I | Mexico’s double movement: neoliberal
globalism, the state and civil society

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§ The purpose of this book is to address the impacts, challengers and alternatives to neoliberal globalism in Mexico. Because the main impacts of neoliberal globalism have negatively affected the peasantry, the working class and middle classes in rural and urban Mexico, we pay most attention to them. Given that the ruling classes and the Mexican state have been the main architects of neoliberal globalism, along with suprastate organizations such as the International Monetary Fund and the World Bank, we focus our attention on challengers and alternatives coming from below, particularly from the subordinate groups, classes and communities that are becoming increasingly organized in civil society.

In this chapter I provide a broad conceptual and historical outline of what neoliberal globalism has involved for Mexico during the past two decades in economic and political terms, and how organizations in civil society have responded to its challenges. I will first draw on Karl Polanyi’s classic work, The Great Transformation (1944), to outline conceptually the most salient impacts of the process of economic liberalization in Mexico. Polanyi is arguably the classical social theorist who, after Karl Marx, has mounted the most forceful critique of market society (Block and Somers 1984). If Marx focused on the alienating and exploitative nature of capitalist production, Polanyi focused on the market’s ravaging effects on the fabric of society itself. Among many other ideologues, he targeted Hayek and von Mises, two of the idols of today’s free-marketers. I also draw on the work of Antonio Gramsci and my own past work to outline briefly a conceptual framework for understanding the rise of civil society organizations that are contesting neoliberal globalism and the limited character of the electoral democratic transition from below.

The second section provides a brief historical outline of the two cycles of ‘double movements’ in Mexico, in which a strong drive to economic liberalization has been followed by society’s protective responses. This will set the context for the third section on Mexico’s economic integration with its northern neighbours, which has taken place silently or openly since the onset of the debt crisis of 1982, i.e. before and after the establishment of the North American Free Trade Agreement (NAFTA), in place since 1994. Throughout these sections, I draw parallels between
concepts and history and make reference to the chapters that follow which offer in-depth coverage of the various central issues brought about by neoliberal globalism and the rise of civil society.

**Neoliberal globalism, the state and civil society**

The true criticism of market society is not that it was based on economics – in a sense, every and any society must be based on it – but that its economy was based on self-interest. Such an organization of economic life is entirely unnatural, in the strictly empirical sense of *exceptional*. (Polanyi 1944: 249)

The purpose of this section is to present a conceptual discussion of neoliberal globalism, by drawing on Polanyi’s work. Given his focus on the transformation of economic relations, I will supplement this with a discussion of civil society as the sphere in which society’s protective movement has been located against the state and the privatized economy today. My main argument is that a merely liberal democracy is insufficient to address the societal threats posed by neoliberal globalism. A variety of social movements must consolidate civil society to accomplish a reform of the state and its economic programme, so that human development can be taken care of and the natural environment sustained.

**Polanyi and society’s double movement**

Polanyi’s main argument is that the movement to create a ‘self-regulating market’ was the result of a utopia that can never be fully realized without at the same time destroying society. The uniqueness of nineteenth-century society lies in its motive and justification for action, which has once again been placed centre-stage by neoliberal globalism: gain. If all human history is ultimately conditioned by economic factors, says Polanyi, never before had these been placed at the centre of human action: ‘The mechanism which the motive of gain set in motion was comparable in effectiveness only to the most violent outburst of religious fervour in history’ (Polanyi 1944: 30). Therefore, when catastrophe hits society as a result of attempting to impose the self-regulating market, society in turn launches a counter-movement to protect itself. Such a counter-movement can emerge either from the top down or from the bottom up, from the state itself or from one or more of the subordinate groups or classes in society. Protection initiated from the top tends to result in paternalistic or statist and authoritarian solutions that are ultimately degrading for subordinate groups and classes (ibid.: 99). In contrast, protective movements coming from the bottom up invigorate society and are therefore more sustainable in the long run.
A prevalent myth that Polanyi debunks is that, far from minimizing or reducing state intervention in the economy, the self-regulating market requires intervention to create markets and sustain them (de la Garza Toledo, this volume). This is a critical point; for one of the main ideological claims of neoliberal globalism is that the state should stay out of the economy to save taxpayers’ money and spur private initiative. But Polanyi thinks that interventionism hardly diminishes (Polanyi 1944: 66, 140). Furthermore, the emergence of national markets was in no way the result of the gradual and spontaneous emancipation of the economic sphere from governmental control. On the contrary, says Polanyi, ‘the market has been the outcome of a conscious and often violent intervention on the part of government which imposed the market organization on society for non-economic ends’ (ibid.: 250).

The basic characteristic of the Industrial Revolution, then, is the establishment of the capitalist market economy. All other factors are incidental: the rise of factory towns, the emergence of slums, long hours of child labour, the low wages of some categories of workers, the increase in population rate; and the concentration of industries. In agricultural society, the transformation involves a change in the motive of action: ‘For the motive of subsistence that of gain must be substituted’ (ibid.: 41). This is a central drive that the Fox administration wants to promote in Mexico’s countryside, with dreadful consequences: 25 million people live in the countryside and most are being negatively affected (Bartra, this volume; Cohen, this volume).

Polanyi tells us how, against the Physiocrats, Adam Smith asserted from the start of classical political economy that not geography or nature but the skill of labour and the proportion between the useful and the idle members in society are what explain the wealth of nations. More importantly, ‘wealth was to him merely an aspect of the life of the community, to the purposes of which it remained subordinate’ (Polanyi 1944: 111). From this humanist perspective of Adam Smith’s, however, the utilitarian philosophers such as J. Bentham would adopt a ‘naturalist’ approach to forcing workers to sell their labour-power by the sheer force or compulsion of hunger: ‘Poverty was Nature surviving in society; its physical sanction was hunger’ (ibid.: 117).

For Bentham, there was no contradiction between the simultaneous existence of prosperity and poverty: ‘In the highest stage of social prosperity,’ he said, ‘the great mass of the citizens will most probably possess few other resources than their daily labor, and consequently will always be near indigence’ (cited in ibid.: 117). Later on, Polanyi criticizes classical political economists for focusing just on the penalty of starvation as the only way to create a labour market. He wonders about the inexplicable omission of discussing the possibility of the
allurement of high wages to achieve the same goal of a functioning labour market (ibid.: 164).

Of local, external and internal (or domestic) trade, only internal trade tends to be based on the principle of competition, says Polanyi. Local and external trade may be based primarily on complementarities (ibid.: 60). This was the case in the national phase of capitalism. But now that it has moved to the global stage, one of the main things that neoliberal globalism is trying to achieve is, precisely, to extend the principle of competition to the global sphere, regardless of the fact that many diverse standards prevail in the different societies that are being integrated.

Now, why is the self-regulating market so destructive of society's foundation? Let us start with a definition of the central concept: a self-regulating market is said to exist when an economic system is controlled, regulated and directed by markets alone. The neoliberal expectation is that 'human beings behave in such a way as to achieve maximum money gains'. Furthermore: 'Order in the production and distribution of goods is ensured by prices alone.' State policy is not to interfere with prices, supply or demand; policies exist only to help insure the self-regulation of the market (ibid.: 68-9). The self-regulating market requires institutional separation of society into an economic and a political sphere. Hence, 'a market economy can exist only in a market society' (ibid.: 71). Here's why: launching labour, land and money into the market implies that the substance of society itself (i.e. humans, nature and the organization of production) will become subordinated to the main dynamic mechanism of the market: profit-seeking.

This is the crux in Polanyi's theory: that the establishment of a self-regulating market involves creating fictitious commodities out of labour, land and money. The problem for him is as follows: while genuine commodities are empirically defined as objects produced for sale on the market, in the sale of labour-power humans must go with it, suffering all the consequences. A similar thing occurs with land, another term for nature: when it becomes commodified, the conditions are ripe for environmental destruction (see Carlsen, this volume). Thus, while labour, land and money markets are essential for a market economy, no society could stand the effects of such a system of crude fictions, says Polanyi, 'unless its human and natural substance as well as its business organization was protected against the ravages of this satanic mill' (Polanyi 1944: 73). Polanyi's thesis is that leaving these aspects of society (humans, nature and productive organization) to the whims of the market 'would be tantamount to annihilating them' (ibid.: 131).

The counter-movement of society consists in checking the action of the market in respect to the factors of production though interventionism of some sort. In the case of England, the landed aristocracy and
the peasantry tried to defend the land, while the labouring people, to a smaller or greater extent, 'became the representatives of the common human interests that had become homeless' (ibid.: 133). On this aspect, Polanyi seems to agree with Marx that the proletariat represents the universal interests in human emancipation.

Society's protective movements emerge specifically in view of three points of attack: (i) when the competitive labour market hits the bearer of labour power, namely the worker; (ii) when international free trade becomes a threat to the largest industry dependent upon nature, namely agriculture; and (iii) when the movement of prices and exchange rates imperil the productive organizations that may have become heavily indebted to keep functioning. Remarkably, these three points all seem to be present in Mexico today: a significant portion of workers is unified around the recently organized National Union of Workers (Unión Nacional de Trabajadores, UNT), which is rallying side by side with teachers and peasants in protest of NAFTA (see chapters by Bartra, de la Garza Toledo and González below). Thus, both labour and land concerns are fighting in unison. If we take into account the constituency of El Barzón, which includes small and middle-sized agricultural entrepreneurs and small- to medium-sized creditors in the cities, then we might see that indebtedness (money, prices and so on) is also wreaking havoc in the realm of productive organization. This leaves only the large corporations in Mexico, both domestic and transnational, which are among the few beneficiaries of the neoliberal model of economic globalization.

Gramsci and the theory of political class formation (PCF)

If Polanyi gives us a good grounding for conceptually understanding the changes in the economy, we need a political theory to understand how subordinate groups, classes and communities in society become organized to mount a protective counter-movement to the onslaught of neoliberal globalism. In the context of an emerging liberal democracy, such mobilization is located in the realm of civil society. Now, when it comes to the strengthening of civil society vis-à-vis the state, Antonio Gramsci is one of the classic theorists of the twentieth century that provides the very best insights for a theoretical understanding of the process. Based on some of his concepts and my own previous work, in this section I offer a synthesis of the theory of political class formation (PCF). This is a process by which civil society becomes strengthened within semi-authoritarian or weak liberal-democratic regimes (Otero 1999; Otero and Jugenitz 2003; Otero, this volume). Although this theory is phrased in terms of the political formation of social classes, it is equally applicable to groups and communities (Cohen, this volume; Martínez-Torres, this volume).
Let us begin with Gramsci’s expanded definition of the democratic state. Rather than restricting his definition to juridical and political structures, Gramsci usually refers to the state as the sum of ‘political society’, or the realm of domination, plus ‘civil society’, or the realm of hegemony. The less democratic a state, the more it relies on domination or force. Conversely, the more democratic a state, the more it relies on hegemony, or the consent of its people: democracy, says Gramsci, ‘must mean that every “citizen” can “govern” and that society places him, even if only abstractly, in a general condition to achieve this. Political democracy tends towards a coincidence of rulers and the ruled’ (Gramsci 1971: 40).

Within this conception of radical democracy and the state, a further central question becomes: how can subordinate groups or classes become hegemonic or dominant, or at least gain the ability to push for state interventions in their favour? For Gramsci, answering this question regarding subaltern classes requires the identification of two phases, which are part of what I call political class formation: first, ‘autonomy vis-à-vis the enemies they had to defeat’; and second, ‘support from the groups which actively or passively assisted them’ in their struggles (ibid.: 53).

A third point posited elsewhere by Gramsci deals with the nature of leadership: lest it be democratic and accountable to its social constituency, demoralization and cooptation may be the result. Too often, the character of leadership does not depend on the leaders themselves, but on the state’s action. As Gramsci puts it: ‘[b]etween consent and force stands corruption/fraud … This consists in procuring the demoralization and paralysis of the antagonist (or antagonists) by buying its leaders … in order to sow disarray and confusion in its ranks’ (ibid.: 80 fn).

Political formation, then, is the process through which direct producers and other social groups shape demands, form organizations to pursue them, and generate a leadership to represent them before the state and other organizations with which alliances are built. PCF theory is clearly located in a post-Cold War era, one in which the struggle for socialism through violent revolutionary means is essentially over. The struggle for democratic socialism must be waged by expanding liberal-democratic structures and building a new hegemonic project around human needs and environmental sustainability (Angus 2001). In the context of neoliberal globalism, the question becomes: how can subordinate groups and classes organize to advance their demands without becoming coopted into bourgeois-hegemonic discourse?

**Mexico’s two cycles of double movements**

Mexico has experienced two cycles of economic liberalization and societal protection since independence from Spain in 1821. The first
happened during the last two decades of the nineteenth century and the first decade of the twentieth. This cycle involved a movement of economic liberalization that included the expropriation and privatization of the Catholic Church and Indian lands, and ended with a cataclysmic protective movement from society against the devastation of market liberalism. In fact, Mexico experienced one of the world’s first major revolutions of the twentieth century between 1910 and 1920. Among the triggering factors of the revolution, historians include Mexico’s increasing dependence on the US economy, which experienced a deep slump in 1907, and the unbearable consequences for indigenous communities of having lost 90 per cent of their lands to the advancement of market capitalism during the Porfiriato (Katz 1982; Womack 1969; Gilly 1974).

The regime emerging from the revolution laid the foundations for a top-down resolution of peasants’ and workers’ demands in a largely agrarian society, and for building an inward-looking, state-led capitalist development model with a semi-authoritarian, one-party-dominant political regime (Cornelius 1996; Hellman 1983). The 1917 Constitution was the main political accomplishment of the revolution. It contained some of the most socially advanced pieces of legislation in the world, including Article 123, which granted workers the right to organize and strike; and Article 27, which contained the basis for a major agrarian reform and land redistribution among the peasantry. Through Article 27, the agrarian reform process redistributed about 50 per cent of agricultural, forestry and livestock grazing land to peasants by 1992. The state thus refounded itself based on an alliance with workers and peasants, whose interests it set out to protect.

It was not until the 1930s, however, that the thrust of the reformist content of the constitution was implemented. During the administration of Lázaro Cárdenas (1934–40), the state implemented a sweeping agrarian reform, nationalized the oil industry affecting US and European interests, introduced ‘socialist education’, and organized workers and peasants as ‘sectors’ of the new ruling party to promote a ‘mass politics’ (Medin 1972; Córdova 1972, 1974). The bases were laid for developing a mixed economy intent on achieving economic growth with social justice, ‘neither capitalist nor socialist’, said Cárdenas.

But the administrations that followed Cárdenas would soon diminish the popular character of the revolution. Many generals and high-level politicians became industrial-capitalist tycoons who used the state to develop their private empires, at the same time as a bureaucratic elite surfaced to command the working-class and peasant organizations and share in the spoils of the new political system (Mackinlay and Otero, this volume). Economic development was pursued with a focus on the internal market, based on a policy of import-substitution industrialization,
heavy state intervention in the economy, protectionism and subsidies. Despite the increasingly authoritarian nature of the state, Mexico managed to experience high economic growth rates until the late 1960s, and the workers and peasants who were organized under the 'corporatist' unions (i.e. dependent on the ruling party and the state) affiliated to the ruling party made some economic gains for at least three decades (de la Garza, this volume). Despite its authoritarian character, state-led development and corporatist politics conferred considerable legitimacy upon the regime of the 'Mexican Revolution'.

From the late 1950s, however, the authoritarian nature of the state was becoming increasingly evident and troubling for significant sectors of the working class and the peasantry, some of whose organizations were being severely repressed when they dared to express their discontent outside of 'official' channels, i.e. the corporatist organizations. This situation burst into the open with the 1968 student and popular movement, which started a few months before the Olympic Games were to be held in Mexico City. Just before the Games began, on 2 October 1968, the state massacred hundreds of students engaged in a peaceful protest in the capital's Plaza of Tlaltelolco. For most political observers, the 1968 movement marks the end of society's acquiescence with the authoritarian state regime that emerged from the revolution. From then on, some groups of activists would pursue guerrilla tactics seeking to overthrow the state (most of them were crushed militarily during the 1970s); others engaged in popular mass movements in the cities and the countryside, building neighbourhood or peasant organizations; while still others enlarged the ranks of existing Left political parties, even though most of them were illegal from the 1940s until 1977 (Bruhn 1997; R. Bartra 2002).

Mexico would have to wait until the 1970s for some political openings to take place, in the aftermath of the political crisis and student movement of 1968. Until then, the political system relied almost exclusively on its corporatist strand (de la Garza Toledo, this volume; Mackinlay and Otero, this volume; Samstad 2002). In 1977, after a deepening legitimacy crisis, the government began to introduce a series of reforms in the electoral system. These included the legalization of some leftist parties and the increased participation of non-PRI minorities in Congress through expanding the system of proportional representation. Yet, the PRI-state continuously maintained control of the electoral system and resorted to electoral fraud as needed, in order to stay in power. There were a few gubernatorial and local-level elections in which the PRI's defeat was recognized, with the first state-gubernatorial level defeat taking place only in 1989. Most of the opposition triumphs that were recognized, however, took place when the winning party was the right-
of-centre National Action Party (Partido de Acción Nacional, PAN). The left-of-centre opposition most often faced electoral fraud and repression. In the 1988 presidential elections, for instance, Cuauhtémoc Cárdenas, the candidate of a broad left-of-centre coalition, is widely believed to have won. Yet, the PRI’s candidate was imposed (Chand 2001).

For its part, by the 1970s the now expanded bourgeoisie itself grew increasingly disenchanted with the state-led model and wanted to move into a liberalized and privatized economy, one in which profits not populist politics would provide the main logic of development. By 1974, the Mexican bourgeoisie formed the first class organization that was independent of the corporatist networks of the state: the Entrepreneurial Coordinating Centre (Consejo Coordinador Empresarial, CCE). From then on, organizations that represented the top business leaders became active in promoting economic liberalism (Valdés Ugalde 1996; Bizberg and Meyer 2002). The major impetus for this second movement for economic liberalism and free markets came after 1982, when Mexico had to declare a moratorium on the servicing of its foreign debt, one of the largest in the developing world at the time. There was thus a confluence of bourgeois internal forces and the conditions imposed by the International Monetary Fund and the World Bank to restructure Mexico’s foreign debt: the country had to introduce major economic restructuring if it was to continue being part of the circuits of international finance (foreign loans and investment), along the lines of neoliberal globalism.

Neoliberal globalism is variously known as Structural Adjustment Programmes, the Washington Consensus, the Wall Street–Treasury Complex, Liberal Productivism and the New World Order. Mexico’s debt crisis of 1982 fundamentally challenged the protectionist, inward-looking and statist development model that had been in place since the 1930s. By the mid-1980s, a series of neoliberal reforms were introduced to cut substantially the government deficit by eliminating most subsidies, dismantling or privatizing state-run firms, allowing the entry of foreign products, promoting foreign capital investment and deregulating most sectors of the economy, not least the agricultural sector, which may have been the most protected since the revolution, although not supported for self-sustaining growth (Bartra, this volume). One of the key goals of neoliberal reform was to integrate Mexico more closely with the North American economy (Delgado Wise, this volume).

Politically, the right-of-centre PAN had been considered a ‘loyal opposition’ to the revolutionary regime until the 1980s. In 1986, however, electoral fraud in the gubernatorial elections of the northern state of Chihuahua spurred tremendous mobilization for democratizing Mexico’s political system. To that point, the ruling Institutional Revolutionary Party (Partido Revolucionario Institucional, PRI), whose forerunner had
been in power since 1929, had either won most elections comfortably or resorted to fraudulent electoral tactics to impose its own candidates (Cornelius 1996; Chand 2001; Loaeza 1999).

The second great cycle of economic liberalization thus started in the mid-1980s, with legislation and policy geared to open up and privatize Mexico’s economy. Some observers have touted this process as putting Mexico on the road to graduating into developed-country status since joining its northern neighbours in NAFTA in 1994 (Giugale et al. 2001). With the political triumph in the 2000 presidential elections by opposition candidate Vicente Fox (coming from PAN), ousting the Institutional Revolutionary Party (PRI) after seventy-one years of uninterrupted rule, Mexico is even said to have completed its transition to democracy (Chand 2001; Levy et al. 2001). While both of these events no doubt represent significant watersheds in Mexican history, the country is still far from being developed or democratic in any meaningful sense of these terms. Officially-defined poverty still afflicts about 50 per cent of the population, and many institutions are still authoritarian, not to mention the elitist character of Mexico’s liberal democracy. Furthermore, with the dismal economic and political performance of the Fox administration during its first three years, we cannot rule out the possibility of an electoral restoration of PRI rule in 2006 (Bizberg 2003). Hence the importance of a detailed study of corporatist organizations of peasants and workers, the extent to which they have changed, and the ways in which they could be converted into new forms of corporatism or transcended into new institutional arrangements (Mackinlay and Otero, this volume; Singelmann, this volume; and de la Garza Toledo, this volume).

When I explored Mexico’s political futures in 1995, I proposed nine theoretical scenarios for the near and mid-term future, but argued that only six of them were more or less historically feasible, depending on which economic model and political regime were combined. I predicted a 2000 presidential election triumph by a PAN candidate as the historically ‘most likely’ outcome, based on the combination of continued neoliberalism and liberal democratization from below. I argued that this would be the most desirable result for transnational corporations and transnational finance capitalists, as well as for large and medium-sized domestic entrepreneurs. One reason I gave was that a PAN triumph would be allowed by the regime because it ‘might ensure greater political stability while keeping neoliberal economic polices intact’ (Otero 1996a: 242). But I also suggested that there would be growing political discontent, especially in the south and south-eastern states, as a result of the socioeconomic polarization brought about by neoliberalism (Dussel Peters 2000).

To be sure, the PAN is a more wholehearted advocate of neoliberal
globalism than the PRI was. In fact, some of the internal divisions that debilitated the PRI in the past two decades can be attributed to its abandonment of ‘revolutionary nationalism’. This led to the major split in 1988 by which Cuauhtémoc Cárdenas (son of 1930s reformist President Lázaro Cárdenas) and others left the party. Eventually they joined other forces of the traditional and nationalist Left to form the Party of the Democratic Revolution (PRD) in 1989 (Bruhn 1997). On cultural policy, however, the PAN tends to be much more conservative than the PRI. For instance, in early 2001, the vast majority of PAN members of the Lower Chamber of Congress (all but one who abstained) voted against allowing representatives of the Zapatista National Liberation Army (EZLN) to be heard by a plenary session of Congress. Instead, they wanted to have only a committee of ten members from each of the two chambers hear the Zapatistas, despite the fact that Vicente Fox had (in)famously promised during his presidential campaign that he would resolve the Chiapas conflict in fifteen minutes.

With regard to the United States, the PAN also advocates much closer ties than the PRI or PRD would like. This may be related not only to ideological preferences, but also to Mexico’s deep trade dependence on its northern neighbour. Mexican exports to the United States were about 70 per cent in the 1980s, and they are now about 90 per cent. Mexico has dramatically increased its food imports from the United States, even if the agricultural trade balance is in favour of Mexico due to its increased exports of fruits and vegetables. But there is now a question as to whether Mexico can achieve food sovereignty (Bartra, this volume). Given the devastation of rural Mexico that this dependency has created, masses of workers cannot find employment in their own country and thus have to migrate to the United States. This calls into question Mexico’s capacity to have labour sovereignty (Bartra, this volume; Delgado Wise, this volume).

Conclusions and organization of this book

The 1980s was called the lost decade for Latin America by the UN Economic Commission for Latin America and the Caribbean. For Mexico, despite – or because of? – increasing integration with North America and neoliberal globalism, the 1990s continued to be a lost decade. The exception was 1997–98, when real wages increased and the percentage of the officially poor declined (Giugale et al. 2001). In contrast, the 1990s embodied a considerable gain for US consumers in general and workers in particular (Mandel 2002). US workers, however, were merely recovering some of the purchasing power lost during the previous decade. The gains in purchasing power for US workers during the 1990s came in the midst of historically very low unemployment;
hence real wages were on the rise. Mexican workers, peasants and even the middle classes, in contrast, have yet to see any sustained benefits from North American economic integration. Their wages and incomes have deteriorated dramatically since the debt crisis of 1982. Significantly, there has been a growing gap between productivity and manufacturing wages, particularly in the most dynamic sectors (Dussel Peters, this volume). This empirical observation is completely counter to neoclassical economics’ theoretical expectations.

Given that Mexico experienced economic liberalization in the midst of an authoritarian political regime, workers confronted an inflexible wage policy that tended to keep wages down in order to lure foreign investment. Furthermore, sheer ‘market forces’ were created by the state in order to swell the contingent of unemployed workers. A series of state policies were geared to dismantle the formerly protected agricultural sector, in which 30 per cent of the population lived in 1992.

The central piece for agricultural neoliberal restructuring was thus the new Agrarian Law of 1992, created to end the process of land redistribution, and to open up the ejido lands (the land-reform sector) to the market. Ejidos concentrate about 50 per cent of Mexico’s agricultural land, much of which is exploited communally (DeWalt et al. 1998). The new agrarian policy of the state was also designed to remove most subsidies and protection from agriculture, while almost ending agricultural loans (Myhre 1998) and most other support programmes (Bartra, this volume). Even the London-based conservative weekly, The Economist (2002), an enthusiastic supporter of free-market policies, as well as BusinessWeek’s correspondent in Mexico City (G. Smith 2002), expressed their dismay about the Mexican government’s lack of support for its agricultural sector. For the international context is one of widespread agricultural subsidies throughout the advanced capitalist countries, most prominently in the United States, the European Union and Japan.

**Organization of this book**

The contributors to this book were asked to address the impacts, challengers and/or alternatives to neoliberal globalism within their areas of expertise. Hence each chapter treats some aspect of these three phenomena to varying degrees, generally with an emphasis on one or the other. Chapters 2 to 4 offer an account of the most salient impacts of neoliberal globalism in Mexico’s countryside, clearly the sector most affected by the swiftness and extent of reform. Armando Bartra begins in Chapter 2 with a balance sheet of state policies and their impacts for the past two decades and then outlines some alternatives. He describes how Mexico’s development model went from anti-agricultural policies that exploited peasants during the import-substitution decades,
to the exclusionary policies of the neoliberal era. The new situation has rendered Mexico dependent on food imports from the United States, and it has even compromised its labour sovereignty to the extent that increasing masses of workers must seek employment in the northern country. A re-appreciation and support of peasant economy in terms of its social, cultural and environmental virtues might lead to the recovery of food and labour sovereignty.

Putting a human face on the impacts of restructuring, Deborah Barndt addresses in Chapter 3 the feminization of labour in Mexican fruit production and the varying positions that women occupy in the labour process. Neoliberal trade policies have made fruit and vegetable exports a key source of foreign exchange in Mexico. The production of these ‘fruits of injustice’ builds not only on north/south asymmetries but also on deeply entrenched structural inequalities based on gender, race/ethnicity, class, rural/urban context, and age and family status. Barndt applies an interlocking analysis of power to women workers in the fields, packing plants and greenhouses of a leading Mexican tomato exporter.

Laura Carlsen addresses in Chapter 4 the issue of privatization of nature, and how corporations are linking up with conservation organizations in an effort geared to guarantee future profits. This global partnership of would-be adversaries with seemingly contradictory agendas threatens local and national control over the most biologically rich regions of the planet. Carlsen’s chapter offers an analysis of the objectives and activities of corporate conservation, the Mesoamerican Biological Corridor, as a case study in the integration of biodiversity in the world market. But she also offers an alternative model of long-term biodiversity management: the peasant/indigenous stewardship model.

The next three chapters address one of the key features of Mexico’s authoritarian political system, one which has not gone away with the achievement of electoral democratization: state corporatism. This is the system by which the Mexican state has virtually confiscated civil society throughout most of the twentieth century, and kept a tight political control of peasants, workers and the so-called popular sectors under the ruling PRI. Liberation of citizens from the grip of corporatism is an essential condition for the political formation of subordinate groups, classes and communities, and for creating a vigorous civil society that may successfully contest neoliberal globalism.

Horacio Mackinlay and Gerardo Otero’s Chapter 5 provides an overview of corporatist relations between peasants and the state during the PRI era, and how this system became both an instrument of control and subordination of popular groups and classes, and one of the main modes of political participation that existed in Mexico. The chapter ends with
a profile of the emerging institutional arrangements in substitution or modification of traditional corporatism. Some of the new arrangements represent a restoration of traditional corporatism, but others contain the promise of building organizations of direct producers that are independent of the state and autonomous. Peter Singelmann’s Chapter 6 moves closer to the inner workings of rural corporatism by describing the changes taking place in the two sugarcane growers’ unions affiliated to the ruling PRI. It explores the conflicting forces within these unions over feasible directions they might take in response to the breakdown of their party’s hegemony. Also explored is the increasing inability of that party and its union confederations to access the traditional resources for ensuring loyalty or accommodation of their rank-and-file.

In Chapter 7, Enrique de la Garza Toledo discusses corporatism in the manufacturing industry, the other pillar of Mexico’s corporate authoritarianism. He addresses the process of industrial restructuring and changes in the economic model related to the new production models that insist on work flexibility in Mexico’s industrial sector and the recomposition of trade union corporatism. Corporatist trade unionism nevertheless continues to prevail in Mexico in its mutual support of the new state regime under the new Fox administration. The concluding section explains why trade union corporatism persists in spite of the consolidation of the neoliberal model and the supposed transition to democracy.

With perhaps a direct causal relation to the corporatist authoritarian structure, Enrique Dussel Peters’s Chapter 8 describes who reaps the benefits of neoliberal globalism in Mexico’s manufacturing industry. He shows that, between 1988 and 1999, rather than a wage convergence among workers in Mexico, Canada and the United States, there has actually been a further polarization. This in-depth analysis of Mexico’s labour market conditions shows that productivity growth has not spread into real-wage growth. Paradoxically, the industrial branches that have achieved the highest productivity growth have also resulted in the highest gap between productivity and real-wage growth. They have been far away from achieving positive effects on employment and real-wage growth. In fact, these branches have deepened the socioeconomic polarization in Mexico between rich and poor.

It is not surprising, then, that Raúl Delgado Wise argues in Chapter 9 that the Mexican government, particularly that of President Vicente Fox (2000–06), has subordinated its labour and migration policies to the economic and geopolitical interests of the United States. Because Mexico’s economy cannot provide gainful employment to a very large contingent of its citizens, as argued in Armando Bartra’s Chapter 2, they have become dependent on selling their labour power in the United
States, often illegally, and this has become a key feature of the lack of labour sovereignty for the country.

In different ways, each of the last five chapters addresses manners in which people have responded to the ravages of neoliberal globalism and tried to create alternatives. Whether as communities, as class organizations or social movements, or as broad coalitions of diverse groups whose interests have converged in social mobilization, masses of Mexicans have organized to contest neoliberal globalism. Chapters 10 and 11 discuss responses from the bottom up, from a community or regional level. Jeffrey H. Cohen describes in Chapter 10 the life of people who do not migrate in a rural community in the state of Oaxaca. He explains how they maintain their solidarity ties and cooperative logic in the midst of a globalizing economy that tends to marginalize peasant economy. Chapter 10 thus defines how rural Oaxacans adapt local traditional practices to global processes and markets, the outcomes of these patterns, and the possibilities that such patterns hold for the future.

In Chapter 11, Maria Elena Martínez-Torres describes how small peasant farmers in Chiapas have coped with neoliberal globalism and the collapse of the international regime that protected coffee producers by creating new, independent organizational capacities and new market niches. The most important growers of organic coffee in the global economy are generally indigenous Mayan peasants, ensconced in rugged mountain ranges and ravines across the poor southern Mexican states of Chiapas and Oaxaca. This chapter analyses the critical elements involved in this small-farmer organic coffee boom in Chiapas, including their ability to (re)create organizational capacities through describing three case studies.

If Chapter 11 addresses the challenges posed by a deregulated international market for small-farmer coffee producers, Lois Stanford’s Chapter 12 discusses the challenges for large avocado producers who have had to cope with a series of political obstacles to gain access to the US market. Focusing on the economic and political process of market integration as Mexican avocados enter the US winter market, Stanford examines the case of the avocado industry in the state of Michoacán, the world’s largest avocado-producing region. Employing the methodological model of a binational commodity chain, the case examines the political and economic strategies adopted by Californian and Michoacán avocado growers prior to the lifting of the 1914 phytosanitary ban against Mexican avocados in the US market, as well as the subsequent impacts of market integration from 1998 to 2002. Stanford contrasts political actions by growers in both countries with strategies adopted by large avocado-buying companies, contextualizing an analysis of binational market integration within a political arena.
Intimately connected with the movement to liberalize the countryside, a broader social mobilization was on the rise during the 1990s. The two most important movements to emerge during this decade were no doubt El Barzón and the one that formed around the Zapatista National Liberation Army (EZLN), which launched an armed insurrection in 1994. As Humberto González argues in Chapter 13, a broad-based coalition of small and medium-sized farmers and city-based debtors converged in El Barzón after 1993. The trigger for this movement was the deep indebtedness of its constituents that was threatening to destroy their livelihoods and the very organization of production in many regions of Mexico’s countryside. Pluralism appears to be a fundamental feature of emerging social movements, yet pluralism is also the collective purpose of aligned individuals and groups who define common objectives and interests and carry out actions to try to achieve them.

Using the theory of political-class formation outlined above, Gerardo Otero’s Chapter 14 discusses how the EZLN has been contesting neoliberal globalism from below. The EZLN started out as a typical guerrilla organization struggling over state power and class issues. But it was soon converted into the leading organization in the struggle for Indian rights and culture, as well as for land reform, a reform of the state and for women’s rights. Never before the emergence of the EZLN had the Indian question become such a prominent issue in Mexican national debate. In particular, Chapter 14 offers a conceptual and normative framework for the discussion of civil society, Indian rights and citizenship.

One central argument that runs through this book, implicitly or explicitly, concerns the relation between globalization and the nation-state. Our position is that the nation-state continues to be the ultimate terrain of struggle for subordinate groups, classes and communities, even if transnational or international solidarity is welcome and can help in some dramatic instances. This is an argument against those who claim that the forces of globalization have fundamentally debilitated nation-states, and that the fate of social movements now depends on the degree and extent of international solidarity from the ‘global village’ or a transnationalized civil society (e.g. Brysk 2000). While some aspects of the nation-state have in fact been debilitated by new commitments with suprastate organizations such as the International Monetary Fund, the World Bank or the World Trade Organization, others have actually been strengthened (Snyder 2001). But the nation-state continues to be the critical sphere for the imposition of ruling capitalist interests. Any substantial modifications in the economic, political and cultural conditions of subordinate groups, classes and communities will have to be fought and won at this level, even if international solidarity will always be a welcome, but not the determinant, ingredient.
Specifically, the articles presented here demonstrate that globalization as an economic process can hardly be contested. But the prevalence of its guidance by neoliberal ideology and policies has been subject to contestation from the very beginning by an increasing multiplicity of citizens and groups such as environmentalists, indigenous communities or political parties with different programmatic agendas. Such movements have always represented countervailing forces against those who promote a social order that is purely guided by economic principles, be they liberal or not. Indeed, the purity of these principles themselves has been questioned in the long-standing theoretical tradition outlined at the beginning of this chapter. Today the sought-after hegemony of these principles is the subject of contestation by a multiplicity of organizations around the world. Such groups face new challenges in the context of the social and environmental implications of globalization in its current course. They seek programmatic and institutional alternatives through bottom-up mobilizations. A key challenge for popular democratic, politically formed groups is that they must articulate concrete alternatives to neoliberal globalism that are also environmentally sustainable. The chapters below outline some such proposals for this contestation.