Farewell to the Peasantry?

Political Class Formation in Rural Mexico

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This book is lovingly dedicated to the memory of my son and great friend Rodrigo Otero-Ordóñez (1979–1997). His company during and after his seventeen years of life has been warm and inspiring. Even now, with the deep pain of his loss, I feel his presence as a strong, invigorating force that has been essential to my completion of this project, which I dedicate to his life and surviving spirit.

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Agrarian Transformations: Crisis and Social Differentiation

The purpose of this chapter is to show how the process of depeasantization has proceeded in the Mexican countryside, both nationally and regionally. I will address the main causes and outcomes of this process: A double crisis of capitalist agriculture and peasant economy has resulted in an important social differentiation (or stratification) among the peasantry. Such differentiation, however, has not resulted in a proportionate proletarianization. Instead, a large semiproletariat, torn between wage-labor and peasant production, has arisen as the largest rural group. Thus, as the peasant economy continues to deteriorate, creating a process of depeasantization, capitalist agriculture and industry have been unable to fully proletarianize the increasingly land-deprived masses.

The first section outlines the basic contours of what I call the double crisis of Mexican agriculture, one referring to the capitalist sector, the other to the peasant economy. A close insight is provided into this double crisis through an analysis of cash crops in contrast with subsistence crops. This analysis is divided into two main policy periods. The first is 1940–83, when import-substitution industrialization policies prevailed within a relatively closed economy that featured protectionism and subsidies for several industries and some basic crops. The second period is 1984–95, when neoliberal economic policies were introduced involving an open market toward international trade and investment and the elimination of most subsidies (except for maize and beans in agriculture). The second section presents a spectrum of social differentiation of agrarian producers in Mexico, based on the 1970 census data. Then, by contrasting the 1970 situation with that of 1960, I show the extent to which the peasant economy had been eroded by that year and how the semiproletariat constitutes the largest agrarian group. Next, the census data from 1960 and 1970 are plotted in a graph, along with those data from a survey of the *ejido* sector, conducted by the CEPAL in 1990 and 1994 (de Janvry et al. 1997). This analysis will reveal that the basic structure of differentiation is still there but that some land reconcentration is beginning to take place among the middle strata of direct producers, while many of the

poorest are abandoning agriculture. Finally, a brief overview is provided as to how capitalist development has affected the spectrum of social differentiation regionally: A contrast is presented among the states in which our three regions are located.

The Double Crisis of Mexican Agriculture

The crises of Mexico's rural economy, with capitalist agriculture on the one hand and peasant farming on the other, have resulted in social differentiation among the peasantry within a capitalism that has not expanded the proletarian class proportionately. As the peasant economy continues to deteriorate, depeasantization occurs: Increasing numbers of peasants are separated from their means of production and pushed onto a wage-labor market that is incapable of productively absorbing them (Coello 1981).

The first problem for the peasant economy emerged with increased commercialization of agricultural production. From 1940 to 1970, the proportion of output sold by all production units in the country rose from 53.6 percent to 87 percent. If this jump seems impressive, it is all the more so considering that most of the change took place during the first decade of the period. In fact, the percentage of production sold in the market increased from 53.6 percent in 1940 to 82.1 percent in 1950. After the *Cardenista* agrarian reform, most agricultural production passed through the national market.

Of course, there are differences in the proportion of total output sold by the various land tenure types (see Table 4.1).[1] In general, private production units with more than five hectares always sold a greater percentage of their output than any other type of producer; performance on these private farms was closely followed by *ejidal* units. Private operations of five hectares or less, the vast majority of them being peasant units, show more erratic behavior. In 1950 they sold a greater proportion of output than did the *ejidos* (78.7 percent versus 72.4 percent), but in 1960 the percentage fell to 67, only to increase again in 1970 to 81 percent.

Reliance on the market, especially after the late 1960s and early 1970s, made the peasant economy more vulnerable than before. Increased commercialization

TABLE 4.1 Percentage of Production Sold by Land-Tenure Type, 1940–70[a]

Tenure Type	*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
Ejidos	54.2	72.4	77.0	86.2

[a] SOURCE: Elaborated from Dirección General de Estadística, *Censo agrícola-ganadero y ejidal, 1940; 1950; 160; 1970* (Mexico: DGE, n.d.).

in agriculture demonstrated the contradictions of a peasant economy developing in a capitalist context.

The decade of the 1970s began with decreases in production in most crops. Corn production (which stagnated in the mid-1960s) collapsed in 1972, and crop output was not really satisfactory again until the early 1980s—and then, only briefly. A similar pattern occurred with beans (Bartra and Otero 1987, 342–50).

Commercial crops such as cotton, sesame, sugarcane, and tomatoes also were in crisis in the early 1970s. For cotton and sesame, there was no recovery during the early 1980s. The cash crops that did best were directly linked to agribusiness with export interests: citrus, pineapples, and strawberries. "All these commodities grew rapidly, while the basic foodstuffs sector barely grew at all." (Sanderson 1986, 279) The growth of these cash crops, which might be referred to as "luxury foodstuffs," along with the growth of grain production for feeding livestock, reflected the internationalization of Mexican agriculture (Sanderson 1986; Barkin and DeWalt 1988).

Mexican cities absorb major quantities of corn, making it possible for peasants who produce and sell it to purchase industrial products indispensable to life in the countryside. On farms, corn is usually stored as insurance against bad times. Thus, when corn prices rise, less of it is required to achieve a balance between work and consumption (Chayanov 1974). But if corn prices fall, then peasant families must expand their labor efforts to obtain more corn. For given capital scarcity and low land quality, peasants cannot shift their production to other crops easily. And since access to land is usually restricted, peasants can rely only on extending the use of the single resource over which they have control: domestic labor power.[2]

In a few years, Mexico's agriculture went from providing ample foreign exchange necessary for industrialization to an inability to feed its own population (Sanderson 1986). For this reason, the José López Portillo administration (1976–82) implemented the Mexican Food System (*Sistema Alimentario Mexicano,* or SAM) in 1980, a strategy to gain self-sufficiency in basic grain production (*Nueva Antropología* 1981; Fox 1992). Although the official declarations presumed that self-sufficiency would follow from strengthening the peasant economy in rain-fed agricultural zones, most production increases really took place in irrigation districts. This result indicates that government subsidies for some inputs were so high that members of the agrarian bourgeoisie seized the opportunity to profit from basic grains. In fact, production rose markedly for both beans and corn in 1980 (Redclift 1981).

Mexicans were paying dearly for these production increases, it turns out; for they involved massive subsidies. And, while there was some progress in food self-sufficiency, it was transitory—the results in 1982 were disappointing, partly because of a lower-than-normal rainfall. When Miguel de la Madrid took office in December of 1982, SAM was abandoned.

Despite the fact that the 1960s witnessed a large redistribution of land, the erosion of the peasant economy was considerable. Part of the reason was that poor land was distributed during the Gustavo Díaz Ordáz presidency (1964–70). While

25 million hectares were distributed, a larger quantity than under Cárdenas, only about 10 percent (2.4 million) was arable. In contrast, Cárdenas distributed close to 18 million hectares of which almost 5 million or 28 percent was arable. Thus, the Díaz Ordáz agrarian reform reduced the proportion of arable land in *ejidos* from 23.2 percent in 1960 to 18.3 percent in 1970 (Gutelman 1974).

By 1970 many small agricultural producers were no longer able to sustain themselves by relying only on their farmland. The process of semiproletarianization was already under way: Increasing numbers of rural producers were caught between insufficient peasant production and a wage-labor market offering few alternative employment opportunities.

Hence, the 1970s saw the beginning of a simultaneous explosion of two crises: an accelerated retrogression in the living standards of small peasants and a fall in export prices that profoundly affected the commercial sector. Politically, these trends sparked renewed struggles for land among peasant producers (A. Bartra 1979b; Otero 1981, 1983).

Structural Differentiation of Agricultural Direct Producers

The purpose of this section is to present an analysis of peasant social differentiation in Mexico between 1960 and 1994. The empirical information comes from several studies specified below. The methodological discussion, though, focuses on the study carried out by a group of researchers from The United Nations Economic Commission for Latin America and the Caribbean (*Comisión Económica para América Latina y el Caribe,* or CEPAL), using the 1970 Mexican census of population and agriculture (CEPAL 1982). The project was led by the economist Alejandro Schejtman. Although the data are old, this study demonstrates the extent to which the peasantry was already differentiated by 1970, when Mexico's agricultural crisis was already evident to policy makers and analysts alike. Furthermore, by comparing this study to a previous one based on the 1960 census, I will show that the middle sectors of the peasantry were disappearing.

The methodology of this study has also been the basis for two more recent surveys conducted by CEPAL: one in collaboration with the Ministry of Agriculture and Water Resources in 1990, and the other with the Ministry of Agrarian Reform in 1994, as reported by de Janvry, Gordillo, and Sadoulet (1997).

One of the goals of the 1982 CEPAL study was to device a typology in order to distinguish between peasant and entrepreneurial farms and then to specify the various strata within these broad categories. CEPAL's assumption was that small peasant farms work under a different rationality from capitalistic agricultural enterprises. The latter seek to maximize profits as the prime motive of production, whereas peasant units seek to maximize the economic return to family labor power, since subsistence is the peasant family's prime objective. Therefore, peasant farming operations are usually much more labor-intensive than those of capitalist enterprises.

TABLE 4.2 Mexico: Distribution of Agricultural Direct Producers in CEPAL's Typology, 1970 (percentages)

*Type of Production Unit**	*Stratum Within Type*	*Percent*
Peasant	I infrasubsistence	55.6
	II subsistence	16.2
	III stationary	6.5
	IV surplus-producing	8.2
Transitional	V transitional	11.6
Entrepreneurial	VI small	1.2
	VII medium	0.4
	VIII large	0.3

SOURCE: CEPAL. 1982. *Economía Campesina y Agricultura Empresarial (Tipología de Productores del Agro Mexicano)*, by Alejandro Schejtman, Mexico: Siglo XXI Editores, 118–19.

* Total Number of Units = 2,557,070

Table 4.2, above, depicts the summarized distribution of agricultural production units in Mexico, according to CEPAL's typology. The figures of the *ejido* and private land-tenure sectors have been merged, because the pattern of social differentiation is similar in both tenure systems (CEPAL 1982, 278–281). Entrepreneurial producers are concentrated in the private sector. Merging the data for the two systems gives the best overall picture of social-structure differentiation in rural Mexico, but, when the two are combined, the proportion of "entrepreneurs" declines.

CEPAL used two central criteria to distinguish between peasant and entrepreneurial categories in its typology: (1) Did the farm unit hire wage labor? (2) Did the farm attain or exceed subsistence production levels? "Peasant units" were those that worked with family labor and occasionally hired wage labor. "Hiring" was measured by wage payments which were not to exceed the equivalent of twenty-five working days per year (calculated by the yearly expenditure in wages and divided by the daily legal minimum wage in each region or state). Most peasant units do hire some workers beyond the family during a few days at harvest. And members of such *minifundio* farms usually sell their own labor power to other peasant households for a few days a year. This exchange of labor power is, in many cases, the monetized form of previous reciprocity relations in peasant communities.

In order to build the various strata, several types of needs were defined for peasant units to determine which units were able to meet what type of needs. Two such types were subsistence needs and needs for the replacement of means of production. Food requirements were thus defined as the main priority for peasant families, which averaged 5.5 members each. Calculations were made to specify the minimum nutritional needs in terms of calories and proteins. Their costs

were then converted into an equivalent measure in corn per year, estimated at 3.8 tons 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 rain-fed land, CEPAL's study established the minimum surface of land needed to produce the minimum food requirements for the average family. This minimum land surface turned out to be 3.84 hectares, which was rounded up to 4 hectares.

Infrasubsistence Peasants or Semiproletarians?

By CEPAL's criteria, infrasubsistence production units do not meet household food requirements. Their livelihood is thus predicated on an increased level of off-farm economic activity by those members of the family who hire out.

We might ask at this point: Are families in infrasubsistence farms really "peasants"? The notion of the peasantry is a very fluid one, an abstract mean, a tendency, but not a quantifiable reality. CEPAL's classification is predicated upon the notion of subsistence, which refers both to the reproduction of labor power, and the replacement of the means of production. Infrasubsistence means not even meeting subsistence requirements, let alone those for replacing the means of production. I would prefer to call this group of families semiproletarians, since they must complement their incomes with other economic activities, namely wage labor.

The notion of surplus product may be linked to the notions of subsistence and replacement in the following way: Subsistence is the minimum production level required to achieve the reproduction of labor power used up in a production cycle and to reconstitute the labor power of the whole peasant family. Moreover, it is necessary to replace the means of production used up or consumed during the cycle. Finally, surplus product would be the production over and above subsistence and replacement. If both subsistence and replacement are allowed for in a production cycle, then the peasant unit achieves a scale of simple reproduction but not necessarily a surplus, which could be the basis for capital accumulation.

The main characteristics of peasant production, as a theoretical construct, are that the direct producer is owner of or has access to land and other means of production, controls the labor process, and uses his/her own labor power and that of other household members. These resources should allow the peasant domestic unit to reproduce itself on a simple scale, i.e., covering the costs of both subsistence and replacement but lacking a surplus. In capitalist enterprises the owner of capital appropriates surplus product (in the historical form of surplus value) directly in the production process; the capitalist exploitation of peasants is more complex, however, 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 the partial dissolution, not the total disintegration, of the peasant economy. This process of dissolution may

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move peasant households down to a semiproletarian position, where some of their members partially or completely proletarianize. Because of its subordinate position, the peasant economy within capitalism might attain a level of simple reproduction, but even this level might prove unattainable. What I am suggesting is that, although the unit might be able to produce enough for reproducing itself on a simple scale, capitalists, through unequal exchange, appropriate part of the peasant unit's subsistence and/or replacement funds. Such a situation would necessarily lead to a depeasantization 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 a wage employment, the result will probably be only a partial proletarianization, with the peasant domestic unit and/or the community still partly responsible for the reproduction of these members of the community. This is what Claude Meillassoux has called the "social function" of peasant economy for capitalism. The community reincorporates workers idled by layoffs, illness, or old age (Meillassoux 1972, 1977). Adding this mechanism for surplus-labor extraction to unequal exchange, we can see that the peasant economy is doubly exploited by capitalism: When members of the household sell their labor power, peasant production subsidizes the unpaid wages in periods of layoff, illness, or old age; and when peasant products are sold in markets, they are usually subject to unequal exchange.

Eric R. Wolf speaks of the above situation as taking place in contexts where peasants are engaged in asymmetrical relations of exchange determined by external conditions, a common circumstance for peasants under capitalism. He writes,

> where exchange networks are far-flung and obey pressures which take no account of the purchasing power of a local population, a cultivator may have to step up his production greatly to obtain even the items that are required for replacement [or simple reproduction, in our terms, G.O.]. Under such conditions, a considerable share of the peasant's replacement funds [which include both of our subsistence *and* replacement funds, G.O.] may become somebody else's fund of profit (Wolf 1966, 9).[3]

Given the fact that infrasubsistence units do not really fulfill minimum theoretical requirements for their inclusion in the peasantry, I will place them in the category of semiproletarians. I have opted for this term rather than, for instance, "peasant-workers," (Szelényi 1987) because the dominant tendency in Mexican agriculture is clearly toward depeasantization. The concept of peasant-workers seems to imply that there are equal chances for this type of social agent to enter (or reenter) either a peasant or a proletarian class trajectory, i.e., repeasantization or proletarianization. Although I admit that both possibilities exist, I prefer to name the concept in accordance with the dominant tendency: depeasantization without full proletarianization. This formulation implies the expansion of the semiproletarian position rather than its contraction. (As we will see from the surveys of the 1990s, semiproletarian positions have increased quantitatively and also in terms of their intensity, in the sense that larger proportions of more *ejido* households' incomes depend on wages rather than agricultural income.)

Subsistence Peasants

The second stratum in CEPAL's typology is subsistence-level units. It was devised on the basis of whether production units were able to produce enough not only for food requirements, but also for replacing 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 of ETN (National Rain-Fed Arable Land Equivalent). By CEPAL's own account, however, units between four and eight hectares tended to experience a deterioration in their production conditions and/or were forced to subsidize the fund for replacement with off-farm incomes. Clearly, then, this category does not achieve the level of simple reproduction if it is to rely exclusively on farming activities.

Nevertheless, subsistence units warrant classification as part of the peasantry even if those in the infrasubsistence category do not; although the former are deteriorating, they are able to sustain an essentially peasant operation. Selling some labor power might be a strategic means of preventing the unit's consumption levels from falling to bare subsistence or less.

Stationary and Surplus-Producing Peasants

The third stratum in CEPAL's typology is made up of "stationary" units, and they must fall in the eight-to-twelve-hectare range of ETN land to be able to produce at a simple reproduction scale. Those exceeding twelve hectares were classified in a fourth stratum called "surplus-producing" units or, more precisely, units with a surplus-producing potential. For the third stratum, stationary units, the costs of reproducing means of production and inputs were calculated on the basis of farming on a plot of ten hectares. As can be seen, not all the units in this eight-to-twelve-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 supplement their costs with off-farm economic activities.

Before moving on to discussing nonpeasant units, let us briefly analyze the political economy of surplus production in a peasant economy. Theoretically, once a surplus product is present within a peasant unit, at least four things can happen to it.

1. First, surplus product might be appropriated by merchant or usury capital through unequal exchange or outright theft. Alternatively, if peasant products are competing not with capitalist enterprises but only with other peasants, the indirect beneficiary may be the industrial bourgeoisie. This circumstance has prevailed in Mexico with some basic grains, where

the state has fixed prices at low levels. The industrial bourgeoisie has benefited from getting cheap agricultural raw materials and cheap "wage goods," which allow it to pay low wages to industrial workers. Through this mechanism of cheap food production, the industrial bourgeoisie can realize greater rates of profit, and the peasant unit maintains its peasant character instead of accumulating capital.

2. Second, the surplus product might be so small that peasants choose merely to increase their consumption level, in which case 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 retains its character without having to bestow gratis its surplus labor to capital, as it did in the first case.
3. A third way in which the peasantry could achieve simple reproduction is through cultural redistributive mechanisms typical of some peasant communities with an Indian tradition—for example, the possession of *cargos* for religious ceremonies (Cancian 1972, 1992; Vogt 1966, 1973). 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. In the fourth and last alternative, the surplus product could be retained by the unit, opening the possibility for expanding the level of production by hiring some wage labor and/or investing in additional means of production. In this case, the peasants would gradually become peasant entrepreneurs and eventually, perhaps, an agrarian bourgeoisie. This is the social category that Lenin called kulaks, or rich peasants.[4]

Nonpeasant Units

The remaining four categories of production units were defined by the CEPAL study as nonpeasant units. The fifth one falls between the peasant and the entrepreneurial sector: hence the name "transitional units." The defining criterion for this latter stratum is merely the payment of between $25 and $500 in daily minimum wages per year. There is no specification about the land size, but we can assume that it is beyond the ETN level of twelve hectares, which was the minimum for surplus-producing units. These units are transitional in the sense that some might acquire entrepreneurial traits while others might fall back toward the peasant sector.

On the entrepreneurial side we have three strata that are demarcated by a purely quantitative criterion: They are "small," "medium," and "large" enterprises, depending on the range of hired wage labor. Small units pay between 500 and 1,250 daily minimum wages per year, medium units pay between 1,250 and 2,500, and large units pay over 2,500 minimum wages per year.

A different definition was given to livestock-raising units, which make up 11 percent of entrepreneurial units, but since the peasant units fall mostly outside this category, they will not be discussed here. Suffice it to say that all livestock-raising units were also operationalized as "small," "medium," or "large" capitalist enterprises.

Problems with CEPAL's Data

CEPAL's 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 inquire into the degree of overlap between the information for agricultural production units in this census and the one on the general population census. According to the latter, rural population in Mexico in 1970 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 who would not simultaneously be heads of agricultural production units, since the corresponding census registers only a little over 3.2 million units (CEPAL 1982, 111–12).

Of 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, thus leaving slightly over 2.9 million heads of households who would have arable land. That is to say, somewhat over 80 percent of rural families would be incorporated in the typology to some degree. To some degree, because close to 12 percent 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 and the data from the agricultural census (*Censo agrícola-ganadero y ejidal*) of 1970, the vast majority of the rural population (80 percent or more) has been accounted for in CEPAL's typology. One major limitation in CEPAL's study remains, however: It excluded formally landless households from consideration. Such households must be part of the nearly 20 percent of the omitted rural population. Thus, 20 percent would be the maximum conceivable estimate for the rural proletariat, assuming there were no merchants, artisans, urban proletarians with rural residence, and so on included in this figure.

Nevertheless, it is difficult to measure the regional distribution of proletarian households. We thus have no choice but to study the rural proletariat indirectly, through the general population census. The latter census has its own limitations, however: Its information is presented in terms of individuals, not households, as in the CEPAL study. Thus, many (perhaps most) of the individuals registered by

the census as landless peasants or workers in fact belong to semiproletarian or peasant households, i.e., have at least a minimal access to land. But at this point, these are only speculations. The following section briefly addresses the question of rural proletarian households.

Structural Differentiation: A Disappearing Middle?

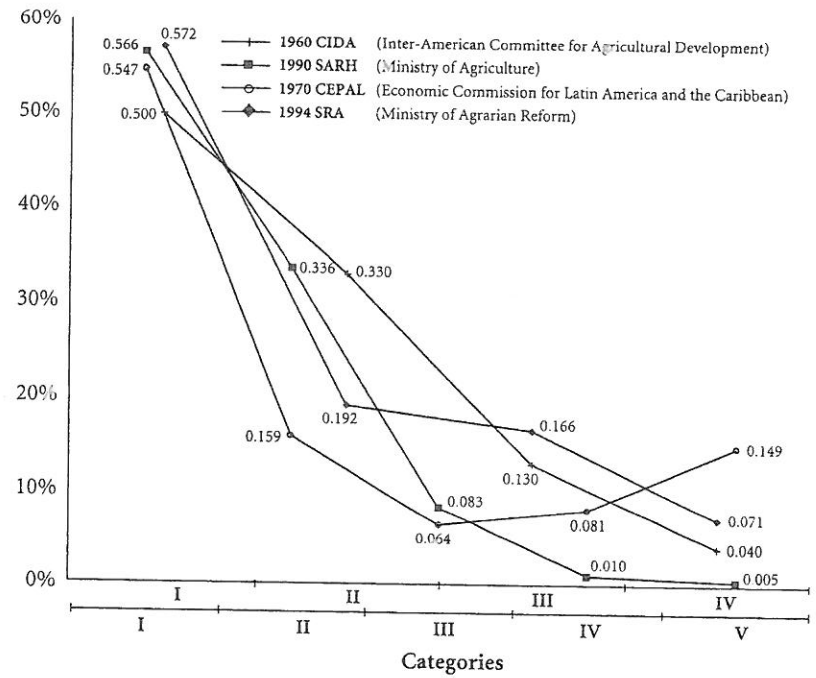
Thus far I have presented a profile of social differentiation in 1970, but we have no idea whether the peasantry has proportionately expanded or contracted. The only way to find out would be to address the problem historically: How has this profile changed over time? Addressing this question is one way of concluding whether the peasantry is shrinking or growing. Unfortunately and surprisingly, this question went unaddressed in the CEPAL study. Despite—or, perhaps, because of—the study's intent to substantiate the *campesinista* position no analysis has been provided on the previous history of the various producers in CEPAL's typology. Thus, one is unable to determine from its analysis alone whether peasant producers are being consolidated or going bankrupt.

To find out whether peasant producers are becoming more viable or are failing, one can compare the proportion of agricultural producers in the various categories between 1960 and 1970 by consulting a study by the Center of Agrarian Research (*Centro de Investigaciones Agrarias,* or CDIA) of the 1960 census (CDIA 1974). While the CDIA study classifies rural producers into only five categories (infrasubsistence, subfamily, family, medium-sized multifamily, and large-sized multifamily), the CEPAL study defines eight types of production units. To achieve some comparability, I have merged CEPAL's three entrepreneurial types into one to form six categories: infrasubsistence, subsistence, stationary, surplus-producing, transitional, and entrepreneurial. A graphic comparison is presented in Figure 4.1.

These data show the decline of the peasant economy between 1960 and 1970. Specifically, the middle units appear to be going bankrupt, thus reinforcing the polarization of agriculture; both the semiproletarian and the bourgeois sectors are increasing, while there is a disappearing middle group. Moreover, a large proportion of former peasants or semiproletarians simply fall out of the analysis: They are ex-peasants who cannot hold onto at least a semiproletarian position and have become day laborers or have moved to the cities.

Plotting the more recent data from 1990 and 1994 yields flattening curves, leaving the impression that the polarization trend is diminishing. Before speculating about the reasons for these new shapes in the curves, let me first clarify some of the data. First, they refer only to the *ejido* sector and do not include the private farms of 5 hectares or less, which constitute the *minifundia* sector. As mentioned above, however, based on the CEPAL 1970 study, the profile of social differentiation is very similar in both the *ejido* and the private sectors, although the latter is slightly more polarized. This greater degree of polarization in the private *minifundio* sector is undoubtedly due to the fact that small private owners of land have been able to sell legally all along, while *ejidatarios* have not (at least as of 1992).

Figure 4.1 Social Differentiation Among Mexico's Rural Producers: 1960–1994



SOURCE: Elaborated with data from: Alain de Janvry, Gustavo Gordillo, and Elisabeth Sadoulet (1997). *Mexico's Second Agrarian Reform: Household and Community Responses.* Transformation of Rural Mexico Series, Number 1. La Jolla, CA: Center for U.S.–Mexican Studies, University of California, San Diego, pp. 27–29.

The interesting new trend in the 1990s, though, is that the better-off sectors of the peasantry are expanding by purchasing land from the worse off, many of whom are simply abandoning agriculture. Nevertheless, neoliberal reforms (as discussed in Chapter 2) have resulted in the following historical paradox: They are creating the conditions for an entrepreneurial peasantry to emerge while also eliminating the middle farmers and confining large masses of rural dwellers to marginal conditions as agricultural producers. The paradox lies in the fact that the original agrarian reform of 1917, which was touted as a peasant triumph, resulted in proletarianization. Conversely, the neoliberal reform of 1992, which was

labeled antipeasant by its populist critics, is actually setting the conditions for a small but vigorous peasant-entrepreneurial class to consolidate.

The dark side of the 1992 reform, though, lies in the intensification of the semiproletarian condition. Indeed, the extent to which rural producers depend on nonfarm incomes is staggering. De Janvry's study indicates that 81.9 percent of total income in the smallest farms comes from off-farm activities, including 46.7 percent from wages and microenterprises, with the rest coming from migration, i.e., also from wages. If income data are disaggregated by quintiles, off-farm income is most important for the middle quintiles, while on-farm income is most important for the poorest and the richest quintiles (de Janvry, Gordillo, and Sadoulet 1996, 178). Other studies that have quantified this phenomenon of the increasingly semiproletarian character of the rural direct producers are Appendini and Salles (1976, 1980), and Bartra and Otero (1987).[5]

Furthermore, poverty was found to be extensive and deep in rural Mexico: "Overall, 47 percent of the households are in poverty and 34 percent in extreme poverty" (de Janvry, Gordillo and Sadoulet 1996, 197). In contrast, 25 percent of individuals are below the poverty line in the urban sector and 34 percent nationally. It is conclusively demonstrated that being a member of an indigenous community brings an increased probability of being poor or extremely poor, even after controlling for access to land, education, and weaker migration networks. Indigenous communities make up 14.8 percent of the poor in the so-called social sector, which includes *ejidos* and agrarian (indigenous) communities, though they represent only 11.9 percent of the social-sector households. In fact, 71.2 percent of households in indigenous communities were poor compared to 44.7 percent in the *ejidos*.

De Janvry's main policy conclusions revolve around filling the institutional vacuum left by neoliberal reform. Measures in this direction would include a favorable macroeconomic environment, the promotion of organizations through the *ejido* system, and public investment in irrigation and education. Continuously stressed throughout de Janvry's book is the need for differential policies that reflect the regional and social heterogeneity of rural Mexico. This policy, however, seems antithetical to neoliberalism, which prescribes homogeneous policies regardless of the sharp inequalities of rural conditions.

Let me now briefly discuss the question of the agricultural proletariat in quantitative terms. Table 4.3 categorizes the economically active rural population, using census terminology. This table depicts the evolution of the categories of workers, peasants, and employers in the countryside between 1960 and 1970.

The absolute numbers of the agricultural workforce decreased from 1960 to 1970, continuing a trend of several decades. Similarly, it is not surprising that workers decreased in absolute numbers. This decrease reflects the secular decline of the agricultural sector as the economy develops: Rural-to-urban migration brings it about, and agricultural technological mechanization hastens it along. It

TABLE 4.3 Economically Active Rural Population, 1960 and 1970[a]

	1960		1970	
Sector	*millions*	*percent*	*millions*	*percent*
Workers	3.40	57.5	3.00	59.3
Peasants	2.50	42.2	2.00	38.2
Employers	0.02	0.3	0.13	2.5
TOTAL	5.92	100.0	5.13	100.0

[a] SOURCE: Dirección General De Estadística, *Censo General De Población, 1960; 1970* (México: DGE).

should be noted, however, that the peasant category decreased more drastically than that of workers,—from 2.5 to 2 million people, a 20 percent decline. Workers declined from 3.4 to 3 million people, a 12 percent decline. On the other hand, the relative number of workers increased from 57.4 to 59.3 percent, whereas that of peasants decreased from 42.2 to 38.2 percent.[6]

Regional Social Differentiation

I have translated the regional profile of social differentiation (in Table 4.4, below) into the economic class categories developed above while critically presenting CEPAL's typology. The differences between my economic class categories and CEPAL's typology are as follows: (1) Infrasubsistence units are now called semiproletarian; (2) transitional units have been placed under the social category of peasant-entrepreneurs; and (3) small, medium, and large entrepreneurial units are now labeled agrarian bourgeois. Given that the basic structure of social differentiation has been maintained through the present, I prefer the CEPAL data to the more recent study by de Janvry et al. (1996) because they are comprehensive, including both the *ejido* and the private sectors.

CEPAL's allocating procedure has been basically respected except for the case of infrasubsistence units, given that such units have few chances of reentering a peasant-class trajectory. Torn between land and wages as their material basis for reproduction, semiproletarian households are really the most dynamically growing sector. This statement was substantiated by contrasting the 1960 and 1970 data above.[7]

Table 4.4 depicts significantly diverse regional class structures in terms of social differentiation of the peasantry: Contrary to what may be expected intuitively, though, there is a larger *proportion* of peasant population in northern than in central Mexico. In central Mexico, the plots of land available to direct producers are in most cases insufficient for them to fall into the peasant category. Thus, most of them must complement their reproduction with off-farm activities, including wage-labor employment, although many of these wage earners do not be-

TABLE 4.4 Agrarian Class Structures in Puebla, Coahuila-Durango, and Sonora by Class of Household, 1970 (percentages)

State	Semiproletarian	Peasant	Peasant-Entrepreneur	Agrarian Bourgeois	Total
Coah./Dgo.	47.1	29.4	21.5	2.0	118,278
Sonora	13.7	54.1	21.8	10.4	29,224
Puebla	79.7	14.9	5.0	0.4	231,262

SOURCE: Elaborated with data from: CEPAL. 1982. *Economía campesina y agricultura empresarial (Tipología de productores del agro mexicano)*, by Alejandro Schejtman, Mexico: Siglo XXI Editores, 118–119.

come sellers of labor power in the central region itself but in the northern regions and the United States through temporary migrations (Arroyo Alejandre 1989).

Agricultural production units from the peasant sector in the north tend to produce commercial crops to a much greater extent than those in the center, which concentrate on typically subsistence crops, i.e., corn and beans. While this cannot be taken as a direct indication of the degree of commercialization in each region, since corn and beans are also produced for the market, it is indeed an indirect hint that serves as a starting point for decoding the more qualitative aspects of the dynamics involved.

In fact, Kirsten Appendini and Vania Almeida Salles (1976) have demonstrated with the 1960 data the existence of a significant correlation between *municipios* (municipalities or counties) producing corn and beans and those states with commodification rates lower than 50 percent. Conversely, in *municipios* in the northern states of Baja California Norte, Baja California Sur, Chihuahua, Coahuila, Sinaloa, and Sonora there is the opposite correlation: low production of subsistence crops and commodification rates of over 80 percent of each unit's product. Furthermore, these scholars found similar correlations regarding wage labor: The highest incidence of units hiring wage labor was found in northern states and vice versa for central and southern states. The exceptions in the latter states were very localized *municipios* where tropical cash crops are produced. The region of Atencingo, Puebla, which produces sugarcane, is such an exception. Appendini (1983) has applied the same methodology of the earlier study to the 1970 census data, obtaining similar results, except that the polarization trends showed up more acutely.

The key point is 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 the center and the south. Therefore, it seems that the semiproletarianized direct producers in the latter two regions tend to concentrate on subsistence food production. And, conversely, northern peasants, peasant-entrepreneurs, and the agrarian bourgeoisie concentrate on cash crops production.

Semiproletarians from central Mexico nevertheless appear to produce under a peasant-type logic, focused on subsistence crops and based on family labor.

Let us briefly address the specificities in the patterns of structural differentiation in our three regions. At this level of aggregation we do not have data on the specific municipalities of our regions. Yet the data on the states where they are located generally describe their most salient features (see Table 4.4).

One can infer from the figures in Table 4.4 that the process of capitalist development has had diverse regional impacts, leading to significant differences in class structures among the three regions compared. Instead of indicating a greater peasant population in the center (Puebla) than in the northern states, it is exactly the other way around: There are proportionately more peasants and peasant entrepreneurs in the north and more semiproletarianized agricultural producers in the center. Conversely, however, there must be more fully proletarianized direct producers in the north, particularly in Sonora, who do not appear in our agricultural census data simply because they do not have formal ownership or possession of land. Thus, the sellers of labor power seem to be concentrated in the northern regions, where there is a large proportion of peasants, peasant entrepreneurs and agrarian bourgeois who can hire them for a wage. This interpretation is consistent with the findings of Appendini and Almeida Salles (1976) mentioned above, and with Appendini's (1983) more recent study of the 1970 census.

Clearly, then, Sonora has proportionately the most capitalistic structure of the three regions (with 10.4 percent of agrarian bourgeoisie), followed by Coahuila and Durango in a sort of middle point in the road (2 percent). Puebla, however, appears to have experienced a very low degree of capitalist development in agriculture, with only 5 percent of peasant entrepreneurs and a mere 0.4 percent of agrarian bourgeois (which may, nevertheless, concentrate very large extensions of land). The bulk of rural producers (79.7 percent) are in a semiproletarian position in Puebla, with access to so little land or of such poor quality that they cannot even achieve subsistence, much less a scale of simple reproduction. In contrast, Sonora has a very low proportion of semiprolatarians.

There is a significant difference on this count between Coahuila-Durango and Sonora. The proportion of semiproletarian households in the former is 47.1, whereas it is only 13.7 for the latter. We might speculate from these data that Coahuila-Durango's peasant entrepreneurs and agrarian bourgeois enjoy having a large pool of workers from their own semiproletariat, while in Sonora an agricultural proletariat proper must be in formation. It may still be the case, however, that a significant proportion of hired wage laborers in Sonora are seasonally migrant workers from other Mexican regions. Therefore, the wage labor force in Sonora is made up of both a local agricultural proletariat in formation and migrant workers (i.e., semiproletarians) from other regions, as has been documented in the literature (Cartón de Grammont 1990; Mares 1987; Posadas and García 1986). Puebla, for its part, relies mostly on its own semiproletariat, al-

though such reliance might involve internal migrations within the state itself and occasionally from the states of Oaxaca and Guerrero (Lara 1979; Paré 1979a; Ronfeldt 1973). An agricultural proletariat proper must be nearly nonexistent or very small in Puebla.

Conclusion

The census data do reflect the extent to which the double crisis has resulted in the deterioration of peasant economy. They also reflect the type of class structural differences that one might expect to find among the various regions of Mexico.

The current crisis seems to have incubated in the 1960s. To the already advanced dissolution of peasant economy the state responded with a largely ineffective and insufficient agrarian reform. Redistributing land that was mostly useless for agricultural production merely served the political purpose of pacifying land-hungry peasants and semiproletarians—for a few years. But this reform was an economic failure: It fell short of reversing the demise of peasant economy. Politically the explosion was postponed only temporarily, reappearing in the early 1970s and then again in the 1990s as a result of the formal end of agrarian reform and economic integration with the United States and Canada.

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 hike followed the special treatment received from the state during the preceding decade, which took the form of price incentives above those of the international market. Capitalist profits were large in those two decades. By the 1960s, however, international prices for most cash crops began to fall dramatically without additional compensation from productivity increases: The romance with productivity and high profits was over. Thus, after an overproduction phase, capitalist agriculture also entered a prolonged crisis in the early 1970s that continues today.

The result has been a decimated peasant economy marked by increasing semiproletarianization and a fragile capitalist sector incapable of providing full employment for agricultural workers. Thus, the most dynamically growing position in the rural social structure is that of semiproletarian households. New agrarian struggles and the character of class organizations that emerge will depend on which political direction this semiproletariat takes. This direction will in turn depend on the specific cultures and forms of state intervention prevalent in each region. Such specificities are the focus of the regional case studies in the next three chapters.

Notes

1. I am referring to the land-tenure classification of the Mexican census, which is made up of three categories: private production units with more than 5 hectares, *ejidos*, and private units with 5 hectares or less. The latter category corresponds to the *minifundio* sector.

2. Use of this resource also has a limit, however, when its productivity drops below zero. When hired labor is used, such a limit is reached when labor's productivity equals the wage. Those who assume the value of labor power to be zero in the peasant unit are actually looking at its lower limit, below which agricultural production makes no sense to peasant farmers. Whereas peasants usually sacrifice their ground rent and often part of their imputed "wage," assuming the latter to be zero from the outset actually places the analysis at the point of peasant bankruptcy.

3. Also Marx 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 realized at its value, since prices are set by the production costs and 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 labor of the peasants, who work under the least favorable 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 peasant differentiation in Marxism, see Lenin (1967) and Kautsky (1974). For a contemporary account, drawing on the Latin American experience, see De Janvry (1981).

5. This article with Roger Bartra contains our agreements with regard to how to characterize the agrarian structure economically. Our main disagreements on its political implications, however, are contained in Otero (1989b) and Chapters 2 and 7 of this volume.

6. As mentioned above, there is one crucial difference between the General Population Census (GPC) and the rest of the figures provided previously in this chapter: the GPC refers to *individuals*, while the CDIA and CEPAL studies refer to *family units*. The figures of the GPC do depict the general trend nonetheless.

7. The distinction between peasants and peasant-entrepreneurs is that the latter are fundamentally oriented to market rather than subsistence production, although both are self-employed and hire few people seasonally. Peasant-entrepreneurs, however, have greater chances of entering an agrarian bourgeois class trajectory, although they are also subject to the erosion of their economic units. A similar distinction has been proposed by Harriet Friedman, regarding what she calls "household production" (peasants) and "simple commodity production" (SCP, or family farmers). She defines household production as that "whose reproduction occurs through non-commodity relations (whatever the proportion of production for sale to production for use)" (Friedman 1980:161). SCP, in contrast, is fully integrated into both the "factor" and "product" capitalist markets, even though both forms of production basically rely on family labor power. Clearly Friedman's concept of SCP is designed to depict family farmers in advanced capitalist countries. Nevertheless, I would argue that peasant-entrepreneurs in Third World social formations share most of their defining features, except that the latter may rely more on hired labor, at least seasonally, than family farmers (who have access to more technology than to cheap labor power).