

MEXICO'S AGRICULTURAL REVOLUTION

AGRARIAN REFORM

The ownership and use of land have been a source of conflict throughout Latin America since the Spanish conquest. There is ongoing conflict between the agrarian poor and the landed elite. This is true whether the latter are represented by *latifundistas*, owners of large estates, or modern agri-business corporations.

The wealthy *hacienda* owners of the colonial period were mostly *Criollos*, Mexican-born people of Spanish descent. They prospered through the exploitation of native peoples through the systems of *encomienda*, collection of tribute, and *repartimiento*, servile labour. Independence from Spain in 1821 did little to change the distribution of land and wealth. The exploitation of rural peoples increased during the reign of Porfirio Díaz (1874-1910), leading to a series of regional insurrections.

Land reform became a primary goal of the Mexican Revolution which began in 1910. Revolutionary leaders sought to break up the large estates, and redistribute the land to the people in the form of *ejidos*. The *ejido* system gave peasant farmers a plot of land that was communally owned but individually maintained. Plots were handed down to the next generation, but could not be sold or rented. *Ejido* plots were intended to be large enough to provide food for family consumption and for limited exchange for subsistence goods. But they were never expected to be significant commercial operations.

The constitution of 1917 institutionalized the *ejido*, but it was not until the presidency of Lázaro Cárdenas (1934-1940) that large-scale land redistribution actually began. Cárdenas distributed twice as much land as all of his predecessors combined, giving property rights to nearly one-third of the Mexican population. This transferred power from the landed elite to the leaders of the rural communities and the institutions of the reform, especially the leading political party, known as the *Partido Revolucionario Institucional (PRI)*, Institutional Revolutionary Party.

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Since the early '90s, Mexican government programs have been aimed at fostering an agricultural revolution, with more private ownership, larger farms and better technology.

The Mexican agricultural sector is in the midst of a massive revolution. But by all accounts, it has not been a very successful revolution. Policy reforms designed to modernize and restructure the sector have so far failed to take hold. Agricultural production fell by 32 percent in 1995. During the 1996 spring planting, two million hectares were taken out of production. And according to the *Confederación Nacional Ganadera (CNG)*, National Cattle Ranchers Association, Mexico's cattle herds declined by almost half during 1995.

These outcomes were partly the result of short-run problems. An extended drought continued to devastate northeastern Mexico during 1995. And the devaluation of the peso in December 1994 doubled the peso prices of imported inputs. The devaluation reduced imports of agricultural commodities and boosted sales of exported fresh fruits and vegetables, cotton, and coffee, leading to the first agricultural trade surplus since 1987. But at the same time, the economic crisis cut deeply into domestic demand and drove interest rates to prohibitive levels. The result was declining agricultural stocks, a shift towards low-productivity production methods, and the virtual abandonment of purchases of new technology. Agricultural gross domestic product (GDP) fell by 15 percent in 1995, compared with a drop of about 10 percent for the overall economy. This situation will change as renewed government efforts to restructure the sector are put into place. Mexico has no choice but to modernize this sector if it is to feed its rapidly growing population, now estimated at about 100 million. International lending institutions have earmarked substantial funds to help. Industry observers are cautiously optimistic that the market for imported agricultural technology will improve as a result.

The agricultural sector has always been a source of difficult problems for the Mexican government. After the revolution, which began in 1910, there was a massive redistribution of land, as the nation's huge *haciendas* were broken up. This land was redistributed to the peasants in the form of *ejidos*, communal land holdings. Only the smallest farms remained in the hands of private owners. Small farmers, including communal *ejidatarios*, are known as *campesinos*, country people. Most of them barely operate at a subsistence level. About 90 percent work plots smaller than 5 hectares, and 40 percent have less than 1 hectare. Nationally, the