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Agrarian Crisis and Social Differentiation in Mexico

Roger Bartra and Gerardo Otero*

This article explores the double crisis of Mexican agriculture: one relating to the capitalist sector, the other to the peasant economy. An analysis of cash crops in contrast with subsistence crops is provided, using production and prices data for the 1940–83 period. Then, based on the 1970 census, we present a spectrum of social differentiation of agrarian producers in Mexico which reflects the extent to which the peasant economy had been eroded by that year. By contrasting these data with those of 1960, we illustrate how the middle peasantry tends to disappear.

Twenty years ago Mexican agriculture was presented by the proud politicians of the government as an enviable model of accelerated economic development. Moreover, the basis for the high rates of growth in agricultural production was an important agrarian reform which had achieved long hoped for political tranquillity in rural areas: since the Lázaro Cárdenas regime (1934–40) national agricultural production had been multiplied threefold and the peasantry seemed to be firmly controlled by mass organizations of the state brought to power by the Mexican revolution.¹

However, the decade of the 1970s saw a profound crisis in the agricultural economy and an impressive increase in protests from all rural sectors. These protests took different forms, including guerrilla warfare, violent land seizures, strikes, long distance marches to cities, reorganization of rural entrepreneurs' pressure groups. The economic crisis has evolved in a quite complex form throughout the past 15 years. Eventually, the great protests, both from rural workers and agricultural entrepreneurs, diminished considerably. The government has negotiated with, co-opted or violently repressed the different movements. We would like here to provide some elements which allow us to reflect on the Mexican agrarian problematic and explain, at least partially, the critical situation.

This essay is part of a polemical discussion which started more than ten years ago in Mexico. It is now obvious that the polemic was linked to the crisis of Mexican agriculture and to the need both to provide explanations of

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agrarian problems and to suggest alternative possibilities. At the beginning of the 1970s some Mexican scholars began to explain Mexican agrarian structure using a Marxist approach and to criticise the official reformist and populist interpretation of rural Mexico [Bartra, 1974; Coello, 1975, 1981; Gutelman, 1974; Otero, 1978; and Paré, 1977]. One of the central ideas of the new Marxist approach was that rural Mexico was characterised by a peculiar historical articulation between a dynamic process of capital accumulation and a reconstitution of the small peasant economy. This integration of a process of proletarianisation and the reproduction of the peasantry was called 'permanent primitive accumulation', which nevertheless gives rise, in the long run, to a strong tendency towards the ruin of the traditional peasantry and of the forms of political power (for example, *caciquismo*) based on the existence of noncapitalist forms of production [Bartra, 1975a]. Our analysis here will be based on concepts and interpretations previously defined and explored during the long discussion. It will not be possible to explain all of the relevant concepts here, but the interested reader may find them in Bartra [1975b, 1977, 1982a].

Against the Marxist interpretation, which was labelled as *proletarista*, an intellectual reaction emerged from the official populist point of view (although some leftist populism of Maoist inspiration also participated in the discussion). Those were the *campesinistas*, who were fond of so-called 'dependency theory', which was very popular during the 1970s. They thought that Mexico was characterised by a barbarian form of capitalism structurally unable to develop, and fated to stagnate without solving the contradictions of the capital accumulation process. This bastard capitalism ('dependent capitalism') would never develop a modern agriculture, nor proletarianise the rural population, and thus the peasant forms of production were seen as the 'revolutionary' way out for a stagnant agriculture.

But the facts show that there is, indeed, a growing process of proletarianisation and pauperisation. Also, we can observe a developing process of modern capital accumulation in agriculture. The future of the Mexican peasantry cannot any more be seen in optimistic terms. Peasant agriculture is experiencing an agonising crisis which is ruining thousands of people, while the situation in the capitalist sector is a crisis of transition, not of extinction.

In this article we will outline the basic contours of what we call the double crisis of Mexican agriculture, one relating to the capitalist sector, the other to the peasant economy. The following section examines this double crisis, through an analysis of cash crops in contrast with subsistence crops. Looking at the different tendencies in prices and production for each type of crop, we provide an interpretation based on the two different logics involved: capitalist and peasant. Finally, we will present a spectrum of social differentiation of agrarian producers in Mexico, based on the 1970 census data, which reflects the extent to which the peasant economy had been eroded by that year.

THE DOUBLE CRISIS OF MEXICAN AGRICULTURE

A superficial view of the behaviour of agriculture until 1970 provides an optimistic outlook: between 1940 and 1970 the value of production grew at a high rate and capital investment grew consistently as well. Between 1940 and 1945 the annual growth rate of agricultural production reached 3.5 per cent (before 1940 it was less than 3.0 per cent); and between 1945 and 1956 agricultural output grew at the astonishing rate of 6.9 per cent per year. If we

TABLE I

POLITICAL ECONOMY OF AGRARIAN STRUCTURE IN MEXICO: 1940, 1950, 1960, 1970 (1960 pesos, in millions)												
Land Tenure	K	C	V	C/V	Pi	Pm	SV	Pg	D	GRT	AP	RP
1940												
Less than 5 hectares	4,506	244.0	1,445.8	0.7	2,141.6	916.0	-773.8	2,141.6	0.0	-1,225.6	450.6	-17.1
Ejidos	9,024	1,102.4	2,179.0	0.5	4,185.0	3,223.0	-58.4	7,537.3	3,352.0	-962.0	902.4	-0.6
More than 5 hectares	12,898	1,169.3	935.5	1.2	3,394.0	2,337.0	232.2	5,466.3	2,072.3	-1,057.0	1,289.8	1.8
1950												
Less than 5 hectares	2,711	811.0	1,213.4	0.7	2,295.0	1,233.0	-791.4	2,295.0	0.0	-1,062.0	271.1	-29.2
Ejidos	20,159	1,593.5	1,859.0	0.9	5,467.0	5,499.0	2,046.5	10,237.5	4,770.5	32.0	2,015.9	10.2
More than 5 hectares	33,732	3,727.2	1,509.4	2.5	8,612.0	7,836.5	2,600.0	14,610.3	5,998.3	-775.5	3,373.2	7.7
1960												
Less than 5 hectares	3,750	520.0	1,423.0	0.4	2,318.0	1,392.0	-551.0	2,318.0	0.0	-926.0	375.0	-14.7
Ejidos	29,059	3,171.0	2,763.0	1.2	8,840.0	7,513.0	1,579.0	12,510.0	3,670.0	-1,327.0	2,906.0	5.4
More than 5 hectares	55,401	6,006.0	1,634.0	3.7	13,180.0	13,761.0	6,121.0	22,915.0	9,735.0	581.0	5,540.0	11.0
1970												
Less than 5 hectares	8,811	1,811.0	2,382.0	0.76	4,613.0	2,909.0	-1,284.0	4,613.0	0.0	-1,704.0	881.1	-14.6
Ejidos	48,998	4,795.0	9,256.4	0.52	15,456.0	9,733.0	-4,318.0	15,431.0	-25.0	-5,123.0	4,899.8	-8.8
More than 5 hectares	53,240	6,855.0	4,769.0	1.44	12,786.0	12,920.0	1,296.0	20,484.0	7,698.0	134.0	5,324.0	2.4

K = Total invested capital

C = Constant capital

V = Variable capital

C/V = Organic composition of capital

Pi = Individual price of production

Pm = Market price (value of production)

SV = Surplus Value

Pg = General price of production

D = Index of differential productivity (less than 5 hectares = 0)

GRT = Total ground-rent

AP = Average profit

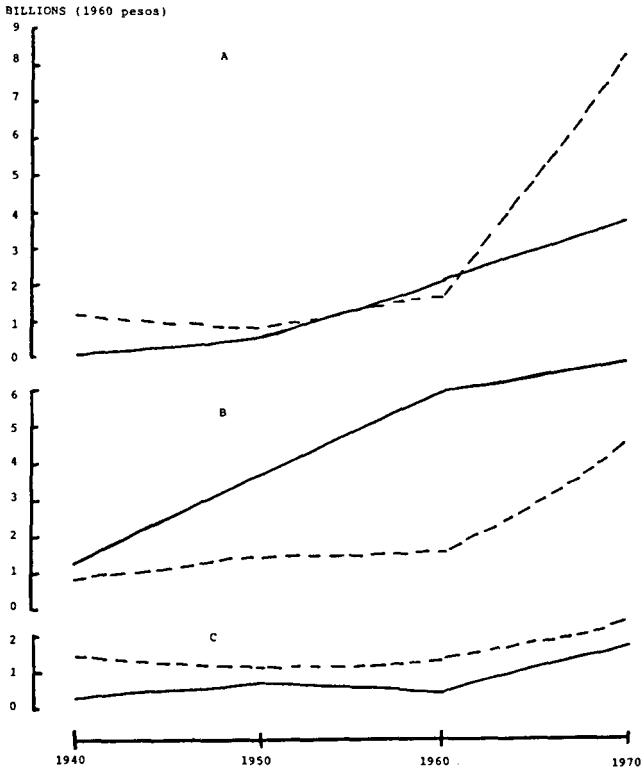
RP = Rate of profit (SV/K x 100)

Source: Based on the methodology developed in Bartra [1974:38] with data from the *Censos Agrícola-Ganadero y Ejidal*, 1940, 1950, 1960, 1970. Deflated to 1960 pesos using the Banco de México implicit price index.

observe the evolution of Mexican agriculture through census data, the only way of establishing a global statistical relation between production and land tenure systems, then it is possible to gain insight into the underlying mechanisms of the two crises.

Table 1 is constructed with the methodology developed by Bartra [1974, 1975b, 1979 and 1982b]. A graphic presentation of its contents is depicted in Charts 1-3.

CHART 1
CONSTANT AND VARIABLE CAPITAL BY LAND TENURE TYPE

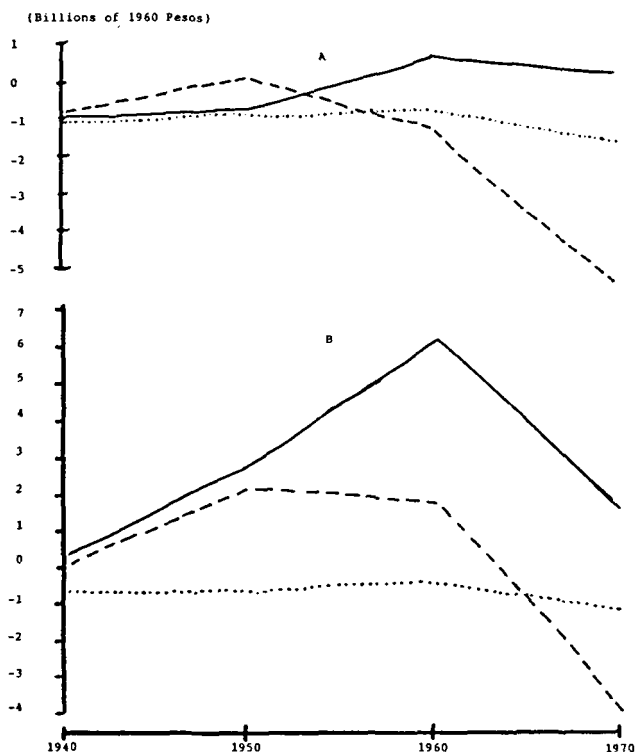


- A = Ejido
- B = More than 5 hectares
- C = Less than 5 hectares
- = Variable capital (V)
- - - = Constant capital (C)

Source: Elaborated from Table 1.

CHART 2

TOTAL GROUND RENT AND SURPLUS VALUE BY LAND TENURE TYPE



A = Total Ground Rent (GRT).

B = Surplus Value (SV)

— = More than 5 hectares

-- = Ejido

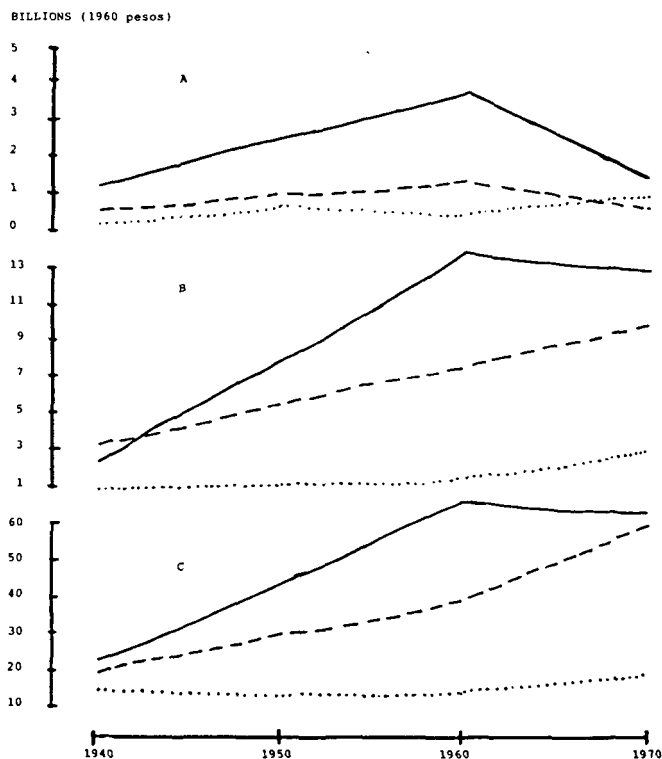
.... = Less than 5 hectares

Source: Elaborated from Table 1.

The methodology provides us with indicators of the evolution of the political economy of the agrarian structure. Although the procedure assumes the Marxist theory of value and ground rent, it does not pretend to measure directly the concepts involved in such theory. Nevertheless, with a certain number of assumptions, and without pretending accuracy or precision, the methodology does provide an insight into the general tendencies of agrarian political economy, as long as the criteria developed in it are consistently applied.²

We will provide only a very schematic summary of the methodology used. The difficulties of applying the theoretical concepts of Marxian political economy to empirical data are well known [Steedman, *et al.*, 1981]. We do

CHART 3

ORGANIC COMPOSITION OF CAPITAL MARKET PRICE AND TOTAL
INVESTED CAPITAL BY LAND TENURE TYPE

- A = Organic composition of capital (C/V)
 B = Market price (value of production. [Pm])
 C = Total invested capital (K)
 — = More than 5 hectares
 --- = Ejido
 = Less than 5 hectares

Source: Elaborated from Table 1.

not pretend to provide a solution to those problems, but only to calculate *indicative* figures. In this way, when an amount is established for ground rent or surplus value, we intend to understand only a *tendency*, but we cannot be sure of a precise correspondence between the theoretical concept and the empirical data. There are not only problems of empirical derivation of theoretical categories, but also difficulties related to the form in which the statistical information is presented in the census.

In his well-known book, Karl Kautsky [1974] gives us an example of practical application of Marxian categories, in his effort to calculate ground rents. But the inherent difficulties in operating with the concepts of surplus value, profit and average profit misled him. Kautsky did not allow his formulae to take into account the differences between surplus value and its transfigured forms (profits). That is the reason why it is not possible to distinguish differential rent from absolute rent in his analysis. If we use Kautsky's method, the calculation of absolute rent ($P_m - P_i$) is made under the erroneous assumption that $P_m - P_i$ is equal to $SV - AP$ (see Table 1 for definitions). But this is only correct if the calculation of surplus value is based on the market price, and not according to the actual rate of surplus value prevalent in the global economic system. Marx generally assumes a 100 per cent rate of surplus value [1967]. So, the correct formulae for calculating rents are:

$$\begin{aligned}\text{Absolute Rent} &= SV - AP \\ \text{Differential Rent} &= \text{Profit} - SV \\ \text{Total Ground Rent} &= \text{Profit} - AP\end{aligned}$$

In these formulae absolute rent is the difference between the individual value and the individual price of production, differential rent is the difference between the market price and the individual value, and total ground rent is the difference between the market price and the individual price of production.

But the difficulty (both theoretical and empirical) in the calculation of the individual value prevents us from distinguishing between the two types of ground rent. Kautsky's method calculates two rents, but they do not correspond to the theoretical definition. That is the reason why we are only applying the concept of total ground rent. To arrive at this result, we use the following formulae:

$$\begin{aligned}P_i &= (C + V) + AP \\ SV &= P_m - (C + V)\end{aligned}$$

In order to calculate P_g , we must adapt the formula to the data as they are provided by the census. Since we cannot use figures for production yields per hectare, nor the notion of 'unit of production', we substitute the first concept (which depicts productivity of land) by calculating P_g as a function of the market value of production (P_m). The three sectors in which all census data are classified (*ejidos*, and private properties of less and more than five hectares) are taken as equivalents of 'units of production':

$$P_g = P_m \times P_i \text{ (of poorest lands)} / P_m \text{ (of poorest lands)}$$

And total ground rent will be:

$$GR_t = P_m - P$$

As we said before, we cannot calculate properly differential rent. We use instead an index of differential productivity (D), which measures productivity *vis-à-vis* the poorest lands (here less than five hectares = 0). This index is in fact the application of the formula used by Kautsky which, as we have mentioned, is not an accurate derivation of the theoretical definition.

$$D = P_g - P_i$$

For this statistical reconstruction, we use the census data which classify information according to three types of land: less than five-hectare private properties, more than five-hectare private properties, and land distributed to peasants according to land reform laws (*ejido*). The five-hectare mark is indeed arbitrary, but we have no other alternative but to use this classification.

We can observe in Table 1 that, behind the expansion, there are signs which indicate the presence of critical factors. The generation of surplus value (SV) drops suddenly in 1970, and the same happens with the transfer of ground rent (GRt). This bears a close relationship with the general fall in the organic composition of capital (C/V). We find a quite significant fact in this fall: organic composition does not fall in the land tenure sector with less than five hectares (it never increased to any considerable extent either); the fall of this indicator, however, is very strong in the *ejidal* sector and is spectacular in properties greater than five hectares. A notable phenomenon occurs in the latter two sectors: the use of variable capital (V, or investment in labour power) increases considerably in 1970. This is accounted for by the fact that agricultural production growth is based more on the use of labour power than on new technologies. It is undoubtedly a sign of regression, with regard to the previous evolution: something is going wrong in the process of capitalist development in agriculture.

The greater use of variable capital in the *ejidal* sector is due largely to an enormous increase in *ejidal* population and their families employed in production, due to important land redistribution during the 1960s, especially during the Díaz Ordaz administration. *Ejidal* land increased by 24.5 million hectares and the *ejidal* population and employed relatives increased by more than one and a half million people. A different thing happens in the private property sector as a whole where, on the contrary, there is a reduction in the number of property holders (and relatives) employed in production.

What we see in the evolution of census statistics is but a hint of the problem, for this information is incomplete and is disaggregated in such a way that it is quite difficult to make an accurate interpretation (unfortunately, the 1980 census is still not available at the end of 1986). However, we may outline, as a starting point, the following phenomena: (1) the sector of small private property (less than five hectares) is found, in 1970, in a situation of stagnation; (2) the rapid development of the more than five hectares sector has come to a halt by 1970; and (3) the *ejido* shows a strange

and contradictory behavior: by 1970, production still presents a tendency to grow, but profit rates are falling.

Behind this situation there is a contradictory relation between the expansion of the capitalist sector and the small peasant economy. From the 1950s, capitalist development began seriously to erode the small agricultural economy, which was one of the central features of social stability in the countryside. In fact, toward the end of the 1950s agricultural growth rates decline abruptly, to an average of 2.5 per cent per year. Given that the poor peasantry is responsible for a large part of production, it is evident that any critical situation in their economy has an immediate repercussion in the national agricultural economy. The problem is that the efficient and developed capitalist sector does not produce enough products to feed Mexican society. Moreover, it has shifted its production toward commercial crops for export, for industrial raw material use and for non-basic or 'luxury' food consumption. The fact is that capitalist agriculture is not capable of sustaining the economic system without relying on food imports.

For these reasons, during the 1960s redistribution of ejidal land was re-initiated: it was necessary to protect the peasant sector from crumbling, in the hope of a greater growth of the capitalist sector. It is also for this reason that we observe a contradictory behaviour in the ejidal sector: it expands but does not avoid the crisis of small *ejidatarios*.

Nevertheless, the government's agrarian policy did not manage to eliminate the danger. The crisis erupted in the 1970s: to the ruin of the peasant economy, a typical economic crisis was added, with overproduction phenomena and collapsing prices in the capitalist sector. The only way out was food imports, at the expense of increasing foreign indebtedness by the state. The 1978–81 oil boom was but a short break in this tendency.

CASH AND SUBSISTENCE CROPS

First of all, let us briefly scrutinise the commoditisation process in agricultural production. From 1940 to 1970, the proportion of output sold by production units rose from 53.6 per cent to 87.0 per cent. If this seems impressive, it is all the more so considering that the thrust of this increase really took place during the first decade of the period. In fact, the percentage of production sold in the market increased from 53.6 per cent in 1940 to 82.1 per cent in 1950. By 1960 this proportion actually decreased, although insignificantly, to 82.0 per cent. Thus, the crucial fact is this: after the Cardenista agrarian reform, most of agricultural production was taken to the market. The administrations of both Avila Camacho and Aleman were clearly committed to the modernization of Mexican agriculture [Hewitt de Alcantara, 1978].

As Table 2 indicates, there are certain differences in the proportion of output sold in the market, depending on the land tenure system. In general, production units with more than five hectares always sold a greater proportion of their output, closely followed by *ejidal* units. Private

operations with less than five hectares, the vast majority of them peasant units, behaved more erratically. In 1950 they sold a greater proportion of output than *ejidos* (78.7 per cent versus 72.4 per cent), but then in 1960 the percentage went down to 67.0, only to increase again in 1970 to 81.0 per cent.

TABLE 2
PERCENTAGE OF PRODUCTION SOLD BY LAND TENURE TYPE, 1940-70

	1940	1950	1960	1970
Total	53.6	82.1	82.0	87.0
+ 5 hectares	55.7	89.4	87.0	88.2
- 5 hectares	40.0	78.7	67.0	81.0
<i>Ejido</i>	54.2	72.4	77.0	86.2

Source: Elaborated from the *Censos Agrícola-Ganadero y Ejidal*, 1940, 1950, 1960 and 1970.

Two important points are to be stressed: (1) most of agricultural production goes to the market, regardless of the social relations of production that give rise to it; and (2) *ejidal* production was directed by the state toward the market from the outset after the Cardenista land redistribution. This full-fledged commoditisation process placed the peasant economy in a quite vulnerable situation, the result of which shows dramatically in the late 1960s and early 1970s.

The decade of the 1970s started with decreases in production in most of the important crops. Corn production (which stagnated in the mid-1960s) collapsed in 1972, and it did not rise again until the early 1980s. A similar pattern is observed with beans.

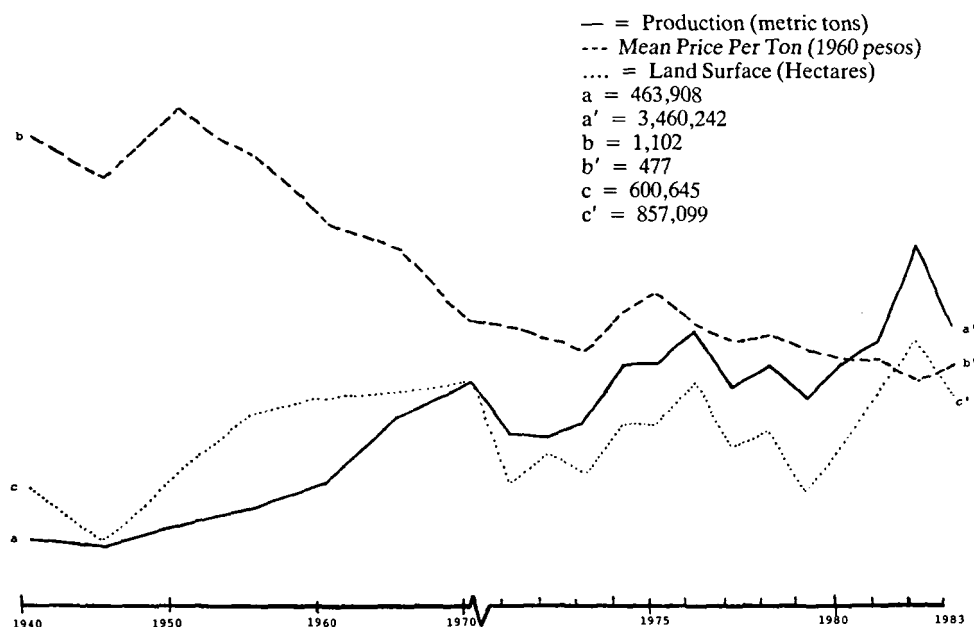
On the other hand, commercial crops such as cotton, sesame, sugar cane and tomatoes also join the crisis in the early 1970s. And except for the latter crop, in contrast with corn and beans, we fail to observe any meaningful recovery during the 1980s. Cotton, sesame and sugar cane have entered upon a long-lasting critical phase.

We will now examine more closely the behaviour of cash and subsistence crops. First, we will present trends of production, prices and land extensions for several crops. Then the historical trends of national consumption and production of one crop from each type will be presented.

Chart 4 shows the trends in wheat production and prices from 1940 to 1983. It clearly shows the date when the Green Revolution was introduced, particularly in the North-Western irrigation districts. Introduction of Green Revolution technologies boosted production to the extent of making Mexico self-sufficient in wheat for one and a half decades. Between 1945 and 1955,

CHART 4

WHEAT: PRODUCTION, MEAN PRICE AND LAND SURFACE, 1940-1983



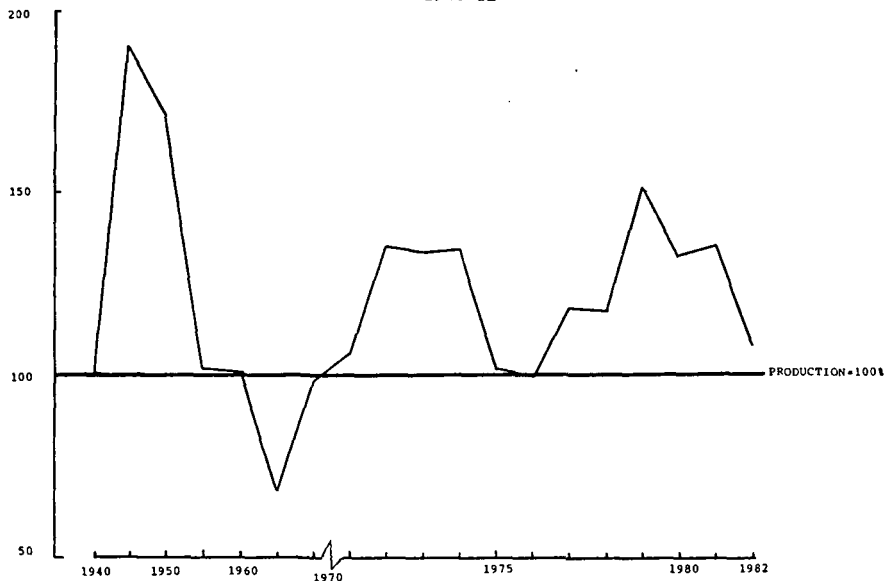
Source: Elaborated with data from DGEA (1983a, 1983b)

increased wheat production was due to extension of the cultivated area. This rush for wheat production was induced by the government in the early 1940s, when it set wheat prices above those of the international market. After 1955, increased production was due to the adoption of Green Revolution technologies. The area of land dedicated to wheat production kept increasing until 1970, but at a lower rate than production. The falling trend in wheat prices appeared in 1955, along with increased productivity, and continued through 1975. Thus, during the same period, wheat production rose at a slightly higher rate than the fall in prices. From the producers' point of view, however, this trend was sustainable in so far as declining prices were offset by increased productivity. But the point of saturation was reached in 1970, when wheat production began to decline, and national consumption had to be complemented with imports. From 1970 onwards wheat prices continued to fall, with a short break in 1974-75. At the same time, wheat imports had an important presence during this period (see Chart 5).

Although wheat is typically a cash crop, the behaviour of its production and prices do not exhibit clear capitalist responses to market fluctuations. During the 1970s and early 1980s we do observe a close relation between

CHART 5

WHEAT: NATIONAL CONSUMPTION AS A PERCENTAGE OF PRODUCTION, 1940-82

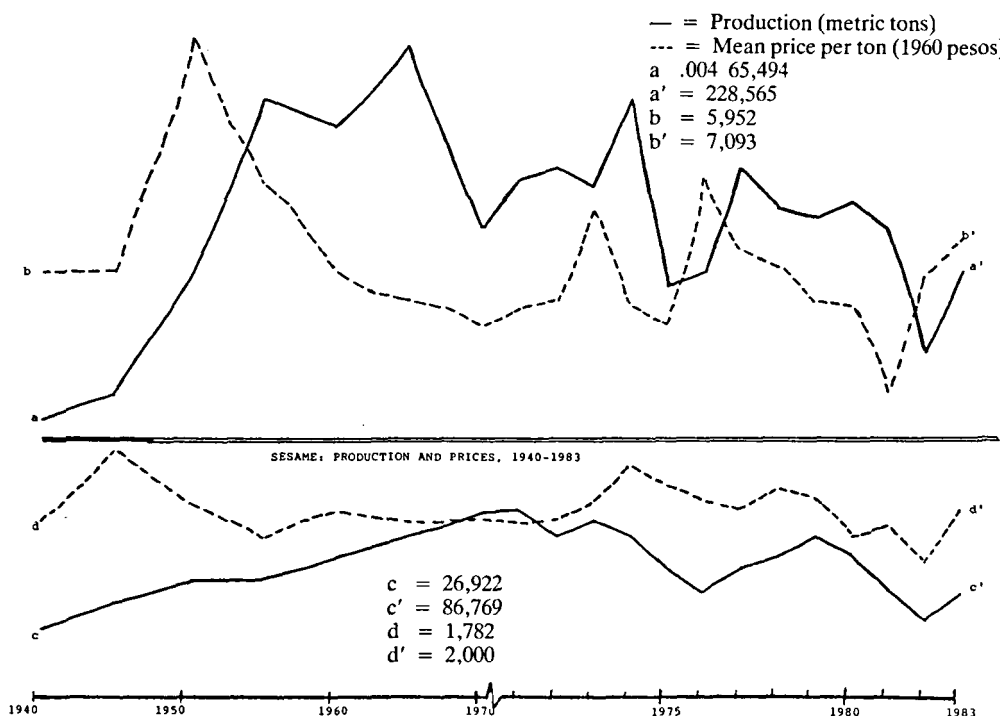


Source: Elaborated with data from DGEA (1983a).

production and prices. However, production does not always decline after falling prices, and this is not a time of increased productivity either: production increases are due to more land being allocated to the crop. Perhaps part of the explanation of this inconsistency lies in the fact that a large number of *ejidos* are engaged in wheat production, and their decisions on what to produce are often determined by the official credit institution. In turn, the Ejidal Bank makes many of its decisions on political rather than economic grounds.

Two cash crops for which we do observe a more clearly positive correlation between production and prices, in a typically capitalistic fashion, are cotton and sesame. Chart 8 shows production and price trends for these crops, and we can visually determine such correlation. For the case of cotton there is a noticeable discrepancy for the 1960-70 period. This might be explained by the fact that La Laguna *ejidos* were too dependent on the monoculture of cotton, and it took them a long time to diversify their production. An important explanation for this delay is that cotton is a very labour-intensive crop. From 1970 onwards, however, the correlation between price and production is much higher and positive. In fact, despite the discrepancy pointed out above, if we allow one year for reacting to

CHART 8
COTTON: PRODUCTION AND MEAN PRICES, 1940-83



Source: Elaborated with data from DGEA (1983a, 1983b)

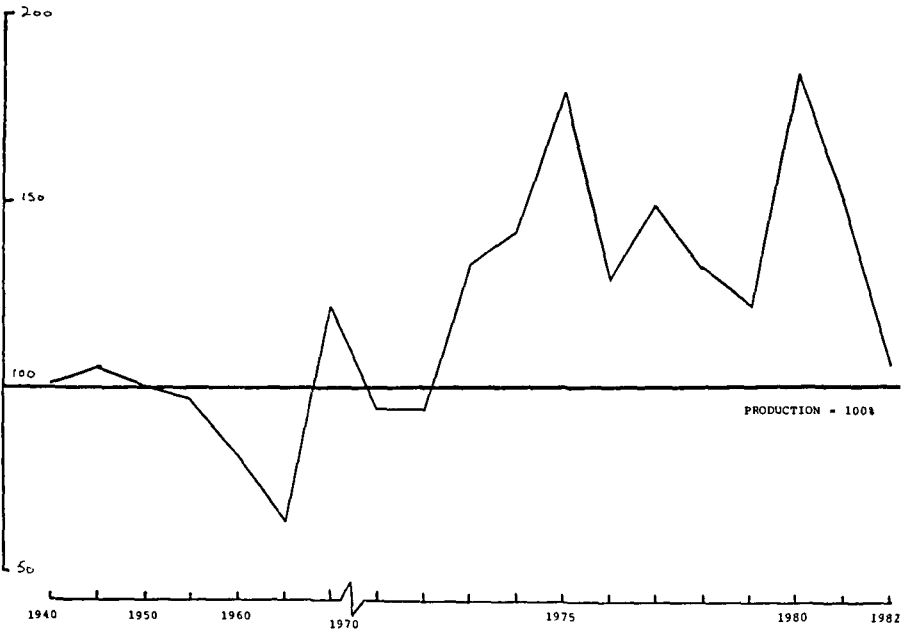
prices, we obtain a correlation coefficient of +0.6 for the whole period of 1940-83. A similar situation is observed with sesame.

Corn production behaviour has been different from that of wheat. From 1940 to 1972, Mexico had been virtually self-sufficient (see Chart 6). During much of this time the government kept corn prices down by 'guaranteed prices', which were supposed to represent a subsidy to corn producers. In fact, real corn prices decreased for most of the period considered. The only years when there was a real price increase were 1963 and 1975, when the 'guaranteed prices' were upwardly revised by the Mexican government, already in the midst of the crisis. Between these two years, a period of more than a decade, the guaranteed prices remained at 940 pesos per ton [Appendini and Almeida Salles, 1976].

The most striking thing to highlight regarding corn production and prices is that their trends show a negative correlation coefficient of -0.4, when we

CHART 6

CORN: NATIONAL CONSUMPTION AS A PERCENTAGE OF PRODUCTION, 1940-82



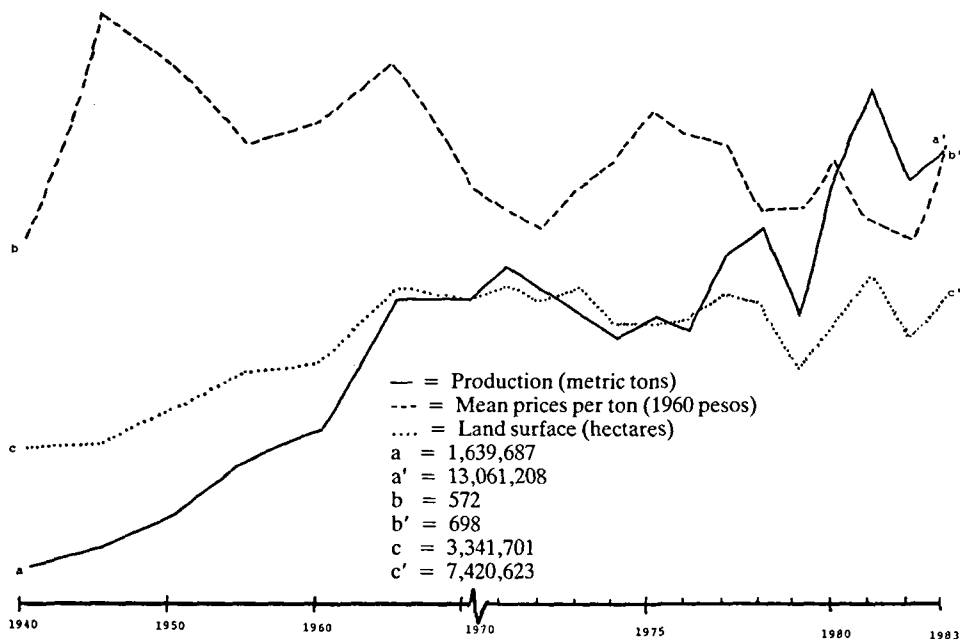
Source: Elaborated with data from DGEA (1983a).

allow one year to react to price changes. We believe this negative correlation arises because of the peasant logic under which most corn production takes place (see Chart 7).

The predominantly subsistence character of corn production does not mean that all corn produced is consumed by the peasant family. Part of it is sold in order to purchase other use values indispensable for reproduction. Moreover, corn is usually produced as an insurance against starvation. Thus, when corn prices rise, a lower quantity of it is required to achieve the balance between work and consumption [Chayanov, 1986]. Conversely, when corn prices fall, production must increase in order to meet the consumption requirements of the peasant unit. This behaviour also indicates a very low flexibility for many peasant units to adapt to market conditions. Given their scarcity of capital and the generally low quality of land, they cannot shift production to other crops easily enough. And since access to land is usually restricted, peasants can only rely on expanding the use of the single resource over which they have control: domestic labour power.

CHART 7

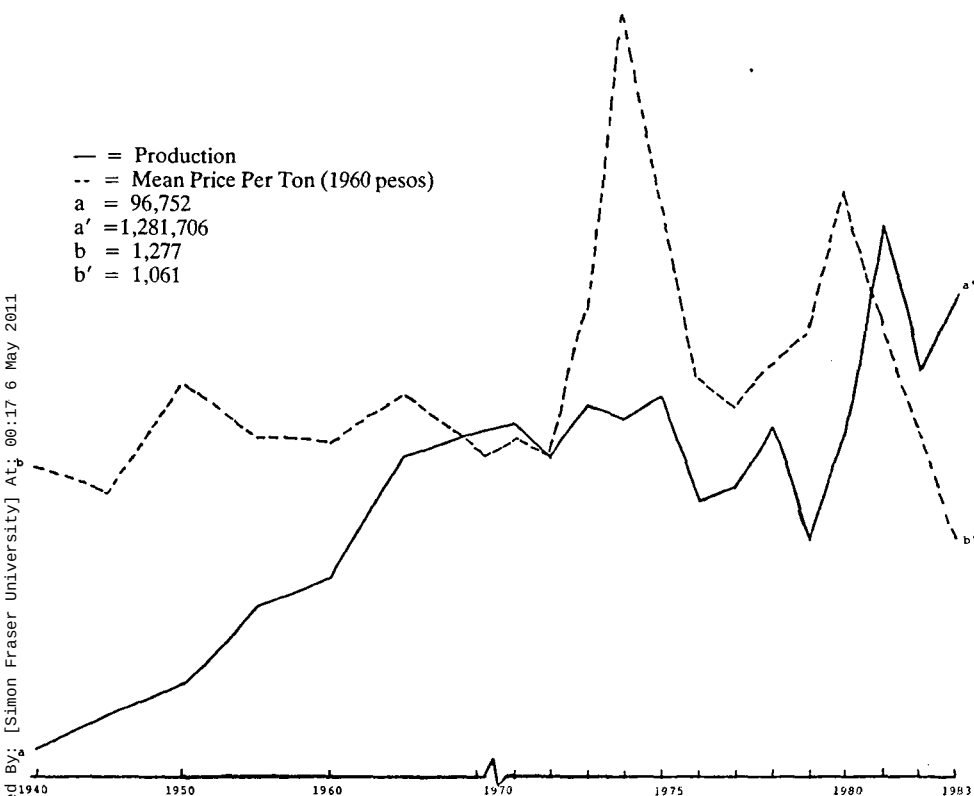
CORN: PRODUCTION, MEAN PRICES AND LAND SURFACE, 1940-83



Source: Elaborated with data from DGEA (1983a, 1983b)

A very similar behaviour in production and prices is observed with beans, also a typically subsistence crop in Mexican culture. This is shown in Chart 9. We may note an exception in important bean production increases for 1980-81, which are positively correlated with price increases. The most likely explanatory factor for this is the application of the Mexican Food System (SAM, or Sistema Alimentario Mexicano) development strategy. SAM was implemented in 1980 by the López Portillo administration as a strategy aimed to gain self-sufficiency in basic grain production [Redclift, 1981; *Nueva Antropología*, 1981]. Although the official declarations stated that self-sufficiency would be gained by strengthening peasant economy in rainfall agricultural zones, much of the production increases really took place in irrigation districts. This indicates that government incentives were such that quite a few members of the agrarian bourgeoisie opted to seize the opportunity to profit with basic grains. In fact, production rose not only for beans in 1980, but also for corn (see Charts 7 and 9).

CHART 9
BEANS: PRODUCTION AND MEAN PRICES, 1940-83



Source: Elaborated with data from DGEA (1983a, 1983b).

The preceding discussion of price and production tendencies has pointed up the manifestation of the double crisis in these realms. Generally production and prices have been falling, with short breaks of only a few years. The production increases brought about by SAM were extremely expensive for the Federal government, and in 1982 it had disastrous results, partially due to a lower than normal rainfall. As soon as Miguel de la Madrid took office in December of that year, the SAM strategy was abandoned. Although the idea of and preoccupation with self-sufficiency remains, there has been no significant amount of resources devoted to encourage production of basic grains under his administration.

Despite the fact that the decade of the 1960s witnessed large redistributions of land, the erosion of peasant economy kept advancing at a

very considerable pace. Part of the reason is that the lands distributed during the Díaz Ordaz administration were of very poor quality for agriculture. In fact, the total surface redistributed in his administration was a little over 25 million hectares, a larger quantity than those distributed under Cardenismo. Nevertheless, only 2.4 million hectares or 9.6 per cent of this land was arable. In contrast, Cardenas distributed close to 20 million hectares of which almost five million or 25 per cent were arable [Gutelman, 1974; Medin, 1972; Sanderson, 1981]. Thus, the Díaz Ordaz agrarian reform reduced the proportion of arable land in ejidos from 23.2 per cent in 1960 to 18.3 per cent in 1970.

Hence the 1960s redistribution could not stop the tendential ruin of peasant economy. The manifestation of such ruin was already clear by 1970 when a large proportion of agricultural producers were no longer able to sustain a simple reproduction level by relying only on their agricultural units of production. The processes of de-peasantisation, and semiproletarianisation were already fully underway.

What we find in the beginning of the 1970s is the simultaneous explosion of two crises: the acceleration of small peasants' ruin, and the fall in prices which brings down production in the capitalist sector (after a typical overproduction period). This explains the intensity of the crisis. Moreover, the double crisis was a preview and one of the causes of the national economic crisis which touched bottom in 1976, under the Echeverría administration, which was forced into a strong devaluation of the Mexican peso.

SOCIAL STRUCTURAL DIFFERENTIATION OF AGRICULTURAL PRODUCERS

The purpose of this section is to present an analysis of peasant differentiation in Mexico. The empirical information is based on a study carried out by a group of researchers from the Economic Commission for Latin America of the United Nations (CEPAL), using the 1970 Mexican census of population and agriculture [CEPAL, 1982]. The project was led by the Chilean economist, Alejandro Schejtman.

The main goal of this typology is to distinguish between peasant and entrepreneurial agricultural production units (see Table 3). One of the reasons why this difference was regarded as important was the assumption that peasant units work under a rationality which differs from that of agricultural capitalistic enterprises. While the latter definitely seek to maximise profits as the prime motive of production, peasant units may seek to maximise output by stretching the use of family labour power in their attempt to attain a simple reproduction level, given that subsistence is their prime objective.

Table 3 depicts the distribution of types of agricultural producers in Mexico by states. The *ejidal* and private land tenure sectors have been merged, but this does not affect the distribution significantly since social differentiation has taken a strikingly similar pattern in both tenure systems

TABLE 3

MEXICO: TYPE OF AGRICULTURAL PRODUCER BY REGION AND STATE, 1970 (PERCENTAGE)

State/Region	Type of Producer								
	Total	Peasants					Entrepreneurs		
		Infrasub-sistence	Subsistence	Stationary	Surplus-producing	Transitional	Small	Medium	Large
Total	2,557,070	55.6	16.2	6.5	8.2	11.6	1.2	0.4	0.3
<u>Northern Region</u>	<u>479,897</u>	<u>55.7</u>	<u>19.9</u>	<u>6.2</u>	<u>5.7</u>	<u>10.6</u>	<u>1.2</u>	<u>0.4</u>	<u>0.3</u>
Coahuila	45,348	25.8	22.8	8.6	5.4	34.2	1.9	0.6	0.7
Chihuahua	68,793	44.4	25.5	11.0	7.9	8.7	1.5	0.6	0.4
Durango	72,930	60.3	19.0	4.0	2.0	13.6	0.7	0.2	0.2
Nuevo Leon	34,953	66.5	12.8	8.1	7.3	3.7	1.0	0.4	0.2
San Luis Potosi	101,612	76.5	12.5	2.4	1.3	6.5	0.5	0.2	0.1
Tamaulipas	58,940	27.8	23.4	11.1	18.9	13.7	3.5	1.1	0.5
Zacatecas	97,261	65.8	23.3	3.4	3.2	3.7	0.4	0.1	0.1
<u>Northern Pacific Region</u>	<u>144,777</u>	<u>14.3</u>	<u>16.3</u>	<u>6.7</u>	<u>23.3</u>	<u>31.3</u>	<u>5.2</u>	<u>1.4</u>	<u>1.5</u>
Baja California Norte	10,068	1.6	2.4	1.5	34.0	46.8	11.1	2.0	0.6
Baja California Sur	1,748	26.2	16.4	5.6	9.1	14.9	3.5	6.3	18.0
Nayarit	38,225	9.4	15.7	6.8	12.4	46.7	7.5	1.1	0.4
Sinaloa	65,512	19.0	20.0	7.9	23.3	24.7	3.4	0.8	0.9
Sonora	29,224	13.7	13.6	6.1	34.4	21.8	4.5	2.5	3.4
<u>Central Region</u>	<u>1,140,391</u>	<u>61.0</u>	<u>15.3</u>	<u>6.6</u>	<u>6.9</u>	<u>9.2</u>	<u>0.6</u>	<u>0.2</u>	<u>0.2</u>
Aguascalientes	15,151	63.3	20.4	5.4	1.7	6.7	1.2	0.5	0.8
Distrito Federal	17,874	93.7	1.3	0.4	0.4	3.8	0.2	0.1	0.1
Guanajuato	114,544	19.6	25.4	21.6	23.0	8.6	0.8	0.4	0.6
Hidalgo	137,744	78.9	11.3	2.3	1.2	5.6	0.4	0.2	0.1
Jalisco	111,474	10.7	19.7	16.8	28.6	22.4	1.2	0.3	0.3
Mexico	233,876	88.1	5.5	0.8	0.6	4.6	0.2	0.1	0.1
Michoacan	136,354	31.2	30.3	10.5	7.8	18.0	1.6	0.4	0.2
Morelos	34,224	31.2	19.5	9.5	6.7	31.7	1.1	0.2	0.1
Puebla	231,262	79.7	11.9	1.8	1.2	5.0	0.2	0.1	0.1
Queretaro	33,758	70.8	19.9	3.1	2.7	2.9	0.2	0.1	0.3
Tlaxcala	74,130	78.4	12.5	4.7	0.7	3.2	0.2	0.2	0.1
<u>Gulf Region</u>	<u>331,184</u>	<u>44.7</u>	<u>15.9</u>	<u>8.9</u>	<u>13.2</u>	<u>15.3</u>	<u>1.2</u>	<u>0.5</u>	<u>0.3</u>
Campeche	19,728	59.0	22.9	4.6	6.0	6.2	0.7	0.3	0.3
Quintana Roo	9,306	90.4	2.4	0.4	0.3	6.1	0.3	0.1	---
Tabasco	50,992	25.3	21.6	14.8	27.9	8.4	1.2	0.5	0.3
Veracruz	212,354	39.2	16.1	9.5	13.0	19.9	1.5	0.5	0.3
Yucatan	38,804	82.4	7.2	1.8	1.5	5.8	0.5	0.3	0.5
<u>Southern Pacific Region</u>	<u>460,821</u>	<u>63.3</u>	<u>14.8</u>	<u>4.6</u>	<u>5.7</u>	<u>9.8</u>	<u>1.1</u>	<u>0.4</u>	<u>0.3</u>
Chiapas	130,604	33.5	27.3	10.9	13.1	12.3	1.7	0.6	0.6
Colima	9,592	7.9	8.5	7.1	31.3	36.3	4.7	2.2	2.0
Guerrero	107,328	66.7	15.0	3.3	3.1	11.4	0.3	0.1	0.1
Oaxaca	218,297	82.5	7.2	1.3	1.3	6.2	0.9	0.4	0.2

Source: CEPAL [1982: 118-19].

[CEPAL, 1982: 278-81]. This is true particularly for the 'peasant' sector in CEPAL's typology. Entrepreneurial producers are concentrated, of course, in the private sector, and this is the most significant difference between the distributions in the two land tenure systems. When the two are merged as in Table 3, the proportion of 'entrepreneurs' obviously declines, since it is now relative to all agricultural producers, including *ejidatarios*. Nevertheless,

merging the data for the two systems gives the best overall picture of social differentiation in rural Mexico.

The central criterion by which to determine which were 'peasant units' was to select those which based production on family labour power, and only marginally hired wage labour. Operationally, such hiring was measured by wage payments, which were not to exceed the equivalent to 25 hired working days per year, calculated by the yearly expenditure in wages and divided by the daily legal minimum wage in each region or state. Permitting this small margin of wage labour was done because of the empirical observation that most peasant units hire some workers beyond the family's labouring capacity, without fundamentally changing the peasant character of the production unit.

Several types of needs were defined for peasant families, in order then to determine which units were able to meet what type of needs and accordingly build different strata. Thus, food requirements were defined as the most imperative for peasant families, and it was determined that an average family was made up of 5.5 members. Calculations were made to specify the minimum nutritional needs in terms of calories and proteins, and their costs were converted into an equivalent measure in corn per year. This cost turned out to be 3.8 tons of corn per year, for each average family (of 5.5 members). Given the national mean for corn output per hectare (1,036 kg.), and having calculated this according to a national land surface equivalence in terms of non-irrigated land, CEPAL's study was able to establish the minimum surface of land needed to produce the minimum food requirements for the average family. This minimum land surface was 3.84 hectares, and it was rounded up to four (one hectare is roughly 2.2 acres).

Thus, the lowest 'peasant' stratum was defined as 'Infrasubsistence' units, which did not hire wage labour for more than 25 working days a year, and had access to less than four hectares of land (expressed in terms of the National Non-irrigated Arable Land Equivalent, ETN, referred to earlier).

We might ask at this point: are these really peasants? CEPAL's classification is predicated upon the notion of *subsistence*. What is subsistence? Peasantry is a very *fluid* concept, an abstract notion, a tendency, but not a clear statistical reality. The notion of surplus product may be linked to that of subsistence in the following way. Subsistence is the minimum production level required to achieve simple reproduction, that is to say, producing enough to replace the means of production used up in a production cycle, and to reconstitute the labour power of the peasant family. Surplus product, however, would be production over and above subsistence.

The main characteristics of peasant production, as a theoretical tendency, are that the direct producer is owner or has access to land and other means of production, controls the labour process and uses his/her own labour power and that of other members of the household. While in capitalist social relations the owner of capital appropriates surplus labour (materialised in surplus product) directly in the production process, peasants' exploitation in

a capitalist context is more complex, since it is generally mediated by the commodities market through the sale of their products.

What we are interested in discussing at this point is *partial* dissolution, and not the total disintegration of peasant economy. This process of dissolution may move peasant households down to a semiproletarian position, where some of their members are partially or completely proletarianised. Within a globally capitalist context, due to its subordinate articulation, peasant economy may attain a level of simple reproduction, but it may not be realised by the peasant unit. What we are suggesting is that, although the unit is able to produce enough to reproduce itself on a simple scale, capital, through unequal exchange, appropriates part of the peasant unit's subsistence and/or replacement funds. Such a situation would necessarily lead to a de-peasantisation process for some or all of the members of the peasant family, depending on the extent and prevalence of unequal exchange. For most members who manage to get wage employment, it will probably be only a *partial* proletarianisation, with temporary or seasonal jobs in the capitalist market, and the peasant domestic unit and/or the community will still be mostly responsible for the reproduction of those members of the community. This is what Claude Meillassoux calls the 'social function' of peasant economy for capitalism. The community re-incorporates workers who have been laid off, become sick or who have aged [Meillassoux, 1972; 1977]. Adding this mechanism for surplus-labour extraction to unequal exchange, we can clearly see that the peasant economy is doubly exploited by capitalism [Coello, 1975, 1981]: when members of the household sell their labour power, peasant production subsidises the unpaid wages in periods of lay-off, illness or old age; and when peasant products are sold in markets, they may be subject to unequal exchange.³

Given the fact that 'infrasubsistence' units do not really fulfil minimum theoretical requirements for their inclusion in the peasantry, we will place them in the category of 'semiproletarians'. We have opted for the term 'semiproletarian' rather than, for instance, 'peasant-worker', because the dominant tendency in Mexican agriculture is clearly towards de-peasantisation. The concept of 'peasant-worker' seems to imply that there are equal chances for social agents to enter either a peasant or a proletarian trajectory, that is, re-peasantisation or proletarianisation. Although we admit that both possibilities exist, it is preferable for us to name the concept more in accordance with the dominant tendency: de-peasantisation without complete proletarianisation.

The second stratum in CEPAL's typology is called 'subsistence' level. It was devised on the basis of whether production units were able to produce enough not only for food requirements, but also to replace inputs and means of production used up in the production period. Cost calculations determined that such units should be within the range of four to eight hectares in ETN. Nevertheless, by CEPAL's own account, the units that had less than eight hectares, but more than four experienced a tendency for their production conditions to deteriorate and/or were forced to subsidise the

fund for reproducing inputs and means of production with off-land income. Clearly, then, this category does not achieve the level of simple reproduction, if it is to rely on farming activities exclusively, but still, the CEPAL study chooses to call this the 'subsistence' stratum of the peasantry. We believe that CEPAL's own criteria also warrant the inclusion of part of this stratum in the semiproletariat, rather than the peasantry.

Theoretically, once a surplus product is present within a peasant unit, at least four things can happen to it. (1) It may be appropriated by merchant or usury capital through unequal exchange or outright rip-off. Alternatively, there may be competition of peasant products not with capitalist enterprises but only among peasants. Then, in the presence of state intervention to fix prices at low levels, as is the case in Mexico for the so-called 'basic grains', which are mostly produced by peasants for the internal markets, the beneficiary is not only merchant capital (whose function may be assumed by the state), but the industrial bourgeoisie, to the extent that peasant production lowers the cost of reproduction of labour power, and thus of wages. Through this mechanism of cheap food production the industrial bourgeoisie can obtain greater rates of profit, and the peasant unit maintains its peasant character instead of accumulating capital. (2) It can also happen that the surplus product is so small that peasants choose merely to increase their consumption level. In this very moment, what was initially a potential 'surplus product' ceases to be one, and the scale of simple reproduction takes place at a higher level of consumption. Thus, the peasant unit remains a peasant unit, without having 'bestowed gratis' its surplus-labour to capital as in the first case. (3) Another way in which the peasant unit would keep reproducing itself on a simple scale is in the presence of certain cultural redistributive mechanisms, typical of some peasant communities with an ethnic tradition, such as the possession of 'cargos' for religious ceremonies [Cancian, 1972]. In this case, most or all of the initially *potential* surplus-product will be spent on a traditional *fiesta*, or some other redistributive mechanism, thereby merely increasing the consumption of the peasant community. (4) Finally, as a last alternative, the surplus-product could be retained by the unit, opening the possibility for expanding the level of production by hiring some wage labour and/or by investing in additional constant capital. In this case, peasants would enter into a process of transition toward becoming rich peasants – first becoming 'peasant-burgers' [Szelenyi and Manchin, 1986] and eventually, perhaps, entering an agrarian bourgeois class trajectory.⁴

The third stratum in CEPAL's typology is made up of 'stationary' units, and they must fall in the 8–12 hectare range of ETN land to be able to produce at a simple reproduction level. Those exceeding 12 hectares were considered in a fourth stratum, labelled as 'surplus-producing' units, or, more precisely, units with a surplus-producing potential. For the third stratum, 'stationary' units, the costs for reproducing means of production and inputs were calculated on the basis of farming on a ten-hectare plot. As can be seen, not all the units in this stratum, in the 8–12 hectare range, will

necessarily be successful in achieving simple reproduction. Some of them are also subject to a deterioration of their production capacity, unless they complement their costs with off-farm economic activities.

It is interesting to note at this point that Alejandro Schejtman, the director of the CEPAL study, tends to sympathise with the *campesinista* position in the Mexican debate, and this may be the reason why he tries to stretch the 'peasant sector' as much as he can from his data. As we will argue later on, the huge size of his peasant sector is more the product of his wishful thinking and his ideology, than of the empirical findings themselves (for a history of the Mexican debate, see: Harris [1978]; Hewitt de Alcantara [1984]).

The remaining four categories of production units were defined by the CEPAL study as the non-peasant units. The fifth one falls between the peasant and the entrepreneurial sectors, and the units within it are defined as 'transitional'. The defining criterion for this stratum is merely the payment of between 25 and 500 day minimum wages in salaries over a year period. There is no specification about the land size, but we can assume that it is beyond the 12 hectares in ETN land which was the minimum for surplus-producing potential units. These units are 'transitional' in the advancement of the social differentiation process, in the sense that some may acquire entrepreneurial features, while others may tend toward the peasant sector.

On the entrepreneurial side, we have three strata, which are divided in simple gradational terms by a purely quantitative criterion: they are 'small', 'medium' and 'large' enterprises, depending on the range of hired wage labour. Small units pay between 500 and 1,250 daily minimum wages per year, medium units pay between 1,250 and 2,500 and the large units pay over 2,500 minimum wages per year.

A different definition was given to livestock raising units, which make up 11 per cent of the total, but since none of the 'peasant' units falls to any significant extent into this type of production, we will not discuss them. Suffice it to say that all livestock raising units were operationalised as 'small', 'medium' or 'large' capitalist enterprises.

We face some problems with the data in the CEPAL Study. The typology is derived from the agricultural census. Thus, if we are to have an idea about the agrarian classes in Mexico from these data, we should ask how much overlap exists between the information for agricultural production units in this census and the one on the General Population Census. According to the latter, the rural population in Mexico was roughly 19.9 million, which corresponds to about 3.6 million families. In an attempt to address the above question, CEPAL assumed that we can equate families with production units. By so doing, we would have a little over 405,000 heads of households which would not simultaneously be heads of agricultural production units, since the corresponding census registers only a little over 3.2 million of such units [CEPAL, 1982: 111-12].

From these 3.2 million agricultural production units registered by the

Agricultural Census,

87,000 lacked land in general, and another 185,000 lacked arable land, there remaining slightly over 2.9 million heads of households who would have arable land. That is to say, somewhat over 80% of rural families would be incorporated in the typology to some degree. To some degree, because close to 12% of those units (about 340,000), judging by the census data, correspond to *ejidatarios* from collective and mixed *ejidos* on which no direct information was obtained from census cards [CEPAL, 1982: 112].

As we can see from the above contrast between the General Population Census data and the data from the Agricultural Census of 1970, the vast majority of the rural population (80 per cent) has been accounted for in CEPAL's typology. Thus, we would argue that it is safe to draw inferences about rural classes from these data, even if this must be only for a first and global approximation of the problem.

It is easy to see that the class structures in each region are significantly diverse in terms of the social differentiation of the peasantry: there is a larger peasant population in Northern than in Central Mexico, contrary to what a superficial intuitive view may lead us to believe. In Central Mexico, the plots of land available to direct producers are in most cases insufficient for them to fall in the 'peasant' category. Thus the bulk of them must complement their reproduction with off-farm activities, including wage labour employment, although many of these wage earners do not become sellers of labour power in the Central region itself, but in the Northern regions.

Agricultural production units from the 'peasant sector' in the North tend or produce commercial crops to a much greater extent than those in the centre, which concentrate their production on typically subsistence crops, that is, corn and beans. While this cannot be taken as direct indication of the degree of commercialisation in each region, since corn and beans are also produced for the market, it is indeed an indirect hint which can serve as a starting point to decode the more qualitative aspects of the dynamics involved in such phenomena.

In fact, Appendini and Almeida Salles [1976] have demonstrated, with the 1960 census data, the existence of a significant correlation between 'municipios' (municipalities or counties) producing corn and beans and those states with commoditisation rates lower than 50 per cent. Conversely, municipios in the Northern states of Baja California Norte and Sur, Chihuahua, Coahuila, Sinaloa and Sonora there is the opposite correlation: low production of subsistence crops and commoditisation rates of over 80 per cent of each unit's product. Moreover, these scholars found similar correlations regarding wage labour: the highest incidence of units hiring wage labour was found in Northern states and vice versa for Central and

Southern states (except in very localised municipios of the latter, where tropical cash crops are produced).

The point to emphasise is this: that the bulk of cash crop production concentrates in the Northern regions, while subsistence crops are produced mostly in Central and Southern Mexico. Yet, there is a larger proportion of 'peasant' units properly speaking in the North, in contrast to Centre and South. Therefore, it seems that semiproletarianised direct producers in the latter two regions tend to concentrate on subsistence food production. And, conversely, Northern peasants and the agrarian bourgeoisie, concentrate on cash crop production.

Thus, a first result from this quantitative analysis is that, in fact, the crisis in peasant economy has resulted in a severe deterioration of peasant units. This effect has had different regional impacts, however, leading to significant differences in class structure between the three regions compared. Rather than having a greater 'peasant' population in the Centre than in the North, it is exactly the other way around: there are proportionately more peasants and peasant-burgers in the North and more semiproletarianised agricultural producers in the Centre. Conversely, however, there must be more fully proletarianised direct producers in the North, who do not appear in our agricultural census data simply because they do not have formal ownership or possession of land (this statement will be substantiated shortly, with the General Population Census data). Thus, we appear to have a more proletarianised structure in the Northern regions, and only a semiproletarianised one in Central Mexico. In addition, we must not forget the heavy seasonal migrations from Central and Southern states to those regions with irrigation districts, that is, for the most part, with capitalist agriculture.

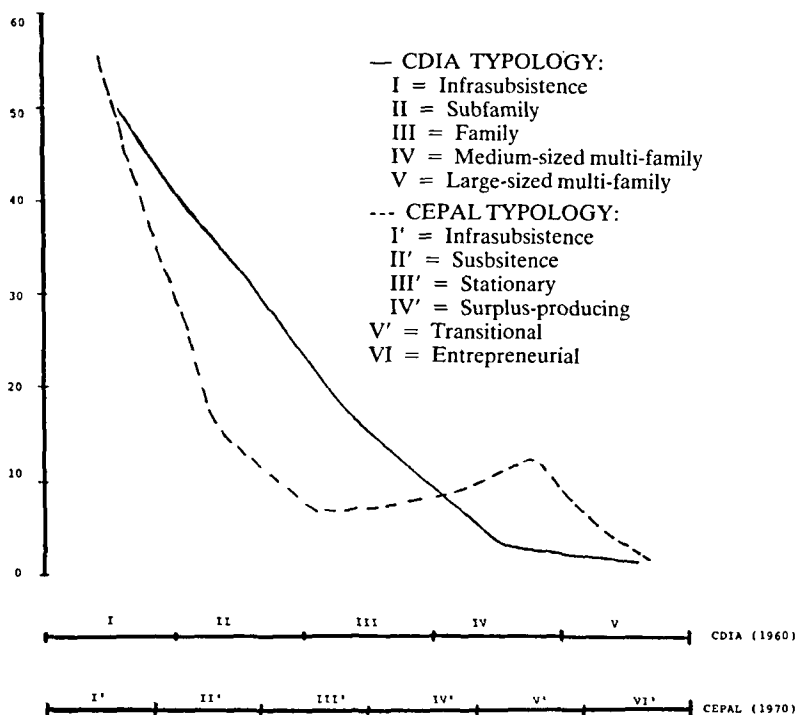
Thus far we have presented a spectrum of social differentiation in 1970. The most interesting thing would be to see this process historically. How has such a spectrum evolved through the past few decades? Addressing this question would be the only way of conclusively specifying whether the peasantry is in dissolution or strengthening. Unfortunately, the CEPAL study did not address this question, which is quite surprising. Despite the fact that the study was trying to substantiate the *campesinista* position, no analysis has been provided on the previous history of the different producers in CEPAL's typology. Thus, one is unable to determine from its analysis alone whether peasant producers are being consolidated or going bankrupt.

As a provisional attempt to cover this vacuum, we have compared the proportion of agricultural producers in various land tenure types between 1960 and 1970. We have plotted the data from two studies in Chart 10. The CDIA [*Centro de Investigaciones Agrarias*, 1974] study uses the 1960 census data in its classification of agricultural producers in Mexico, and the CEPAL study, as we have seen, uses the 1970 census data. Three points of clarification should be made: (1) The CDIA study classifies rural producers into only five categories of units: infrasubsistence, subfamily, family,

medium-sized multifamily, and large-sized multifamily units. (2) Although the CEPAL study defines eight types of production units, we have merged the three entrepreneurial types into one, to form six categories: infrasubsistence, subsistence, stationary, surplus-producing, transitional and entrepreneurial units. (3) Since there is no easy way to transform the data from one classification to the other, we have opted for a visual form of comparison, plugging the data of each study within the same graph in Chart 10.

CHART 10

TWO TYPOLOGIES OF AGRICULTURAL PRODUCERS COMPARED FROM 1960 to 1970



Source: Elaborated with data from CDIA [1974] and CEPAL [1982].

This chart clearly depicts the tendency to dissolution of the peasant economy. Specifically, it is the middle units which are vanishing, therefore reinforcing the polarisation tendencies in agriculture: both the semiproletarian and the bourgeois sectors tend to increase, while there is a 'disappearing middle'. Moreover, a large proportion of former peasants simply leave our

graph. That is to say, those ex-peasants who cannot hold on to at least a semiproletarian position no longer are classified as agricultural producers by the census. Many of them may have taken up proletarian jobs in the cities, or become small merchants, others may have stayed in the countryside selling their labour power. The Agricultural Census data, on which both studies are based, do not provide information on these groups. Thus, we must rely on the General Population Census, despite the fact it involves very aggregate data. It is the only statistical source where we could search for the agricultural proletariat. A crucial difference between the General Population Census and the rest of the figures provided so far is this: the General Population Census refers to *individuals*, whereas the CDIA and CEPAL studies present their data in relation to production or family *units*. This must be kept in mind when looking at the following analysis of the rural economically active population in Table 5. This table depicts the evolution of what the census calls without much qualification 'workers', 'peasants' and 'employers' in the countryside, between 1960 and 1970.

The absolute numbers of economically active population in the countryside clearly decreased from 1960 to 1970, as had been taking place for several decades. This is no surprise whatsoever. Similarly, it is not surprising that 'workers' have decreased in absolute numbers, which is also explained by rural-urban migration. However, it should be noted that the category of 'peasants' decreased from 2.5 to two million people. Also the *proportion* of workers *increased* from 57.4 per cent to 59.3 per cent and this is the only group which experienced a proportional growth in the rural economically active population.

In sum, the census data do reflect the extent of the double crisis as it manifests itself in the deterioration of peasant economy. And the production data presented for cash crops reflect the capitalist crisis in agriculture. Also, the census data reflect the type of class structural differences which one might expect among the various regions of Mexico.

The decade of the 1960s seems to be the time when the current crisis was incubated. To the already advanced dissolution of peasant economy the

TABLE 5

RURAL ECONOMICALLY ACTIVE POPULATION, 1960 and 1970 (IN MILLIONS)

	1960		1970	
	<i>population</i>	<i>per cent</i>	<i>population</i>	<i>per cent</i>
workers	3.4	57.4	3.0	59.3
peasants	2.5	42.2	2.0	38.2
employers	0.02	0.3	0.13	2.5

Source: *Censo General de Población* [1960 and 1970].

state responded with a largely ineffective and insufficient agrarian reform. Redistributing land which was mostly useless for agricultural production served merely the political purpose of pacifying land-hungry peasants and semiproletarians – for a few years. But such reform was an economic failure: it fell short of reversing the demise of peasant economy. Politically the explosion was only postponed for the early 1970s [Otero, 1981; 1983].

On the other hand, the agrarian bourgeoisie seems to have been very infatuated with productivity increases brought about by the Green Revolution in the 1950s. This productivity increase followed the special treatment received from the state the previous decade, in the form of price incentives above those of the international market. Capitalist profits were large in those two decades. But by the 1960s international prices for most cash crops began to fall dramatically, without additional compensation from productivity increases: the idyllic romance with productivity and high profits was over. Thus, after an overproduction phase, capitalist agriculture also entered a long lasting crisis in the early 1970s which continues today.

NOTES

1. Since the 1930s the ruling party, the Institutional Revolutionary Party (PRI) has been based essentially in three mass organisations: the CNOP for the 'middle classes', the CTM for the working class and the CNC for the peasantry. Each organisation is the centre of a network of alliances with other co-opted mass organisations which operate at regional and local levels. In the case of the rural sector the mass organisations are gathered in the Pacto de Ocampo, which excludes and fights the independent agrarian movements. For a discussion of agrarian class organisations see Otero [1986].
2. R. Bartra's approach arose within a polemic in Mexico over the efficiency of peasant production. He criticised a position which in fact denied the value of peasant labour power, by assuming it to be zero. This assumption was justified on the grounds that there is a virtually unlimited supply of labour power. The economist who held this view, Salomon Eckstein [*CDIA*, I, 1974: 332], estimated the ratios of total product over total inputs for the three basic land tenure systems in Mexico: private holdings with more than five hectares, private holdings with less than five hectares, and *ejidos*.

With Eckstein's assumption on labour costs (= 0), it was no surprise that the *minifundia* sector came out as the most efficient, followed by *ejidos*; and that the larger holdings were the least efficient: labour costs were calculated only for the latter, because only there did wages assume a monetary form. To be consistent with his methodology, Eckstein should have at least calculated the self-consumed part of the product in peasant units, and then subtracted it from total production. But he did not.

In order to avoid this problem, and to demonstrate the existence of peasants' exploitation, R. Bartra made a series of assumptions. First, along with Eckstein, he established a conservative estimate on the number of days worked by the peasant unit: 125 per year. Second, rather than deriving an estimate of wages from some presuppositions about nutritional 'minimum standards', he simply imputed wages on the basis of the prevailing legal minimum wages. Undoubtedly, such wages were quite low, but they are probably closer to the 'historical and moral standard' socially fixed in a backward society. Other assumptions are: (1) ground rent is zero in holdings of less than five hectares, and only a measure of total ground rent is attempted, given the difficulties of separating differential from absolute rent. However, an index of differential rent was developed by use of the above assumption. (2) The rate of surplus value was assumed to be 100 per cent

(Marx's own assumption in *Capital*, in order to calculate individual prices and prices of production, and to then contrast them with market prices. For a full exposition of his methodology, see Bartra [1974: 22-52].

3. Marx also mentioned the consequences for peasant production of being dominated by capitalism. He argued that peasants' surplus product sold in the capitalist market was hardly ever realised at its value, since prices are set by the production costs and the average rate of profit, determined by the more efficient capitalist units of production. It is by this mechanism of price formation that 'one portion of the surplus labour of the peasants, who work under the least favourable conditions is bestowed gratis to society. . .' [*Marx*, I, 1967: 806]. For a discussion of more specific mechanisms of appropriation of peasant surplus labor by the different fractions of capital, see Zamosc [1979].
4. For the classic discussions on differentiation in Marxism, see Lenin [1964] and Kautsky [1974]. For a contemporary account, drawing on the Latin American experience, see De Janvry [1981]. The distinction between peasants and peasant-burgers is that the latter are fundamentally oriented to market rather than subsistence production, although both are self-employed and hire an insignificant amount of labour power. Peasant-burgers, however, have greater chances of entering a kulak class trajectory, though they are also subject to the erosion of their economic units. A similar distinction has been proposed by Harriet Friedmann, regarding what she calls 'household production' (peasants) and 'simple commodity production' (SCP, family farmers). She defines household production as that 'whose reproduction occurs through non-commodity relations (whatever the proportion of production of production for sale to production for use)' [1980: 161]. SCP, by contrast, is fully integrated into both the 'factor' and 'product' capitalist markets, even though both forms of production basically rely on family labour power. Clearly, Friedmann's concept of SCP is designed to depict family farmers in advanced capitalist countries. Nevertheless, one would argue that peasant-burgers in Third World formations share most of their defining features, except that these may rely more on hired labour than family farmers, at least seasonally.

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