelta 50 ton scale
- 3 Mirón cranes
- 2 Fulton cutters,
 - one with a 600 h.p. Elliot 2DYR turbine and a Lufkin M reducer
 - one with a 700 h.p. Elliot 2CYR turbine and a Lufkin 10 NT 1070 reducer
- 1 Unigrator cutter, with a 490 hp. Terry GA turbine and a Lufkin NM147B reducer
- 1 Gruendler fiber remover with a 700 hp. Terry GA vapor turbine and a W.H. SU reducer
- 4 Fulton-Fhasa grinding mills
- 2 Fletcher grinding mills
 - one with a 1040 hp. Elliot turbine, Farrel DR-58/3 reducer, and Lufkin gears
 - one with a 1000 hp. Elliot 2 DYR turbine and a Lufkin reducer
 - four with 865 hp. Murray UV-2 turbines and Farrel DR-33 reducers
- 6 Edwards pressure batteries
- 1 Separation system with 65 hp. Gutiérrez motors
- 1 Cush-Cush juice strainer with 10 hp. motors and Falk reducer
- 2 DSM DE 6 strainers
- 1 20 ton Eisa crane
- 7 Babcock & Wilcox boilers
 - one with 200 hp. Evisa fan and 1 600 hp. Elliot
 - one 2CYR steam turbine
 - one with Elliot 2BTRT steam turbine and 1 2CYRT steam turbine
- 2 American Marsh HHT pumps
- 1 160 hp. Elliot 2DYR turbine
- 1 153 hp. Elliot 2DYR turbine
- 3 Fairbanks Morse pumps
- 1 200 hp. Worthington turbine
- 1 375 hp. Dean Hill turbine
- 3 turbogenerators
 - one with Terry turbine, Lufkin reducer, and General Electric generator
 - one with Elliot turbine, Farrel reducer, and General Electric generator
 - one with Shin'Nippon Machinery Co. turbine, Osaka Chain & Machinery reducer, and Shinko Electric generator

- 1 Mantro-Mess automatic duplex scale
 - 1 Acme No. 2 Sulfate equipment
 - 1 Fisher alkalization equipment
 - 6 juice heaters with Rapi-Dorr clarifiers
 - 5 Elliot ejectors
 - 4 50 hp. Nash CL405 vacuum pumps
 - 1 60 hp. Sihi LPHA vacuum pump
 - 1 Marley cooling tower
 - 4 200 hp. Fairbanks Morse pumps
 - 2 250 hp. Fairbanks Morse pumps
 - 3 115 hp. American Marsh HLM-12 condensers
 - 3 Cristachurn Myesa crystalizers
 - 7 "U" crystalizers
 - 9 Robert (2 automatic and 7 continuous) centrifuges
 - 3 Buckau Wolf automatic centrifuges
 - 1 40 hp. Link Belt dryer
 - 1 Mantro-Parsons automatic duplex scale
 - 1 Oken scale
 - 4 Fischbein machines (1 automatic) to sew sugar sacks
 - plus a variety of factory equipment for which brand names are not provided
- (*Manual Azucarero Mexicano* 1991)

APPENDIX B

Interview Schedules

CENSUS:

Demographic:

Data collected on each household member:

Name
Relation to head of household
Sex
Date of birth
Place of birth
Marital status
Principal occupation
Secondary occupation
Years of education

Adult offspring, in addition to above:

Current residence
Date left

House:

Ownership:

owned
rented
loaned

Number of rooms
Number of floors

Utilities:

electricity
sewage system
piped water

Construction material:

floor
roof
walls

Material property:

Ownership of:

refrigerator
sewing machine
television
radio
stereo
tape recorder
motorcycle
car
truck
other property (type)
other houses or real property
animals

Services or sales provided in the home

Migration:

Household members who migrated to the
U.S. in the past 5 years

Year(s) of migration

Duration of migration

Amount of remittances

Expenditure of remittances

INTERVIEW #1:**Agricultural data:**

1. Type of producer:
 - propietario
 - ejidatario
 - agricultor
 - arrendatario
 - mediero
 - jornalero
2. Do you have ejido land?
3. Name of ejido?
4. Do you have privately owned land?
5. Location?
6. How many hectares do you work yourself?
7. How many hectares of your land are rented to another person?
8. How many hectares are sharecropped?
9. How many hectares are...
 - irrigated
 - rainfed
 - pasture

For *each crop* cultivated in 1990-91; 1989-90; 1985-86:

10. Was crop on your own land, or did you rent land or sharecrop?
11. Rent paid or amount of crop turned over to the landowner?
12. Number of hectares?
13. Tons harvested?
14. Yield?
15. Tons sold; if maize, tons kept for family consumption?
16. Price received?
17. Costs of production...
 - labor
 - seed
 - fertilizer, herbicides, pesticides
 - machinery
18. Amount of credit received?
19. Earnings?
20. Debts?

For *cattle raised* 1990-91; 1989-90; 1985-86:

21. Were the cattle on your own land, or did you rent land?
22. Rent paid?
23. Number of hectares of pasture?
24. Number of cattle?
25. Amount of milk sold and price received?
26. Amount of cattle/meat sold and price received?

27. Costs of production?
 - labor
 - feed
 - medical
 - maintenance of pasture
28. Amount of credit received?
29. Earnings?
30. Debts?

Wage labor:

31. Have you worked as a wage laborer in the past 12 months?
32. For whom?
33. On ejido or private land?
34. What crops did you work?
35. How long did you work?
36. What was the rate of pay?
37. Number of household members who work for wages?

Opinions on agricultural production:

1. What crop (or cattle) brings you the most profit?
2. What are the most grave problems you have in agricultural production?
3. In what way has your production changed in the last five years?
4. Relative to your economic position in agricultural production five years ago, what is your present position? Why?
 - 1) much better
 - 2) better
 - 3) the same
 - 4) worse
 - 5) much worse
5. Please explain why you prefer the crops (or cattle) that you produce.
6. Which crops would you prefer to produce, and why don't you cultivate them?
7. How has your access to credit changed in the last five years?
8. How has your access to seed changed in the last five years?
9. How has your access to fertilizers, herbicides, and pesticides changed in the last five years?
10. How has your access to mechanized equipment and transport changed in the last five years?
11. What proportion of your earnings have you invested to improve production in the last five years?
12. Has your need to work for wages increased in the last five years?

INTERVIEW #2:**Socioeconomic data:**

1. Five years ago, we asked people's opinion about life in this village. I am interested in your opinion today. Do you believe this village is... Why?
 - 1) progressing rapidly
 - 2) progressing slowly
 - 3) remains the same
 - 4) is getting worse
2. Among the people of the village, do you think...
 - 1) some live much better
 - 2) there is some difference, but not very great
 - 3) all are equal

In what way has this situation changed in the last five years?

3. Do you think your economic position is...
 - 1) better
 - 2) the same
 - 3) worse...than the majority of people in this village?
4. What kind of life does your income allow?
 - 1) very good
 - 2) good
 - 3) average
 - 4) bad
 - 5) very bad
5. Do you think that peasants are... Why?
 - 1) progressing rapidly
 - 2) progressing slowly
 - 3) remain the same
 - 4) are getting worse
6. What is your opportunity to improve your economic situation? Why?
 - 1) very good
 - 2) good
 - 3) average
 - 4) bad
 - 5) very bad
7. What can a peasant do to improve his/her economic position?
8. In agrarian issues, for example, prices, interest rates, agrarian programs, do you have the opportunity to influence decision making...
 - 1) always
 - 2) frequently
 - 3) half the time
 - 4) infrequently
 - 5) never

9. Do you believe that peasants here are... Why?
 - 1) very united
 - 2) more or less united
 - 3) little united
 - 4) not united
10. Do you believe the ejido is... Why?
 - 1) progressing rapidly
 - 2) progressing slowly
 - 3) remains the same
 - 4) is getting worse
11. Some people believe that peasant organization is necessary to resolve agricultural problems, while others believe it is not worthwhile. Do you think that organization serves to... Why?
 - 1) resolve many problems
 - 2) resolve some problems
 - 3) resolve few problems
 - 4) it is worthless
12. How well do each of the following organizations and institutions contribute to the well-being of peasants?

| | |
|----------|------------------|
| SRA | Liga |
| SARH | UNPCA |
| BANRURAL | Ingenio Quesería |
| ASEMEX | FIMAIA |
| CONASUPO | IMSS |
| FERTIMEX | PRI |
| PRONASE | CEDPA |

 - 1) very good
 - 2) good
 - 3) average
 - 4) bad
 - 5) very bad
13. Which political party helps peasants most?
14. What is your opinion of the Solidarity Pact?
15. What is your opinion on the Modernization Program?

Privatization of the sugar mill:

16. Because the focus of the study is on the reprivatization of the sugar industry, what have been your thoughts on the sale of Ingenio Quesería to a private group?
17. Why was the sugar mill sold?
18. Who is Grupo Beta?

19. Do you believe that the sale is benefitting the peasants here? How, or why not?
20. What are the disadvantages of this change?
21. How has the production of cane changed since the sale?
22. How has the relationship of peasants to the sugar mill changed?
23. Is the sugar mill helping peasants more than before the sale, or less? Explain why.
24. Who has given more attention to the demands of the peasants, the new owners, or the previous owners? Why?
25. Who is able to help the peasants more, the new owners, or the previous owners? Why?
26. Do you think it would be better if the sugar mill... Why?
 - 1) was still controlled by the state
 - 2) had been purchased by the CNC
 - 3) it is okay in the hands of the new owners
27. When, and why did the crisis in the cane sector begin?
28. Which contributes most to cane problems?
 - 1) the government
 - 2) the sugar mill
 - 3) the cane producers' union
 - 4) the cañero
29. To whom should peasants protest, to the government, the sugar mill, or the cañero union?
30. In your opinion, which would be better... Why?
 - 1) to intensify cane production in the area
 - 2) to quit cane production
31. Which is more profitable, to rent out the cane, or to work it yourself?
32. What is your opinion on the Decreto Cañero?
33. Do cañeros have a right to benefit from the byproducts of the cane?
34. What is your opinion on the organization of the cane harvest?
35. What is your opinion of...
 - the field inspectors
 - the guardacortes
 - the local cutters
 - the migrant cutters
36. What alternatives are there for improving the organization of the cane harvest?

Cañeros only:

37. How often do you attend the meetings of the cañero union?
 - 1) always
 - 2) most of the time
 - 3) once in a while
 - 4) never
38. Within the cañero union, how is the leader selected, by those above, or by the base membership?
39. Where do decisions concerning cañero matters originate--do they come most frequently from...
 - 1) state officials
 - 2) the sugar mill
 - 3) the union leaders
 - 4) the members
40. Do you actively participate, or do you follow the leaders?
41. What facilitates your participation? What impedes it?
42. What are the benefits of being a member of the cañero union?
43. What are the greatest problems for the cañero union?
44. How are disagreements between members and national leaders resolved?
45. How are disagreements between members and regional leaders resolved?
46. Who have been the union leaders that helped cañeros the most? What did they do to help?
47. Did you support the cañero strike of 1990?
48. Why didn't the cane strike reach its goal?
49. Why did the cañeros accept the 26.9% increase in price?
50. Can the cañeros organize to protect their rights? Why or why not?
51. How can the cañeros best achieve their goals...
 - 1) consolidate their own organization
 - 2) unite with another state organization
 - 3) unite with an independent union
52. How has the involvement of the state toward the cañero union changed since the sale of the sugar mill?
53. In what way has the relation of the cañero union with the sugar mill changed since the sale of the mill?

54. Do you believe that the cañeros are...
- 1) very united
 - 2) more or less united
 - 3) little united
 - 4) not united
55. Do you think that the cañero union is...
- 1) progressing rapidly
 - 2) progressing slowly
 - 3) remains the same
 - 4) is getting worse
56. How much power do the cañeros have to influence cane matters?
- 1) much
 - 2) some
 - 3) little
 - 4) none
57. How much confidence do you have in the capacity of the state to benefit the cañeros?
- 1) much
 - 2) some
 - 3) little
 - 4) none
58. How much confidence do you have in the capacity of the sugar mill to benefit the cañeros?
- 1) much
 - 2) some
 - 3) little
 - 4) none
59. How much confidence do you have in the capacity of the cañero union to benefit the cañeros?
- 1) much
 - 2) some
 - 3) little
 - 4) none
60. What are the advantages of producing sugar cane? What are the disadvantages?
61. Which contributes most to low cane yields?
- 1) lack of rain
 - 2) lack of fertilizer
 - 3) lack of cultivation
 - 4) old cane
 - 5) renting out the cane
62. Are you satisfied with the earnings you receive with the cane? If not, why do you continue to produce it?

63. What would you do if...
they took away cañero insurance?
they took away advance payments and loans?
they took away the bags of sugar?
64. If the cane disappears, what would you do with your land?
65. What are the alternatives cañeros can use to improve?

INTERVIEW #3

Household Budget (annual):

Rent
Food
Clothing
Electricity and water
Medical costs
Education
Transportation
Entertainment
Other (specify)
[Total]
Income of the head of household
Income of other members of household
Income from services, sales provided by the household
Total household income/debt

APPENDIX C

Mill Worker's Account of Changes in the Sugar Mill

The sugar industry of the country has totally collapsed for lack of maintenance of the sugar mills.

The bad functioning of the mill is because of poor organization and the little interest in the mill. The administrators only want their own benefit, their assured earnings. Like José H_____. Instead of paying the employees, he went hunting in India. If the administration goes bad, we all go bad.

Afterwards, in other harvests, came pure engineers charging the dough with their titles they had studied for, but they did not know how to manage this mill. We workers had not studied, we didn't know books. We knew what time and experience had taught us. Now they put in many monkeys and for that it doesn't function well and it is stopped many hours without working. But they ought to manage it with a good administration.

In the epoch of the owners Lic. Carlos Septién and the manager, it was his brother, Jorge Septién, those owners raised up the sugar mill. Yes, they administered it well in the factory and the field. It was in this epoch that the sugar mill flourished. They put interest in it. If a piece of equipment was screwed, we asked for it, and they brought it and we put it in. That was when it was good for all of us. I believe that everyone earned. The administrators and owners gave us many things: clothing, rations, shoes, at Christmas they had workers' parties. But we knew the mill well, in the running and firing of the motor, we knew where there was a problem, if in some place there was a tube that with time had thinned from use and had to be changed. We asked the administrator and he gave it to us.

When the government saw that the Septiéns had made a good business, they did everything possible to get the sugar mill. They began to squeeze and squeeze them with high taxes, until they won. But the government began to fill the sugar mill with bureaucrats, appointed wherever, in the factory, in the administration, in the field offices. The inspectors they placed so they could rob. Whatever else, they wanted to rob. To have the earnings apart from their salary. They progressed rapidly, their good house, their truck, and the mill completely abandoned.

In the epoch of José López Portillo, whatever small person was left with earnings. Even more those that had large expanses of cane. But in that sexenio, the government paid a good price for the cane, a just price. Now in the last years that it belonged to the government, three or four years ago, they sold it because it was at the point of bankruptcy. They no longer wanted to invest in the factory. They didn't rehabilitate the fields. Then we began to hear that the mill was going to be sold. We didn't know, but what we noted was that now they no longer invested in the mill. When the government managed it, they never modernized it. It had pure antiquated machinery. The mill was

mill was sold as a mountain of junk, the government let it decay a lot. Those that worked there, the technicians, made miracles so the mill would keep functioning. We searched for old parts, thrown out screws, or tubes that already had been removed because they no longer worked. We soldered old tubes because they no longer gave us the opportunity to request things, well they shut us up saying there was no money. Well clearly, they were taking advantage. We were desperate looking for parts in one place and another. Also, the cañeros began to operate in the red. The government held control [but the mill] lost time without working.

Thus when these owners received it, they received the pure junk of the mill. The government and its administrators let the mill decay and by wanting to make money, and ultimately, to take the greatest part. The mill is very screwed and it spends more time stopped than it works. Cane is left wasting in the patio. Now in the night shifts, almost daily, you see the workers asleep because the mill has broken down. It loses much time and money. In the country it is even harder, the peasant is the one who is losing wherever he is seen. Always it is the most screwed who loses and the one who suffers most.

These owners have little time here, but they do not have a good administration because they are operating in the red. It is heard that they want to get rid of the manager because he runs a bad operation and the owners do not like him. They say that they don't have enough to pay what they owe us and the government. They have a term of eight years to pay the government. But it does not stop being a good business. That is their hope in continuing, that it will compose itself. They are people who have a lot of money, but anyhow, they don't invest good money in what is bad. They come to profit, to do business. The sugar mill is to blame for the problems of the cañeros, for the bad organization that it has. The government increases everything that it sells, and leaves the salaries stagnant. On that side, the government and the sugar mill decontrol the worker.

They have much experimental cane. The mill has already begun to rehabilitate the country. A man from San José del Carmen came to talk with the field chief so he could explain what were the benefits of producing cane. Up there, they get very beautiful cane, very thick, because there is much water and the soils are good; they aren't so overworked. The soils of that area are soils that are not so worn out, that have been planted only in pure maize. They don't need plowing, nor fertilizer. In contrast, those here in the municipio of Cuauhtémoc, the soils are very worn out and plagued because this is the bad thing about the cane. The land has much plague, like the *aslome*. It no longer has a good yield. Here the lands cannot be planted if it is not for pure fertilizer.

For this, the cañeros have no profit either and they become desperate. They had a strike to increase the price 100% and they were going to have a work stoppage. Also, we factory workers, but they only gave us pabulum with the finger. Because those in Mexico arrange it, without taking us into account. And one, what does he do? Only conform with what they give us in increase. One has no strength, nor power; they manage you easily.

APPENDIX D

Liquidation Documents

| | | | |
|---|--------------------------------|----------------------------|-----------------|
| 26/MAY/88 | INGENIO QUÉSERIA, S.A. DE C.V. | | 1371 |
| LIQUIDACION FINAL DE CARGAS APORTADAS EN LA ZAFRA 1989/1990 | | | |
| PRODUCTOR: 1614009 | | | |
| SUPERFICIE: 16.06 HECTÁREAS | | | |
| TONS ACREDITADAS: 297.570 | | | |
| FECHA DE CORTE: 10/ABR/90 | | | |
| RENDIM BASE LIQUIDACION SOBRE CARGA NETA: 2.582 | | | |
| PRECIO POR KG. DE AZUCAR BASE STANDARD: 557.74730 | | | |
| PRECIO POR TONELADA DE CAÑA: \$47,938.830 | | | |
| CREDITOS ** INGRESOS ** | | CAPITAL | INTERESES |
| VALOR CAÑA INDUSTRIALIZADA | | 14,265,158.00CR | 14,265,158.00CR |
| | | 14,265,158.00CR | 14,265,158.00CR |
| MENOS CARGOS ** DEDUCCIONES ** | | | |
| AVISO SOCAS Y/O RESOCAS | | 1,139,090.00 | 1,139,090.00 |
| FERT SOCAS Y/O RESOCAS | | 1,139,090.00 | 1,139,090.00 |
| C O R T E | | 1,139,090.00 | 1,139,090.00 |
| A C A R R E O | | 2,632,008.00 | 2,632,008.00 |
| OTROS GASTOS DE COSECHA | | 2,632,008.00 | 2,632,008.00 |
| GASTOS DISTRIBUIBLES | | 244,893.00 | 244,893.00 |
| CARGAS ALIENAS | | 244,893.00 | 244,893.00 |
| ASUMPTACIONES CÁMERAS NACIONALES | | 71,328.00 | 71,328.00 |
| F I C A R A | | 48,502.00 | 48,502.00 |
| SUB-TOTAL CARGOS: | | 13,423,438.00 | 2,066,893.00 |
| RESULTADO ZAFRA: | | | 1,225,170.00 |
| ANTICIPOS Y/O PRELIQUIDACIONES | | 524,215.00 | 524,215.00 |
| F E C E R | | 58,134.00 | 58,134.00 |
| A Z U C A R | | | |
| TOTAL CARGOS: | | 14,007,431.00 | 2,066,893.00 |
| *****> RESULTADO DE ESTA LIQUIDACION: | | **1,809,166.00 | *****0.00 |
| | | A C A R R E O | A F A V O R |
| RECTIFI DEL INGENIO "QUÉSERIA", S. A. LA CANTIDAD DE - - - - - | | | |
| *****0.00 POR SALDO QUE RESULTO A MI FAVOR EN ESTA LIQUIDACION FINAL, O EL IMPORTE QUE | | | |
| ***** ME CORRESPONDE DESPUES DE HABER DESCONTADO MIS OBLIGACIONES SOBRE ADEUDOS DE | | | |
| ZAFRAS ANTERIORES, A LO QUE DOY MI ENTERA CONFORMIDAD.- | | | |
| ABASTECEDOR | | TESTIGO | |
| POR ESTE PAGARE ME OBLIGO A PAGAR INCONDICIONALMENTE A LA ORDEN INDISTINTA Y SOLIDARIA DEL | | | |
| INGENIO "QUÉSERIA", S. A., LA CANTIDAD DE - - - - - | | | |
| \$1,809,166.00 EN EL DOMICILIO DEL INGENIO, O EN MEXICO D.F. POR SALDO QUE RESULTO A MI FAVOR | | | |
| ***** EN LA LIQUIDACION QUE ANTECEDER DE OBLIGACIONES EXISTENTES EN ESTA ZAFRA. | | | |
| DERIVADAS DE CONTRATOS QUE TENGO CELEBRADOS CON EL INGENIO.- | | | |
| ABASTECEDOR | | TESTIGO | |
| VOL. DEL DEPTO DE CREDITO | | VOL. BO. SUPLENTE DE CARGO | |
| | | AUTORIZO GERENTE GENERAL | |
| | | Y/O SUB-GERENTE | |

1094

LIGUIDACION FINAL DE CAGAS APORTADAS EN LA ZAFRA 1989/1990

PRODUCED: 161803E

| | | |
|--|--|-------------|
| SUPERFICIE: 31-50 HAZ | | |
| TONS ACREDITADAS: 1,102.750 | | |
| FECHA DE CATE: 20/ABR/90 | | |
| RENDIM BASE LIQUIDACION SOBRE CACA NETA: | | 8.592 |
| PRECIO POR KG. DE AZUCAR BASE STANDARD: | | 577.74730 |
| PRECIO POR TONELADA DE CACA: | | 347.938.630 |

| | CREDITOS ** INGRESOS ** | CAPITAL | INTERESES | T O T A L |
|---|-------------------------|-----------------|---------------|-----------------|
| VALOR CADA INDUSTRIALIZADA | | 53,056,300.00CR | | 53,056,300.00CR |
| | | 53,056,300.00CR | | 53,056,300.00CR |
| MENOS CARGOS ** DEDUCCIONES ** | | | | |
| AVIO SOCAS V/O RESERVA | 3,287,100.00 | 1,871,835.00 | 7,067,178.00 | |
| FERT SOCAS V/O RESERVA | 3,287,100.00 | 1,871,835.00 | 7,067,178.00 | |
| 23% AVIO DIFERIDO PLANTAS | 4,028,880.00 | 592,100.00 | | |
| C O N T R A T O | 4,028,880.00 | | | |
| A C C I D E N T E S | 6,287,110.00 | | | |
| T O T A L C A S T O S DE REAGROPECUA | 6,287,110.00 | | | |
| INTERESES DE REAGROPECUA | 4,633,000.00 | 9,823,226.00 | | |
| GASTOS DISTRIBUCIONALES | 3,287,100.00 | | | |
| GUAFIA | 1,530,800.00 | 3,473,747.00 | | |
| DESPIERDE PESADO | 1,530,800.00 | | | |
| AGRUACIONES CAMERAS NACIONALES | 1,530,800.00 | | | |
| F I C A B A | | | | |
| SUB-TOTAL CARGOS: | 40,645,229.00 | 19,875,234.00 | 60,520,463.00 | |
| RESULTADO ZAFRA: | | | 7,446,168.00 | |
| BALDO REZAGOS DE ZAFRAS ANTERIORES 811,764,778.00 | | | | |
| ANTICIPO Y/O PRELIQUIDACIONES | 5,320,888.00 | | 5,320,888.00 | |
| P O G E R | 5,320,888.00 | | 5,320,888.00 | |
| A Z U C A R | 5,320,888.00 | | 5,320,888.00 | |
| TOTAL CARGOS: | 46,030,138.00 | 19,875,234.00 | 65,905,392.00 | |

*****> RESULTADO DE ESTA LIQUIDACION: *12,849,092.00 *****0.00
 A C A R G O A F A V O R

RECIBI DEL INGENIERO "QUEQUIERIA" S. A. LA CANTIDAD DE \$ 100.00 POR SALDO QUE RESULTA A MI FAVOR EN ESTA LIQUIDACION FINAL O EL IMPORTE QUE ME CORRESPONDE DESPUES DE HABER DESCONTADO MIS OBLIGACIONES SOBRE ADEUDOS DE ZAFRAS ANTERIORES, A LO QUE DOY MI ENTERA CONFORMIDAD."

A B A S T E C E D O R

T E S T I N G

POR ESTE PAGARE ME OBLIGO A PAGAR INCONDICIONALMENTE A LA ORDEN INDISTINTA Y SOLIDARIA DEL
 INGENIO "QUESEIRA", S. A., LA CANTIDAD DE
 \$24,613,870.00 EN EL DOMICILIO DEL INGENIO, O EN MEXICO D.F. POR SALDO QUE RESULTO A MI CARGA
 ***** GO EN LA LIQUIDACION QUE ANTECEDER DE OBLIGACIONES EXIGIBLES EN 1979, PAGA
 DERIVADAS DE CONTRATOS QUE TENGO CELEBRADOS CON EL INGENIO.

ARASTECERO

T E S T I N G

VO. B.C. SEPTO DE CREDITO

VO. 90. SUPPLA DE CASPO

AUTORIZO GERENCIAL GRAB
Y/O SUB-GERENCIAL

Data Recorded from Liquidation Documents

LIQUIDACION FINAL DE CAÑAS APORTADAS EN LA ZAFRA ____/____

PRODUCTOR _____
 EJIDO _____
 SUPERFICIE _____ HAS.
 TONS ACREDITADAS _____
 FECHA DE CORTE _____
 RENDIM. BASE LIQUIDACION SOBRE CAÑA NETA _____
 PRECIO POR KG. DE AZUCAR BASE STANDARD _____
 PRECIO POR TONELADA DE CAÑA _____

CREDITOS/INGRESOS

| | CAPITAL | INTERESES | TOTAL |
|----------------------------|---------|-----------|-------|
| VALOR CAÑA INDUSTRIALIZADA | _____ | _____ | _____ |
| VALOR CAÑA SEMILLA | _____ | _____ | _____ |
| APLICACION CAÑA CASTIGADA | _____ | _____ | _____ |
| CAÑA BUENA CALIDAD | _____ | _____ | _____ |
| CAÑA NO INDUSTRIALIZADA | _____ | _____ | _____ |
| CONSOLIDACION DE CUENTAS | _____ | _____ | _____ |

MENOS CARGOS/DEDUCCIONES

AVIO PLANTAS _____
 FERT. PLANTAS _____
 AVIO SOCAS/RESOCAS _____
 FERT. SOCAS/RESOCAS _____
 AVIO DIFERIDO PLANTAS _____
 15% AVIO DIFERIDO PLANTAS _____
 25% AVIO DIFERIDO PLANTAS _____
 FERT. DIFERIDO PLANTAS _____
 15% FERT. DIFERIDO PLANTAS _____
 25% FERT. DIFERIDO PLANTAS _____
 CORTE _____
 ALZA _____
 ACARREO _____
 OTROS GASTOS DE COSECHA _____
 INTERESES DE REZAGOS _____
 GASTOS DISTRIBUIBLES _____
 FICAÑA _____
 DESPIEDRE PESADAS _____
 OBRAS _____
 DISTRIB. FERT. _____
 CUOTAS AL IMSS _____
 CUOTAS AL IMSS '86 _____
 CUOTAS AL IMSS '87 _____
 AGRUPACIONES CAÑERAS NACIONALES _____

SUB-TOTAL CARGOS _____
 RESULTADO ZAFRA _____

SALDO DE REZAGOS _____
RECUPERACION DE REZAGOS _____
ANTICIPOS Y/O PRELIQUIDACIONES _____
PRESTAMOS A CTA. DE LIQUIDACION _____
FIOS CER _____
FIMAIA _____
SEGURO DE LA VIDA _____
IMPUESTOS _____
RETENCION TERCEROS _____
ADEUDO INGENIO _____
RETENCION CTA. FLETEROS _____
RET. U.L.P.C. _____
AZUCAR _____
INCENTIVO A LA PRODUCCION _____
CONSOLIDACION DE CUENTAS _____

RESULTADO DE ESTA LIQUIDACION

| | |
|---------------|--------------|
| A CARGO _____ | AFAVOR _____ |
| DEUDA _____ | |

APPENDIX E

Table 54. Change in Hectares of Cane by Individual Producer.^{III}

| | <u>1990-91</u> | <u>1989-90</u> | <u>1988-89</u> | <u>1987-88</u> | <u>1986-87</u> | <u>1985-86</u> |
|------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1 | 63.50 | 78.00 | 80.84 | 59.30 | 90.30 | 48.70 |
| 2 | 4.00 | 4.00 | 4.00 | 4.00 | .00 | .00 |
| 3 | .00 | .00 | .00 | 2.00 | 2.00 | 5.00 |
| 4 | 6.50 | 3.01 | .00 | .00 | .00 | .00 |
| 5 | 7.00 | 9.10 | .00 | 9.10 | 9.10 | 9.10 |
| 6 | 5.20 | 6.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| 7 | 1.50 | 7.51 | 10.00 | 12.00 | 16.00 | 16.00 |
| 8 | .00 | .00 | .00 | .00 | 6.60 | 6.60 |
| 9 | .00 | .00 | 3.80 | 3.80 | 3.80 | 3.80 |
| 10 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 |
| 11 | 7.80 | 7.80 | 7.30 | 7.80 | 6.80 | 7.80 |
| 12 | 26.10 | 30.00 | 24.00 | 30.00 | 30.00 | 31.00 |
| 13 | 8.00 | 8.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| 14 | .00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 15 | 12.50 | 13.01 | 13.00 | 13.00 | 13.00 | 13.00 |
| 16 | .00 | 8.00 | 8.00 | .00 | 8.00 | 8.00 |
| 17 | 16.55 | 28.45 | 28.55 | 28.55 | 28.55 | 22.90 |
| 18 | 1.40 | 1.40 | 1.40 | 1.40 | .00 | .00 |
| 19 | 14.00 | 16.00 | 16.00 | .00 | 16.00 | 16.00 |
| 20 | 8.00 | 12.00 | 12.00 | 12.00 | .00 | 12.00 |
| 21 | 4.00 | 8.00 | 8.00 | 8.00 | .00 | 8.00 |
| 22 | 7.50 | 5.00 | 9.00 | 9.80 | 9.80 | 3.80 |
| 23 | 1.10 | 1.10 | 1.10 | 1.10 | .00 | .00 |
| 24 | .00 | 5.06 | 5.05 | .00 | .00 | 6.05 |
| 25 | 16.30 | .01 | 5.00 | .00 | .00 | 14.00 |
| 26 | 2.60 | 2.60 | 2.60 | 2.60 | 2.60 | 2.60 |
| 27 | 3.00 | 9.60 | 9.60 | 9.60 | 9.60 | 9.60 |
| 28 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| 29 | .00 | .00 | 12.00 | .00 | 16.00 | 16.00 |
| 30 | 11.30 | .00 | .00 | 2.00 | 10.00 | 10.00 |
| 31 | 6.80 | 6.80 | 6.80 | 6.80 | 6.80 | 6.80 |
| 32 | 10.01 | 10.00 | 10.00 | .00 | 12.00 | 12.00 |
| 33 | 4.00 | 5.00 | 5.00 | .00 | 5.00 | 5.00 |
| 34 | 5.30 | 5.30 | 5.30 | 5.30 | .00 | .00 |
| 35 | 1.15 | 1.15 | 1.15 | .00 | .00 | .00 |
| 36 | .00 | 5.00 | 5.00 | .00 | 5.00 | 5.00 |
| 37 | 8.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 |
| 38 | <u>8.00</u> | <u>10.00</u> | <u>10.00</u> | <u>.00</u> | <u>10.00</u> | <u>10.00</u> |
| Has. | 278.61 | 330.41 | 345.99 | 269.65 | 358.45 | 350.25 |
| Mean | 9.29 | 10.01 | 10.48 | 10.37 | 12.8 | 10.95 |
| | (n=30) | (n=33) | (n=33) | (n=26) | (n=28) | (n=32) |

(source: Ingenio Quesería, S.A. de C.V.)

^{III}These data are based on liquidation documents provided by Ingenio Quesería. They include the two collectives and two *parcelas escolares*. Household analysis considers members of the collective individually, and data on the *parcelas escolares* are not taken into consideration. The data presented in this table include all cañeros of the villages, thus different figures are attained than for the sample alone.

LIST OF REFERENCES

LIST OF REFERENCES

- Acosta, Carlos
1990 Salinas Fue a Promover la Integración Económica de América Latina, Con Estados Unidos. *Proceso* 728:6-7.
- Adas, M.
1986 From Footdragging to Flight: The Evasive History of Peasant Avoidance Protest in South and Southeast Asia. *Journal of Peasant Studies* 13(2):64-68.
- Alavi, Hamza
1987 Peasantry and Capitalism: A Marxist Discourse. In *Peasants and Peasant Societies*, 2nd edition. Teodor Shanin, ed. Pp. 185-196. Oxford: Basil Blackwell, Inc.
- Althusser, Louis and Etienne Balibar
1970 *Reading Capital*. London: New Left Books.
- Austin, James E. and Gustavo Esteva, eds.
1987 *Food Policy in Mexico: The Search for Self-Sufficiency*. Ithaca: Cornell University Press.
- Azúcar, S.A. de C.V.
1975- *Estadísticas Azucareras*. México, D.F.: Azúcar, S.A. de C.V.
1991
- Bailey, John and Leopoldo Gómez
1990 The PRI and Political Liberalization. *Journal of International Affairs*, 43(2):291-312
- BANAMEX
1991 Exámen de la situación económica de México, 67(786). México, D.F.: Banco Nacional de México.
- Banco de Datos de Estudios Rurales
1984 Archival documents, file Azúcar, library of the Colegio de Michoacán, Zamora, Michoacán.
- Barkin, David
1990 *Distorted Development: Mexico in the World Economy*. Boulder: Westview Press.

- 1987 The End to Food Self-Sufficiency in Mexico. *Latin American Perspectives* 14(3):271-297.
- Barranco Chavarría, Alberto
1993 Los pecados de la privatización. *La Jornada*, May 4.
- Bartra, Armando
1985 *Los herederos de Zapata: Movimientos campesinos posrevolucionarios en México 1920-1980*. México, D.F.: Ediciones Era.
- Bartra, Roger
1974 *Estructura agraria y clases sociales en México*. México, D.F.: Ediciones Era.
- Becerril, Andrea
1993a Resultó mal negocio la venta de ingenios. *La Jornada*, May 11, Pp. 1, 10.
1993b La iniciativa privada no ha sabido administrar los ingenios, indican estudios de la STPS. *La Jornada*, May 12, P. 14.
1993c Perdimos 42 años de lucha social, dicen los azucareros. *La Jornada*, May 13, Pp. 1, 16.
1993d Benefició la venta de ingenios a ex funcionarios ligados al sector. *La Jornada*, May 14, P. 15.
1993e Necesario, definir una esquema de comercialización del azúcar. *La Jornada*, May 15, P. 15.
1993f Los dueños buscan explotarnos, afirman trabajadores azucareros. *La Jornada*, May 16, P. 15.
1993g No se permitirán más quiebras simuladas en los ingenios: CNC. *La Jornada*, May 17, P. 15.
- Blomstrom, Magnus and Bjorn Hettne
1984 *Development Theory in Transition, the Dependency Debate and Beyond: Third World Responses*. London: Zed Books Ltd.
- Boneo, Horacio
1986 Privatization: Ideology and Praxis. In *State Shrinking: A Comparative Inquiry into Privatization*. William P. Glade, ed. Pp. 40-59. Austin: University of Texas Press.
- Bouleau, Cecilia
1990 Unilever, Pepsi Invest in Mexico. *Advertising Age*, November 19, P. 26.
- Burbach, Roger and Patricia Flynn
1980 *Agribusiness in the Americas*. New York: Monthly Review Press.

- Calderón, Fernando, Alejandro Piscitelli, and José Luis Reyna
 1992 Social Movements: Actors, Theories, Expectations. *In The Making of Social Movements in Latin America: Identity, Strategy, and Democracy*. Arturo Escobar and Sonia E. Alvarez, eds. Pp. 19-36. Boulder: Westview Press.
- Canak, William L.
 1984 The Peripheral State Debate: State Capitalist and Bureaucratic-Authoritarian Regimes in Latin America. *Latin American Research Review* 20(1):3-36.
- Carlsen, Laura
 1991 From the Many to the Few: Privatization in Mexico. *Multinational Monitor* 12(5):16-21.
- Caso González, Leticia
 1987 *Origen y evolución de los ingenios azucareros y zonas de abastecimiento*. México, D.F.: FIOSCER.
- Castañeda, Jorge G.
 1990 Salinas's International Relations Gamble. *Journal of International Affairs* 43(2):407-422.
- Çeçen, A. Aydin
 1991 Privatization in Latin America: Some Theoretical and Empirical Issues. Unpublished paper, Department of Economics, Central Michigan University.
- Chayanov, A. V.
 1966 *The Theory of Peasant Economy*. Homewood, IL: Irwin.
- Chevalier, Francois
 1967 The Ejido and Political Stability in Mexico. *In Politics of Conformity in Latin America*. Claudio Veliz, ed. Pp. 158-191. New York: Oxford University Press.
- Cleaver, Harry
 1979 *Reading Capital Politically*. Austin: University of Texas Press.
- Cockburn, Alexander
 1993 NAFTA and the Shameful Seven. *The Nation*, June 28, Pp. 894-895.
- Collins, Joseph and John Lear
 1991 Pinochet's Giveaway: Chile's Privatization Experience. *Multinational Monitor* 12(5):10-15.
- Comaroff, John L.
 1982 Dialectical Systems, History and Anthropology: Units of Study and Questions of Theory. *Journal of South African Studies* 8:143-172.
- Comaroff, John and Jean Comaroff
 1987 The Madman and the Migrant: Work and Labor in the Historical Consciousness of a South African People. *American Ethnologist* 14(2):191-201.

- Cooper, Frederick, Florencia E. Mallon, Steve J. Stern, Allen F. Isaacman, and William Roseberry.
1993 *Confronting Historical Paradigms: Peasants, Labor, and the Capitalist World System in Africa and Latin America*. Madison: University of Wisconsin Press.
- Corbett, Jack and Scott Whiteford
1983 State Penetration and Development in Mesoamerica, 1950-1980. In *Heritage of Conquest: Thirty Years Later*. Carl Kendall, John Hawkins, and Laurel Bossen, eds. Pp. 9-33. Albuquerque: University of New Mexico Press.
- Correa, Guillermo, Salvador Corro and Manuel Robles
1989 Sin reglas claras, los ingenios se hacen chatarra y México pasa de exportador a importador de azúcar. *Proceso*, October 9, Pp. 12-15.
- Corro, Salvador and Guillermo Correa
1992 62 ingenios en quiebra, industriales endeudados y la caña sin cortar. *Proceso* 816:30-32.
- Cortés Rojas, Esteban
1990 De la Vía Pública. *Diario de Colima*, November 10, P. 2.
- Crespo, Horacio, Sergio Reyes Retana, Enrique Vega Villanueva, Arnulfo Embriz, Carlos Zolla, Carlos González Herrera, Alejandro Pinet, and Beatriz Scharrer
1990 *Historia del azúcar en México*, Vol. 2. México, D.F.: Fondo de Cultura Económica, S.A. de C.V.
1988 *Historia del azúcar en México*, Vol. 1. México, D.F.: Fondo de Cultura Económica, S.A. de C.V.
- Cypher, James M.
1990 *State and Capital in Mexico: Development Policy Since 1940*. Boulder: Westview Press.
- Dawkins, Kristin and William Carroll Muffett
1993 The Free-Trade Sellout. *The Progressive*, January, Pp. 18-21.
- de Certeau, Michael
1984 *The Practice of Everyday Life*. Berkeley: The University of California Press.
- de Janvry, Alain
1981 *The Agrarian Question and Reformism in Latin America*. Baltimore: The Johns Hopkins University Press.
- Deere, Carmen Diana and Alain de Janvry
1979 A Conceptual Framework for the Empirical Analysis of Peasants. *American Journal of Agricultural Economics* 61(4):601-611.

del Villar, Samuel I.

- 1976 Depresión en la industria azucarera mexicana. *Foro Internacional* 16(4): 526-585.

Diario de Colima

- 1991a A todos los cañeros abastecedores del Ingenio Queserfa, S.A. de C.V. del estado de Colima y sur de Jalisco. *Diario de Colima*, June 8, P. 4.
- 1991b Importaciones de Azúcar por \$3 Millones: CNPP. *Diario de Colima*, June 21, P. 1.
- 1990a Requiere 600 cortadores de caña el ingenio Queserfa. *Diario de Colima*, January 12, Pp. 1, 6.
- 1990b Compraron los Cañeros un Ingenio en Jalisco. *Diario de Colima*, November 9, Pp. 1B, 4B.
- 1990c Tiraron Caña, Plátano, Coco y Limón Sobre la Avenida Madero. *Diario de Colima*, November 10, Pp. 1, 8.
- 1990d Corresponsabilidad en el Campo. *Diario de Colima*, November 19, P. 2.
- 1990e No habrá huelga de cañeros; hubo acuerdo con industriales. *Diario de Colima*, November 28, Pp. 1, 12-B.
- 1989a Cañeros esperan aún la fijación del nuevo precio de la gramínea. *Diario de Colima*, November 11, P. 6.
- 1989b Sector azucarero eliminará ineficiencias. *Diario de Colima*, November 17, Pp. 6, 22.
- 1989c Presentaron petición para aumentar el precio de productos que contienen azúcar. *Diario de Colima*, November 29, Pp. 4, 15.

Diario El Independiente

- 1991a Atención productor cañero. *Diario El Independiente*, June 14, P. 8.
- 1991b Obtuvo México tres millones 772 mil toneladas de azúcar. *Diario El Independiente*, August 25, P. 8B.
- 1990a Sin acuerdo en el precio del azúcar, *Diario El Independiente*, December 15, P. 6B.
- 1990b Venden ingenio La Abeja en Morelos. *Diario El Independiente*, December 24, P. 4B.

Diario Oficial

1991 Decreto Cañero. *Diario Oficial*, May 31, Pp. 18-22.

The Economist

1991 Sisters in the Wood. *The Economist* 322(7729):5-41.

Ecos de la Costa

1991 Llamamiento a los Campesinos del Estado de Colima. *Ecos de la Costa*, January 7.

Escobar, Arturo

1992 Culture, Economics, and Politics in Latin American Social Movements Theory and Research. *In The Making of Social Movements in Latin America: Identity, Strategy, and Democracy*. Arturo Escobar and Sonia E. Alvarez, eds. Pp. 62-85. Boulder: Westview Press.

Escobar, Arturo and Sonia E. Alvarez

1992 Introduction: Theory and Protest in Latin America Today. *In The Making of Social Movements in Latin America: Identity, Strategy, and Democracy*. Arturo Escobar and Sonia E. Alvarez, eds. Pp. 1-15. Boulder: Westview Press.

Esteve, Gustavo

1983 *The Struggle for Rural Mexico*. South Hadley, MASS: Bergin and Garvey Publishers, Inc.

Evans, Peter

1982 Reinventing the Bourgeoisie: State Entrepreneurship and Class Formation in Dependent Capital Development. *American Journal of Sociology* 88:210-247.

Excelsior

1992 En crisis, los 64 ingenios azucareros del país: SNTIA. *Excelsior*, May 12.

Fábila, Manuel

1941 *Cinco siglos de legislación agraria (1493-1940)*, Vol. 1. México, D.F.: Talleres de Industrial Gráfica, S.A.

Felix, David

1991 Reflections on Privatization in Latin America. Paper presented at the symposium Toward the Next Century: The Global Restructuring of Public and Private Life, Michigan State University, January 16-18.

El Financiero

1992 "Herido de muerte", el sector azucarero nacional, afirmó Sergio Villa Godoy. *El Financiero*, n.d.

1989 Ingenio El Modelo, S.A. *El Financiero*, May 23, P. 15A.

Flores, Lúa, Graciela

- 1987 Historia de las organizaciones cañeras: 1940-72. *In El estado, los cañeros y la industria azucarera 1940-1980*. Luisa Paré, ed. Pp. 46-84. México, D.F.: Instituto de Investigaciones Sociales, Universidad Autónoma de México.

Fontana, Andrés

- 1986 Armed Forces and Neoconservative Ideology: State Shrinking in Argentina, 1976-1981. *In State Shrinking: A Comparative Inquiry into Privatization*. William P. Glade, ed. Pp. 62-74. Austin: University of Texas Press.

Foweraker, Joe and Ann L. Craig, eds.

- 1990 *Popular Movements and Political Change in Mexico*. Boulder: Lynne Rienner Publishers.

Fox, Jonathan

- 1989 Grassroots Organizations vs. "The Iron Law of Oligarchy": Reflections from the Mexican Peasant Movement. Manuscript draft.

Friedmann, Harriet

- 1980 Household Production and the National Economy: Concepts for the Analysis of Agrarian Formations. *Journal of Peasant Studies* 7:158-184.

Gonzalez Duran, P.

- 1989 Producción agrícola autónoma y sin tutelajes, demanda Silerio Esparza. *Excelsior*, March 29, P. 9-A.

García Colim, Margarita

- 1992 Azúcar: la crisis de nunca acabar. *Epoca* 61:18-23.

García de Araújo, Mauricio

- 1986 The Context of Venezuelan Privatization. *In State Shrinking: A Comparative Inquiry into Privatization*. William P. Glade, ed. Pp. 170-176. Austin: University of Texas Press.

García Lemus, Carlos

- 1991 Si no nos respetan, que se atengan a la respuesta: PRD. *Diario El Independiente*, July 25, P. 1.

Gasca Zamora, José

- 1989 Cananea: entre la quiebra y la privatización otro golpe a los trabajadores. *Momento Económico* (46):17-21.

GEPLACEA

- 1990 *Handbook on International Sugar Marketing*, 3rd edition. México, D.F.: Group of Latin American and Caribbean Sugar Exporting Countries.

Giddens, Anthony

- 1979 *Central Problems in Social Theory: Action, Structure and Contradiction in Social Analysis*. Cambridge: Cambridge University Press.

Gilly, Adolfo

- 1990 The Mexican Regime in Its Dilemma. *Journal of International Affairs* 43(2):273-312.

Glade, William P., ed.

- 1986 *State Shrinking: A Comparative Inquiry into Privatization*. Austin: University of Texas Press.

Gledhill, John

- 1985 The Peasantry in History. *Critique of Anthropology* 5(1):33-56.

Gobierno del Estado de Colima

- 1983 Plan Colima: Gobierno constitucional de los Estados Unidos Mexicanos, Gobierno constitucional del Estado de Colima. México, D.F.: Imprenta Madero.

Gollás, Manuel and Adalberto García

- 1976 El desarrollo económico de México. In *Contemporary Mexico: Papers of the IV International Congress of Mexican History*. James W. Wilkie, Michael C. Meyer, Edna Monzón de Wilkie, eds. Pp. 405-440. Berkeley: University of California Press.

Goodman, Louis W., Steven E. Sanderson, and Kenneth Swedel

- 1985 Mexican Agriculture: Rural Crisis and Policy Response. Paper No. 168, Economic Research Service of the U.S. Department of Agriculture and the Latin American Program of the Woodrow Wilson International Center for Scholars.

Gordillo de Anda, Gustavo

- 1988 *Estado, mercados y movimiento campesino*. México, D.F.: Plaza & Janées, S.A. de C.V.

Goulet, Denis

- 1983 *Mexico: Development Strategies for the Future*. London: University of Notre Dame Press.

Gramsci, Antonio

- 1971 *Prison Notebooks*. New York: International Publishers.

Granados, Otto

- 1988 *Las organizaciones campesinas*. México, D.F.: Ediciones Océano, S.A.

Grindle, Merilee S.

- 1988 The Response to Austerity: Political and Economic Strategies of Mexico's Rural Poor. Paper presented at the conference Mexico in Crisis: Past, Present, Future, Storrs, Connecticut, April 22-23.

Guzmán Nava, Ricardo

- 1988 *Historia de Colima: Resumen integral*. México, D.F.: Miguel Angel Porrúa, S.A.

Hamilton, Nora

1984 *State-Class Alliances and Conflicts: Issues and Actors. Latin American Perspectives* 10(2-3):151-170.

1982 *The Limits of State Autonomy: Post-Revolutionary Mexico*. Princeton, NJ: Princeton University Press.

Hardy, Clarisa

1984 *El Estado y los campesinos: La Confederación Nacional Campesina (CNC)*. México, D.F.: Editorial Nueva Imagen.

Henrique Abranches, Sergio

1986 *State Enterprise and Modes of Privatization: A Critical View Based on Brazilian Examples. In State Shrinking: A Comparative Inquiry into Privatization*. William P. Glade, ed. Pp. 75-100. Austin: University of Texas Press.

Hernández Vélez, Avelino

1992 *Riesgo de convertimos en importadores de azúcar, advierte la CNPP. El Financiero*, June 22, P. 44.

1991a "En Jaque", la industria azucarera; dejó de ser costeable. *El Financiero*, September 18.

1991b *Buscan detener el proceso de "estermino" de la unión de cañeros. El Financiero*, October 21, P. 47.

Hodges, Donald and Ross Gandy

1983 *Mexico 1910-1982: Reform or Revolution?* London: Zed Press.

Ibarra, David

1990 *Privatización y otras expresiones de los acomodados de poder entre Estado y mercado en América Latina*. México, D.F.: Universidad Nacional Autónoma de México.

Igartúa, Gabriela

1987 *La formación de La Federación Veracruzana de Productores de Caña y el movimiento cañero en Veracruz: 1969-73. In El estado, los cañeros y la industria azucarera 1940-1980*. Luisa Paré, ed. Pp. 104-130. México, D.F.: Instituto de Investigaciones Sociales, Universidad Autónoma de México.

INEGI

1991 *Atlas ejidal del Estado de Colima: Encuesta nacional agropecuaria ejidal, 1988*. Aguascalientes, México: Instituto Nacional de Estadística Geografía e Informática.

1990 *Colima integración territorial: XI censo general de población y vivienda, 1990*. Aguascalientes, México: Instituto Nacional de Estadística Geografía e Informática.

- 1989 *Colima en síntesis*. Aguascalientes, México: Instituto Nacional de Estadística Geografía e Informática.
- Isaacman, Allen F.
 1993 Peasants and Rural Social Protest in Africa. In *Confronting Historical Paradigms: Peasants, Labor, and the Capitalist World System in Africa and Latin America*. Frederick Cooper, Florencia E. Mallon, Steve J. Stern, Allen F. Isaacman, and William Roseberry. Pp. 205-317. Madison: University of Wisconsin Press.
- Isaacman, Allen F., Michael Stephen, Yussuf Adam, Maria Joao Homen, Eugenio Macamo, and Augustinho Pililao
 1980 Cotton as the Mother of Poverty: Peasant Resistance to Forced Cotton Production in Mozambique, 1938-1961. *International Journal of African Historical Studies* 13:581-615.
- Jiménez Guzmán, Lucero
 1987 *La industria cañero-azucarero en México (El estado de Morelos)*, Part II. México, D.F.: Universidad Nacional Autónoma de México.
- 1986 *La industria cañero-azucarero en México (El estado de Morelos)*. México, D.F.: Universidad Nacional Autónoma de México.
- La Jornada*
 1993 Unión Local de Productores de Caña de Azúcar CNC. *La Jornada*, July 5, 1993.
- 1990 Se inició la zafra 1990-1991 en once ingenios del país: SARH. *La Jornada*, December 6, P. 19.
- Kanogo, Tabitha
 1987 *Squatters and the Roots of Mau Mau*. Athens, OH: Ohio University Press.
- Keen, Benjamin and Mark Wasserman
 1980 *A Short History of Latin America*. Boston: Houghton Mifflin Company.
- Kondracke, Morton
 1991 Mexico and the Politics of Free Trade. *The National Interest* 25:36-43.
- Laclau, Ernesto and Chantal Mouffe
 1985 *Hegemony and the Socialist Strategy: Toward a Radical Democratic Politics*. London: Verso.
- Landázuri Benítez and Verónica Vázquez Mantecón
 1988 *Azúcar y Estado (1750-1880)*. México, D.F.: Fondo de Cultura Económica, S.A. de C.V.

Landsberger, Henry A.

- 1973 The Limits and Conditions of Peasant Participation in Mexico: A Case Study. *In Críticas constructivas del sistema político Mexicano*. William P. Glade and Stanley R. Ross, eds. Pp. 63-96. Austin: University of Texas at Austin, Institute of Latin American Studies.

Lehman, Karen and Mark Ritchie

- 1992 Agriculture. Institute for Agriculture and Trade Policy, Minneapolis.

Lenin, V. I.

- 1974 *The Development of Capitalism in Russia*. Moscow: Progress Publishers.

Lewis, Charles and Margaret Ebrahim

- 1993 Can Mexico and Big Business USA Buy NAFTA? *The Nation*, June 14:826-839.

Malpica Aburto, Nahúm

- 1991 Sobre la crisis de la agroindustria azucarera mexicana. *El Financiero*, September 9, P. 71.

Manual Azucarero Mexicano

- 1985- *Manual Azucarero Mexicano*. México, D.F.: Cia. Editora del
1991 Manual Azucarero, S.A.

Marcos Chávez M.,

- 1992 Inminente intervención del Gobierno para frenar las quiebras de los ingenios reprivatizados. *El Financiero*, December 4, P. 10.

Marcus, George E. and Michael M. J. Fischer

- 1986 *Anthropology as Cultural Critique: An Experimental Moment in the Human Sciences*. Chicago: University of Chicago Press.

Marshall R., Jorge

- 1986 Economic Privatization: Lessons from the Chilean Experience. *In State Shrinking: A Comparative Inquiry into Privatization*. William P. Glade, ed. Pp. 101-128. Austin: University of Texas Press.

Martel, Julian

- 1978 Domination by Debt: Finance Capital in Argentina. *NACLA Report on the Americas* 12(4):21-36.

Melville, Roberto

- 1979 *Crecimiento y rebelión: El desarrollo económico de las haciendas azucareras en Morelos (1880-1910)*. México, D.F.: Editorial Nueva Imagen.

Meyer, Michael C. and William L. Sherman

- 1979 *The Course of Mexican History*. New York: Oxford University Press.

Mintz, Sidney W.

- 1985 *Sweetness and Power: The Place of Sugar in Modern History*. New York: Viking Press.

- 1974 A Note on the Definition of Peasantries. *Journal of Peasant Studies* 1(1):91-106.
- Montes de Oca, Rosa Elena
 1977 The State and the Peasants. In *Authoritarianism in Mexico*. José Reyna and Richard S. Weinert, eds. Philadelphia: Institute for the Study of Human Issues.
- Mora Flores, José Saturnino, Jaime A. Matus Gardea, José Sánchez Salas, and Gustavo García Delgado
 1990 Un Análisis Económico de la Política de Precios en la Actividad Azucarera: México 1960-87. *Agrociencia* 1(1):31-47.
- Morici, Peter
 1991 Trade Talks With Mexico: A Time for Realism. Unpublished manuscript, Department of Economics, University of Maine.
- Munck, Gerardo L.
 1990 Identity and Ambiguity in Democratic Struggles. In *Popular Movements and Political Change in Mexico*. Joe Foweraker and Ann L. Craig, eds. Pp. 23-42. Boulder: Lynne Rienner Publishers.
- Navarro Iñiguez, Arturo
 n.d. Untitled history of Quesería, Colima. Forthcoming.
- Ochoa Meza, Luz María
 1991a Amenazan con cerrar el Ingenio Quesería por incosteable. *Diario El Independiente*, May 7, Pp. 1, 7.
 1991b Podrían perderse 100 mil tons. de caña. *Diario El Independiente*, June 2, Pp. 1, 8.
- O'Donnell, Guillermo
 1973 *Modernization and Bureaucratic-Authoritarianism: Studies in South American Politics*. Berkeley: Institute of International Studies, University of California.
- O'Laughlin, Bridget
 1975 Marxist Approaches in Anthropology. *Annual Review of Anthropology* 4:341-371.
- O'Malley, Ilene
 1986 *The Myth of the Revolution: Hero Cults and Institutionalization of the Mexican State 1920-1940*. New York: Greenwood Press.
- Ortega Pizarro, Fernando
 1990 El porvenir de la industria mexicana, ser devorada por trasnacionales, dice Alberto Santos. *Proceso* 728:10-15.
 1989 El Gobierno se deshace de todo lo que puede y desnacionaliza al país. *Proceso*, 673:6-11.

Ortiz de Zevallos M., Felipe

- 1986 Peru: An Insider's View. In *State Shrinking: A Comparative Inquiry into Privatization*. William P. Glade, ed. Pp. 129-169. Austin: University of Texas Press.

Ortner, Sherry B.

- 1984 Theory in Anthropology since the Sixties. *Society for Comparative Study of Society and History* 26:126-166.

Oseguera Velázquez, Juan

- 1979 *Historia gráfica de Colima*. Guadalajara: Impre-Jal, S.A.

- 1978 *Colima: A Guide to Fiesta Country*. Norman: The University of Oklahoma.

Paré, Luisa

- 1990 La industria azucarera, en charola de plata. *Tiempos y Movimientos*, spring, Pp. 21-25.

Paré, Luisa, ed.

- 1987 *El estado, los cañeros y la industria azucarera 1940-1980*. México, D.F.: Instituto de Investigaciones Sociales, Universidad Autónoma de México.

Paré, Luisa, Irma Juárez G., and Gilda Salazar

- 1987 *Caña Brava*. México D.F.: Universidad Autónoma Metropolitana-Azcapotzalco.

Pérez, Matilde

- 1990 Suspensión nacional de la zafra, acuerdan los cañeros cenecistas. *La Jornada*, November 27, P. 15.

Poole, Claire

- 1991 Land and Life! *Forbes*, April 29, Pp. 45-46.

Prebisch, Raul

- 1950 *The Economic Development of Latin America and Its Principal Problems*. New York: United Nations.

Preciado Vallejo, Gregorio Iván

- 1990 Hank ¿sólo paño de lágrimas? *Diario El Independiente*, December 7, P. 5.

Purcell, Susan Kaufman

- 1981 Business-Government Relations in Mexico: The Case of the Sugar Industry. *Comparative Politics* 13(2):211-233.

Quiles Cabrera, Alfredo

- 1987 Se modernizará la industria azucarera. *Diario de Colima*, April 26, Pp. 1, 8.

Quinto Rosas, María Teresa

- n.d. Untitled and unpublished manuscript.

- 1990 Antecedentes históricos de la caña y el azúcar en Colima. Unpublished manuscript.
- Randall, Donna Lynn Chollett
 1986 *The Mexican ejido: Implications for imposed constraints on political efficacy in agricultural production*. M.A. thesis, Department of Sociology and Anthropology, Iowa State University.
- Redclift, Michael
 1987 *Sustainable Development: Exploring the Contradictions*. New York: Methuen and Company.
- Reding, Andrew
 1989 Mexico Under Salinas: A Facade of Reform. *World Policy Journal* 6(4):685-727.
- Rello, Fernando
 1986 Participation, Bourgeoisie, Peasants and the State in Mexico: The Agrarian Conflict of 1976. Report No. 864, United Nations Research Institute for Social Development, Geneva.
- 1976 Modo de producción y clases sociales. *Cuadernos Políticos* 2:101.
- La República*
 1990 Estatutos del PRI. *La República*, December 7, Pp. 10-16.
- Resnick, Stephen and Richard Wolff
 1987 *Knowledge and Class*. Chicago: Chicago University Press.
- Restrepo, Iván and Salomón Eckstein
 1975 *La agricultura colectiva en México: La experiencia de la Laguna*. México, D.F.: Siglo Veintiuno Editores, S.A.
- Reyna, José and Richard S. Weinert, eds.
 1977 *Authoritarianism in Mexico*. Philadelphia: Institute for the Study of Human Issues.
- Riding, Alan
 1984 *Distant Neighbors: A Portrait of the Mexicans*. New York: Vintage Books.
- Rius
 1976 *Marx for Beginners*. New York: Pantheon Books.
- Robles, Antonio
 1994 Incorporarse al EZLN, deciden en asamblea cañeros de Michoacán. *El Financiero*, February 8.
- Rodriguez Castañeda, Rafael
 1990 El Acuerdo de Comercio como el que México persigue devora ya a Canadá. *Proceso* 725:6-11.

- 1989 Puntualmente se ha cumplido lo que la iniciativa privada proponía hace un año. *Proceso* 673:6-7.

Ronfeldt, David

- 1973 *Atencingo: The Politics of Agrarian Struggle in a Mexican Ejido*. Stanford: Stanford University Press.

Roseberry, William

- 1993 Beyond the Agrarian Question in Latin America. In *Confronting Historical Paradigms: Peasants, Labor, and the Capitalist World System in Africa and Latin America*. Frederick Cooper, Florencia E. Mallon, Steve J. Stern, Allen F. Isaacman, and William Roseberry. Pp. 318-368. Madison: University of Wisconsin Press.

- 1989 *Anthropologies and Histories: Essays in Culture, History, and Political Economy*. New Brunswick and London: Rutgers University Press.

- 1988 Political Economy. *Annual Review of Anthropology* 17:161-185.

- 1978 Peasants as Proletarians. *Critique of Anthropology* 11:3-18.

Rounds, Christopher Robert

- 1977 *From Hacienda to Ejido: Land Reform and Economic Development in Yautepec, Morelos, 1920-1970*. Ph.D. dissertation, State University of New York at Stonybrook.

Rubio, Blanca

- 1987 *Resistencia campesina y explotación rural en México*. México, D.F.: Ediciones Era.

Ruelas Jaramillo, Miguel

- 1990 Se Queja de Represión. *Diario de Colima*, November 17, P. 3.

Ruiz Chávez, Jorge Alberto

- 1991 El Ingenio de Quesería podría dejar de funcionar; no ha sido rentable. *Diario de Colima*, May 7, Pp. 1, 8.

- 1990 Agroproductores: Insostenible situación. *Diario de Colima*, November 16, Pp. 1,7.

Salinas de Gortari, Carlos

- 1984 Production and Participation in Rural Areas: Some Political considerations. In *The Political Economy of Income Distribution in Mexico*. Pedro Aspe and Paul E. Sigmund, eds. Pp. 523-542. New York: Holmes and Meier.

- 1982 Political Participation, Public Investment and Support for the System: A Comparative Study of Rural Communities in Mexico. Research Report Series No. 35. San Diego: University of California, Center for U.S.-Mexican Studies.

- 1980 *Producción y participación política en el campo*. México, D.F.: Universidad Nacional Autónoma de México.
- Saur, Carl
 1990 *Colima de la Nueva España en el siglo XVI*. Colima, México: Universidad de Colima and H. Ayuntamiento de Colima.
- Scott, James C.
 1990 *Domination and the Arts of Resistance: Hidden Transcripts*. New Haven: Yale University Press.
- 1985 *Weapons of the Weak: Everyday Forms of Peasant Resistance*. New Haven: Yale University Press.
- Secretaría de Programación y Presupuesto
 1989 *Plan Nacional de Desarrollo, 1989-1994*. México, D.F.: Secretaría de Programación y Presupuesto.
- Sepulveda, Armando
 1990 Rechazan cañeros del país el incremento de 26 por ciento. *Excelsior*, November 7, Pp. 1-2.
- Serrano Santos, Rafael
 1990 El 25 de Junio se cumplió con la zafra 89-90. *Tumbando Caña* 19:15.
- Sevilla del Río, Felipe
 1986 *Breve estudio sobre la conquista y fundación de Coliman*, 2nd edition. México, D.F.: Litho Ediciones América, S.A.
- Shanin, Teodor, ed.
 1987 *Peasants and Peasant Societies*, 2nd edition. Oxford: Basil Blackwell, Inc.
- Sierra Reyes, Arturo
 1989 Vendidos, los Ingenios de Santa Clara y San Sebastián. *Guía*, January 22, Pp. 1, 21.
- Singelmann, Peter and Gerardo Otero
 1994 Cane Growers in Mexico: Social and Political Implications of Restructuring in the Sugar Industry. Paper presented at the XVIII International Congress of the Latin American Studies Association, March 10-12, Atlanta, Georgia.
- Smith, Carol A.
 1984 Labor and International Capital in the Making of a Peripheral Social Formation: Economic Transformations in Guatemala, 1850-1980. In *Labor in the Capitalist World System*. Charles Bergquist, ed. Pp. 135-156. Beverly Hills, CA: Sage Publications, Inc.
- Solo, Tova María
 1991 The Phantom of Privatization. Paper presented at the symposium Toward the Next Century: The Global Restructuring of Public and Private Life, Michigan State University, January 16-18.

Stallings, Barbara

- 1978 Privatization and the Public Debt: U.S. Banks in Peru. *NACLA Report on the Americas* 12(4):21-36.

Stanford, Lois

- 1993 Examining the Consequences of Peasant Resistance: Export Agriculture in Michoacán, Mexico. *Culture and Agriculture* 47:2-7.

Starn, Orin

- 1992 "I Dreamed of Foxes and Hawks": Reflections on Peasant Protest, New Social Movements, and the Rondas Campesinas of Northern Peru. In *The Making of Social Movements in Latin America: Identity, Strategy, and Democracy*. Arturo Escobar and Sonia E. Alvarez, eds. Pp. 89-111. Boulder: Westview Press.

Storrs, K. Larry

- 1991 Mexico-U.S. Relations in the Salinas Period (1988-1994): Issues for Congress. *CRS Issue Brief*, The Library of Congress.

Taussig, Michael T.

- 1980 *The Devil and Commodity Fetishism in South America*. Chapel Hill: University of North Carolina Press.

Teubal, Miguel

- 1987 Internationalization of Capital and Agroindustrial Complexes: Their Impact on Latin American Agriculture. *Latin American Perspectives* 14(3):316-364.

Thomas, Clive Y.

- 1984 *The Rise of the Authoritarian State in Peripheral Societies*. New York: Monthly Review Press.

Throup, David

- 1987 *Economic and Social Origins of Mau Mau, 1945-53*. Athens, OH: Ohio University Press.

Torres Sánchez, José Manuel

- 1991a Al privatizarse el ingenio El Potrero, los problemas se están acumulando. *El Dictamen*, January 29, P.1.
- 1991b Liquidarán a los trabajadores de XAFRA si no se presentan a trabajar. *El Dictamen*, January 31, P. 3D.

Tumbando Caña

- 1988- *Tumbando Caña*, Nos. 7-20, México, D.F.: Unión Nacional de
- 1990 Productores de Caña de Azúcar de la Conferderación Nacional Campesina.

Vázquez, Ascensión

- 1990 Lo que hay tras el negocio de los ingenios. *Tumbando Caña*, (17):14-15.

Verduzco Ceballos, Alfredo

- 1988 Se espera incrementar la producción de azúcar en el Ingenio Quesería. *Diario de Colima*, November 24, P. 1.

Vidaurrázaga, Rubén

- 1991a Se modernizan o se retiran los cañeros del cultivo: SARH. *Diario El Independiente*, February 4, P. 1, 7.

- 1991b Atraso en la zafra, causa alarma entre cañeros. *Diario El Independiente*, February 13, Pp. 1, 2, 8.

von Woebeser, Gisela

- 1988 *La hacienda azucarera en la época colonial*. México, D.F.: Secretaría de Educación Pública and Universidad Autónoma de México.

La Voz de Michoacán

- 1990a Para evitar desabasto, levantan la clausura en ingenios del país. *La Voz de Michoacán*, November 9, P. 4-C.

- 1990b Ni una caña de azúcar más si no se considera el precio de garantía. *La Voz de Michoacán*, November 13, P. 3-C.

- 1990c Posible paro total de todos los ingenios. *La Voz de Michoacán*, November 15, P. 3-C.

- 1990d Resuelto el problema: no habrá paro nacional de cañeros: Hank. *La Voz de Michoacán*, November 17, P. 4-C.

- 1990e Autorizó la Secofi aumentos entre el 25 y 34.2% a refrescos. *La Voz de Michoacán*, November 18, Pp 1, 21.

Warman, Arturo

- 1980a *Ensayos sobre el campesinado en México*. México: Nueva Imagen.

- 1980b *We Come to Object: The Peasants of Morelos and the National State*. Baltimore: The Johns Hopkins University Press.

Wasserstrom, Robert

- 1983 *Class and Society in Central Chiapas*. Berkeley: University of California Press.

Watts, Michael

- 1988 Struggles Over Land, Struggles Over Meaning. In *A Ground for a Common Search*. Reginald Golledge, ed. Pp. 31-51. Santa Barbara: University of Santa Barbara Press.

Weintraub, Sidney

- 1990 Regionalism and the GATT: The North American Initiative. *SAIS Review*, Pp. 45-57.

Wessman, James W.

1981 *Anthropology and Marxism*. Cambridge, MA: Schenkman Publishing Company, Inc.

Wilkie, James W.

1967 *The Mexican Revolution: Federal Expenditure and Social Change Since 1910*. Berkeley: University of California Press.

Williams, Raymond

1977 *Marxism and Literature*. Oxford: Oxford University Press.

Wolf, Eric R.

1982 *Europe and the People Without History*. Berkeley: University of California Press.

1959 *Sons of the Shaking Earth*. Chicago: University of Chicago Press.

Worsley, Peter

1984 *The Three Worlds: Culture and World Development*. London: Weidenfield and Nicolson.

Zúñiga, María Elena

1992 En crisis la industria azucarera nacional por voluminosas importaciones a precio *dumping*. *El Financiero*, January 15, P. 6A.

MICHIGAN STATE UNIV. LIBRARIES



31293010197600