

Movements from below, reforms from above: The context for the 1991 Mexican property rights reform¹

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1. USING THE TOOLS OF THE IAD FRAMEWORK

As Elinor Ostrom asserted in her Presidential Address to the American Political Science Association, “the theory of collective action is the central subject of political science” (Ostrom,1998:1). In this paper I take that assertion as a central thread of my argumentation. In her *Collective Action Theory* (2007), Ostrom proposes eight structural variables predicted to affect the likelihood of collective action, five of which do not depend on a situation being repeated, and three for which repetition is important (2007:188):

Structural variables that do not essentially depend on a situation being repeated:

- a) Number of participants involved,
- b) Whether benefits are subtractive or fully shared (public goods vs cpr).
- c) Heterogeneity of participants,
- d) Face-to-face communication,
- e) shape of production function

Situations where repetition of situation makes possible the impact of additional structural variables

- f) information about past actions,
- g) how individuals are linked
- h) whether individuals can enter or exit voluntarily.

In the conclusions to this paper while highlighting that “a key lesson of research on collective action theory is recognizing the complex linkages among variables at multiple levels that together affect individual reputations, trust and reciprocity as these in turn affect level of cooperation and joint benefits”. She also cautions that “large-n research on collective action is a challenge both in terms of obtaining accurate and consistent

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data, but also because of the large number of variables that potentially affect any one type of collective action (Poteete and Ostrom,2004)”. She then goes on to suggest that “instead of looking at all of the potential variables, one needs to focus in on a well-defined but narrow chain of relationships....”.(Ostrom,2007:203).

I take these recommendations seriously. In this paper I concentrate in three variables: face-to-face communication, shape of the production function and how individuals are linked.

My case study is a network of farmers’ associations in Mexico which I believe had a strong impact in the content and implementation of the constitutional reforms of 1991-1992 in Mexico, which changed radically the written rules (and I expect the rules-in-use) regarding property rights in the countryside. Time-wise my focus goes from the 70’s to the mid-nineties –*grosso modo*, from 1971-1992-, although there are many references to historic background of an agrarian reform process that starting with the Mexican Revolution (1910-1920) and attained its peak in terms of land expropriations and distribution to landless individuals in the thirties (1934-1940).

In using the Institutional Analysis and Development Framework (IAD) I certainly have in mind the remark made by Ostrom in her book *Understanding Institutional Diversity*: “most of us recognize that there is not one optimal map that can be used for all purposes. Each level of detail is useful for different purposes”. (Ostrom,2005:8). So I expect that by using the IAD framework a very complex problem –the ejido structure and its interactions with governments, societies and markets- and some of its puzzles might be explained and clarified. I am also confronted with the challenge that many institutional analysts face “in identifying the appropriate level of analysis relevant to addressing a particular puzzle and learning an appropriate language for understanding at least that focal level and one or two levels above and below that focal level”. (2005:12).

In the case study I present here and based on the four levels of analysis I will be basically focus on the collective choice level with some references to the operational and constitutional levels.(2005:58-62).

Furthermore base on the IAD framework and as in the case of *Understanding Institutional diversity*² my focus in at the action arena level – the sweeping economic reforms that occurred in Mexico in the nineties as a result of major changes in the relation between the political and economic elites and the citizens – , but specifically referred to the changes in the property rights regime in the Mexican countryside –action situation- in which the main participants are the central government, the farmers’ associations, the ejidos and the members of the ejido, namely the farmers themselves. From those interactions many changes occurred within the ejido and its relations with other actors before the constitutional reform process begun (1988-1991). In fact the constitutional reforms, I would argue, are in many ways a consequence of changes occurring at the micro-level, meaning by that at the level of ejidatarios and its siblings and the ejido as a whole and its interactions with the black market agents³ – obviously understanding the great diversity of the ejidos.

To summarize, this paper in focusing on a case study of a farmer’s network that played an important role in the constitutional reforms of 1991-1992 that changed the property rights regime in Mexico. I first present a brief historical overview of social mobilizations and its interactions with farmers’ organizations and governments. Then I move on to presenting the case study and finalize this paper presenting some initial conclusions and some elements of a research agenda. My main hypothesis is that social

² “The focal level for this book is the holon called action arena in which two holons – participants and an action situation- interact as they are affected by exogenous variables (at least at the time of the analysis at this level) and produce outcomes that in turn affect the participants and the action situation”. (2005:13)

³ See pp 8-17 of this paper: 3. THE GOVERNANCE SYSTEM IN THE MEXICAN EJIDO

mobilizations under specific conditions both at the micro and macro levels prefigure and constitute a major source of institutional change.

2. MASS MOBILIZATIONS, FARMERS' ORGANIZATIONS AND THE GOVERNMENT.

The first wave of mass mobilizations (1910-1935)

The first wave of mass mobilizations in the countryside accompanied in fact the Mexican Revolution (1910-1917). The two best known peasants leaders Emiliano Zapata and Pancho Villa⁴ were finally militarily defeated but their main demands were incorporated in the Constitution that was drawn as a result of the civil war in 1917. For almost 20 years after the Mexican constitution was voted (1917-1934) what emerged in the countryside was a variegated collection of regional movements that included small farmers, rural workers, urban middle class intellectuals, bandits and the like. When finally the military leaders agreed upon a sharing-power arrangement and decided to create the political party of the Mexican Revolution –then called *Partido Nacional Revolucionario* in 1929, which evolved in 1938 to the *Partido de la Revolución Mexicana* and in 1946 to the *Partido Revolucionario Institucional*-, the emerging political elites had gained experience in how to cope with mass movements and social mobilizations. The main strategy improved to the levels of perfection during President Lázaro Cárdenas regime (1934-1940) included two elements. First by incorporating the intellectual leaders of the movements to the dominant political party or its affiliated associations or the public agencies, it deprived independent social movements from strong leadership and transformed at the same time those intellectuals in the main bridge between the movements, its leadership and the government. Second by incorporating the main demands of the movements into the party's program or the government's policies it deprived the independent movements from their essential *raison d'être*. The fundamental purpose of this two-tiered strategy was to prevent any

⁴ The two best biographies of these leaders in English are John Womack, *Zapata and the Mexican Revolution*, Vintage, 1969; and Friedrich Katz, *The Life and Times of Pancho Villa*, Stanford University Press, 1998

political initiative –specially based on social movements- to develop outside of the official party or its associations.⁵

The construction of the corporatist arrangement (1935-1946)

As a result of the agrarian reform process initiated by President Cardenas in 1936, farmers granted with land were also integrated in a top down organization the *Confederacion Nacional Campesina* which in turn forced many of the autonomous or quasi-independent peasants' movements scattered in many regions of Mexico to accept integration to the CNC in exchange to recognition of their regional powers. This process of institutionalization took almost ten years (1936-1946) and finally leads to a political arrangement that was to survive for almost four decades, until the mid-eighties. This arrangement was based on a generic *quid pro quo*: the leaders of the CNC were to guarantee political stability in the countryside in exchange of which they would have limited but significant access to the Congress both at the federal and state levels. In fact, during those decades between 20 to 30% of the members of the federal Congress came from the CNC leadership. In order to guarantee political stability the leaders had preferential access to all top public officers including the President as well as frequently use of public resources. In terms of the mechanics of domination the main instrument for political stabilization was the *ejido* itself through the Executive Committee members –the so called *Comisariado Ejidal*. But the original strength of the CNC came as a result of their legitimacy in the eyes of the reformed sector farmers due to the successful agrarian reform. Formally this legitimacy was enshrined through the compulsory affiliation of all farmers to the official party, the *Partido Revolucionario Institucional*.

The second wave of mass mobilizations (1965-1985)

⁵ This strategy was well analysed by Italian philosopher Antonio Gramsci (1971). He called it *transformism* which can be defined as “cooptation of the intellectuals of the subordinated classes to the political elites in order to disorganize its own leadership”.

The period from mid-sixties to mid-eighties was to be characterized 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, and/or 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 these 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 obtained the 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 *ejidos* made this generational takeover quite significant.

The form this takeover 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 sibilings, following a pattern in which part of the household went out to a particular migration area – in rural areas these areas were basically related to highly dynamic agriculture

development-, settled down 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 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 other farmers' associations different from the CNC but also integrated to the PRI and linked to the basic quid pro quo arrangement.

In the peak of the mobilization in the seventies these official associations –official in the sense that they were all members of the PRI- were summoned to create an alliance called *Pacto de Ocampo* through which they were to guarantee control over social protests. Since the main demand at that time was access to land, “channeling the protests” meant to continue the bureaucratic process for demanding land which, after the initial period of land distribution (1935-1946) where more than were distributed, almost stalled.

But the pressure for land was very strong 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 50,000 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.

Two consequences arose from these expropriations in 1976. The wealthiest segment of the business community broke its ties with the PRI regime and in fact was crucial in the political *élan* the main rightist party (Partido Accion Nacional) got thereafter.

Second, the weakening of the official farmers' associations gave way to two major networks the *Coordinadora Nacional Plan de Ayala(CNPA)* at the end of the seventies

and the *Union Nacional de Organizaciones Regionales Campesinas Autonomas (UNORCA)* in the eighties, which broke the political monopoly of the government over the farmers and in fact paved the way for the 1992 rural reforms. In addition to these political changes, as a result of the debt crisis of 1982 and the subsequent implementation of stabilization and adjustment policies, a rural development strategy based on the pervasive presence of the government ceased to be economically viable. This strategy was very costly since it was contingent on the massive disbursement of subsidies and soon became highly inefficient and regressive in the sense that the main beneficiaries were the large commercial landowners and corporations. Subsidies were channeled not only to the *ejido* sector but also and mainly to the private sector in agriculture. These subsidies had different purposes: for the *ejido* sector, they were intended to grease the machinery of political control; for the private sector, they sought to stimulate production.

3. THE GOVERNANCE SYSTEM IN THE MEXICAN EJIDO

The agrarian reform and its rules

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”⁶. 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.

⁶ Constitución de los Estados Unidos Mexicanos [1917], 1991.

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 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. Most of the *ejidos* have also a portion of common land which belonged to the community.

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 and land plots for cultivation; approving internal rules including procedures for accessing to the common lands; 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 that in fact were never quite in place-- create countervailing responses and secondary markets. In fact, the maintenance of the *ejido* was supported by secondary or “black” markets.

For example, the prohibition against selling *ejido* land created a secondary market (Waman, 1980; Gledhill, 1991). Widows and *ejidatarios* 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 *ejidatarios*' 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 *ejidatarios* 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 compensating for the low guaranteed prices or simply for making 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 cronyism (Rello, 1987).

Self-government and political control

The *ejido* governance system combines two intertwined types of institutions. One type of institution – that is to say a combination of rules and norms- is 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 workers 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 *ejidatarios* (farmers). As mentioned, this menu of interventions 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 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 *ejidos* or groups within the other *ejidos* 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 *Confederacion Nacional*

Campesina – and other national *centrales*⁷ and into the political machinery of the dominant party, Partido Revolucionario Institucional.⁸

⁷ Throughout a long period –roughly 1940-1970-, the organization of the farmers was expressed above all through the national unions, 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 institutional arrangement as such, regardless of the ideological concepts which it advocated, that determined its specific functioning

⁸ 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

The dynamics of the *ejido* as an institution of self-governance is guided by norms and rules based on a combination of trust building and reciprocity. Albeit the diversity of the *ejidos* 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 represents the true aspirations of those farmers' that fought for justice in the countryside in the form of the distribution of lands.

Because it evolved as it was being implemented, many aspects of the machinery of political control emerged randomly. Several elements contradicted each other, and the instruments of control varied from one administration (*sexenio*)⁹ 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

integration of *ejidos* and farmers associations within the political party machinery has outlived although weakened the end of the one party regime.

⁹ 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 case re-election for successive periods is forbidden by constitutional law.

strong *agrarian ideology*, which helped to hold the structure of the *ejido* altogether in that it was the cornerstone for developing reciprocity practices.

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.

The machinery of political control over the *ejidos* was supported by secondary or “black” markets. They 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 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 is 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. This tension was expressed in the elective structure which determined the way in which the conflicts and struggles in the countryside were to be expressed.¹⁰

With an enormous demographic internal transformation and with the erosion of the loyalty link, the new generation of *ejidatarios* managed to contest both the internal balance of power and the regime itself. As a result of these struggles, the role of the *ejido* was strengthened as an institution of self-governance in detriment of the *ejido* as an institution of political control.

4. THE CONSTRUCTION OF THE FARMERS' NETWORKS PREVIOUS TO THE CONSTITUCIONAL REFORMS OF 1991-1992

Naming an organization and defining a strategic perspective

As mentioned the conjunction of grassroots accommodations within the rural households and political contestation within the *ejido* gave rise to spontaneous movements in many regions of Mexico for which the old political guard and the official farmers' organizations were incapable to represent, conduct or confront. The government was forced to execute the last major expropriations in the most productive irrigated land of the Northwest of Mexico. As a result a powerful sector of the business community decided to break with the PRI and promote and develop instead the long standing right wing opposition party, the PAN –founded in 1939 as a reaction to the social reforms predicated by President Cárdenas- which was until then a marginal political actor.¹¹ But the other major consequence as mentioned before was that it weakened the official farmers' organizations and gave way to the creation of at least two powerful farmers' networks. I focus on in this paper in the *Union Nacional de Organizaciones Regionales Campesinas Autónomas* –UNORCA- which can be loosely translated as National Union of Autonomous Regional Farmers Associations.

¹⁰ See Przeworski, 1985, especially p. 73: “The assertion that social relations structure class struggles must not be interpreted in a mechanical fashion. Social relations ... are a structure of choices given at a particular moment of history”.

¹¹ Since the eighties the PAN grew into being a crucial political actor and in 2000 lead into victory for the first time in 70 years an oppositon presidential candidate, Vicente Fox

The name in itself expresses the purpose and in fact the political strategy followed in its construction. No wonder the approval of its name took more than six years of deliberations. First it clearly indicated that it was to be an *organization of regional organizations*. The main level of aggregation was the networks between ejidos and indigenous communities *at the regional level*. The members of this national network were themselves regional networks. Second, naming it as “farmers’ associations has a precise purpose: to draw a distinction between those that had already access to land and thus to agriculture, livestock and forestry activities, and which were members of UNORCA, and those that were still fighting to having access to land and which were either members of the traditional organizations or of the other radical network CNPA.

This strategic choice was made during the first years of the general deliberation that took as mentioned six years. It was based on an evaluation of the political conjuncture. On the one hand the struggles for access to land were basically captured by a group of lawyers and consultant firms deeply linked with the Ministry of Agrarian Reform that were organized to defuse agrarian mobilizations into the lengthy bureaucratic procedures and at the same time make money out of the needs of landless farmers. When peasants broke with that machinery, they had but one alternative: to mobilize and invade directly the land they were demanding. This strategy worked in early seventies as it lead to the expropriations and donations of an important chunk of land. But after 1976 it became clear that the government would never allow again that to happen. Peasant movements in demand for land were confronted with the likelihood of strong repression if they pursue this avenue. For the organizers of UNORCA this was one of the strongest reasons to focus only on farmers who had access to land.

The other reason for this strategic decision sprung from the core factors that lead the contestation movements in the early seventies. The internal change in the balance of power within the *ejido* in favor of the new generation of *ejidatarios*’ siblings that fought for access to land was strongly reinforced when many of them actually obtain the land after the 1976 expropriations. As mentioned before there were three sources of

pressure for land. First the siblings of the *ejidatarios* that organized committees for demanding land within the *ejido*. Those that obtained land –either thru the process of enlargement of the original *ejido* or thru the access to land in the vicinity of the old *ejidos*- deeply transformed it by reducing or destroying the power of the bosses.

The second source of pressure came from the rural workers who migrated to the wealthier regions of commercial agriculture, namely the irrigated districts basically on the North and Northwest of Mexico. In fact most of the expropriations in irrigated lands of the 1976 benefited these *migrant-farmers* many of which had established themselves with their families since the early sixties. So these new *ejidos* transformed themselves into the beacons of hope for the democratic transformation of the countryside and in fact played the role of the main springboard for the construction of the UNORCA network.

The third source of pressure for land came from the indigenous communities. Most of these communities were given access to land thru the recognition of their ancestral deeds –many of which went back to the pre-colonial years in the 15th century. This mainly happened during President Cardenas years (1934-1940); so by the seventies many of that land had been illegally plundered from the communities by local bosses, powerful politicians and wealth cattle growers or forest business persons. In fact most of the land in possession of the indigenous communities is land for grazing or forestry land.¹² So in the seventies and also triggered by the generational takeover, many occupations of land were in fact made by indigenous peasants that seek to recuperate their lands illegally seized. Again this had a major impact in the internal transformation of the communities.

Finally the crucial word in the UNORCA name is *autonomous*. It also took most of the six years of deliberations to decide between the word *independent* and the word *autonomous*. From the very beginning of this process it was clear that this network should not follow the steps of the official organizations. It could not be part of the

¹² See VIII Censo Agrícola y Ganadero and IX Censo Ejidal, INEGI, 2007, Mexico.

government nor of the official associations. So that was the argument in favour of naming it *independent*. But what about other political parties, especially the then left wing *Partido Socialista Unificado de Mexico*?¹³ The word *autonomy* won favourable opinions within the founding organizations, based on the idea that farmers should be members of the UNORCA network irrespective of their political leanings. But the crucial argument that tilted the decision toward the word *autonomy* was the proposal of assuming as the main purpose of this network the transformation of the *ejido* from mainly a political control institution to a self-governing institution. One should keep in mind as mentioned before that the *ejido* is a complex system which dynamics is determined by the tension between the two ingredients of its governance structure: its self governing institutions and its political control institutions. The farmers' mobilizations of the seventies had shifted the balance of power within the *ejido* and had made possible an institutional transformation of the *ejido* towards self-governance.¹⁴ As Knight mentions: "Changes in actors' relative bargaining power can also precipitate institutional change.....a shift in relative bargaining power can occur because those members of the society with less resource-holding power affect the other options available to more powerful actors"(1992:146) There was a difficult collective action problem which could be expressed as how to coordinate the discontent of the farmers with the political control structures and how to transform outrage into self-governance construction.

The strategic arena for institutional change

As mentioned before the tension between the *ejido* as an institution of self-government and the *ejido* as an institution for political control is mediated through the presence and persistence of secondary markets (black markets) and its key agents, the local bosses.

¹³ The PSUM resulted from the merge of the old Communist Party formed in 1919 but only legalized to participate in elections in the late seventies. The PSUM was one of the main groupings that gave birth in the nineties to the Partido de la Revolución Democrática

¹⁴ I am very much indebted to Jack Knight framework of bargaining powers and institutional change.(1992).

Those secondary markets were the result of rules that established prohibitions and conceded rights to public agencies for intervening in different economic activities, and social norms followed by farmers in order to preserve many of their self governance mechanisms.

For the UNORCA founders it became clearer as deliberations developed that the strategic arena that should be occupied thru their initiatives was that of the different markets in order to break the clout of the local bosses. In short to transform the ejido towards a more self governing structure black markets should be confronted thru the promotion of economic agencies –such as credit unions, insurance funds, technical assistance associations, coops, etc- developed by the farmers themselves to confront both local bosses and public agencies on which were based the functioning of black markets.

The process of deliberations which took place from 1980 to 1985 was launched on the basis of three assumptions. First, that frequent face-to-face meetings between regional leaders would be the basis of constructing trust amongst persons¹⁵ who barely knew each other but that had automatic distrust to any collective action initiative since in the past that had served as a personal springboard for corrupt leaders or else lead to repression if the movement went too far against the government. Secondly, all deliberations should result into practical outcomes and those outcomes should be immediately implemented. This new leadership was very pragmatic and in general refused discussions that had no practical results. Thus the first step was to join forces in negotiating jointly with public agencies on common problems. So many times after the regular meetings, the different representatives of the regional organizations requested joint meetings with representatives of different agencies. And as a result the

¹⁵ As Elinor Ostrom remarks: “In other words communication is used for “moral suasion”. Kerr and Kaufmann-Gilliland(1994) conclude that communication in general helps a group gain a sense of “solidarity” and that face-to-face communication enhances the likelihood that individuals will keep their promises to cooperate....When they are in a repeated situation, they use the opportunity for communication to discuss deviations from promises made in a highly critical and moralistic tone.(Ostrom,Gardner and Walker 1994; Valley,Moag and Bazerman 1998)”.(2007:191)

enhanced negotiating powers lead them to obtain small but important victories. The second step was to elaborate joint projects and then negotiate with public and private agencies the funding of those projects. The third assumption was that as a result of experimentation UNORCA should define a mechanism of bargaining with the government and its agencies that prevent the two main dangers social movements faced in Mexico, -either its leaders were co-opted or repressed. So the relevant question was: how to negotiate with the government in a successful way from the farmers' perspective?

The mechanism that emerged as a result of experimentation during those initial years combined: sound proposals based on technical studies which required permanent high quality technical assistance and short term focused and restrained mobilizations – by that I mean demonstrations, highway marches, sit-ins and occupation of public buildings with the explicit purpose of enhancing the bargaining powers of UNORCA without breaking dialogue with government entities. Successful negotiations were launched especially during 1984 and 1985 related to support agricultural prices and social programs.¹⁶

By 1985 the network that founded UNORCA had increased from about 5 regional organizations in 1980 to 10 in 1982 to 50 in 1985 and to 150 regional organizations in 1988 and with a joint membership of over 500 thousand *ejidatarios* in around 2000 ejidos and indigenous communities. It had promoted 7 national assemblies called

¹⁶ This takes me to one of the structural variables mentioned by Ostrom: the shape of the production function. “The production function that relates individual actions to group outcomes”, as Elinor Ostrom reminds, “may take any of a wide diversity of forms”. In this case UNORCA is faced in its first six years with an accelerating production function where “initial contributions make small increments and later contributions yield progressively greater benefits. As mentioned by Marwell and Oliver (1993: 63) and cited by Ostrom: “Accelerating production functions are characterized by *positive interdependence*: each contribution makes the next one more worthwhile and, thus, more likely”.

“encuentros”¹⁷ and more than twenty specialized meetings related to specific products –corn, beans, soybeans, livestock-, or rural policies –support prices, technical assistance, rural credit-, or social programs –health, rural education and housing amongst the most salient. In its 7 national assembly in 1985 the network adopted its name –UNORCA- and its rules after six years of deliberations.

Another crucial ingredient in the process of constructing UNORCA was the role of external agents, what were called “técnicos”, that is to say technicians and academicians who accepted to participate in UNORCA to support the elaboration of projects, programs or alternative proposals to government programs. Most of this “técnicos” were actually activists who had participated during the 1968 student movement crushed by the Mexican government in October 1968 in the eve of the Olympic Games. Some of those activists fed most of the guerrilla-like organizations that developed in the seventies and which were repressed during those years, coined as the “dirty war” years.¹⁸ Others decided to leave universities and participate politically as organizers with workers and farmers. This was the origins of many of the “técnicos” which participated in the construction of UNORCA. They participated in the National Advisory Committee of UNORCA and were clearly define as advisors and could not be members of the leadership which formed a National Coordination Committee. The reason for this was the experience during the seventies in which many of the student activists which migrated from universities to popular movements ended up substituting the popular leadership, many times leading them into political impasse (*cul de sac*).¹⁹ To avoid those experiences the UNORCA leadership decide that to participate in that role members of UNORCA had to be farmers themselves.

¹⁷ Literally translated as “encounters” or regional and national assemblies.

¹⁸ Many of those guerrilla members that were captured by the government were disappeared, presumably killed.

¹⁹ Tocqueville in the *The Old regime* refers to this phenomenon as: “the guidance of public opinion ... came entirely into the hands of the philosophers, that is to say the intellectuals, it was only to be expected that the directives of the Revolution should take the form of abstract principles, highly generalized theories, and that political realities would be largely overlooked.” (1983: 205).

This leads to the last and crucial ingredient in the formation of UNORCA, the leadership itself. Most of them were farmers that had obtained land recently but had been fighting many years before. Others were sons of ejidatarios and ejidatarios leaders. The average age was 45 years –young for the countryside were the average age of the ejidatarios is over 55 years, but old for Mexico as a whole where the average age is around 30 years. It was overwhelmingly a male club. Most of them had been members of the official farmers’ organizations and became disappointed. Some had been imprisoned as a result of their commitment with struggles to access land. In terms of education they were clearly above the national average and particularly above the average education in the countryside. Many of them also had experience as migrants to USA. The indigenous leaders in addition to speaking their own dialects, spoke Spanish which gave them a tremendous advantage. They all had very strong formation in legal litigations -in many cases much better than graduate lawyers. They were also farmers who worked directly their lands²⁰ and hence had practical experience. But most of them had to learn during many years how to organize enterprises, credit unions and other economic organizations.

Lessons from experimentation

In the initial years of formation of UNORCA one particular organization played the role of experimental laboratory for many other organizations, farmers and leaders. That organization was the *Coalicion de ejidos colectivos de los valles del Yaqui y Mayo* – Collective ejidos Coalition from the Yaqui and Mayo valleys. Located in the Northwest state of Sonora it was formed by the beneficiaries of the last land expropriation from the government in 1976. I have referred elsewhere to the history of this organization (Gordillo, 1988) but for the purposes of this paper four characteristics should be mentioned.

²⁰ Many of the traditional national farmer leaders either never worked their land or had left doing so many years before. That was why they were called “campesinos nylon”, that is to say faked farmers.

First the land was donated by the government to 7,500 *ejidatarios* in the most productive irrigated lands of Mexico. The expropriations affected very high profiled wealth farmers with strong political ties.

Around 40,000 hectares were given to farmers, an average of 5.5 hectares per farmer. Since all the land was located in the irrigated districts of Yaqui and Mayo, the common land component of the *ejido* was never included nor the homestead land. In addition to those restrictions the government bureaucrats decided that the land should be given not in parcels but in unbounded land. Plainly stated, it was *forced collectivization from above*. In the very first years these new *ejidatarios* developed a new form of organization within the *ejido* which repealed the forced collectivization and instead developed sub-coalitions in the form of working groups that teamed together with land, working force and inputs.

Second, the beneficiaries of these land grants were very much prototypical of what years later constituted the brunt of UNORCA's leadership. Migrants which came from the South and Centre poor areas of Mexico's countryside and established ten years before the land occupations of the seventies, in the suburbs shanty towns of the wealthiest agriculture regions in Mexico making a living as part time agriculture workers and as multi-function workers the rest of the year. Generally they were disillusioned members of the official organizations, although some of them members of the first opposition farmers association (UGOCM)²¹ formed in the late forties by leaders of the original agrarian reform process that refused to affiliate to the PRI.

²¹ The leader of this organization was also member of a small leftist party Socialist Popular Party formed by one of the founders of the powerful Workers Confederation of Mexico (CTM), Vicente Lombardo Toledano. The PPS usually voted with the PRI, had a international rhetoric very close to the Soviet Union, but only twice presented its own candidate for the presidency. Since 1958 until 1988 it had endorsed the PRI's presidential candidate. In 1988 it endorsed the by then opposition candidate Cuauhtémoc Cárdenas, son of president Lazaro Cardenas. In 1994 with a female candidate, the PPS lost not only the elections but its registration as national party and soon after basically disappeared.

Third, their first struggle as *ejidatarios* was against the public agency in charge of insuring against crop damages (ANAGSA for its acronym in Spanish). The fact was that in an area where drastic climate changes were improbable and where crops depended on irrigation linked to huge dams generally plenty with water²², the premium paid was a juicy business for the public agency. After a long struggle of more than ten months against ANAGSA, the public agency conceded to relinquish the ejidos obligation to buy to them the insurance and instead the ejidos established their own insurance agency and as a result established its own technical assistance team composed of 20 agronomists. That first victory taught the *ejidatarios* from the Coalition how to fight against public agencies and disclosed to them an institutional change roadmap.

Their next step was to gain independence from the state credit bank and launch their own credit union. One of their initiatives with a long term impact was a housing program that created from scratch 15 small villages within the reach of their lands and developed the first credit program in Mexico for housing to 7,500 *ejidatarios* thru a consortium of private banks. The program developed during 5 years also created numerous enterprises related to the housing program. All of those struggles to create their own economic enterprises and programs also generated a social learning on how to negotiate, bargain and mobilize around specific issues. In this sense the *Coalición* was a truly experimental laboratory for many organizations and farmers from different parts of Mexico.²³

Fourth, their struggles also taught the members of the *Coalición* of the importance of regional and national media to accompany mobilizations and negotiations with local, state and national governments.

²² The rate of crop damage was an average of 4% of the total cultivated area of 200,000 hectares per year.

²³ Other organizations in other environments -a Chiapas organization in the Southwest of Mexico, composed by indigenous communities, for example- played much the same role as experimental laboratory.

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