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# THE POLITICAL ECONOMY OF THE AGRARIAN REFORM PROCESS IN MEXICO (1991-1992)<sup>1</sup>

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#### **ABSTRACT**

This paper revises the characteristics of the Mexican ejido system in the context of the 1991 constitutional reform during the Carlos Salinas regime (1988-1994) that modified substantially the rural property rights regime. The ejido system is a complex social-ecological system that integrated from a physical point of view by an area of parcels mainly for agriculture and livestock development, an area of homestead (urban) lots, which normally combine living facilities with in-garden activities and small livestock; and an area of common lands normally forests, pastures, swamps, rivers and ponds. The governance system combines two intertwined types of institutions. So it is an institution of self-governance and of social representation similar to unions or other forms of associations. The other type of institution is based on an array of state interventions in the internal affairs of the communities with the purpose of guaranteeing stability in the countryside through controlling the farmers. So it is also an institution for political control. The tension between both institutions mediated by secondary (black) markets defined the dynamics of the system as such. The 1991 reforms came about as a result of movements from below at the grassroots level determined by that dynamics, and strategic calculations from above of political elite that had foreseen major changes in the coalition that governed Mexico for 70 years.

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# 1. INTRODUCTION

Understanding the plight of Mexican rural communities has both domestic and international policy implications. First, on the domestic side, we highlight not just the economic but also the social and political importance of the Mexican countryside. In fact, rural sectors—especially landless peasants--have been protagonists in the political development of modern Mexico. Economic inequalities and land concentration that go back to the 16th Century, during the Colonial period, have been regular causes for political upheaval and political change. Indeed, the current constitutional system enacted in the early 20th century followed a major social revolution in the 1910s that gave rise to constitutional guarantees for the rights and protection of rural actors.

In practice, the constitutional guarantees embedded in the 1917 Constitution that governs contemporary Mexico were manipulated in the 20<sup>th</sup> century by the dominant Institutional Revolutionary Party (PRI). In particular, the *ejido* land holdings became not just an institutional setting for self-governance, but also a major instrument of political control for the PRI regime (Gordillo, 1988, 1997, 2008).

As the PRI regime was coming to an end, the 1917 Constitution was amended to deal with rural property issues. Prominent among the 1991-92 constitutional changes were provisions that aimed at a radical alteration of rural property, especially the *ejido*, which had been a cornerstone of political control under the PRI. Whether these recent constitutional reforms actually changed the *ejido* system to lessen political control remains an open question. It is true that major economic and political changes since the 1980s have reduced the ability of *national* governments to control rural communities, but we still lack a good understanding of changes in the nature and instruments of political control by old and new political actors amidst Mexico's recent, and sometimes turbulent, democratic development.

There remain also major social concerns stemming from rural poverty and migration that will have an impact on Mexico's subsequent economic and political development. Rural migration (especially to the US) is just one of many international policy dimensions. In fact, focus on agricultural development coincides with renewed efforts by the international development community to pay more attention to rural sectors. In its 2008 development report, the World Bank has advanced an ambitious "agriculture-for-development" agenda that seeks to improve the lives of rural communities across the World.

This new agenda is driven by the fact that most poor people in the World live in rural settings (World Bank 2008). But not all rural settings are alike, so specific policy prescriptions must be tailored to particular settings. In particular, the World Bank identifies three national settings: (1) countries where agriculture predominates as is the case of Sub-Sahara Africa, Central America, and some parts of Asia; (2) urbanized countries with a minimal contribution of agricultural to national output, which includes most of Latin America; and (3) transitional or transforming countries that lie between the other two types (e.g., North Africa and Southeast Asia).

Mexico provides a peculiar setting that can inform the new agricultural development agenda of the 21st century. On the one hand, Mexico is heavily urbanized with most of its output being produced by manufacturing and services sectors rather than agriculture. In urbanized countries, most of the poor live in urban settings, and Mexico is no exception to this pattern. On the other hand, Mexico's drastic regional inequalities also produce a phenomenon where some states (in North-Central and Southern Mexico) resemble countries with predominant agricultural activities, thus leading to extreme rural poverty.

In addition to development, the diversity of Mexican communities and natural resources also provides an excellent setting to study the impact of agricultural development on ecological/environmental sustainability. For instance, a common feature of forests across the World is that they are owned by national governments. By contrast, in Mexico, most forests are owned by rural communities (Antinori and Rausser 2007). Naturally, questions about agricultural development in Mexico also invite questions that go beyond rural poverty to also include policies for natural resource management and environmental sustainability.

To measure the impact of the constitutional reforms of the 1990s, we need to better understand the multifaceted role that the *ejido* system has played over time—both before and after the constitutional reforms, not just as a productive economic entity, but also as a social and political instrument. A brief historical sketch conveys how alterations to the *ejido* system can have major economic and political repercussions beyond simply asking whether *ejidos* have become more or less productive (enhanced productivity being one major motivation, among others, behind the constitutional reforms).

#### 2. HISTORICAL CONTEXT OF THE MEXICAN AGRARIAN REFORM

The social pact which guaranteed stability and peace in the countryside for much of the second half of last century was achieved under the regime of President Cárdenas (1934-1940) after 25 years of armed revolution. Over those years, the peasant revolt was militarily defeated, its political program and main social demands incorporated into the constitutional framework of the new regime, and its leaders subject to repression or absorbed by the political system. In addition, alternative powers that had challenged the state's hegemony in the rural sector -the *hacendados* (large estate owners) and the clergy - were rendered politically powerless, and the new institutional system was consolidated on the basis of a patronage system.

Article 27 of the Constitution, which emerged from the 1917 Constituent Congress, established the state as the sole creator of property and went against the conventional doctrine of natural law - in the sense that the rights of ownership of the land and water belonged **originally** to the nation which "has had and has the right of transferring their control to private individuals, thus giving rise to private property", and that "the nation shall always have the right to impose on private property restrictions in the public interest" <sup>3</sup>. Even though the Constitution provides that the state is at all times the representative of the nation, in practice by setting up a presidential regime it transfers to the President itself the representation of the nation and thus the role of creating private property. (Gordillo,De Janvry and Sadoulet, 1998). Article 27 recognized rural property ownership in three forms: small private property, indigenous communal property and *ejido* property, with a differential judicial treatment for the *ejido* and the communal property.

There were also specific legal codes that very strictly regulated the organization of the *ejido* and secured the rights and obligations of the *ejidatarios*. *Ejidatarios* had to work the land directly and they could not hire wage labor. They could not rent the land or sell it. Absences from the *ejido* of more than two years led to a loss of right to the land. All *ejidatarios* had to establish the order of heirs to their land in writing, usually naming a spouse or partner as the preferred successor. *Ejidatarios* could vote and be elected to the executive committee of the *ejido's* assembly. They voted for the definition of an internal set of rules that regulated their rights, particularly their access to the community's common lands. Each *ejidatario* also had the right to a homestead (urban) lot on which to establish a residence and to a maximum of twenty hectares of land for direct cultivation

In addition, a number of mechanisms existed through which the state intervened in the internal life of *ejidos*. *First*, there were interventions directed at validating the *ejidos'* internal process of decision-making. All important decisions were made by the Executive Committee –*Comisariado Ejidal*- and the Oversight Committee –*Comité de Vigilancia*- and validated in the *Ejido General Assembly* distributing homestead lots

<sup>&</sup>lt;sup>3</sup> Constitución General de los Estados Unidos Mexicanos.

and land plots for cultivation; approving internal rules; requesting credit and other public support such as schools, running water systems, or roads; regulating access to common lands; and defining working rules within the *ejido*. The General Assembly had itself to be validated by the presence of a representative of the Ministry of Agrarian Reform (SRA). Furthermore, convening an assembly was only legal if a representative of the federal government or of the municipal authority endorsed it.

Second, the state intervened in arbitration. Family controversies about the use of land plots or conflicts regarding inheritances had to be settled in state administrative tribunals. These tribunals were part of the structure of the Ministry of Agrarian Reform. They also settled boundary disputes between *ejidos*, between *ejidos* and private landowners, and between *ejidos* and indigenous communities.

Third, the state controlled the flow of public resources to the ejido. Since the late 1970s, private banks have made loans to ejido members, but before then only state development banks offered this service. In order for an ejidatario to receive credit, an official authorization from the ejido assembly was required. However, the credit was given to the ejido, not the member. Thus all its members were co-liable for the total amount of credit received and had to offer their harvest as collateral. Until the early nineties, all borrowers from the official bank were required to purchase crop insurance from another official institution. In order to secure the harvest as collateral, the official bank established an agreement with the ejido, with each member who had received credit, and with the state agency that bought the *ejido's* crop and livestock production. CONASUPO (the National Basic Foods Company), bought the harvest at an established guaranteed price and issued joint checks for the ejidatario and the credit agency. Part of the credit was paid in kind. If the credit was for fertilizer, FERTIMEX, the state agency for the production and distribution of fertilizers, was responsible for repayment and discounted it from the joint check issued the ejidatario and the state credit agency. If the credit was for insecticides, other chemical products, or machinery, the state bank established contractual arrangements with the respective private enterprises. In the irrigation districts, an irrigation permit was also required. This permit was issued by the Ministry of Agriculture (SARH).

Fourth, there were extensive social welfare and infrastructure interventions. The Ministry of Education (SEP) established schools and provided teachers. Public organizations for health, housing, food aid, roads, ethnic issues, and recreational activities also intervened. This extensive state intervention into social services focused most particularly on the indigenous communities and the poor *ejidos*, which contributed to the development of a functional distribution of government agencies across *ejidos* and a deepening of heterogeneity in the rural sector: while the social development agencies concentrated on meeting the needs of poor *ejidos* and

indigenous communities, the agencies promoting production attended to the demands of private producers and the more prosperous *ejidos*.

Finally there were the specifically political interventions. It seems to be a frequent feature that many public interventions in political or economic markets -- particularly all inclusive interventions sustained over a long period of time and requiring strong monitoring and enforcement devices-- create countervailing responses and secondary markets. In fact, the maintenance of the *ejido* was supported by secondary or "black" markets. (Gordillo, 1988)

For example, the prohibition against selling *ejido* land created a secondary market (Warman, 1980; Gledhill, 1991). Widows and *ejidatario*s who had migrated for good were the primary participants in land sales, while sales of surplus lands or part of an *ejidatario*'s land to resolve severe economic crises were a common feature. The prohibition against renting land created an even more active illegal market, especially in irrigated areas. From the *ejidatario*s' point of view, the temporary rental of a plot of land was a means of economic recovery in case of hardship. Frequently the illegal rental of *ejido* land was related to migration (De Walt, 1979). In some cases, the rightful *ejidatario* migrated for an extended period of time and rented the land to the *ejido* authorities to circumvent the rule that prohibited him/her from leaving the *ejido* for more than two years. In other cases, an old *ejidatario* or his widow rented the land because they had no children to help work it.

Alternatively, wage labor was hired to replace the labor of family members who had migrated. The *ejido* assembly, which had to be held monthly in the presence of a government official, was frequently conducted without the official's presence, although the latter nevertheless established his presence ex post facto in order to obtain favors and perquisites. Sometimes assemblies that had never taken place were invented, with the connivance of the government representative. Credit, insurance, roads, and schools could be obtained in this way, and this method also served to expel *ejido* members, incorporate new *ejidatarios*, and dismiss *ejido* executive committee members.

The secondary markets generated their own political and economic agents: the *ejido* bosses. Since all black markets break the law, it was necessary for these agents to legalize their offences. For example, selling a plot of land was legalized through a process of elimination of *ejidatario*s and new assignments (*depuración y nuevas adjudicaciones*). The seller of the plot ceased to be an *ejidatario* at the time of sale, adducing any legal reason that would suffice, while the buyer was incorporated as a new *ejidatario*. Also, a member of the *ejido* who left for more than two years could be excused from working the land for "health reasons". Without such mechanisms, many

of the peasant leaders who had stayed away from the *ejido* for twenty years or more would have lost their land. Sometimes an *ejidatario* would not leave officially but would "lend [his land] without compensation" to the *ejido* executive committee or to a person authorized by the committee, although in fact he did so in exchange for money. The same system was used for renting land. To cover up an *ejidatario*'s absence, his name would always appear on the list of those present at the *ejido* assemblies.

Furthermore, the *ejidatario* was on the credit list of the official bank and even on the list of those taking out insurance with the public agency. To compensate tenants for the shortness of the rental period (which was necessary because of the illegality of the transaction), the *ejidatarios* who rented their land also allowed their respective tenants to use their names. In this way the tenants gained access to official credit, which was subsidized. Some private landowners in northeastern Mexico went so far as to rent not only *ejido* parcels but even entire *ejidos*.

Some of the secondary markets that emerged from interventions in economic matters became highly lucrative businesses. For example, the "disaster business" consisted of feigning damage to the harvest and collecting the crop insurance. In order for this to work, the cooperation of an ejido executive committee member was necessary, because he or she was the first to be notified of the "disaster". The cooperation of representatives of the Ministries of Agrarian Reform and of Agriculture and Water Resources was also necessary, because they were responsible for verifying the supposed disaster. Insurance company agents, official bank representatives, and of course the ejidatario himself all cooperated in confirming the "disaster" too. The ejidatario collected the insurance for the "damaged" harvest and then sold the same harvest through regular market channels. For the ejidatario, this was a way of counterbalancing the low guaranteed prices or simply making a little extra money. And what did the other participants in the deal gain? This is where the official bank agent came in. Credit had been given to the ejidatario in installments. The last installment paid out before the disaster claim was filed was endorsed over to the official bank agent, who then collected the money and distributed it to the whole chain of collaborators in this chain of corruption and cronvism (Rello, 1987).

# 3. THE EJIDO A SOCIO-ECOLOGICAL SYSTEM

The *ejido* is a complex socio-ecological system (SES)<sup>4</sup> (Anderies et al, 2004) with various feedback mechanisms between interlinked social institutions and physical characteristics.

<sup>&</sup>lt;sup>4</sup> A social-ecological system (SES) is "an ecological system intricately linked with and affected by one or more social systems." (Anderies et al., 2004: 18). It includes the resource users, their governance system,

From a physical point of view, the *ejido* as an SES is enclosed within an area of parcels mainly for agriculture and livestock development, an area of homestead (urban) lots, which normally combine living facilities with in-garden activities and small livestock; and an area of common lands normally forests, pastures, swamps, rivers and ponds.

On the social side, the *ejido governance system combines two intertwined types of institutions*. One type of institution – that is to say a combination of rules and normsis based on the direct social representation of the farmers and the inhabitants of the community –or communities- comprised within an *ejido* with the purpose to organize their livelihoods around the production, exploitation and distribution of the products of the natural resources –land, water, forests and the like- entitled to them through the agrarian reform distributive process. So it is an *institution of self-governance and of social representation* similar to unions or other forms of associations.

Another type of institution is based on an array of state interventions in the internal affairs of the communities with the purpose of *guaranteeing stability in the countryside* through controlling the *ejidatarios* (farmers). This menu of interventions, as discussed previously, go from legal attributions to distributed lands, to intervening in the internal decision making processes and arbitration in internal conflicts, to the control of the public resources flows in forms of credit, insurance, public works and anti-poverty programs. So it is also an *institution for political control*. The dynamics of this SES is then the result of the tension between the *ejido* as a self-governing institution and the *ejido* as an institution for political control.

The governance system based on institutions of self-governance has different levels of aggregation from the individual *ejidatario*, its siblings and the neighbors to the extended family to different forms of subcoalitions, working groups organized around a specific productive activity, to formalized associations within the *ejido*, to the General Assembly, and to different linkages to other *ejido*s or groups within the other *ejido*s either in formal or informal networks and associations.

The governance system based on institutions of political control also has different levels of aggregation from the General Assembly to the Executive Committee and until the late eighties –and still now in a few less *ejidos*- to regional, state and national networks of the corporatist arrangement namely the *Confederación Nacional* 

the physical (man-made) infrastructure, and the resource system (ecosystems), and the inter-linkages between them and with external factors (including other SESs).

Campesina – and other national  $centrales^5$  and into the political machinery of the dominant party, Partido Revolucionario Institucional (PRI).<sup>6</sup>

The dynamics of the *ejido* as an institution of self-governance has been guided by norms and rules based on a combination of trust building and reciprocity. Albeit the diversity of the *ejido*s the main norm was ingrained on loyalty towards the *ejido* as a result of past struggles to obtain land and its role in terms of social and political representation within and out of the *ejido*.

The dynamics of the *ejido* as an institution of political control is guided by norms and rules based on a *quid pro quo* exchange. Basically social benefits delivered by the public officers in exchange for acceptance of the political regime as it was, which actually meant in exchange for restricted democracy. This *quid pro quo* included access to public office and political representation in the local and national Chamber of Deputies or in the Senate for the farmers' leaders in exchange for exercising political control which implies both guaranteeing votes for the PRI in the national and local elections and channeling protests through the established institutional arrangements—no mass protest demonstrations, for example. The main norm albeit the diversity of the *ejidos* was based on loyalty towards the political regime on the allegation that the political regime represented the true aspirations of those farmers' that fought for justice in the countryside in the form of the distribution of lands and now required support by the government for credit, inputs, trade facilities and the like.

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Throughout a long period –roughly 1940-1970-, the organization of the farmers was expressed above all through the <u>national unions</u>, called <u>centrales nacionales</u>. Even the important splits that occurred within the CNC - in 1948, when a large group of peasants encouraged by the formation of a new left-wing party (PPS) formed the Unión General de Obreros y Campesinos de México(UGOCM), and in 1962 when another large group of peasants encouraged by the Cardenista faction in the government and the Communist Party set up the Central Campesina Independiente - adopted the format of a national union. This organic structure was characterized by the following elements: centralized decision-making, vertical chain of command, the political weight of the internal bureaucracy, its role as a passive entity transmitting decisions taken externally, a catch-all organization which introduced an enormous variety of actors and lack of collective identity, a lack of activity on the part of the grassroots units, passive membership and a concentration of political initiative in the leadership and lastly the overall structure determined by political patronage networks. These features were present to a greater or lesser degree in all the peasant national unions, even those which claimed being independent of the government, which suggests that it was the <u>institutional arrangement as such</u>, regardless of the ideological concepts which it advocated, that determined its specific functioning. (Gordillo, 1982:233-242)

<sup>&</sup>lt;sup>6</sup> In 2000 after 70 years of a dominant one party system an opposition party won the Presidency of Mexico for the first time. Before in 1997 the PRI had lost its control over the Chamber of Deputies and in 2000 it also lost its control over the Senate. The PRI still has a majority of the 32 governors but since 1997 has lost the control of the key Federal District where Mexico City is located. Nevertheless the integration of ejidos and farmers associations within the political party machinery has outlived although weakened the end of the one party regime.

Because it evolved as it was being implemented, many aspects of the machinery of political control emerged spontaneously. Several elements contradicted each other, and the instruments of control varied from one administration (*sexenio*)<sup>7</sup> to the next.

There were, however, two features of this political machinery that did not vary. Its inclusive nature which means that, rather than excluding new social agents or possible dissidents, the regime usually tried to co-opt each group under the existing rules.

Secondly there was a strong *agrarian ideology*, which helped to hold the structure of the *ejido* altogether in that it was the cornerstone for developing reciprocity practices. From a general perspective, In the particular case of Mexico, the agrarian ideology of the *ejido* was organized around two basic themes: i) the alliance between the peasants and the regime, with the supposed objective of assuring the progress of the former, and ii) the need to resort to political agents as intermediaries between peasants and the rest of national society.

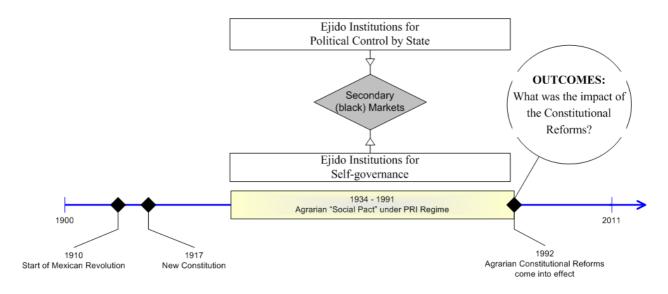


FIGURE 1 EJIDO INSTITUTIONS OVER TIME8

The machinery of political control over the *ejidos* was supported by secondary or "black" markets (see Figure 1). These markets played an important role in adapting political and legal interventions to the dynamics of the *ejido* as an institution of social representation. This interaction between two different and frequently contradictory

<sup>&</sup>lt;sup>7</sup> Presidential elections occur every six years as well as elections for the Senate. Elections for federal deputies occur every three years. Governors are elected every six years and local deputies as well as majors are elected every three years. In all cases re-election for immediate successive periods is forbidden by constitutional law.

<sup>&</sup>lt;sup>8</sup> Designed by Armando Razo, assistant professor for the University of Indiana at Bloomington.

logics affected the way both of them functioned, making them compatible through the black markets, if not convergent. Particularly the role of the monitor –Executive Committee and the Overview Committee, *Comisariado Ejidal and Consejo de Vigilancia*- were radically transformed from a conflict resolution instance into agents of political manipulation and control. The interactions between both type of institutions within the *ejido* and the development of the secondary markets had enormous efficiency and equity costs, both in resource deterioration, in public budget wastes, and more importantly, in the welfare levels of the *ejidatarios*.

Thus the tension between the *ejido* as an institution of self-governance and the *ejido* as an institution for political control was mediated through the presence and persistence of secondary markets (black markets) and its key agents, the local bosses. The major effect of these forms of mediation was to diluted the role of what could be called the "natural" ideology that stem from the past itineraries of the *ejido* formation, namely the adherence to the *ejido* and to the national regime based on historic legitimacy. Or to put it simply, the main effect of these forms of mediation was the erosion on the *loyalty link* that governed the relations of the farmers with the *ejido* and with the political regime.

# 4. THE 1991-1992 REFORMS ON PROPERTY RIGHTS: CONTEXT AND CONTENT

To understand the importance of this constitutional reform one must take into account the following data:

- 1) Of the almost 180 million hectares that are part of the rural Mexican territories, more than half (106 million hectares) have been distributed to 5.6 million farmers thru the agrarian reform process during a period of about 70 years (1920-1992). The private property sector is composed by 1.7 million farmers which own 73 million hectares.
- 2) Of those almost 180 million hectares, 63% are natural grasslands and pastures, 18% for agricultural uses and 15% forests and jungles.
- 3) Of the 106 million hectares donated by the government to the farmers through the agrarian reform, 33.7 million hectares have been granted as plots and 69 million hectares have been granted as common property. *Grosso modo*, the parcel lands are lands basically for agriculture activities whereas most of the common property lands are forests, rangeland and pastures.

- 4) Around 30% of the total Mexican population lives in towns with less than 5,000 inhabitants which is normally considered rural population. That is to say one out every three Mexicans lives in the countryside.
- 5) Of particular relevance are the more than 80 ethnic groups that basically but not exclusively live in the countryside. They are 10.2 million persons which represent almost 10% of the total population in Mexico, but it is also the biggest ethnic population of Latin America representing 25% of the total indigenous population in the Region. 6,830 rural communities which have strong indigenous membership have important natural resources as part of their assets. In fact they are owners of 28% of the forests and half of the tropical forests and jungles.
- 6) Three other actors are worth mentioning because their presence is relevant both numerically and socially and thus require specific public policies. On the one side the 3.8 million rural workers which have no land and a very weak labor legislation to protect them. They represent the most vulnerable segment of the rural population. On the other hand, 1.4 million peasants with limited access to land but which property rights are sketchy –"posesionarios"-, and 2.4 million neighbors –some of which are sons and daughters of ejidatarios-, living in 17,349 ejidos and communities which non agricultural economic activities are nevertheless highly dependent on the dynamism of rural development. Finally rural migrants. On 13,000 ejidos youth have migrated of which around 65% to USA and 25% to big cities in Mexico.

The reformed article 27 introduced communal and *ejido* property to the constitutional level –before it was only referred to in secondary laws-, in order to end confusion regarding who were the owners of the *ejido* lands. Such confusion had enabled the government to overextend its intervention in *ejido* communities' internal matters. As a result of the reform on article 27 it is now clear that the owners of *ejido* and communal property are the *ejidos* and the indigenous communities, which are viewed by the law as separate legal entities.

A separate and distinctive treatment was explicitly addressed to each of the three components of an ejido community: the individual parcel, the urban parcel and the common land. The *ejidatarios* have user rights to the land within the *ejido* and as a result of the reform can also take full ownership of their individual parcels. The limits on parcel ownership within an ejido are defined to be either up to 5% of the total area of the ejido land or the limit to the private property regime, whatever results smaller.

Parcel land within an ejido will be able to enter commercial arrangements in two ways: within the ejido through the selling of parcel land rights to another member or

neighbor and by notifying the National Agrarian Registrar of the change in property rights. However, when the sale of the parcel of land is to an individual that is not a member of such community, it is needed to have complete dominion of the land. Complete dominion of the land can only be adopted through the local assembly, with a quorum of half plus one the number of members, and with a majority vote of 66% of those present in the assembly. Homestead lands –urban plots within the community-are confirmed as private property and the owners were to be provided with property titles.

The agrarian law created a new certificate for common land property rights and the possibility that such certificates can be used for commercial partnerships and joint ventures provided that the general assembly is in agreement.

Ejidos were vested with the right to govern themselves by in turn providing the general assembly with the right to determine its land use, rights and obligations and considerable limited, in return, the role and attributions of the Executive Committee – *Comisariados Ejidales*.

Regarding the *Pequeña Propiedad Individual de Tierras Agrícolas*, *Ganaderas* o *Forestales* (small individual property regimen of land for agronomic, cattle ranching or forestry purposes), the reform upholds the original constitutional limits regarding extension in relation to quality: 100 Ha (250 acres) of irrigated lands or permanently humid soils, or its equivalent of 450 acres of rain-fed lands, 1000 acres of pasturelands or 2000 acres in forests or arid pasturelands. It was also uphold the size limit on cattle ranching land necessary to maintain 500 large cattle or its equivalent in smaller livestock. Commercial associations can be integrated by up to 25 individual members who contribute land to the association, in such manner that the total extension of association's property is limited by the summation of the limits of the small individual property regime. For instance, in the case of irrigated lands the limit for an association is of 6,250 acres. All land owned by members of the association is accounted towards the total regardless if this land is inside the association or not. The purpose of those partnerships is limited to production, transformation or commercialization of agricultural, livestock or forestry products and its derivates.

A Federal Agrarian ombudsperson was created to monitor rural inhabitants' rights. Agrarian judicial courts that depend directly of the judicial branch were also established for conflict resolution. The Agrarian Cadastre and Registrar had the task of titling of the more than 250 million acres to individual farmers and communities. By 2006 according to the official reports it had accomplished around 93% of its overall target.

The agrarian courts are organized by a supreme court and assisted by a lower court. There are 34 unitary courts distributed throughout all of the Mexican Republic, they have their own jurisdictions and autonomy. These courts are in charge of dictating sentence over agrarian cases regarding property rights controversies. <sup>9</sup>

I will now turn to the basic traits of the ejido production system and the way they developed in the context of the changes that occurred in the ejido sector between 1990 and 1994. Comparison of the results of the 1994 ejido survey conducted by the Ministry of Agrarian Reform and the University of California at Berkeley with those of the survey carried out in 1990 by the Ministry of Agriculture and Water Resources and ECLAC will help to give an idea of the transformation of the ejido sector in the midst of a profound crisis in the entire Mexican agricultural sector (de Janvry, Gordillo and Sadoulet, 1997). This larger crisis has been marked by adverse economic incentives, shrinking public support and wide institutional gaps.

In the following analysis of farm sizes, individual plots of land are measured in hectares of national rainfed equivalent land (HNRE), which correspond to the observed average yields of rainfed maize, by agroecological region, in order to adjust area for quality differentials. The unit of measurement is a hectare of rainfed maize that produces the 1994 national average yield of 1.09 tons.

### a) Concentration of the land in small holdings

If the ejidatarios are classified by the size of their plots and their geographical region, we observed that between 1990 and 1994 there had been a process of concentration of small holdings in most regions except in the Pacific South. There had thus been a slow process of elimination of the most extreme forms of minifundio. This suggested that a partial solution to rural poverty could be found through the abandonment of the smallest plots, i.e., through migration and non farm employment. Several aspects of the ejido reforms had contributed to this abandonment. One was the newly acquired freedom to rent land, which has allowed the smallest farmers to rent out their land and engage in other activities. The other was greater flexibility to participate in off farm activities and migration without the threat of losing land rights in the ejido. The decline of the minifundio was less rapid in the Gulf and Pacific South regions, where indigenous attachment to the land is more prevalent and from where migration to the United States was not as intense. In these two regions, where the incidence of extreme poverty is highest, a solution to rural poverty thus cannot be expected to come simply from migration and export of the poverty problem to other sectors and regions.

<sup>&</sup>lt;sup>9</sup> Constitución General de los Estados Unidos Mexicanos, Téllez(1994), Warman (2000), Gordillo (1992).

## b) Consolidation of peasant farming systems: intercropped maize cultivation

One of the most notable features of the 1990-1994 period was the expansion of the land planted with maize. This has been induced both by price distortions that favor maize over other crops and by price guarantees that eliminate the element of risk. Maize had thus been a relatively attractive crop during those four years. In the ejidos, the result was a 20% increase in the area planted with maize in rainfed areas and a 68% increase in irrigated areas. On rainfed land, 66% of the increase corresponded to monocropping and 34% to intercropping. The first is typical of farms with a greater commercial orientation and the latter of peasant farming systems. Most of the increase (84%) came from farms of more than 5 hectares of NRE, where land formerly in pastures and fallow was shifted to maize. Most of the increase in intercropped maize (72%) occurred on smaller farms, where it reflects the use of typical peasant farming systems. On irrigated land, 91% of the expansion in maize cultivation was on the larger farms, where it displaced traditional cereals such as wheat and oilseeds, and 97% of this expansion was in monocropped maize. On the smaller farms, there was an increase in intercropped maize. On the larger farms, the expansion was principally in commercial types of monocropping, which accounted for most of the aggregate expansion. The response to incentives to produce more maize thus accelerated the process of differentiation, with smaller farms increasingly specializing in peasant farming systems and larger farms in commercial farming systems.

### c) Technological retrogression

It is clear that there was a severe retrogression in the technological level of the ejidos on virtually all fronts and across all types of farms during 1990-1994. Looking again at maize, the only exception to this technological regression was the diffusion of improved seeds on the larger farms. For the rest, there was a sharp decline in the use of chemical products and fertilizers. The sector was virtually abandoned in terms of access to public technical assistance, across all farm sizes. Simultaneously, there was a general increase in the use of manual labor in agricultural work and a decline in the use of machinery. The sector thus coped with the profitability crisis by using less technology per unit of production and reverting to family labor.

## d) Strong orientation towards production for home use

In order to bring out the prevalence of a peasant economy and the depth of social differentiation within the ejido sector, we may look at the degree of participation of ejidatario maize producers in the market for that cereal, either as sellers or as buyers.

We found that 41% were sellers or seller/buyers of maize, while 27% were pure buyers. Another 31% were self sufficient, using the maize they produce principally for home consumption (24%) and to a lesser extent for feeding animals (7%). This reveals a sharply differentiated universe of maize producers, where less than half participated in the market as sellers. These net buyers and self sufficient producers without large herds of animals were smaller farmers with little irrigated land. The existence of a strong peasant economy plays as a cushion to the negative effect of a fall in the price of maize, which will have a sharply differential effect across different categories of maize-producing households, depending on their position with regard to the market for this cereal.

What was observed between 1990 and 1994 (De Janvry, Gordillo and Sadoulet, 1997) was thus an ejido sector in crisis, at the initial stages of a long process of adaptation and transformation. The obvious difficulties that ejidatarios confronted were partly contextual and structural, but they were also symptoms of a difficult and protracted process of transition towards economic and political liberalization.

#### 5. SHOCKS AND INITIAL OUTCOMES

The academic literature has not yet provided an adequate theoretical framework to understand the Mexican *ejido* system in post-reform period. It is necessary to pay greater attention to system dynamics. By system dynamics, I mean two things. First, adopting a systems approach seems useful because rural communities are components of political or, insofar as there are establish connections between communities and natural resources, social-ecological systems. Second, systemic shocks, especially policy interventions, can then have intended or unintended repercussions on rural communities over time.

Studying how rural communities have adapted to their changing environment is perhaps the most interesting future research area. In fact, a historical perspective makes it clear that the constitutional reforms of the early 1990s were just one among many other systemic shocks. Long before the Salinas administration, the Mexican countryside was experiencing major social and demographic changes that undermined the effectiveness of centralized political control. The economic crises that affected Mexico in the early 1980s increased the cost of centralized political control and paved

the way for the agrarian reforms of the Salinas government, which was interested in reactivating the economy and reducing the size of the public sector. <sup>10</sup>

Beyond the agrarian reforms, the economic success of the Salinas administration was short-lived as Mexico struggled with a major financial crisis and endemic economic performance since the mid-1990s. Along with economic shocks, the Mexican political system was radically altered by an electoral reform that gave way to a more competitive political system. Between the mid-1980s and the mid-1990s, communities in Mexico experimented very significant policy changes at the national level: the signing of the GATT, the reform of Article 27 in 1991 and of the agrarian law in 1992 and the accompanying laws reforming the mining, agriculture, water, and forestry sectors during the nineties, the 1994 economic crisis, and the signing of NAFTA in 1994. These changes sought to generate both economic liberalization and political democratization at the national level and in communities. (Gordillo, 2007; Gordillo, de Janvry and Sadoulet, 1998).

More precisely, rural communities in Mexico have faced at least three major shocks: the agrarian reforms in 1991-92, a major financial crisis in 1994-1995, and an electoral reform in 1996. Assessing the impact of the agrarian reforms therefore requires better theories and empirical tools than we have currently available to avoid the confounding impact of subsequent shocks.

Economic and demographic trends can shed light on differentiate performance of rural actors in face of those different shocks:

Population density and internal migration. The convergence between the natural grow in urban and rural localities has made internal migration the principal demographic determinant of territorial distribution. During 1995-2000 rural migration diversifies towards middle size cities (377 thousand persons), mega cities (315 thousand persons) and other rural towns (212 thousand persons). As a result of these movements it was registered a net loss of around 377 thousand rural inhabitants at a (-) 0.355 annual averages rate during 1995-2000. In fact rural population will have a rate of growth below the national average: of 1.21 per annual average from1970 to 1980, 0.33 per cent from 1980 to 1990, 0.60 from 1990 to 2000 and (-) 0.32 from 2000 to 2005. Therefore, rural population represented 19.9 million persons in 1970, 23.3 million in 1990, and 24.7 million in 2000, down to 24.2 million in 2005. Rural

<sup>&</sup>lt;sup>10</sup> On the Salinas regime see amongst the vast literature: Centeno, 1994; Salinas de Gortari,2000.

population participation in total population has also decreased from 41.3 per cent in 1970 to 25.4 in 2000 and 23.5 per cent in 2005.(CONAPO, 2006:195) On the other hand, low population density and scattered small towns are the basic traits of the rural population. In 1970 towns of less than 2500 inhabitants were 95 thousand. By 2000 they increased to 196 thousand and in 2005 towns of less than 2500 inhabitants are estimated to have risen to 185 thousand. The total population living in communities of less than 2500 rose from 20 million in 1970 to 25 million in 2000 and then decreased to 24 million by 2005. (CONAPO, 2006: 198) In fact 42.9 per cent of the total rural population lives in towns of less then 500 inhabitants. If one takes a long view on how rural towns evolved during the last century (1900-2000) as Arturo Warman did in his last research (2000) one finds a general trend toward increased number of small and very small towns but with downward and upward turns by decade. Although it is difficult to find specific correlations the data available suggests that in periods of social unrest and economic crises the number of very small and small towns tend to increase playing probably a role as a shelter against instability.

So we find a two-fold strategy playing simultaneously. Because of the natural convergence between rural and urban localities, internal migration plays a crucial role. Growth of mega-cities has been some what reduced in favour of medium size cities and at the same time very small towns tend to increase. All this suggest the two-fold strategy developed by some rural actors, based on households that develop a combination of internal and international migration with small town self and consumption activities. Remittances play in this strategy a crucial role. In fact, it is estimated that 52 per cent of families receiving remittances reside in towns smaller than 2,500 inhabitants. These families receive in average 2.372 USD per family per year which represents 53% of their current income (CONAPO,2006).

**International migration and rural employment patterns.** International migration had a steady growth during the eighties and the nineties. From 2001-2006, about 577 thousand persons migrated to United Stes per year, a figure 2.5 times higher than the net annual migration from 1981-1986. During the period of 2001-2005, of the total migrants an estimate of 1.4 million of the total 38 per cent) were young people.

**Poverty and inequality.** 60% of total poor in Mexico live in rural communities. With data from the 2005 ENIG 61.8 per cent of rural inhabitants are in patrimonial poverty, of which 40% are with capabilities poverty y 32% con food security poverty (less than two dollars per day) (CONAPO,2006:192). A World Bank report (2005) indicates that income inequality in rural households increased according to the Gini

Index between 1992-2002 from 0.45 to 0.51, having the biggest jump in their respective Gini Index those households that earn a diversified income and those households strongly dependent on transfers.

If we now take a larger view from the 1991 reforms to 2007 based on the Census data<sup>11</sup>, I can suggest some long term impacts of the 1991-1992 reforms:

Titling and land markets. Out of 31.5 thousand ejidos, 28.1 ejidos have been measured and titled during the period (1994-2006) in which the titling program called PROCEDE operated. That means 89% of the ejidos have been titled. Six thousand of those ejidos titled with a total of 4.7 million hectares (around 18.8 million acres )have opt for full property, which means that less than 5% of the total reformed sector surface (106 million hectares) have chosen the alternative of potential privatization of their parcels. In fact 3 million hectares have been sold. Nevertheless 20 thousand ejidos have reported operations of selling and buying of parcels to other ejidatarios and to neighbors (in 15,000 of those ejidos) and to persons from outside the ejido in 6,000 ejidos. 12 Thus titling has contributed to create transparent and dynamic regional land markets particularly within the ejido system. However the national average size of the plots -without regional or ecological equivalent adjustments- has been reduced from 9.1 hectares to 7.5 hectares, which might suggest that consolidation of bigger parcels thru buying and selling of land has been offset by intrafamily subdivisions of plots. So the legal reform by itself could not guarantee consolidation of plots in bigger units.

Community Governance. The actual outcomes, however, have been highly debated, uncertain, and hard to measure given the multitude of changes occurring within that period. To some, reforms reversed the gains of grassroots organizations from the early 1980s (Silva, 1997), and have undermined inter-community associations (Taylor, 2001). At the community-level, "the agrarian communities obtained more autonomy, but their abandonment was also increased" (Merino, 2004, p. 195), particularly through a marked reduction in government supports. In addition, initial research shows that internal democratization of communities has not occurred as expected, and rather there have been new forms of intervention by local governments (Klooster, 2003). Ironically, it seems that the PROCEDE titling program increased land tenure

<sup>&</sup>lt;sup>11</sup> 1991 VII Ejidal Census and the 2007 IX Ejidal Census,INEGI

<sup>&</sup>lt;sup>12</sup> See Tables 37 and 38 of the IX Census.

insecurity in some communities because of its delayed implementation (e.g. Vasquez-Leon & Liverman, 2004)

Two things are certain, however in terms of impacts of the legal reforms of 1991-1992. First, as survey work on the ejido indicated (De Janvry, Gordillo and Sadoulet,1997), the reform process produced differentiated results across the vast number of communities as early as the mid-1990s. Second, the reform has been accompanied by a series of organizational and institutional innovations at the local level, which can be understood as social adaptive strategies in the face of the policy changes described above. Two of the most talked about have been the creation of community enterprises (CFEs specially but not exclusively in the forestry communities) independent of, but connected to, traditional community institutions (see Antinori and Bray, 2005), and the creation of intra-community groups ("Rural Production Societies", "work groups", "sub-coalitions") for productive activities such as the extraction and commercialization of wood (Muñoz-Pina, Janvry, & Sadoulet, 2003; Taylor, 2003). To some, work groups have been a way to democratize previously corrupt and centralized community institutions ruled by local bosses (caciques), and might provide larger and better distributed economic rents for individuals in the community.

**Associations.** In addition, there have been significant changes in the inter-community peasant and associations. Associations have changed from political organizations to economic organizations mostly oriented in fomenting autonomous productive activities. In the face of so many policy changes at the national level, including long periods of abandonment, many communities have shown great resilience and adaptive capacity. At the local level, the division of the organization of community productive activities into work groups or sub-coalitions poses both challenges and opportunities for community governance (Bray et al., 2006; Taylor, 2003; Wilshusen, 2005).

#### 6. HOW DID THE REFORMS COME ABOUT?

The period from mid-sixties to mid-eighties (1965-1985) was to be characterized in Mexico by great instability in the farmers' households not only as a result of migration but also because of a great many conflicts within households, between households, against the *ejido* bosses (*caciques*); all of which had as its basic purpose the access to land. Within the *ejido* more people were demanding to transform it. This took the form of a direct challenge to the bosses and a slow and sometimes underground process, generated by the formation of committees of land applicants. In one way or another land-demand committees also created new thinking related to the operation of the *ejidos*, and its interactions with the state agencies and other farmers. Furthermore,

the people involved in these small local movements, found that they were becoming enormously influential in terms of governmental response as a reaction to mobilization -even if it was normally limited within the *ejido*- and boycott, which took the form of not attending the assemblies and not abiding to its rulings. All these processes led to a new wave of peasant mobilizations.

One phenomenon was beginning to emerge very noticeably in the early seventies: the generational takeover from the original *ejido* members. It should be borne in mind that most of the *ejido* members were granted land between 1930 and 1940. Even though the land distribution did not stop, the number of *ejido* members and the geopolitical location of the first *ejido*s made this generational takeover quite significant.

The form it took was different from the first generations of *ejidatarios*, but perhaps what was most important was a combination of: i) a process of fragmentation of the *ejido* parcel allowing informally access to land to the eldest son (primogeniture) albeit in a very unstable manner since it excluded the rest of the sibilings, ii) the promotion of land applicants committees -formed basically by *ejidatarios*' sons and landless neighbors - requesting the authorities that the original *ejido* lands be expanded, and iii) permanent and temporary migration of some of the other siblings, following a pattern in which part of the household went out to a particular migration area specifically in the most dynamic and advanced agricultural regions, settled down there and subsequently formed the basis so that the other members of the household could join them later as permanent settlers.

As time passed, legitimacy eroded as corruption made its way in the ejido leadership and as the CNC<sup>13</sup> began to be out of touch to the pressing demands of the new generations of farmers. To confront this erosion the government reacted by promoting

<sup>13</sup> Throughout a long period –roughly 1940-1970-, the organization of the farmers was expressed above all through the <u>national unions</u>, called *centrales nacionales*. Even the important splits that occurred within the CNC - in 1948, when a large group of peasants encouraged by the formation of a new left-wing party (PPS) formed the Unión General de Obreros y Campesinos de México(UGOCM), and in 1962 when another large group of peasants encouraged by the Cardenista faction in the government and the Communist Party set up the Central Campesina Independiente - adopted the format of a national union. This organic structure was characterized by the following elements: centralized decision-making, vertical chain of command, the political weight of the internal bureaucracy, its role as a passive entity transmitting decisions taken externally, a catch-all organization which introduced an enormous variety of actors and lack of collective identity, a lack of activity on the part of the grassroots units, passive membership and a concentration of political initiative in the leadership and lastly the overall structure determined by political patronage networks. These features were present to a greater or lesser degree in all the peasant national unions, even those which claimed being independent of the government, which suggests that it was the <u>institutional arrangement as such</u>, regardless of the ideological concepts which it advocated, that determined its specific functioning

other farmers' associations different from the CNC but also integrated to the PRI and linked to the basic tit-for-tat arrangement.

But the pressure for land was very high and the new leadership emerging from the grassroots saw with contempt what was considered a corrupt and bought-by-the-government leadership. The mobilizations scaled up and begun to invade private lands that were given in Presidential Decrees to the farmers but which were never formally executed because of the different legal procedures that obstructed implementation. By the end of President Luis Echeverria's *sexenio* (1970-1976) the government was forced to expropriated more than 200,000 hectares of the best irrigated lands in the northeast of Mexico and almost 4 million of rain-fed pasture land in what was to be the last major land distribution of the PRI regime.

Over the backdrop of the farmers' mobilizations of the seventies and the eighties, the economic demise of the import substitution economic model in Mexico, <sup>14</sup> and the control by a new generation of technocrats of crucial levers of power in the national government, a sweeping roadmap of structural reforms was implemented in Mexico during the presidency of Carlos Salinas de Gortari (1988-1994). One of such areas of reforms was rural institutions and policies where the convergence of free marketers and social reformers made them possible. These reforms rooted in the recent farmers' mobilizations, expressed in some way an effort from the national government to devolve to farmers and communities their decision process through the redefinition of property rights and other reforms in public agencies.

The reforms in the countryside that were implemented during President Salinas' regime addressed the relationship between rural producers and the state, and the relationship among productive agents through markets (Gordillo 1992).

As political control eroded and economic subsidies decreased, an exceptional opportunity was created for convergence between free-market technocrats and social reformers linked to farmers' mobilization. The economic policy, which focused mainly on trade liberalization, deregulation, and privatization in opposition to the state interventionist policies, converged with social reformers' objectives themselves opposed to the political control machinery and in favor of restructuring farmers' representation through political democratization.

The economic reformers in the government ended up embracing the idea that in order to establish competitive markets and dismantle the interventionist policies and

<sup>&</sup>lt;sup>14</sup> The ISI model prevailed in Mexico from the forties until the debt crisis of 1982.

instruments, they had to postpone political democratization, and on the side of the aisle, some proponents of political liberalization, supported also overall economic interventions, strong trade protectionist barriers and in fact economic privileges through subsidies.

So the crucial question is how did these two opposing tendencies manage to converge? Although there never was an articulated strategy that combined both coalitions, the opposition to the old guard political elite generated a common ground of understanding. In order to develop and promote economic and political reforms the PRI *nomenklatura* had to be defeated. Beyond that common purpose however, what resulted was a juxtaposition of policies that frequently provoked institutional vacuums.

As mentioned before political control in the Mexican dominant party system depended on state interventions. However, state enterprises were privatized and controls exercised through those agencies waned as they entered into financial crisis. The political clientele supported by these enterprises sometimes prevented a complete privatization, and many state agencies assets were instead transferred to rural producers. (Greene, 2008) This very particular convergence between free marketers and social reformers broke the resistance for change that came from the old political guard.

The reform of Article 27 of the Mexican Constitution in 1991-92 helped to further dismantle the political control. Promoters of economic liberalism perceived the legal reforms as a way to liberate the *ejido*'s production potential and create land markets. To implement their plans, especially the more unpopular measures, they counted on the effectiveness of the machinery of political control. Promoters of political liberalism perceived the legal reforms as dismantling that same machinery but not the economic reward scheme that it provided. Both perspectives were unrealistic.

One looked toward decreasing economic intervention while maintaining political control. The other looked toward decreasing political control while maintaining economic intervention. The clash between these contradictory visions developed into serious institutional gaps.

The implementation of the reforms was no clear cut success either for the technocrats or for the social reformers. It did give more power in the decision-making processes within the *ejido* and clearer property rights to the farmers, but still the political control machinery though eroding was still in place as well as the functioning of black markets. Two unexpected events had further impacts on the *ejido* and the countryside at large. On the one hand the major economic crisis of modern Mexico in 1994-1995

and on the other the electoral reform in 1996 that paved way to the demise of the dominant party regime.

What seems to have happened is that the national government had lost overall political control over the *ejidos* and thus created an opportunity for the *ejidos* to evolve as an institution of social representation. The political machinery has been fragmented and captured either by local elites or new players such as drug dealers. The public agencies have been segmented following the lines of partisanship and patronage

A future research agenda most examine how and how much was this opportunity actually seized and which were the incentives and restrictions for that to happen.

It may well be concluded by observing that the outcomes of the reform process initiated by President Salinas are still far from certain. Liberalization of the ejido has unleashed numerous individual and collective initiatives that have produced visible adjustments, showing the ability of this vast sector to respond to incentives. At the same time, the overall context of economic crisis in agriculture and dismantling of rural sector institutions has reduced the economic benefits that the reforms could have yielded, and hence the scope of the modernization and diversification that was expected to follow. The main step in the reforms --namely, the individual titling of ejido lands in usufruct-- has almost ended.

But the ultimate outcomes of the reforms are tied to the resolution of much broader economic and political questions with which Mexico is still struggling: on the economic side, restoration of economic growth, maintenance of a competitive real exchange rate, and creation of jobs; on the political side, implementation of participatory democracy, decentralization of government, and enforcement of the rule of law.

Although much more research is needed to revise the very complex impacts of the 1991 property rights reforms, four issues related to the political economy of agrarian reforms must be highlighted:

1. A land tenure reform is usually part of a broad economic and political reform. Sometimes these reforms are a consequence of a social revolution as it occurred in China and Mexico. Other times the land tenure reform is a result of "special circumstances" related to the place of the country in the international arena or as a result of a major warfare. In all cases, there is a common trait: the displacement of a political coalition from government.

- 2. Sometimes land tenure experts have used a simplistic typology on land reforms: those initiated from the "top" and those initiated from the "bottom". In fact, all land tenure reforms have always been initiated from the top; that is to say, an enlightened elite with a sense of statehood conceives reforms as the means to consolidate its power vis-à-vis competing elites. A visionary elite not only displaces competing coalitions, but does it by reconstructing the State in its political, economic and legal relations. Land tenure reform is crucial in this context because by recognizing rights on property it recognizes rights to participation. Citizenship is not only achieved by recognition of political rights, but by recognition that the use of those political rights might and should lead to the welfare of the citizen and his siblings. A land reform initiated from the top does not operate in a social vacuum. Of course, pressure from the bottom - the existence of social movements in the countryside - many times precedes and determines the emergence of political elites willing to push for land reform. The reasons to advocate land reform are different and are in general threefold, based on economic, political and social considerations. But if one would want to single the main thrust, it would usually be governance. Not in the sense that land tenure reform comes only when major civil disruption occurs or is foreseen, but also when the consolidation of political elite requires popular support.
- 3. Land tenure reforms are sometimes reduced to one sole meaning: redistribution of land either through confiscation or through buyouts. That was of course the meaning of the traditional agrarian reforms such as the Mexican and the Chinese reformsthat were implemented during the first half of the XX century, as well as those proposed during the sixties in Latin America under the umbrella of the Alliance for progress that the Kennedy-Johnson's administrations launched. Two lessons drawn from those experiences a) the need to accompany the land reform with other institutional reforms regarding land tenure and rural development, b) the need to accompany land reform with policies reform; have helped clarifying the more embracing concept of land tenure reform. Security of land tenure is not only linked with the legal framework but with the institutions that support that legal framework. What those institutions bring with them is the rules by which land tenure transactions are organized. So land redistributed only acquires the true meaning of a right when the institutional arrangements support the different rights included in the land tenure reform redistribution process.
- 4. The 1991-1992 rural reforms in Mexico were conceived in four different but interlinked dimensions: reform of public institutions, reform of the legal framework, reform of the policy instruments and transformation of the relation between the peasants and the State. The approach taken for the legal reform is relevant for this discussion. First it was recognized that there was a rift between the legal prescriptions

and the real world. Land transactions were developing all over the countryside even if they were prohibited. But because they were prohibited the insecurity of the arrangements obliged all actors to define them within a very short time span, thus discouraging long-term investments in the land. Although for many the removal of these obstacles was essential for external and even foreign investment, what was actually sought with the legal reform was to remove obstacles so that the peasants themselves could invest in their own land. Of course that needed clarity on who was the real owner of the land. Secondly, it was recognized that the characteristics of the land transactions was so vast and diversified that it was impossible to even attempt a classification which if done would create new rigidities. So by taking as the basic approach the need for a very flexible legal framework the discussion focused on the nature of the transactions. One common denominator was found: the need for the peasants to have at their disposal a wide array of options to be used by the peasants themselves according to the very changing circumstances they encountered. Thirdly, it was recognized that land markets already existed in the form of segmented markets but because the transactions involved were not legal the entry and participation in those markets were defined by a set of casuistic and discretionary informal rules set by specific agents. These agents were mainly public servants and peasant leaders who, because of their connections with peasants and government officials, were able to define informal rules to realize illegal transactions. Thus clarifying rules in land transactions meant to challenge the role of these agents. Thus, fourthly, it was clear that the land tenure reform was not only a legal reform. It was an economic reform in the sense that it recognized the existence of land markets and consequently of various types of transactions. But it was also and foremost a political reform in the sense that it implied the displacement of a category of social agents who benefited from the former arrangements. At the same time it created the potential for the constitution of peasants as an important autonomous force.

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