

6

UNIVERSITY OF LONDON
INSTITUTE OF LATIN AMERICAN STUDIES
WORKING PAPERS

Development Policymaking in Mexico: the SAM

Michael Redclift

Development Policymaking in Mexico: the SAM

by Michael Redclift

Lecturer in Latin American Rural Sociology
jointly at Wye College and the
Institute of Latin American Studies.

University of London
Institute of Latin American Studies
31 Tavistock Square, London WC1H 9HA

Editorial Committee

Dr. George Philip
Dr. Leslie Bethell
Miss Daphne Rodger

ISBN 0 901145 45 9

ISSN 0142-1875

Development Policymaking in Mexico:
the Sistema Alimentario Mexicano (SAM)

Introduction

On March 18th 1980 President López Portillo announced a series of policies designed to benefit small agricultural producers in rain-fed areas, and improve the nutritional level of almost half the Mexican population. This initiative was not completely unexpected, but it did represent a major shift in Mexican policy within the sexenio. The Sistema Alimentario Mexicano (SAM) is the first serious attempt since 1940 to grapple with the twin issues of agricultural development and nutrition in Mexico, and seeks to channel a substantial proportion of the Government's foreign exchange revenues from oil to the poorest and most vulnerable sections of the population. This paper analyses the background to the SAM, the evolving crisis in Mexican food production, and the forces at work in Mexican society and politics which have been brought to bear on the issue. After analysing the measures which the President proposed under the SAM (II) and comparing these measures with those originally proposed by the policy's architects (SAM I), the paper evaluates the policy measures, and considers the likelihood that the SAM will be successfully implemented.

Crisis in the Mexican development model

Since the 1940s the Mexican development model has been credited with achieving exceptionally high rates of growth both in industry and agriculture. These results were made possible by heavy public expenditure in the irrigated zones, especially the North-West, which has absorbed almost three-quarters of government investment in agriculture since 1945, and the widespread use of the so-called "Green Revolution" high-yielding wheat varieties (Hewitt, 1976). Land under cultivation increased between 1945 and 1955 by over two and a half million hectares, to almost ten million hectares, and the sectoral growth rate was more than six per cent per annum. During the following decade agricultural sector growth dropped slightly to 4.2 per cent per annum, and less land was brought into production, but the agricultural sector as a whole made impressive strides, earning foreign exchange from grain exports, and helping to maintain urban wages and prices within politically acceptable limits. Agriculture has contributed a surplus to industrialisation, and a balance of payments surplus, for agricultural products, of US.783 million dollars in 1979, was largely attributable to commercial export crops. The magnitude of this contribution explains in part why the development model was not abandoned earlier, since it depends for its success on discriminatory prices, foreign exchange rates and low salaries for agricultural labourers.

Presidential politics is sufficiently important in Mexico to ensure that few outright opponents of government policy will surface, especially in the closing years of a sexenio. However, it is worth noting that the interests that support the existing development model have been vociferous in maintaining that it is in no way at odds with a new orientation towards campesinos in rain-fed areas.

After 1965 it became clear that Mexico would pay the price of its agricultural policies, and the achievements of the 1950s and early 1960s were dwarfed by the enormity of the problems encountered. In contrast with the earlier periods, when the amount of cultivated land increased so greatly, total land cultivated declined after 1965. Significantly, the irrigated zones continued to show increases in land cultivated (from 2.6 million hectares to 3.5 million hectares between 1965 and 1976), but the rain-fed regions registered a decline of almost two million hectares (from 12.15 million hectares in 1965 to 10.6 million in 1974). Furthermore, the agricultural sector recorded a negative rate of growth per capita between 1970 and 1976 as population continued to increase rapidly. National production of maize failed to keep pace with demand. Although Mexico stood at fourth place in terms of maize acreage, she was in nineteenth place in the global league of maize producers in terms of yields per hectare. The development model which had accorded rain-fed agriculture a secondary role entered into a crisis phase when the high costs of increasing yields through land extension and irrigation were set against diminishing returns. Both the biological engineering of the 1950s and 1960s, and the enormous infra-structural expenditure of the public sector were carried out at the cost of neglecting most small producers in rain-fed regions. Criticisms of the Mexican Government's policies from the World Bank and other agencies were veiled in public, but in private were more searching.¹ At the same time the pressing need to develop agricultural technology for use under ecologically-precarious growing conditions, which most agricultural scientists recognised, appeared to be the only possibility for production programs in rain-fed areas.²

The fact that little land was available for irrigation, except at unacceptable levels of cost, combined with the opportunities which had arisen for increasing production in rain-fed regions, provided a new technical context for policy, as Mexico's agricultural crisis worsened. During the 1970s the average annual rate of growth of the agricultural sector was just two per cent; one per cent behind population growth and only a third of the annual increase in Gross National Product in the period. In previous decades imports of basic grains had never been more than eight per cent of total grain production, but between 1970 and 1979 imports rose to an average eighteen per cent of production. In 1972, 1975, 1976 and 1979 the agricultural sector in Mexico experienced a negative growth rate. The shift away from foodcrops is most vividly seen in historical perspective. In 1925 6 million hectares of cultivated land had produced 9 million tons of maize, wheat and beans for a domestic population of sixteen million.

Fifty-four years later, in 1979, the cultivated acreage had increased to 15 million hectares, but only twice as much was being produced (19 million tons) for four times the population (65 million). Grain imports increased in the late 1970s, and estimates for 1980 rose to over 7 million tons.³ Mexico would be committing over one and a half billion US dollars to food imports in 1980. Furthermore, the future looked even more unpromising. Cassio Luiselli, a Presidential Adviser, and one of the SAM's leading proponents, claimed that the Mexican Industrial Development Plan foresaw an increase in food imports of 11.6 per cent per annum during the 1980s. On this basis Mexico would be spending over 34 per cent of its foreign exchange from oil on food imports in 1982, and by 1990 the figure would be 72 per cent.⁴ The effects of the crisis would be felt not only by the rural poor but by large sections of the urban middle class and manufacturing industry which might have been expected to benefit from Mexico's oil bonanza.

The SAM I: food power and food security

Antecedents to the Sistema Alimentario Mexicano (SAM) are not difficult to find. CONASUPO, the Government's vast marketing and distribution network, had gained in importance under Echevarría (Grindle 1977, Esteva 1980). Gustavo Esteva, although less influential under López Portillo, was Director of CONASUPO under Echevarría, and attempted to orientate that organization towards the poor campesino's needs (Esteva 1980). He is also Mexico's most articulate Neo-Populist thinker (Redclift 1980). Also under Echevarría important steps had been taken to develop a research capacity in nutrition, led by Adolfo and Miriam Chávez. Adolfo Chavez is a leading nutritionist and a scientist of international stature. His wife, Miriam, developed some of the early research that led up to the SAM, and became an important civil servant in the Office of Programming and the Budget. Mexican politics require that several alternative policy options are kept on "the back boiler" while current initiatives are underway. This is intimately linked, as Grindle has observed, with the personal careers of senior civil servants and politicians during the Presidential sexenio (Grindle 1977). The policies announced by President López Portillo on March 18, 1980 were based on eight of the twenty studies undertaken for the President's Office during the years 1976-1980. By March 26, 1979 Cassio Luiselli was able to give a fairly full account of this research effort in a paper delivered at El Colegio de México.⁵ By July 9, 1979, Luiselli was devoting almost all his attention to the SAM and agreements had already been signed between state agencies and the research network that Luiselli was coordinating.⁶

The SAM mark I is an impressive research document although, like many other planning documents in Mexico, it has had very restricted circulation. Much of the research which fed into the seven thousand page report from the twenty research committees, was underway before the President took an interest in the project. The research committees addressed every aspect of food production, distribution, marketing and consumption. Research was undertaken into synthetic seed varieties and patents, crop storage, the

operation of guaranteed prices, agribusiness and food manufacturing, diet and nutrition. Luiselli reported, with some justice, that this was the first time that research and policy had been designed within a systems framework. The relevance of much of the research to the impending crisis, and the favour shown it by the President himself, attracted many young scientists and social scientists to the project. For the first time, it seemed to many of them, research was being commissioned or supported which might help to provide an alternative to Mexico's increasing dependence on imported grains, most of which came from the United States, and the large multinational investment in export products (crops and livestock) which were destined for the American market. The search for self-sufficiency in foodgrains was also a search for greater independence of action in other areas, principally energy policy and migration.⁷ SAM mark I illustrated once again the Mexican state's capacity for cooptation, and the ability of the President to confer prestige on any projects which he gives personal support to.

The strategy advocated in the SAM policy studies reflects a dependista analysis, similar to that put forward in the 1960s and 1970s, but with several important differences. The Left in Mexico had long expressed concern about the major role of North American capital in manufacturing industry.⁸ What was attracting much more attention now, however, was the role of US companies in Mexican agriculture, especially in export crops like fruit, vegetables and strawberries (Rama 1980, Feder 1977). In addition agricultural land that was not owned or controlled by multinational companies, was increasingly being devoted to cattle raising, especially in the humid tropics where thousands of campesinos had been ejected from their holdings (Rutsch 1980). Directly or indirectly, and at some cost to domestic food production, Mexico's land area appeared to be falling into the hands of multinational companies and profiteers. Memories of the role of foreign capital during the Porfiriato were evoked by new evidence of heavy dependence on North American investment, inputs and food processing.

The reverse side of the same coin showed Mexico as increasingly dependent on grain imports. Luiselli argued that "the international market in grains is dominated by the United States, which controls eighty-five per cent of the total, through four or five multinational companies..."⁹. The strategic implications of this near monopoly did not elude Mexican attention during a year in which the United States had sought to achieve foreign policy objectives in Afghanistan by depriving the Soviet Union of grain supplies. Food security and food power were necessarily interrelated.

The third element in the new situation was the discovery of vast petroleum reserves within Mexican territory. It was no coincidence that López Portillo chose the anniversary of the expropriation of foreign oil companies by Cárdenas (March 18) to signal his new policy. In November 1979 the Mexican Government had decided not to renew its agreement with the International

Monetary Fund. Also in March the President announced that Mexico would not join the General Agreement on Tariffs and Trade (GATT), as had been predicted, and would place an upper limit on oil production. On the day that the SAM was announced López Portillo decided to opt for a much more nationalistic development strategy that looked to the internal market, and the careful management of petroleum resources, rather than increased trade with the United States, for the economic stimulus required. For some Mexicans this shift was seen as an accommodation to interests within Mexico but for the Left there was no doubt that it expressed the new-found ability of the state "to increase its negotiating strength with monopoly capital" (Huacuja 1980). It should be recalled that by March 1980 Mexico's known reserves of oil placed it fifth in the world league (behind Saudi Arabia, Kuwait, the Soviet Union and Iran) and had increased from 6.3 billion barrels in 1975 to 50 billion barrels. It was estimated that oil revenue in the period 1980/83 would be in excess of 39 billion US dollars, adding perhaps two more percentage points to the 6.5 per cent growth rate achieved in the 1960s (Citibank May 1980).

SAM II: the measures proposed

The measures proposed by López Portillo on March 18th 1980 were based upon eight of the twenty studies which the President's Office had commissioned. In themselves these measures were not particularly innovative; the state was expected to intervene in the market for foodcrops (principally maize, wheat and beans) and subsidize both the price the producer received and those which the consumer paid. Agricultural credit policy would be enlarged and crop insurance extended to the majority of campesinos in rain-fed areas. It was also proposed to establish agro-industrial enterprises under state ownership or control, to ensure that profits were retained and employment created on Mexican soil. A campaign to educate the public about better nutrition would be launched on the media. No attempt would be made to hasten the redistribution of land, or to control the operations of multinational companies working in Mexico.

The SAM measures represented a radical departure from previous policy in one respect alone; the resources made available for the programme were on a scale without precedent. By December 1980 official bank credit to agriculture topped \$US 3 billion, forty-six per cent more than in 1979 (Política December 19, 1980). Another \$US 5 billion was to be allocated to agricultural investment by both the public and private sector, and crop insurance. Even the budget of the once prestigious PIDER programme, which had brought infrastructure to hundreds of Mexican 'micro-regions', stood at only \$US 180,000,000 in 1980. Superficially, at least, Luiselli seemed justified in asserting that the SAM marked the state's intention to "retake the central role of accumulation in the countryside".

The SAM measures leave one in little doubt that it was conceived as a subsidy policy. Indeed, López Portillo is reported to have said that under the SAM subsidies would reach "monstrous

proportions" (Análisis Político 9.4.80). The guaranteed price for maize would be increased by 30 per cent between 1980 and 1982. In addition to this the consumer price of a range of basic foods would be subsidised by 70 per cent, enabling poor people to buy a minimum basket of goods worth thirteen pesos (26 pence) for only nine pesos. The idea of the canasta básica, with its echoes of Chilean policy under Unidad Popular, received widespread support in the Press. The producer was also to receive further subsidies: fertilisers would be 30 per cent cheaper, and improved seed varieties up to 75 per cent cheaper. The specific objective was to double the area of cultivated land on which fertilisers were used by 1982. The global objective was self-sufficiency in maize and beans by 1982 and in wheat, sunflower seed oil and rice by 1985.

These measures were introduced against a depressing background. In 1980 only two-fifths of the 24,410 ejidos in Mexico received credit from official sources, such as the state credit bank, BANRURAL. Of the campesinos who did receive credit the majority were ejidatarios, rather than independent producers, and most of them worked irrigated land. Thus 29 per cent of the cultivated land was worked by producers who had access to official credit. The proportion of government and private credit allocated to agriculture declined from about 17 per cent in 1945 to under 10 per cent in 1979, and the bulk of this was destined for commercial farmers. Clearly there was "in basic campesino production...a space that (could) be occupied".¹⁰

Another facet of the SAM was given considerable emphasis by the project's architects. Crop insurance was to be extended and the risks of production losses carried by the government as well as the producer. For the first time the state agency responsible for crop insurance (ANAGSA) was to insure the campesino for the value of the labour he invested in production. Even when sowing was made impossible for climatic reasons, or seeds did not germinate, the small producer would be protected. If crops failed the campesino would be assured of receiving payment for the average harvest. The "shared risk fund" (Fondo de Riesgo Compartido) was said to be a tangible example of what the government meant by its proclaimed goal of "creating an alliance between the state and the campesino".

The research committees concerned with nutrition were among the most searching and provocative of those established. Nutritional research in Mexico had for long been neglected, despite the contribution of individual scientists like Joaquín Cravioto and Adolfo Chávez. A National Nutrition Survey had been carried out of 21,000 households and a great deal of case study material had been amassed. The SAM explicitly set nutritional goals, and proposed a range of measures to ensure that they were met. The "target population" was made up of the 19 million Mexicans whose daily calorie and protein intake was below the accepted minimum required for physical wellbeing (2,750 calories and 80 grammes of protein daily). The basket of foodstuffs at a reduced price would need a subsidy of over 27 billion pesos (£500,000,000) to

put it within reach of the target population. CONASUPO, which would be responsible for much of the food distribution, would have its retail outlets increased from 4,780 to 14,000. It is worth remarking that before the SAM measures were introduced CONASUPO had lost the favoured position it had gained under Echevarría, and had suffered several major budgetary setbacks. The surveys undertaken by the National Nutrition Institute revealed that severe malnutrition was so common in the school-age population of populous states such as Chiapas, Guerrero, Oaxaca and Yucatán, that over 25 million Mexicans never ate meat and that less than 30 million drank milk regularly. Prior to the President's speech giving full support to the SAM, the Mexican Press was full of reports of malnutrition in rural areas, and the role played in this situation by foreign agribusiness interests. Not surprisingly, the nutritional interventions proposed in the SAM have attracted widespread support although, as we shall see, the measures proposed may have raised false hopes of overcoming what was essentially a structural problem.

Taking sides: Left, Right and Centre

Given the degree of Presidential support for the SAM it is not surprising that most criticism has been muted, especially that of functionaries in government offices. It was expected that the Confederación de Cámaras Industriales (CONCAMIN), which supported Mexico joining the GATT, would be most critical of the SAM.¹¹ However most private sector organizations have given at least token support to the Presidential announcement of March 18. Meeting in Mexico City immediately after the policy changes were announced, the Quadripartite Commission, representing executives from both United States and Mexican business, offered "the assistance of the Mexican and U.S. private sectors in the implementation of the new programme".¹² Indeed, members of the Commission evidently saw the SAM as opening the door for more, rather than less, bilateral investment opportunities. Luiselli had already announced in several interviews that the SAM was not a threat to multinational capital in Mexican agriculture, since foodcrop production was not a profitable area for multinational investment.¹³ This view was not shared by some multinational companies. It was certainly at variance with the analysis in SAM mark I, which viewed multinational involvement in agriculture as a threat to effective foodcrop production in rain-fed areas.¹⁴

In May 1980 it was announced that a group of forty-five companies had agreed to make food-related investments in Mexico totalling over 77 million US dollars. To assist the firms involved, the federal government granted participating companies a 20 per cent tax credit on their investments.¹⁵ In accordance with the National Industrial Development Plan these investments were expected to provide employment in food manufacturing and distribution, as well as in agriculture. The Mexican state, instead of penalising multinational investment in agriculture, appeared to be negotiating with multinational capital. Several commentators suggested that foodcrop production might not prove

quite as unattractive to international capital as Luiselli had indicated. Increasing the guaranteed price for maize, while freezing that for sorghum, could provide an incentive for the commercial sector to convert land to maize production. This policy had been advocated within the Cabinet by Toledo Corro and Merino Rabago, representing the Agrarian Reform and Agriculture Ministries.

If the SAM appeared to leave the door open to the multinationals its provisions were equally ambiguous in another critical policy area, that of livestock raising. Much of the Mexican humid tropics had become a battleground for the competing interests of campesinos and ganaderos. Livestock had assumed much more importance during the 1970s, and exports of beef on the hoof, as well as beef for the high-income domestic market, had attracted foreign capital to livestock raising. In many parts of the humid tropics, such as Chiapas, Tamaulipas and Veracruz, ganaderos had waited for campesinos to clear the land before ejecting them. Conflict in the tropical, livestock producing areas of Mexico often involved disputes over recent land claims, capital exhibited expansionist tendencies and extensive grazing land was taken by force or by dubious legal methods. Cattlemen argued that unless they were given protection against peasant land claims, they could not be relied upon to modernize their holdings and increase investment in them.

The action that was taken against ganadero interests was largely cosmetic, and it soon became clear that contrary to the analysis of the original SAM committees cattle ranchers would be free to interpret the law as they wished. In Tamaulipas of the 505,000 hectares of land "expropriated" from 136 ganaderos in the region, less than a third of the land area (165,000 hectares) was allocated to the landless. The rest was covered by amparos which foreclosed the possibility of legal transfer for an indefinite period.¹⁶ While the SAM measures were being announced, in Chiapas cattlemen who dedicated 20 per cent of their land area to crop production were given immunity from expropriation. This action drew comment in the Press, as according to the Mexican Constitution, only land which was unsuitable for crop production could be devoted to cattle raising. Toledo Corro, the Agrarian Reform Minister at the time, had apparently acted unconstitutionally in extending to the cattlemen rights that they did not have under the law!

The government's inability, or unwillingness, to implement those parts of the SAM philosophy which hit at private commercial interests, did not recommend it to the organized Left in Mexico. CIOAC, the major independent peasant federation, condemned the SAM as an "imperialist policy", while the Movimiento Nacional Plan de Ayala, another independent rural union, claimed that the SAM would "provide more protection and facilitate the enrichment of latifundists and multinationals".¹⁷ Left intellectuals noted that "the SAM has the support of those who, supposedly, are its enemies, and that support is not gratuitous..." (Huacuja 1980). Even Luiselli admitted that "for political reasons" over 3 million

hectares of land, mainly in the humid tropics, had been excluded from the SAM's territorial jurisdiction.¹⁸

The SAM's principal support came from those within the government structure who had been pressing for a Leftward, more nationalist policy for some time. The petroleum workers' union (STPRM, the Sindicato de Trabajadores Petroleros de la República Mexicana) lent most public support and finance to the project. The STPRM has assets worth over 88 million US dollars, acquired through its compulsory savings scheme. These funds are invested in land, agricultural cooperatives, social services and small industry. After the announcement of the SAM the union committed 22 million dollars to help finance the policy, on the understanding that PEMEX, the state-owned oil company, matched this investment with a similar amount.

The voluble support of STPRM and the powerful official trade union organization, the Confederación de Trabajadores Mexicanos (CTM), was vital to the Presidential Advisers in charge of setting up the machinery to implement the SAM. Not all the government agencies responsible for implementing the different facets of the SAM were convinced of its value. Interviews conducted with senior civil servants and technocrats in these agencies suggest that Presidential support, although a necessary element in policy formulation, is not a sufficient one. Rivalry between organizations such as the DIF (Desarrollo Integral de la Familia) and the IMSS (Instituto Mexicano de Seguridad Social) in the areas of health and nutrition, is paralleled by that between CONASUPO and PIDER, both of which are involved in the provision of rural services. The SAM was a "top-down" policy that did not have its roots in the state agencies that would be called on to do the implementation. These agencies were conceived as active partners in the policy, but they had not formulated it themselves, and considerable resistance was mounted to policies originating outside the agencies. The most politically volatile of them, such as the Rural Credit Bank (BANRURAL) had long experience of using delaying tactics with policies which did not get their full support. Nevertheless the SAM measures clearly gave a boost to some government agencies which were given priority under the programme. Between 1976 and 1980, for example, CONASUPO had largely abandoned its earlier interest in helping small producers in favour of a provisioning role for the food industries and an increased role in the management of food imports. Under the SAM it assumed a much more central role.

Press comment on the SAM became more critical within the space of a month. Headlines such as "The SAM - from Myth to Legend", and "The Paper Food System", called attention to the difficulties experienced in coordinating the many agencies involved, doubts about whether the "ammonia pipeline" to the central rain-fed areas of the country from the Gulf oilwells would ever be completed, and the inevitable bureaucratic delays. The apparent support being given the project by the multinational companies and ganaderos brought the observation that "we are all samistas now"! The SAM was initially expected to set the

President on a collision course with three groups: the multinational companies, the ganaderos and the local caciques. As we have seen the first two groups were easily accommodated to the SAM. The response of the third group is more difficult to assess. However, on Luiselli's admission, the SAM's success rested on its capacity to incorporate approximately 370,000 small retail outlets throughout the country. These small traders provided the campesinos with much of the credit they received, especially in areas poorly served by CONASUPO. They were rivals of CONASUPO, and the traditional breeding-ground of the cacique.

Evaluating SAM

Anybody living in Mexico City during the first six months of 1980 could be excused for thinking that the fortunes of PEMEX and the SAM were the only issues of any importance to the country. As we have seen, however, Mexican government policy is formulated in a rather more ambiguous way. Different Presidential Advisers are sometimes responsible for closely related public policy areas, and frequently reach different conclusions. While the SAM was being endorsed officially, the President's senior Adviser, José Antonio Ugarte, was preparing a much more orthodox agricultural policy. The discussion of the 'Agricultural Production Law' had received attention before the SAM was launched. The proposed law would enable private capital to penetrate the ejido with more ease, and even included provision for relaxing the official restrictions on renting out ejido land. The announcement that such measures were being contemplated created a furore, and the plans were scotched. However, by September 1980 new reports emerged that the 'Agricultural Production Law' was being reconsidered. Had the SAM lost its momentum or even been abandoned? Clearly the President was keeping other policy options open should the SAM fail to bring about the anticipated increases in agricultural production.

There can be little doubt that the SAM was conceived as a production programme, designed to lift rain-fed agriculture out of a deep depression. No attempt was made to distinguish between strata of rural producers nor was the policy proposed redistributive except in sectoral terms. Improved producer prices and incentives to adopt new technology through improving credit and crop insurance facilities were of little use to the marginal campesino working under ecologically-precarious conditions. As Wellhausen has argued, the majority of Mexican campesinos belong to this vulnerable group, for whom the only hope lies in developing "farming systems" research which reduces risks, rather than heavy reliance on fertilisers and synthetic seed varieties (Wellhausen 1976). For most the only alternative open is probably migration. Three-quarters of the Mexicans working in the United States come from the northern semi-arid states, according to a recent Mexican government survey.¹⁹

To some extent the SAM's call for government controlled agro-industry was an attempt to accommodate to the reality of the Mexican countryside, where underemployment is endemic and both

seasonal and long-term migration are well established. Presumably the agro-industrial enterprises could be expected to "mop-up" the rural wage workers, seasonal and permanent. Rural proletarians, like UNAM intellectuals, might be expected to have incipiently collectivist leanings. State management of agro-industry also appealed to many technocrats in larger government agencies like CONASUPO, SARH (Ministry of Agriculture) and PIDER (the Integrated Rural Development Programme). This was a constellation of interests that Echevarría had managed to accommodate in 1975 and 1976. Like most Mexican alignments it had survived one sexenio only to reappear in another. According to this interpretation the SAM was "the fullest expression of authoritarian paternalism".²⁰

There is another explanation, however, that is less straightforward. This is that the SAM was never looked upon by López Portillo as a major attempt at resource redistribution. A more nationalistic policy, designed to stimulate the internal market, could be expected to find support on the Left if it appeared to favour the campesino. It could be useful to exaggerate the SAM's radicalism. Certainly many of the younger researchers and bureaucrats involved with the SAM expressed the view that subjecting the policy to criticism might provoke the feared Right-wing backlash. These sentiments are well understood by Mexican Presidents, who have often proved adept at manipulating them for their own ends. According to this interpretation most of the ideological associations of the SAM, including attacks on the multinationals and cattlemen, and calls for an alliance between the state and campesino, were nothing more than politically expedient. The SAM represented an attempt to produce and channel a larger surplus from those campesinos in rain-fed areas who were capable of delivering it, and from those commercial producers in the irrigated regions who could be persuaded to convert their land to maize production. At the end of a sexenio such policies could help reassemble the various interests lending support to the PRI and the Presidency. The pack of cards could then be dealt out again by the incoming President. Naturally, other interpretations can be offered for the undoubted ability of Mexican Presidents, at almost any stage in the sexenio, to face two ways at once.

Future outcomes

It is too early to say what will happen to the SAM. Some would say that it is already too late in the sexenio for anything to happen. Critics will point to the inability of most Mexican government agencies to implement a policy which rests on gaining the confidence of the campesino. Organizations like BANRURAL and CONASUPO, guilty of acting like caciques, are scarcely adequate to the task of eliminating caciquismo from rural areas.²¹ The development of a rural strategy that was pro-campesino, if not actually campesinista, would involve the Mexican government in a greater commitment to a number of areas: primary health care as well as nutrition, farming systems research linked to improved extension services, rural education schemes for adults as well as children, like that pioneered by CONAFE. If future Presidents wish to take

this road there are two important factors on which they can count. First, there is seventy years of tradition and experience in campesino organization, much of it frustrating, but some of it clearly of value in designing alternative rural development strategy. Second, there is the prospect, in the foreseeable future, of continuing revenue from oil.

NOTES

1. Measuring Project Impact: Monitoring and Evaluation in the PLIDER Rural Development Project, Mexico, World Bank Staff Working Paper n. 332, June 1979.
2. Derek Byerlee *et alii*, "Toward a Methodology for Developing Technologies Appropriate to Farmers", paper presented at a conference of the International Association of Agricultural Economists, Banff, Canada, September, 1979. Also see, Michael Redclift, "Production Programs for Small Farmers: Plan Puebla as Myth and Reality", The Ford Foundation, Office for Mexico and Central America, January 1980.
3. Proceso, no. 174, March 3, 1980.
4. Proceso, no. 131, May 7, 1979.
5. This paper was subsequently published, in a revised form, as Cassio Luiselli, "Agricultura y alimentación en México: premisas para una nueva estrategia", Estudios Rurales Latinoamericanos Vol. 2, No. 3, Sept./Dec. 1979.
6. Interview with Luiselli at Los Pinos, Ford Foundation Memorandum, July 9, 1979.
7. The argument concerning United States/Mexican relations is discussed at more length in Michael and Nanke Redclift, "Neighbors North and South; Unholy Alliance", Foreign Policy, no. 41, Winter 1980.
8. Bernardo Sepúlveda Amor, Director of International Affairs at the Secretaría de Finanzas reported that United States capital accounted for 68 per cent of total investment in Mexican industry. This capital was shared between 412 subsidiaries of U.S. companies, 56 per cent of which were fully company owned, 19 per cent had a majority U.S. interest and 15 per cent of which has U.S. minority interest. Reported in The News, Mexico City, July 1, 1980.
9. Proceso, no. 165, December 31, 1979.
10. Comunidad Conacyt, vi. no. 114, June 1980.
11. Latin American Weekly Report, March 28, 1980.
12. Results of the Quadripartite Commission Agribusiness Meeting Mexico City, March 27/28, 1980. Jeffrey B. Peters, US/Mexico Quadripartite Commission, April 7, 1980.
13. Comunidad Conacyt, vi. no. 114, June 1980.

14. Cassio Luiselli, 1979, "Agricultura y alimentación en México: premisas para una nueva estrategia, Estudios Rurales Latinoamericanos, Vol. 2, no. 3, Sept./Dec. 1979.
15. Lloyds Mexican Economic Report, May 1980.
16. Uno Más Uno, July 14, 1980.
17. Proceso, April 14, 1980.
18. Uno Más Uno, June 7, 1980.
19. Carlos Zazueta, "Mexican Workers in the United States: some Initial Results and Methodological Considerations of the National Household Survey of Emigration", Centro Nacional de Investigación y Estudios de Trabajo (CENIET) Mexico City, 1980.
20. Proceso, April 7, 1980.
21. Roger Bartra et alii, 1975 Caciquismo y poder político en el México rural, Siglo XXI, Mexico.

REFERENCES

Análisis Político, Mexico City, April 9, 1980.

Bartra, Roger et alii, 1975, Caciquismo y poder político en el México rural Siglo XXI, Mexico.

Byerlee, Derek et alii, "Toward a Methodology for Developing Technologies Appropriate to Farmers"; paper presented at a conference of the International Association of Agricultural Economists, Banff, Canada, September 1979.

Citibank, Monthly Economic Letter, May 1980.

Comunidad Conacyt, vi, no.114, June 1980.

Esteva, G. 1980. "La experiencia de la intervención estatal reguladora en la comercialización agropecuaria de 1970 a 1976", in Ursula Oswald, edited Mercado y Dependencia, Nueva Imagen, Mexico.

Feder, E., 1977, Strawberry Imperialism: an enquiry into the mechanism of dependency in Mexico, Institute of Social Studies, The Hague.

Grindle, Merilee, 1977, Bureaucrats, Politicians and Peasants in Mexico, University of California.

Hewitt, Cynthia, 1976, Modernizing Mexican Agriculture, United Nations Research Institute for Social Development, Geneva.

Huacuja, M., 1980, "La lucha por el SAM", Nexos 30, June 1980.

Latin American Weekly Report, March 28, 1980.

Lloyds Mexican Economic Report, May 1980, London.

Luiselli, Cassio, "Agricultura y alimentación en México: premisas para una nueva estrategia", Estudios Rurales Latinoamericanos, Vol. 2, no.3, Sept/Dec. 1979.

Proceso, no. 131, May 7, 1979.

Proceso, no. 165, December 31, 1979.

Proceso, no. 174, March 3, 1980.

Rama, Ruth and Vigorito, Raúl, 1979 "El complejo de frutas y legumbres en México", Nueva Imagen, Mexico.

- Redclift, M.R., "Agrarian Populism in Mexico - the 'Via Campesina'", The Journal of Peasant Studies, vol.7 no.4, July 1980.
- Redclift, M.R. and Nanneke Redclift, "Neighbors North and South; Unholy Alliance", Foreign Policy, no. 41, Winter 1980.
- Rutsch, M., 1980, La cuestión ganadera en México, C.I.I.S., Mexico.
- The News, Mexico City, July 1, 1980.
- Uno Más Uno, July 14, 1980, Mexico City.
- Wellhausen, Edwin, "The Agriculture of Mexico", Scientific American, 235, no.3, 1976.
- World Bank (IBRD), Measuring Project Impact: monitoring and evaluation in the PIDER Rural Development Project, Mexico. World Bank Staff Working Paper no. 332, June 1979.
- Zazueta, Carlos, "Mexican Workers in the United States: some Initial Results and Methodological Considerations of the National Household Survey of Emigration", Centro Nacional de Investigación y Estudios de Trabajo (CENIET), Mexico City, 1980.

ACRONYMS

ANAGSA	Mexican Government Crop Insurance Programme
BANRURAL	Rural Credit Bank
CENIET	Research Centre for the Study of Employment
CIOAC	Independent, Left Peasant Federation
CONAFE	Experimental Rural Education Programme
CONCAMIN	Mexican Business Confederation
CIM	Official (PRI) Trades Union Movement
DIF	Government Office for Family and Child Care
GATT	General Agreement on Tariffs and Trade
IMSS	Mexican Government Social Security Institute
PEMEX	Government-owned Petroleum Company
PIDER	Government Rural Development Programme
SAM I	Studies undertaken for President's Office
SAM II	Policy measures announced on March 18, 1980.
SARH	Agriculture and Water Resources Ministry
STPRM	Petroleum Workers' Union
UNAM	National Autonomous University

1. George Philip, Oil and Politics in Ecuador, 1972-1976.
(December 1978).
2. Flávio Rabelo Versiani, Industrial Investment in an
'Export' Economy: the Brazilian Experience before 1914.
(April 1979).
3. Alan Angell, Peruvian Labour and the Military Government
since 1968.
(July 1980).
4. Gonzalo Falabella, Labour in Chile under the Junta.
(July 1981).
5. Jason Wilson, W.H. Hudson: the Colonial's Revenge. A
Reading of his Fiction and his Relationship with Charles
Darwin.
(July 1981).
6. Michael Redclift, Development Policymaking in Mexico: the
Sistema Alimentario Mexicano (SAM).
(July 1981).

Forthcoming Paper

7. Susan M. Cunningham, Brazilian Private Industrial
Enterprise, 1950-1980.

Further copies of this paper and additional information about the series may be obtained from Miss Daphne Rodger, Assistant Secretary, Institute of Latin American Studies, 31 Tavistock Square, London WC1H 9HA.

Price per copy, including postage:

United Kingdom and Europe	£1.25
Overseas (airmail)	£2.00
	US\$ 5.00

Please make cheques payable to The University of London.

