

The impacts of trade liberalization on the mexican countryside: 24 years from the North American free trade agreement



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ABSTRACT

This text aims to contribute to the debate initiated in the 2000s by the BRICS initiative on Middle-Income Countries (MRCs) and the impacts of development cooperation policies. Based on the implementation of the 1994 North American Free Trade Agreement (NAFTA) between the United States, Canada and Mexico. It was presented at the time as a policy of development cooperation that later proved to be a large-scale action of expansion

of North American market capitalism. The premise that guides the research was to analyze the socioeconomic impacts in the Mexican countryside with a focus on: a) the impacts on labor markets; (b) agricultural production and food security; c) internal and external migratory processes. The research was carried out from academic documentary sources, newspapers and official documents of the Mexican government. The focus of the analysis was a critical reading of the processes triggered by the implementation of NAFTA in the Mexican countryside. The results point to the following impacts: a) a significant increase in unemployment and informal work in the Mexican countryside; b) the increase in both internal and external migratory processes; c) the worsening of a food crisis unprecedented in the country's history.

Keywords: Mexico, Liberalization, TLCAN.

1 INTRODUCTION

1.1 NAFTA IMPACTS ON THE MEXICAN COUNTRYSIDE

With the signing of NAFTA, Mexico sought access to the markets of the United States and Canada, to eliminate the obstacles to trade with these countries, to promote the progressive distancing of the State in order to eliminate market distortions, improving the economic and agricultural differences between the countries and facing the challenges of total market liberalization. Among the benefits of NAFTA, it was believed, would expand trade, which would imply greater economic growth and, consequently, a substantial increase in the supply of employment.

Another prominent point in the arguments in favor of NAFTA was the reduction in the prices of crops imported by Mexico, as well as an important productive restructuring of the agricultural environment, which would impact on greater efficiency of productivity and local supply. The substitution of elaboration of products that could be imported at lower costs, thus dedicating oneself to the production of more profitable products for export. According to Lechuga and Garcia (2014:8), the new strategy of trade opening was intended to increase agricultural income, through an expansion



in the fruit and vegetable sector, taking advantage of the vocation of a large part of the national surface, given the existence of climatological conditions and being labor-intensive, an abundant element in the country.

The ideological foundation of NAFTA, according to Puyana et al. (2006: 226), is in the role of the condition of "perfect" markets, which play prices to determine the designation of productive factors, by closely linking domestic prices to world quotations, through the action of the "single price" law, if relative prices are altered, the prices of non-efficient importable goods are depressed and the prices of exportable goods are increased. These price movements raise sectoral productivity by providing changes in the use of productive factors, land, capital and labor for tradable activities with evident comparative advantages. With this conceptual framework, and in conditions of perfect markets, the trade opening harms producers, sellers of non-competitive goods and benefits producers and grandchildren of products that are produced in the country more efficiently than abroad. Thus, all consumers will be net beneficiaries. This was the formula indicated by international organizations for the appropriation and command of the new dominant model.

As Calva (2004a: 71-72) points out in the proposals of both the World Bank and the Organization for Economic Co-operation and Development (OECD), the common "agricultural" paradigm presented by these organizations is based on the central hypothesis that, in addition to greater trade liberalization, as well as less participation of the State in the direct promotion of agriculture, would lead to a "better world" in terms of economic growth and social welfare. This paradigm is part of the "package" of structural reforms that have been implemented in Latin America over the last three decades, as a saving formula for developing countries. In the particular case of Mexico, the results did not correspond to expectations. The neoliberal programs of structural changes in the agricultural sector produced a great process of liberalization, and the main impacts caused were: 1) a significant reduction in the participation of the State in the promotion of the economic development of the sector; 2) the unilateral trade opening that completely included the agricultural sector in the North American Free Trade Agreement (NAFTA); 3) the reform of agrarian legislation that abolished the inalienable character, the impossibility of land embargo and the imprescriptible character of peasant property.

The results of the neoliberal experiment were quite different from what was imagined: *in per capita value, the agricultural and forestry GDP in 1999 was 17.6% lower than in 1981; in kilograms per capita, the production of the eight main grains in 1999 was 27.6% lower than in 1981; the production of red meat decreased by 34.6% in this period. Milk production decreased by 15.5%. On the other hand, food imports rose from US\$1,790 million in 1982 to US\$7,274 million in 1994 and US\$8,601 million in 1999. The essential elements of the neoliberal reform of agricultural policy have led to these results. The unilateral trade opening, which combined a policy of the "strong peso" that used the exchange rate as an anti-inflationary brake and led to serious consequences for the Mexican*



currency during two moments, between 1989 and 1994 and between 1999 and 2000, caused an abrupt fall in the real prices of agricultural products in which Mexico had a competitive disadvantage. The drop in the terms of trade in the agricultural sector added to the State's retraction in its actions to promote rural development.

The effects of this dismantling of the sector's terms of trade led, contrary to what happened in countries with strong agricultural sectors, including the United States, Canada, and the European Union, which reinforced their interventionist government policies in the countryside, in Mexico there was an accelerated suppression and reduction of sectoral development programs, under the neoliberal argument that private agents acting in deregulated markets and without distortions derived from sectoral programs, They achieve an excellent improvement in productive resources. Public investment and rural development decreased by 93.4% during the period from 1982 to 1999, affecting the necessary expansion of infrastructure. Public spending on rural development also decreased by 74.6% between 1982 and 1999. The national development bank decreased its agricultural credits from 19,193 million Mexican pesos in 1981 to 3,992 million in 1999, affecting the most needy peasants. This translated into a constant accumulation of debts of the peasants due to the difficulties of paying the loans contracted (Calva 2014a: 73-74). As Calva (2004b: 14) noted, during the neoliberal economic model of NAFTA operation from 1994 to 2002, the average GDP growth rate was 2.8% per year, while in the period 1935 to 1982 the average annual growth rate was 6.1%.

The severe reduction in the State's participation in the economic development of the agricultural sector has worsened with the privatization and dismantling of the State infrastructure to support the production, financing, storage, commercialization and distribution of agricultural products. The irrigation systems and the entire food storage structure were privatized, the company *Fertimex* – a state-owned company that sold fertilizers at subsidized prices, *Inmacafé* – a public institution that supported the production and commercialization of coffee – was extinguished, as well as the extinction of *Banrural* which operated as a rural development credit bank. As stated by Concheiro and Robles (2014: 198), water subsidies will also be eliminated and the supply of subsidized insurance will be reduced to help farmers cope with losses caused by climatological phenomena.

A study published in 2004 by Gómez and Schwentesius stresses the importance of looking at statistical import data from 1989, 1990 and 1991 in order to carry out comparative studies on the effects of NAFTA, since these were the base years for the negotiation of NAFTA, and on the result of imports in that period import quotas were fixed. The U.S. information base on the subject began in 1989, while the Mexican authorities have been doing so since 1993. In the authors' analysis, it is relevant to observe the drop in GDP *per capita* in the production of agricultural products. See Table 1.



Table 1. Mexico. Evolution of agricultural GDP and production of agricultural products *per capita* 1982 - 2002

| | 1982 | 1985 | 1990 | 1995 | 1998 | 2000 | 2002 |
|----------------------------------|-------|------|------|------|------|------|------|
| Total agricultural GDP | 923 | 937 | 824 | 813 | 829 | 821 | 806 |
| Maize (kg per inhabitant) | 206 | 187 | 173 | 201 | 192 | 178 | 195 |
| Wheat (kg per inhabitant) | 62.0 | 69.1 | 47.2 | 38.1 | 33.8 | 35.3 | 32.5 |
| Rice (kg per inhabitant) | 7.3 | 10.7 | 4.7 | 4.0 | 4.8 | 3.6 | 2.4 |
| Beans (kg per inhabitant) | 16.9 | 13.2 | 15.2 | 13.9 | 13.2 | 9.0 | 12.6 |
| Milk (litre per inhabitant) | 102.6 | 98.9 | 74.2 | 82.9 | 88.1 | 95.5 | 95.5 |
| Coil meat and pork kg per habit. | 31.5 | 30.1 | 22.5 | 25.6 | 24.4 | 24.7 | 25.7 |

Source: GÓMEZ, Cruz Manuel; SCHWENTESIUS, Rita. Renegotiate the agricultural chapter of NAFTA? Arguments and Counter-Arguments. Mexico. The day. 2004, p. 74.

There is a decrease in the agricultural GDP per inhabitant, with special emphasis on the decrease in the *per capita* production of grains, meat and dairy products. Food imports have increased, the agri-food balance has turned negative. In 2001, imports of grains and oilseeds accounted for 62.6% of national production, which put national food security at risk. There is a serious process of decapitalization of agriculture and insolvency of farmers, which has manifested itself in the stagnation of investments in basic infrastructure. Employment in the sector has decreased, wages and the purchasing power of workers have fallen. During the NAFTA period, from 1994 to 2001, 1.78 million jobs were lost in the countryside. During this period, 70% of rural workers lived in poverty, 26.3% lived in extreme poverty, and 50% of children in rural Mexico were malnourished (Gómez et al, 2004: 74-75).

In a study carried out by Calderón (2004: 145), five years after the signing of the NAFTA, he stated that agricultural production was practically stagnant in the country. In 1988 the production of the 10 main agricultural crops was 22.79 million tons; for 1993, one year before the Treaty was signed and entered into force, it reached 27.03 million tonnes and for 1998 it reached 29.31 million tonnes; In other words, in the five years prior to NAFTA, production increased by 2.24 million tonnes, while in the five years following the signing of the Treaty, production only increased by 2.29 million tonnes, which is equivalent to a reduction of almost 50% in production growth. This situation is particularly serious in the case of corn, the basis of Mexican food, which produced 19.59 million tons in 1988; In 1993 it was 18.12 million tons and in 1998 it was produced 16.42 million tons. Before the Treaty, maize production increased by 7.53 million tonnes, then decreased by 1.7 million tonnes.

Calderón says that in the case of wheat it is the same way. In 1988 production was 3.66 million tonnes; in 1993, it was 3.58 million tons, and in 1998 it fell even further, reaching 3.32 million tons. In the case of soybeans, it went from 0.26 to 0.49 and to 0.23 million tons in the years mentioned above. According to Calderón, the high imports are not only explained by the decrease in domestic production, but also caused domestic producers to have increasing difficulties in marketing their products due to the price differential caused by the high subsidies of U.S. agriculture. The monopoly control of the wholesale market for grains and food by transnational agri-food companies has led to speculative practices with the approval of the Mexican government (Calderón, 2004:145).



Gómez and Schwentesius (2004: 58-62) carried out an assessment of the effects of NAFTA ten years after the treaty was signed and implemented, stating that: 1) the budget of the agricultural and fisheries sector was reduced from 1994 to 2001 to less than 50%; (2) the agri-food sector as a whole was negatively competitive within NAFTA; 3) with the increase in imports of grains and oilseeds, the production of other crops shifted, which, as a consequence, led to an increase in unemployment in the countryside; 4) the information shows that Mexico is losing food sovereignty due to a greater dependence on imports; 5) the supposed advantages for consumers of having access to cheaper food from imports turned out to be demagogic; 6) NAFTA has spurred the most drastic and profound transformation in the history of Mexican agriculture, leading to approximately 1,000 farmers to triumph in the free trade agreement and millions of farmers to failure.

In 2003, the Chamber of Deputies of the Republic of Mexico prepared three studies related to NAFTA, the first to be published *"NAFTA and Agriculture: General Situation in 2002 and Proposed Solution to the Problems Generated by the Opening in 2003"*. The report pointed out some negative effects of the treaty in this first evaluation, with emphasis on the social impacts that the process generated on the Mexican population. Basically, we can conclude that the document cited above recognizes and validates the analysis carried out by Gómez and Schwentesius (2004), among the negative points the report observes: a) products and imports that exceeded the negotiated quotas and; b) the social situation and its indicators. Acknowledging that even with a significant increase in exports, trade with the United States "did not bring an effective improvement in the standard of living of the population, in a better distribution of wealth, much less the countryside benefited."

The impact of the Treaty in terms of job creation, improved wages and living conditions has been very limited. Among other reasons, the high concentration of trade flows and the lack of integration of production chains. [...] if we consider that in Mexico one out of every four workers lives and works in the countryside, and in the United States and Canada this is in relation to two out of every hundred. Under such conditions, the deterioration of the social situation of the peasants causes a social crisis in Mexico, while in the United States and Canada it is a matter of transitory impact. This social crisis can be explained, among other phenomena, by migration. During the eight years that NAFTA has been in force, Mexico has withdrawn crops on more than 10 million hectares and has suffered a rural exodus of approximately 15 million Mexicans. Mexico. Camata de Diputados de la República, 2003: 16).

In the second study of the Chamber of Deputies of the Republic, also from (2003: 15-18) *"The agro-export sector of fresh fruits and vegetables mexicano en el contexto de la apertura comercial: reestructuración productiva, productividad y remuneración del trabajo"*, the production process of an agricultural company that produces tomatoes for export to the United States was analyzed. The study showed that: on the one hand, the increase in productivity in production went from 85.6 kilos of tomatoes per day in 1986 to 131.2 kilos per day in 1996. This represented an increase in labor productivity of 65%. This is due to the use of genetically modified seeds, therefore, the abandonment of traditional seeds and, on the other hand, that the value paid for working hours was reduced in the



period by 50%. The wage cost in the total cost of production decreased from 20% to 16% in the period. "These two data confirm the trend indicated by the coefficient of technical efficiency of labor: the productivity of labor increases and its relative value in the total cost of production decreases." The document presents little information about the real working conditions in the company, which supposes a process of precariousness of workers.

The third and last study of the Chamber of Deputies of the Republic, entitled "Analysis of lasasimetrías entre el campo mexicano y *estadounidense*" (*Analysis of lasasimetrías entre el campo mexicano y estadounidense*), analyzed in a comparative way the asymmetries present in the reality of the countryside of Mexico and the United States. In the analysis, the following highlights can be observed: a) Rural population; the population that works and lives in the Mexican countryside is 25% of the country's total, being 12.5 times higher than that of the United States, 2%; 80% of the population employed in the countryside in the United States is Mexican or of Mexican origin; b) Average land area per producer: the average area per unit of production is 2.3 hectares in Mexico, with 60 hectares in the United States and the irrigation area from 1 to 12.8 respectively; c) Inputs for production: there is an average of 40% in favor of the United States; in the case of tractors per producer, there are 1,484 in the United States, and in Mexico it is 0.02.

In the analysis of the asymmetries, the items related to economic capacity were: a) subsidies for the producer *per capita*; a ratio of 1 in Mexico to 25 in the United States is observed; the amount as part of the producer's income is 1 to 2.47. With regard to financing and credit, the report says: "The resources for financing necessary to fully develop the field are sufficient in the United States, while for Mexico they do not exist or are insufficient" (México Camara de Diputados de la República, 2003: 15-19). In general terms, the impacts in Mexico of these asymmetries translate into: a) loss of jobs in rural areas; b) reduction in the number of production units; c) concentration of production, distribution, marketing and processing in the hands of a few large companies, i.e. the presence of transnational food companies; d) diversification of the income of the rural population and the reduction of the share of agricultural income in the total income of rural families.

In another study on the subject, Concheiro and Robles (2014: 199) analyze the period between 1994 and 2006, the first 12 years of NAFTA, and state that since the entry into force of the Treaty (1994), the average annual North American dependency rate in the 10 basic crops increased from 27 to 38% by the year 2006. In the case of oilseeds, this index reached 89% during the 2003-2006 quadrennium, increasing nine points during the 1994-1997 quadrennium; In the case of grains, the annual average increased by 10 points during the same period, from 19% to 29%. The authors warn of another relevant issue implicit in NAFTA, food dependence, which has also been compromising the nutritional and sanitary quality of food. The importation of organically processed products is an unequal exchange situation.



The study by Rubio (2008) states that the substitution of domestic production by imported production was in fact manifested in the data in 1990, only 19.8% of the apparent national consumption of basic grains came from imports, while in 2006, 31.5% was imported. In the case of rice, it went from 37% of the volume imported in 1990 to 71% in 2006, while in the case of wheat, for the same period, from 8% to 56%. On the other hand, agricultural GDP decreased by 0.26% per year during the period of entry into force of NAFTA (1994-2006) (Rubio, 2008: 38). The effects of NAFTA have had a devastating impact on Mexican farmers, and the U.S.-led strategy is part of the new global agri-food order. From the United States NAFTA, I imposed a form of domination and subordination over the rural producers of Latin American countries, through unfair competition for their cheap products, a process that Rubio called "*exploitation by spoil*"¹ from which the large agri-food companies took from the producers the surplus produced, but also part of the cost necessary to replace the means of production used. thus preventing the resumption of a new production cycle.

As pointed out by Crawford (2011:460), in a study evaluating NAFTA in its fifteenth year of operation, Mexico's total agricultural exports in 2008 had a value of 16.9 billion Mexican pesos. The corresponding imports amounted to 23.2 million pesos. "The United States is Mexico's largest trading partner for agriculture and food products, buying 78 percent of Mexican exports and supplying 76 percent of imports within the category." On the other hand, 70% of U.S. agricultural imports produced by Mexico consist of vegetables, fruits, and alcoholic beverages.

2 THE IMPACTS OF NAFTA ON AGRICULTURAL EMPLOYMENT AND MIGRATION

With regard to agricultural employment since the implementation of NAFTA, the markets have shown to be not very dynamic, as pointed out by Lechuga et al. (2014: 7), despite a small increase, which is explained by the increase in the agricultural frontier and not for other reasons. From 1994 to 2010, agricultural employment increased by the equivalent of 34,600 people entering the labor market, notwithstanding the share of agricultural employment in the EAP² of the primary sector decreased from 29.2% to 27.3%, the decrease in the percentage could be explained by the fact that in the years prior to NAFTA, the EAP of the primary sector grew at a faster pace in relation to the growth of agricultural employment. Agricultural policy is not a trend towards improvement in the levels of employment conditions, either in the medium or in the long term.

¹ Rubio (2008: 47-71) defines the concept as follows: "*Exploitation by spoil*" is understood as a form of exploitation in which not only the surplus produced is extracted from the direct producer, but also, thanks to cheap imports, part of what was used in the costs of production is extracted, with which it is established, in addition to an act of exploitation, an act of appropriation that prevents the producer from restarting a new production cycle.

²It should be noted that in 1994, the active EAP was almost 27.8 million persons, with an average annual growth of 3.5%, in 2001 the EAP was 49.6 million persons. According to information published by the National Institute of Statistics and Geography – INEGI (2012), Mexicans employed in the informal economy were almost 14 million people, which represented approximately 28% of the EAP. (Lechuga et al, 2014, p. 7).



Lechuga et al. (2014) state that in order to effectively reduce poverty, it is necessary to have access to improved income, which is achieved through employment, but in the years following the implementation of the treaty, the conditions of the labor market were not satisfactory for this purpose. As a forced alternative, the rural population was divided in the period between the two available options, migration to the United States or entry into informal employment. The lack of formal employment, coupled with low wages, was the main cause of the migration of Mexicans to the United States. The Mexican National Population Council estimated in 2010 that 11.9 million Mexicans lived in the United States, accounting for 30% of the country's total number of immigrants. The Free Trade Agreement, the Mexican government argued in 1994, would serve to end the problem of illegal migration to the United States, and to increase agricultural employment, none of which has been fulfilled.

Roldan (2015: 114), relating the migratory trends between the United States and Mexico, in the context of the process of restructuring the economic model of capital, points out that the twenty-year balance of NAFTA in terms of migration between Mexico and the United States, far from observing a downward trend, has been part of the most important bilateral migration system on the planet. With more than 33.5 million people, around 35% of whom were born in Mexico and 65% of Mexican descent. A characteristic of the contemporary migratory phenomenon is the significant increase in undocumented migration. In the first five years of the 1980s, the number of Mexicans in the United States without documentation was 18 out of every 100. In 2005, only 15 out of every 100 had the required documents, and the record was reached in 2007, reaching seven million people, six times higher than in the 1990s (Roldan 2015: 115).

Another peculiarity in the Mexican countryside, deepened by the implementation of NAFTA, is internal migration. As the New Economic Geography explains, this process is triggered by the heterogeneity of the concentration of production in different regions, fundamentally, by the existence of increasing incomes (Quintana, 2016: 140). The driving factors of this process are: a) access to markets; Companies tend to focus on larger markets to take advantage of economies of scale and minimize transportation costs and, b) cost of living; In places with lower concentrations, the price indices will be lower and real wages will be higher. Therefore, workers as companies would tend to locate and migrate to regions with greater market potential, except in cases where companies leave a certain region in search of regions where competition is not strong.

The phenomenon of internal migration in Mexico essentially refers to economic factors, basically, it is explained by the difference in the value of wages between regions with higher or lower wage levels, where migration from poor regions to rich regions reinforces the patterns of concentration of companies. This concentration of companies in a single region would also offer a concentration of workers with specific productive capacities, "guaranteeing" a low probability of unemployment and,



in turn, a low probability of a lack of skilled labor. Thus, under certain conditions, it would be more desirable to live and produce near a concentration of manufacturing production due to the lower cost of goods that these regions possess (Quintana, 2016: 161).

Mungaray et al. (2014: 168) state that international and internal migration are positively related, as a result of the geographical proximity of Mexico's border cities to the southern United States, which has acted as a pole of attraction for international migration; moreover, due to this cross-border relationship, the main cities on the northern border, characterized by the growth and diversification of activities, they have become attractive places or work destinations for migrants from the interior of the country. In a study of migratory processes and the labor market on the northern border of Mexico, Baja California, the factors that impact the labor market and employment were analyzed, which highlights that before the 2008 crisis, job creation had been overtaken by the accelerated growth of the economically active population. This was associated with the flows of workers emigrating to the northern border of Mexico, either to work in the *maquiladoras*³ or to cross the border into the United States.

The study concludes that an effective employment policy, in terms of employment conditions, improves the attractiveness of the region as a recipient of migrants. This attracts more migration and leads to an increase in the number of unemployed people. This phenomenon, known as the "Todaro effect", explains the current situation in which the employment growth and unemployment rate in the labor market in the Baja California region. The results showed that the increase in the employed population, wages and the social competitiveness index directly influence people's decision-making to change their place of residence. There is also a significant relationship between EAP, migration and wages, and the latter two variables were highly significant (Mungaray, 2014: 181).

The impacts of the agro-export model caused serious changes in the labor market, but within the sector, the most affected were the peasants and small farmers. If the employment situation in rural areas had been precarious since the mid-1970s, from the 1980s onwards it worsened as a result of the policies arising from the structural adjustment programs and the implementation of NAFTA. In 1997, a research carried out at the National Autonomous University of Mexico (UNAM) linked to the Faculty of Economics was published by María Antonieta Barrón. In the study, the author analyzes the work processes in some regions of the country (Jalisco, Baja California, San Luis de Potosí, Sonora, Vera

³ The term maquila originated in Spain and means the amount charged by the owner of the mill for grinding wheat to farmers in his region. It is currently used to designate any partial manufacturing, assembly or packaging work performed by a company other than the original manufacturer of the product. This type of company began in Mexico in 1965, from a bilateral treaty with the United States and Mexico in which, in order to produce articles for export, the United States exported raw materials to Mexico, free of taxes, in addition to being exempt from the General Import Tax (GII) and the Value Added Tax (VAT). Once these products were manufactured, they returned to the United States. The main characteristics of the maquila are: precarious, low-wage, labor-intensive jobs and no social protection. According to the Mexican government, one of the driving forces behind NAFTA was that the treaty would be the main instrument for the international insertion of the Mexican economy, while it would also be a very important mechanism for reducing unemployment in the country.



Cruz, Nayarit and Guanajuato) observing the work carried out in companies focused on the export of vegetables, fruits and flowers.

The research revealed that in the period from 1970 to 1994, there were strong internal and external migratory currents directed abroad, where migration to the United States is in the first place, where a large part of its rural population is composed of Mexicans or their descendants.

And in migrations within the country, stimulated by the supply of work in export companies (*maquiladoras*).⁴ In the 1970s, workers migrated according to place and not occupations, while in the 1990s they migrated according to cultivation. These migratory currents will contribute to a reserve army of labor force, mainly women and children. Companies hire women and children to pick fruits and flowers and to package the products. We are faced with the phenomenon of inclusion of the family group in the labor market, previously in the peasant culture, the woman had domestic activities, now she becomes an income provider, because the income generated by the man does not support the family budget.

Note the number of employed workers by age and sex in Barrón's study:

Table 2. Population occupied by age and sex groups. Cities of San Luis de Potosí, Jalisco, Sonora and Baja California. 1991.(Percentages)

| Age | Men | Women |
|----------------|------|-------|
| 9 to 14 months | 17,1 | 15,8 |
| 15 a 19 | 15,9 | 32,8 |
| 20 a 24 | 26,1 | 15,3 |
| 25 a 29 | 12,5 | 8,0 |
| 30 a 34 | 8,2 | 7,7 |
| 35 a 39 | 5,6 | 6,9 |
| 40 a 44 | 4,6 | 5,2 |
| 45 a 49 | 5,0 | 5,0 |
| 50 a 54 | 2,4 | 2,2 |
| 55 a 59 | 1,0 | 0,4 |
| 60 and over | 1,6 | 0,7 |

Source: Excerpted from BARRÓN, Marie Antoinette. Employment in export agriculture in Mexico. UNAM, Mexico City. 1997, p. 90.

There is a strong presence of female labor and children and adolescents. The participation of these "workers" varies greatly between regions of the country. Wages are regulated based on four conditions: a) the intensity and regularity of the demand for labor in the region; (b) the cultivation

⁴From the end of World War II, the United States found itself with a significant deficit of male labor due to the number of people who participated in World War II, to make up for this deficit it created a strategy that consisted of lowering U.S. customs duties for exports and imports and thus encouraging the domestic industrial sector to subcontract extensive labor services in other countries. In Mexico, the emergence of the Industria Maquiladora de Exportação dates back to 1965, which until the beginning of the 1980s was characterized by an inexpressive importance in the Mexican economy, but from 1980 until the beginning of the negotiations for the NAFTA firm (beginning of the 1990s), Mexican legislation on the subject advanced significantly. During the first 12 years of NAFTA, the necessary "adjustments" were made, based on complementary treaties, to fully meet the needs of the maquiladora industry, thus allowing companies to produce for the Mexican market, in addition to ensuring the presence in Mexico of international industry conglomerates, entirely assembled from foreign investments.



cycle of the product, since it is decisive in the harvest; c) the conditions of the labor supply, if it is greater the demand decreases the wage and vice versa and; d) the employment alternatives offered by the region. There is also the regional determinant, the variations in wages in the same productive activity vary from state to state, which also contributes to migratory processes (Barrón, 1997:72-96). The study was characterized by a strong precariousness of work from the 1990s onwards, which increased from the NAFTA and in the first ten years of its implementation without stopping to worsen.

Regarding work in rural areas, we must cite the study by Posadas (2018), which analyzes the labor market of rural day laborers in Mexico, carrying out a critique of the classic literature on the subject within the country. Analyses of the rural labor market focus on the debate about what determines the market: the supply or demand of labor. The classical models of the perfect market, socio-demographic and institutionalist, contain a series of supposed rationalists, which contradict themselves with social reality, which are possible to oppose other alternative approaches of actors who construct their demand and supply of labor power (De La Garza 2006; 2012). In this sense, Posadas (2018) proposes, questions such as: number of workers, what is their sociodemographic, labor, salary, subjective profile, and fundamentally, who solves their difficulties.

The answer according to Posadas (2012) is clear: the entrepreneur is the fundamental actor in the demand for labor power, which is a social construction related to the economic interest in the accumulation of capital and the obtaining of profits, but greatly influenced by the characteristics and destination of the market and the commodity produced, the size of the producing companies, the level of productivity, the region and the scale of business concentration. These variables are structural factors in the construction of the supply of occupation or demand for labor (Posadas, 2018: 3-4). Observing the profile of the rural day laborers, and taking the information from INEGI, used by Posadas, it is observed that the rural day laborers correspond to the following profile: most of the salaried labor force in the countryside is occasional, with low qualifications and little schooling (average of four years of elementary school), adult, indigenous and male. In the list of crops that require salaried work, such as peppers, tomatoes, pumpkin, among others, high percentages of women (26%), indigenous people (21%), migrants (31%), preferably men over the age of 36, with an average work experience of 22 years (Posadas, 2018: 6-7).

Since the beginning of the 1990s, a strategy for the transformation of the agrarian environment has been set in motion in Latin America and, particularly in Mexico, actions have been initiated that have become a pilot experience on the subject for the continent. This process was based on what became known as ERNA – non-agricultural rural employment – promoted by international organizations such as the World Bank, the Inter-American Development Bank, the International Monetary Fund, and studied and disseminated by the United Nations Development Program, FAO



(Food and Agriculture Organization of the United Nations). Economic Commission for Latin America and the Caribbean and the International Labour Organization.

The central arguments were: a) that the ERNA would be an alternative to supplement the income of farming families with a low level of productivity, that is, peasants who produce for self-consumption and for the sale of surpluses on a small scale; b) the multiple opportunities that the rural environment can present for the development of diversified and non-traditional economic activities, such as tourism, handicrafts, provision of services, small industrialization of products, employment in manufacturing sectors, among others; c) that contributes to the various policies to combat poverty; d) that makes it possible to diversify the sources of family income; e) that enables access to better opportunities.

A study by Reardon et al. (2004) analyzed agricultural inflows in Latin America, where they found that non-agricultural inflows were significant, accounting for 40% of total rural inflows in Latin America and the Caribbean. Even so, they noted that poor households and poor regions often lack access to better-paid non-agricultural employment that would alleviate their poverty, and that they engage in rural non-agricultural activities equivalent to "subsistence agriculture," which are low-productivity, low-paid, unstable, and have little potential for growth. When these low-income groups engage in pluriactive activities, they do so in order to survive, since in these dead-end occupations, they are unable to thrive (Reardon, 2004: 16-23). These occupations end up being a palliative measure to avoid finding themselves in situations of extreme poverty.

In Brazil, Chile, Colombia, Mexico and Nicaragua, the share of agricultural income from wage employment is on average much higher than that from self-employment. By contrast, in Ecuador, Honduras and Peru, self-employment is more important than non-agricultural wage employment, especially in poorer areas. (Reardon, 2004: 27).

For the authors, it was observed that the share of self-employment increases with land ownership, probably due to the fact that these families have their own sources of liquidity to start non-agricultural businesses in a general context, in which rural credit markets are lacking. There were also more results regarding the participation of self-employment in the total income of families, mainly because many landless families, with education, focus on high-productivity salaried jobs such as teaching (Reardon, 2004: 28).

In the conclusions of the study by Reardon et al, they make two important observations. The first is that in order to promote ERNA, it will be essential to remove the strong agricultural footprint that characterizes rural development policies and to adopt a posture of promoting territorial development and the rural economy as a whole. According to the authors, there are no reasons to depend exclusively on agricultural development to improve the quality of life in rural regions, or to advance in overcoming poverty. Moreover, agricultural development itself necessarily requires the



growth of industry and services. In large rural regions, to invest exclusively or predominantly in agricultural development would be to enshrine a situation of poverty, marginalization and endemic stagnation.

The second is that in the cases of poor regions, where the relationship with dynamic markets is weak or non-existent, it would be necessary to correct the frequent distortion of many development projects that have promoted the creation of micro-enterprises and other family or associative enterprises that end up reduced to "refuge ERNA", with low productivity by not being linked to dynamic markets that demand the goods and services produced by these initiatives. Rural development projects funded by multilateral organizations and international cooperation are often the "face" of public policies, especially in relatively poorer countries and regions. "It is essential that these projects assume that in Latin America and the Caribbean, rural agriculture is increasingly not synonymous with agriculture." As a consequence, they should be designed with actions aimed at the whole of the rural space, which includes the agricultural space and that of small and medium-sized urban centers (Reardon, 2004: 29-31).

A 2014 report by the International Labour Organization (ILO) on the case of Mexico announced on its front page: "Close to 60% of workers in Mexico do so in informal sectors."

3 FINAL THOUGHTS

This text aimed to contribute to the debate initiated in the 2000s by the BRICS initiative on Middle-Income Countries (LMICs) and the effects of "cooperation policies" carried out by the so-called Free Trade Agreements. The processes triggered in the context of the political restructuring of capital in the context of globalization have led to various and varied forms of appropriation and reproduction of capital, among them, the one promoted by the United States and Canada with the implementation of the North American Free Trade Agreement (NAFTA) from 1994 onwards. The discourse that underpinned NAFTA included "development cooperation" among the signatory countries and was assimilated by the Mexican government as a solution to the serious agrarian crisis that had existed in the Mexican countryside since the early 1980s.

These apparent solutions were based on three central arguments; (i) combating poverty and unemployment; (ii) encourage the manufacturing industry, and; (iii) control the migration of Mexicans to the United States. More in reality, it was intended to open up trade and unrestricted trade between the three countries for the liberalization of trade along the lines of North American capitalism and, in particular for the Mexican countryside, to radically modernize the land market, a deepening of policies to stimulate the manufacturing industry for export with peasant labor, the subjunction of the territory to finance capital, a productive restructuring that fosters the abandonment of Mexico's traditional



cultures for the substitution of export-oriented production, and the widespread dismantling of the already precarious participation of the Mexican state in rural territorial development policies.

The main impacts on the Mexican countryside in the last 24 years have been: i) the worsening of the crisis in the Mexican countryside, with the increase in unemployment and poverty; (ii) the replacement of the production of basic foodstuffs with the production of food for export, such as fruits, vegetables and flowers, causing a serious crisis in food sovereignty; iii) causing a significant impact on internal and external migratory processes, where millions of Mexicans crossed the borders of the United States, and another large part of the migration was transferred to regions that concentrated production for export, in addition to those who migrated to informal work in the manufacturing industries for export located, in their vast majority, in the border regions with the United States. We understand this experience as paradigmatic due to its seriousness and of enormous concern given that this type of treaty was reapplied throughout Latin America during the 2010s, and remains in force to this day. Therefore, the debate on what kind of development cooperation is needed remains pertinent and urgent.



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