

# Policy, politics and projections in Mexican agriculture

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# Policy, politics and projections in Mexican agriculture<sup>1</sup>

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The United States Farm Security and Rural Investment Act (FSRIA) of 2002 had an effect on Mexico well before economic projections on those effects were made public, or even considered. The Mexican Congress set to explore the ensuing problem immediately after FSRIA was enacted. The overwhelming public perception was that FSRIA would unfairly limit the competitiveness of Mexican producers against their US counterparts. This came at a time of increasing public awareness of the removal of barriers to agricultural imports coming from the United States and Canada, due January 1<sup>st</sup>, 2003 under the North American Free Trade Agreement (NAFTA). The Agro-Food Armor (*Blindaje Agroalimentario*) was the Mexican government's original response to the 2002 FRSIA Act. The National Agreement for the Countryside (*Acuerdo Nacional para el Campo*) is a much broader response of Mexican rural society. But the final outcome of the Act on Mexico is still very much uncertain. The past year has brought about substantial changes in Mexican agricultural policies, and politics.<sup>2</sup> Now that the effects of FSRIA are being discussed, its effect on Mexican agriculture must be the object of political as much as economic analysis.

## Projections on policy changes

The 2002 Act is expected to have "minimal impact" on US agriculture and trade.<sup>3</sup> Maize, wheat and sorghum exports in 2003 will increase between 2 and 3 percent over the 2001 Baseline. These three crops are the main US grain exports to Mexico, but it is still unclear whether Mexico will absorb part of the projected increases in US exports. FAPRI's November 2002 Baseline Projections for Mexico do differ from its 2001 Baseline, but differences seem to depend on changed initial conditions more than anything else.<sup>4</sup> It is perhaps warranted to focus a more detailed discussion of projections for Mexico on the case of maize. Maize makes up 40 percent of Mexican grain imports from the United States, and it accounts for 50 percent of all arable land. Despite pre-NAFTA forecasts, maize acreage in Mexico reached an all-time high in 2001, due in part to the doubling of irrigated acreage since 1990, including a two-fold increase in the state of Sinaloa. Price supports for maize in Sinaloa explain why maize acreage in this state makes up 28 percent of the national total. They are also essential in explaining changes in the composition of agricultural output during the past ten years.<sup>5</sup>

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<sup>1</sup> Paper presented at the Ninth Mexico/Canada/US Agricultural and Food Policy Information Workshop. Montreal, April 23-26, 2003.

<sup>2</sup> See Rosenzweig, 2003. *Changes in Mexican agricultural policies, 2001-2003*.

<sup>3</sup> See Kruse, 2003. *Implications of the 2002 U.S. Farm Act for world agriculture*.

<sup>4</sup> FAPRI, 2001. *FAPRI 2001 U.S. and world agricultural outlook*.

<sup>5</sup> See De Ita, 2003. *Los impactos socioeconómicos y ambientales de la liberación comercial de los granos básicos en el contexto del TLCAN: El caso de Sinaloa*.

FAPRI's November 2002 Baseline Projections adjust Mexican maize imports downward, in the short run, from its 2001 Baseline; but projections converge for the 07/08 cropping cycle, when imports are expected to reach 6.53 billion metric tons (bmt), slightly above the 96/97 historical maximum. USDA projections are even more optimistic, reaching an all-time high as early as this year. FAPRI's, USDA's and FAO's estimates suggest continuous growth in maize imports for the rest of the decade, reaching up to 8.50 bmt by 2010. These projections appear to be based on the actual level of imports during the last few years, and not on stated Mexican trade policy, i.e., tariff rate quotas (TRQs). The difference between these two can be substantial: while the TRQ for 2001 was 3.08 bmt, imports reached 6.14 bmt that year. The Mexican government has allowed tariff-free maize imports to exceed TRQs nearly every year since 1994, arguing that imports "complement" domestic maize production in meeting growing demand, and saying that quotas are agreed to with Mexican producers. Not all producers agree with that.<sup>6</sup>

## The Agro-Food Armor

In September 2002, Agriculture Secretary Usabiaga offered opposition members of the Senate a preview of the Agro-Food Armor. The meeting was positive, according to both sides.<sup>7</sup> Indeed, the Armor is marked by consultations between the branches of government and the political parties in the spirit of the new Rural Development Law. In October, the opposition governors of Zacatecas (PRD) and Tamaulipas (PRI) touted the Armor. It was also announced that month that subsidies to fuel, electricity and fertilizers would be part of the Armor, as well as additional prices supports. The Armor was meant to be a one-on-one response (*ley espejo*) to the higher subsidies across the border after the FSRIA Act.<sup>8</sup> The President assured producers the Armor would provide "enough" subsidies to Mexican producers across the board.

The document describing the Armor—published in November—explains the government's response as an effort to integrate production chains (*cadena productivas*) and to look independently after the needs of all segments of the chain.<sup>9</sup> In the case of maize, this means tending to producers as well as to the livestock sector and agro industry. The price-sensitive livestock sector is reportedly largely responsible for the increased demand for maize in the past few years. The government's decision to exceed the TRQs for maize is partly based on the need to satisfy this industry's demand. The Armor ensures that this sector will continue to benefit from low international prices. It promotes contracts between agricultural and livestock producers and subsidizes the contract price at the international price plus transportation costs. At the same time, it seeks to protect agricultural producers through a target-price scheme. PROCAMPO's fixed per-hectare payment is increased in real terms to the highest level since 1996. The Armor also allows for the conversion of PROCAMPO into a per-ton payment that contributes towards the target-price. The precise mechanism will be defined later this year. Thus, the Armor is designed to let industry respond to variations in international prices while protecting growers from those fluctuations. It also extends price supports to all regions with market surpluses, in an apparent effort to satisfy

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<sup>6</sup> *La Jornada*, April 30, 2002.

<sup>7</sup> SAGARPA, 2002. Boletín 322-2002. *Manifiestan senadores del PRD que es necesario avanzar en la política presupuestal para que el campo resuelva sus problemas estructurales.*

<sup>8</sup> *La Jornada*, August 9, 2002.

<sup>9</sup> See SAGARPA, 2002. *Acciones de Política Agroalimentaria y Pesquera para el Fortalecimiento Sectorial*, November.

domestically as much of local demand as possible. The Armor tends to subsistence producers by increasing PROCAMPO payments for producers with less than five (rain-fed) hectares beyond the regular rate, and rounding up to one hectare the minimum payment.

The Armor also calls for the organization of small, low-productivity producers. It calls for permanent consultations with productive organizations, and for the participation of rural society in public policy through the *Consejo Mexicano de Desarrollo Rural Sustentable*, thirty two *Consejos Estatales* and countless *Consejos Municipales*. When, right before the scheduled publication of the Armor, some members of rural society did express an opinion, Secretary Usabiaga called them “opportunists” looking for political gains.<sup>10</sup> A week later and one day before Mexico’s Finance Secretary discussed the budget proposal in the Lower House, President Fox announced the Armor would be backed by \$103 billion pesos. The money “is not subsidies,” he cautioned.<sup>11</sup> We are not back into protectionism, said Usabiaga. Criticism did not wait a single day. Producer organizations laid the administration’s claims bare saying the Armor contained no resources in addition to the original budget. “The government disguises the Armor,” read the headline in right-leaning *Reforma*. Private growers and the social sector agreed for a moment: the proposed budget falls well short of what is needed to face competition. Armando Paredes, president of *Consejo Nacional Agropecuario* (CNA—the main association of private growers), said at least M\$15 billion more was needed in subsidies to support commercial Mexican growers against subsidies to US farmers. Yeidckol Polevnsky, president of CANACINTRA, warned against taking “what is needed” from support to other sectors.<sup>12</sup> Next day, in Congress, estimates of additional resources needed ranged from M\$40 to 100 billion, yet PRI and PAN legislators pledged to pass the budget by December 15<sup>th</sup>. A House member from PRD announced later in the day that the proposal of the *Ley de Egresos* included roughly \$17 billion pesos in “subsidies” yet to be allocated. A compromise to reign-in the deficit made the weeks that followed a zero-sum-game between private growers and the social sector.

Producers openly began to question the rationale for free agricultural trade due on New Year’s Day. Prominent PRI and PAN members of the Senate joined the chorus, warning that NAFTA’s implementation could lead to social unrest, and openly suggesting the need to renegotiate NAFTA. In a move that must have surprised his own party, Senator Jones (PAN) declared that talk of withdrawal from NAFTA should compel Mexico’s trading partners to seek common ground. Sensing growing dissent in government ranks, business leaders and former president Salinas came out in defense of the trade agreement. The president of COPARMEX hinted that competitive northern producers needed help to overcome competition from abroad, essentially dismissing social-sector producers as being hopelessly behind the times.

The budget was finally approved on schedule. Congress, the Administration, and the political parties congratulated themselves and each other for the political process and its results. The leader of PRI in the House congratulated his party and defined “state governments and the countryside” as PRI’s priorities. The leader of PAN touted the lawmaking process and set the agenda for the year: energy, labor, telecommunications and State reforms.<sup>13</sup> The Secretary of

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<sup>10</sup> *Reforma*, November 14, 2002.

<sup>11</sup> The final budget includes M\$38 billion in subsidies.

<sup>12</sup> *Reforma*, November 18, 2002.

<sup>13</sup> *Reforma*, December 16, 2002.

Finance was also pleased. M\$20 billion—unclaimed from the Retirement Savings System—had been “borrowed” to adjust the budget without increasing the deficit: M\$11 billion were apportioned to the new Financiera Rural; M\$8 billion to rural-sector programs. A total 13.1 billion were reallocated to the countryside. State governments and the Ministry of Agriculture were the main recipients of reprogrammed resources. Moreover, after a visit from US-embassy personnel, the Senate froze its proposal to suspend the agricultural chapter in NAFTA (*suspension provisional del capitulo agropecuario del TLCAN*). The CNA expressed its satisfaction with this decision and declared its own demands had been satisfied.<sup>14</sup> Felipe Hinojosa, leader of PAN, called the budget negotiations “a message of political stability.” The transition from Banrural to Financiera Rural proceeded in the days that followed, but Financiera Rural would no longer be committed to serving the social sector. Indeed, the “social sector” had not been appeased with the new budget. The day the budget was approved, the *Congreso Agrario Permanente* (CAP) and 14 other peasant organizations sent a letter to PRI, PAN, PRD and PVM fractions in Congress, stating their disillusionment, condemning the intervention of the US Embassy in the Senate, and vowing to take international ports of entry on the 1<sup>st</sup> of January.

## Peasant organization

Relations between the PRI leadership and the *Confederacion Nacional Campesina* (CNC), its peasant organization, have deteriorated over the last fifteen years. Since 1938, the State had provided material benefits (land redistribution, credits, and subsidies) for the CNC rank-and-file members and political access for their leaders in exchange for the peasantry's electoral support of the PRI. During the Salinas presidency, the state restructuring, trade liberalization, and Land Reform hit at the heart of the PRI-peasant coalition. Poor peasants who considered defecting from the PRI to the recently created PRD were co-opted through the Solidaridad program or were openly repressed. Salinas' encouragement for the creation of the *Congreso Agrario Permanente* (CAP) undermined the CNC's privileged position as the main intermediary between rural society and the government. The number of autonomous peasant organizations increased considerably as they attempted to substitute the disappearing state support agencies. The Zapatista rebellion surprised the whole political system and showed how deep peasant dissatisfaction with and distrust of government policies had grown.

During the Zedillo administration, the shrinking agricultural support, the non-partisan way in which federal social program funds were delivered, and the devolution of financial responsibility for some programs to state governments undermined the CNC's ability to claim peasant's loyalties for the PRI. As was ascertained in state governor elections, the political dealignment of rural society complemented the already substantial increase in electoral competition. The cases of Chiapas and Zacatecas, states with large rural populations, are illustrative: the PRI won the governorships in 1988 and 1986, respectively, with 90 percent of the vote, and lost them, twelve years later, with 47 and 39 percent, respectively. Ironically, the PRI's dismal performance in urban areas in the 1997 and 2000 federal elections left its legislative caucus with over 36 percent of the seats in CNC hands, up from an average of 15 percent for the previous twenty years. This number is not necessarily a good measure of the strength the peasant sector may have in defining the party's legislative agenda, because the PRI's tradition of political centralization still ensures that the

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<sup>14</sup> *La Jornada*, December 17, 2002.

agenda be managed by the party president in close coordination with the caucus leader. This may be changing since the PRI lost the presidency, which was the linchpin for control of all PRI politicians, but it is too early to tell.

In the aftermath of the 2000 defeat and the subsequent internecine struggle for the party presidency, Heladio Ramírez, CNC president, sided with the internal status quo coalition and lost the gamble. Relations with Roberto Madrazo, the new party president, were icy from the start. The CNC's support for President Fox's *Acuerdo Político para el Desarrollo Nacional*, which Madrazo opposed, did not help to mend them. In late August 2002, Madrazo's support for one of his ally's attempt to fight Ramírez's reelection as CNC president in the courts led the entire CNC leadership, including the sector's coordinator in the caucus, to publicly break with Madrazo (but stopped short of abandoning the PRI).<sup>15</sup> This was the context in which the 2003 budget negotiations started. It would not be too far-fetched to surmise that the peasant sector legislators did not enjoy very strong backing from their colleagues and that this explains the dissatisfaction with the results.

In the days prior to the passing of the 2003 budget, "dissident" labor organizations, including the powerful telephone and electrical workers unions, demonstrating against the new Labor Law met independent protests by peasant and teachers unions at the doors of Congress, respectively demanding that the agricultural chapter of NAFTA and the education budget reductions not come into effect. The violent irruption of the protesters into the legislative chamber alienated the parties' caucus chiefs, who initiated legal action against the leaders. It was then that minds started to come together for mutual support in civil disobedience acts in early January. As mentioned above, the budget passed without a hitch; however, the last days of the year were spent in a game of brinkmanship between the government and the peasant organizations, which threatened to block international ports of entry. In a last minute move to avert the protests, Secretary Usabiaga agreed to meet their demands. On the eve of the new year, the Secretaries of Agriculture and Economy met a group of CAP leaders associated with Roberto Madrazo, the popular challenger in the PRI leadership struggle, with the conspicuous absence of the CNC representative, and part of the El Campo groups (*El Barzón*, UNTA, UNORCA, CNPA) and agreed to delay protests for 20 days while they evaluated possible remedial actions and organized a forum to air their problems.

Nevertheless, many other peasant organizations started 2003 conducting civil disobedience acts across the country, because they doubted the government's promises of negotiations in early February. Negotiations over the agenda, location, and binding character of the newly-named *Convención Nacional Agropecuaria* took place during the first half of the month, amid declarations for the suspension of NAFTA by opposition legislators and the governors of Hidalgo and Tlaxcala and against it by US-Embassy officials. The government's underhanded attempt to unilaterally include the *Consejo Nacional Agropecuario* (CNA) and other pro-NAFTA organizations in the *Convención* convinced the independent peasant organizations to withdraw from the negotiations. The formation of a stable peasant-labor front started taking shape when the UNT declared it was joining the peasant's struggle and would promote a work stoppage by the telephone workers as a coercive measure. The conflict started attracting the attention of organizations in Canada and the United States opposed to NAFTA, which demanded the Mexican government to respond to peasants' demands.<sup>16</sup> Meanwhile, the CNC remained on the sidelines. Finally, on January 22<sup>nd</sup>,

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<sup>15</sup> *El Universal*, August 26 and 29, 2002.

<sup>16</sup> *La Jornada*, January 19, 2003.

CAP decided to pull out of negotiations with Usabiaga, dooming the government's attempt to divide the protesters. The following days the peasant organizations established contacts with several labor unions and summoned a massive protest. The CNC joined the bandwagon at the last possible minute. On February 1<sup>st</sup>, the largest peasant-led demonstration in Mexico City since the Cardenas presidency took place in coordination with labor and teachers unions. The protest broke the government's resistance and it immediately agreed to set up a commission composed of the Secretaries of the Interior, Agriculture and Economy and the representatives of CAP, *El Campo*, *El Barzón*, and the CNC, to work out the details of negotiations for the *Acuerdo Nacional para el Campo* (ANC). The shockwaves were felt by Mexican legislators, who initiated contacts with US Congresspersons in key committees to analyze the possibility of revising agricultural aspects of NAFTA.<sup>17</sup> By the middle of the month, CAP, *El Barzón* and *El Campo* agreed to set up a formal coordination mechanism with UNT. They agreed to march again April 10<sup>th</sup>.

In parallel to these developments, the parties started focusing their full attention to selecting candidates for the midterm elections. Tensions ran high as President Fox and Roberto Madrazo, the new PRI president, exchanged invectives about who was responsible for the lack of structural reforms, the growing conflict with the peasants, and Mexico's vote in the U.N. Security Council, seeking to gain any advantage in the run up to the elections. Within the PRI, the new party leadership was engaged in several conflicts that tore at the seams of the organization. Madrazo's underhanded attempts to dislodge the CNC leadership, which had sided with his rivals, led to an unsavory public break in relations in late August 2002, and fueled divisions in CAP at year's end. In January, the debate over candidate selection methods had the labor sector, a definite loser since primary elections were chosen, making (mostly empty) threats to leave the party if it did not get an increase in its candidacy quota. CNC leaders weakly supported the Labor colleagues, while they maneuvered to leverage their own share of slots with the mobilization of their base supporters in February. Madrazo's running mate, a self-confessed close friend of Fox, bargained with the administration of her own accord. The seventeen PRI governors, four CNC-affiliates among them, and six governor candidates threw their weight around to position their allies in the proportional representation lists in March. The fight over the CNC leadership has played into the designation of the PRI proportional representation lists in late April, when a bullish pro-Madrazo governor vetoed the inclusion of the CNC representative in CAP and, instead, favored leaders of rival CAP organizations. To make things unbearable all along, the federal electoral authority conducted an investigation of the party's illegal funding of the 2000 presidential campaign and decided to slap a huge fine on the party, on the ides of March.

The rest of the parties were undergoing their own strains to fill nominations. In the PRD, as is usually the case with this party, its bureaucratic factions connived to block the central leadership's proposals and distributed the slots among themselves. Therefore, around 80 candidacies were reserved for non-party members, leaders of like-minded social organizations. In this case, *El Barzón* and *El Campo* people benefited from these alliances. The *Partido del Trabajo* did the same with the UNT. The PVEM negotiated an alliance with PRI. Only the PAN had a relatively orderly process.

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<sup>17</sup> *La Jornada*, February 9, 2003.

## National Agreement for the Countryside (ANC)

Serious negotiations for the ANC started in March, when the *Comisión de Organización y Acuerdos* was formed by eight peasant leaders and several secretaries of state. The starting points were a vague statement by both sides that a structural reform of the countryside was needed, and a commitment to end negotiations by the start of electoral campaigns April 15<sup>th</sup>. Demands brought by peasant organizations into the agenda included renegotiation of debt, multi-annual budgets, food sovereignty, biosafety regulation, defense of international workers, reprogramming of the 2002 budget among existing programs, fresh resources in the form of an emergency fund, and, plainly, renegotiation of NAFTA. One of the first agreements, promoted by the government, was to drop discussion of renegotiating NAFTA and seek protection for maize and beans through Parallel Agreements with NAFTA partners. The dialogue was soon transformed into a game of semantics, as peasant leaders—and the press—tried to understand what was being negotiated and what the government was offering.

Confusion first developed around what the Emergency Fund would include. Peasant leaders were clear that what they wanted was “fresh resources,” but the government refused to use the word “emergency” —lest it be confused with natural disasters—and insisted on referring to the state of things as an “adverse situation.” The organizations’ bid for the Fund started at M\$20 billion—the extra revenue coming into the Treasury from higher-than-expected oil prices. But it was soon realized that oil revenue had already been committed by the budget’s *Ley de Egresos*. The government’s initial offer for the Fund was M\$2.8 billion. Then, as the April 10<sup>th</sup> march drew closer, the press reported startling increases in the government’s offer. First, it was M\$5.0 billion for the Fund and M\$55 billion to be reallocated within the original budget; the day before the march it was M\$17.6 billion for the Fund and M\$66 billion to be reallocated. It turned out that most of the offer for the Fund was already part of the budget and only M\$1.58 was “fresh resources.” The PRI fraction in Congress suggested declaring a state of emergency in the countryside to ease the negotiations.

Another source of confusion was what the Parallel Agreements would accomplish. Leaders were heeding to proposals on this matter in the understanding that the government had agreed to maintaining tariffs for maize and beans beyond 2008. To some, this was synonymous with excluding maize and beans from NAFTA. The press reported the government would renegotiate NAFTA to exclude maize and beans, and the government denied it. The president’s remarks on April 22<sup>nd</sup> to the foreign-press corps, in his first public appearance in a month, has done little to solve the confusion: Mexico, the United States and Canada will revise NAFTA in coming months, he said, adding that maize and beans would be “better positioned *within* the rules of NAFTA.” The *Comisión de Redacción* has understandably played an important role in the ANC and a final draft is still pending. However, both sides have already signed the latest draft<sup>18</sup>—vowing to remain behind current agreements—and declared an end to negotiations. Signing of the ANC has been scheduled for April 28<sup>th</sup> to allow organization leaders to read the final draft.

In balance, peasant organizations have achieved a number of concessions to be addressed through the M\$2.80 billion Emergency Fund. PROCAMPO will include an additional M\$100 per

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<sup>18</sup> *Acuerdo Nacional para el Campo: Por el desarrollo de la sociedad rural, la soberanía y seguridad alimentarias, Propuesta*. Abril 20, 2003.

hectare for producers with less than 5 hectares; the Solidaridad Entrepreneurial Fund (FONAES) and the Temporary Work Program will be expanded, and so will other programs benefiting the poorest segments of rural society. Another part of the Fund will be devoted to solving longstanding agrarian conflicts. The ANC also calls for the *Comisión de Acuerdos y Organización* to revise existing program rules to “reorient resources” more progressively among producers. The amounts involved are not explicit in the latest draft of the ANC, but Interior Secretary Creel has reportedly set the total around M\$20 billion.<sup>19</sup> Debt relief is another important aspect of the agreement. As mentioned by President Fox, the ANC calls for the three NAFTA partners to revise the agreement as regards white maize and beans with the goal of implementing a “permanent import administration mechanism.” Import quotas for white maize will be suspended immediately. As regards import quotas for other products, including yellow maize, the ANC states that the government will “consult with producer organizations, peasants and agro industry” to design a policy that takes into account TRQs and domestic demand in order to strictly limit quotas to satisfy excess demand.

Reaction to the ANC is wide ranging. Heladio Ramírez, CNC leader, called it a first-of-its-kind event. Victor Suarez, *El Campo* spokesman, called it a win-win agreement that might prevent social unrest if fulfilled. Rafael Galindo, CAP, and Alfonso Ramírez, *El Barzón*, were more cautious. A bitter editorial in *Reforma* calls the ANC a blow on taxpayers, a victory for organizations, and a scam for peasants. An editorial in *La Jornada* calls it a minor concession on the part of government that might as well be the outcome of the current balance of power. If money is indeed the prism through which historians can observe daily political events,<sup>20</sup> the ANC could come out as a relatively minor event. The M\$2.80 billion Emergency Fund pales in comparison with the M\$113 billion budget for rural development in 2003, and the reorientation of the existing budget is yet to be decided. As regards NAFTA, the salient feature of the accord to revise this agreement and import quota allocations is that vagueness of its binding character and its conformity with existing government policy. With the ANC, the government commits to consult the 2004 budget proposal with peasant organizations and to maintain agreed changes to program rules. However, the influence these organizations can have on actual policy will depend on Congress.

The newfound capacity of peasant organizations for coordinated action is something that opposition parties cannot afford to pass up. In the short run, these parties will try to harness this effervescence by supplying peasant leaders with candidacies to Congress. This is something the ruling party is hopelessly incapable of doing. While it may have the sympathies of some, if not most, commercial producers, it surely has lost any appeal with the rest of the rural population. The PRI leadership will be hard-pressed to make amends with the CNC, lest its members decide that there are better opportunities elsewhere. However, the fact that it selected a third of its single-member district legislative candidates through primaries in the midst of the mobilizations for the ANC may benefit the CNC's prospects of strengthening its internal position. As for the PRD, it faces the chance of a lifetime to debunk the PRI from the still dominant place it holds among that section of the population. In a closely related matter, four of this year's six gubernatorial races take place in states with sizeable rural populations. PAN's chances of sweeping these elections will probably be compromised; PRI will most likely keep or take back most of them. Next year's ten

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<sup>19</sup> *El Financiero*, February 15, 2003.

<sup>20</sup> Zebadúa, E. *Banqueros y revolucionarios: La soberanía financiera de México*.

racas are probably too far removed in time to be directly influenced by this year's events, but success may breed success.

This competition is beneficial for the salience peasant demands will enjoy in the next Congress. For one, parties will have to think twice before regarding rural concerns lightly. While the constitutional ban on immediate re-election hampers accountability to constituents, Mexican voters have shown that they can deliver rewards and punishments based on parties' past record. Also, depending on the election's results, peasants' representatives may actually have better leverage to bargain budgets and amendments to laws. This may depend also on whether any party wins the majority, which seems unlikely. Cooperation across party lines will be easier to accomplish in this scenario, which opens the door for rural representatives to pull together.

Lastly, peasants' success in bringing the federal government to the negotiating table speaks highly of their standing as social actors. All too often, they had been dismissed as an endangered species, politically apathetic and socially atomized. The recent events show that class identity is alive and well in rural Mexico. Also, the alliances that independent peasant and labor organizations are establishing enhance the class nature of Mexican politics, so long disguised and denied by the PRI. To President Fox's chagrin, by ousting the PRI from the presidency and setting that party's corporatist organizations free, he can take credit in helping create the political conditions that allowed these actors to mount a concerted challenge to his policies. However much Fox is surprised by it, the exercise of democratic rights is not confined to the ballot box.

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