

A Strategy to Create
New Beneficiaries from World Trade

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ABSTRACT

International trade is a discriminatory process, accentuating polarization within and among nations. After examining the way in which integration in the Americas heightens these problems, this paper describes an alternative framework for the productive incorporation of significant groups of communities into the global economy. The strategy for sustainable regional resource management explicitly aims to overcome rural marginalization, contributing to reduce the force of the underlying drivers of social conflict. The strategy generally includes activities to strengthen three fundamental pillars: autonomy, self-sufficiency and productive diversification. Among the activities included in such strategies are: ecosystem management, increased regional production of basic necessities, and productive diversification, creating opportunities for participation in international trade under more advantageous terms.

THE DYNAMICS OF INTERNATIONAL TRADE AND ECONOMIC INTEGRATION

International trade is a mechanism for discriminatory exchange among unequal partners. This heterodox affirmation need not be the conclusion of a Marxist analyst of the global economy: Prebisch (1959) presented a cogent analysis of the workings of the international economy almost one-half century ago, offering evidence that the evolution of prices in the market place created an evolving structure of relative prices that punished countries in the South, relative to their more affluent trading partners. ² Without going into the details of the analysis, suffice it to say that he invoked several important factors, inherent in the functioning of society to explain the quantitative results that he offered in his own articles and those of the Economic Commission for Latin America (CEPAL), where he provided intellectual leadership as Executive Secretary for many years. Among these factors, he included: 1) the evolution of market structures, which permitted a lower elasticity of supply of agricultural products and raw materials, whose export was generally controlled by foreign capital, in comparison to the elasticities of the manufactured goods imported from the northern countries; 2) changing technologies and increasing productivity that permit manufactured goods to be produced with less manpower, energy and material inputs ³; and 3) the operation of Engel's Law that states that the demand for basic necessities will be much less elastic in terms of income than that of manufactured products and especially services, exacerbating unfavorable trends in the evolution of prices, even if markets were perfectly competitive.

Although the profession has devoted considerable effort to attempt to discredit this analysis, and the early work of CEPAL in general, many economists still find that developing countries face a tendency towards a declining terms of trade. In fact, even today, as export platform production has spread to virtually every third world country, it might be argued that the declining terms of trade has become even more pervasive: no longer is it simply a question of the evolution of the prices of raw materials and primary commodities. Now, as offshore assembly and processing of consumer goods is expanding rapidly, and drawing new social groups into the labor force, the widely observed decline in real wages actually accentuates the unfavorable movement in the terms of trade by forcing countries into competitive devaluations and reductions in their minimum wages to attract foreign investment. As a result, the heralded economic diversification and modernization accompanying the current stage of international economic integration has actually broadened the scope within which the declining terms

of trade function.

The problems with international trade, however, are more far-reaching than the price effects highlighted in the Cepalino analysis. The international economy insinuates itself into every aspect of life. Its growing influence on seemingly independent and isolated rural communities is poorly understood in analyses of rural change and virtually nonexistent in discussions of sustainability. International expansion, however, has transformed local societies into dual economies, a global phenomenon systematically creating structures that polarize regions and accelerate processes threatening social welfare and the environment.⁴

For centuries, the expansion of the world market has left its mark on local societies and their ecosystems (e.g., Wolf 1982). Endless waves of boom and bust characterized this process in Latin America and throughout the Third World. Many of the earliest producers and merchants who introduced new crops and created new markets for existing products became immensely rich. Lured by promises of vast markets and personal enrichment, successive waves of producers imitated the initial successes, planting cotton, grains, tropical fruits, coffee, chile and a myriad of other crops, but on a smaller scale and with fewer resources than their forerunners. The longer the process continued, the greater the number of people who failed in their attempts to produce and market the products profitably.⁵

In many countries in the Third World, external pressures and domestic policies have prevented farmers in poor communities from continuing to cultivate the crops that supply people with their basic needs. The effects of this process have been devastating: low productivity and deteriorating environmental conditions make it difficult for workers and peasants to compete with producers from abroad who are better financed, enjoy greater institutional support for training workers, have ready access to technological innovation, and can depend on integrated marketing systems for distributing their merchandise. As a result, throughout the developing world basic foodstuffs are being imported and rural families impoverished (Barkin, Batt and DeWalt 1990). The loss of food self-sufficiency magnifies the impact of international competition, forcing significant numbers of people to migrate in search of income with which to buy food. For those remaining in the countryside, the task of maintaining the increasingly fragile ecosystems to which they have been relegated becomes overwhelming, compounded by restricted access to credit, technical assistance and productive inputs.

In contrast, agribusiness interests are occupying the best lands, planting export products and transforming vast regions into pastures. This tendency is often celebrated in the institutional circles of development finance community, a reflection of the success of efforts to persuade or coerce governments around the world to restructure production to take advantage of the gains from specialization in international trade. This new order is particularly evident in the several movements to create regional trading blocs, reflecting the rapid changes that are affecting national economies. Local producers everywhere are threatened by the discipline imposed by the specter of imports.

Transnational corporations are thriving in this new regime. Their move south is part of a global strategy to exploit abundant supplies of raw materials, lower costs of production, and guarantee their access to emerging markets. Although they create new jobs, the gains are rarely sufficient to counterbalance the massive displacement of people from traditional industries and rural pursuits. In most of Latin America, national economic (structural) adjustment reduced employment or shifted people into part-time and low-income jobs with a generalized fall in living standards and social welfare indicators. The result is a rapid and profound transformation of these societies into specialized production systems and offshore assembly and procurement centers.

These trends are common to all primary producers. Farmers are being induced to abandon their food crops for export production. National fisheries and deep sea fishing are plagued by problems of over-

harvesting while mangroves are being uprooted and coastal ecosystems menaced by contamination from intensive aquaculture; commercial demands lead governments to transfer rights from traditional fishing communities (McGinn 1999). Foresters face competition from imported wood products, even while they are forced to intensify their cutting, aware that they are exceeding the capacity of their regions to support the new levels of extraction (Place 1993).

Small- and medium-sized industrial producers, like peasant and indigenous communities, found themselves incapable of competing in their local markets with similar products imported from other parts of the world. Producers transformed themselves into merchants, finding it easier and more profitable to import basic consumer goods from the global marketplace than to forge a modern competitive industrial facility. The obstacles they face range from inadequate technological information and advice, to expensive, limited credit and serious bureaucratic hurdles.

The movement towards freer international trade was joined by a process of regional integration. Market mechanisms, distorted by various forms of corruption, replaced bureaucratic councils, allowing greater freedom for capital and guiding investment decisions by entrepreneurial groups. Competition among financial groups surged as they took advantage of the opportunities offered by the international economy to create new industries and modernize old ones, to bring new technologies to bear to solve old problems and to reposition the society and its people to confront the challenges of international competition. The development community began to finance the institutional and productive changes that were needed to push dozens of countries around the world into the world market, and open protected local services, like water, health and pension systems, to international investment. The new approach to national economic management created the conditions for private producers (often foreign corporations) to profit handsomely by attending the demands of the international marketplace and a new group of very prosperous local consumers who are the principal local beneficiaries of the new strategy. Debt repayment programs, structural adjustment programs and currency boards were but some of the policy recipes prescribed for governments in the South. The strengthening of local capital markets (especially for trading securities) was also a priority, opening yet another avenue of vulnerability, as speculative movements of capital could now more readily influence productive decisions. Latin America quickly felt the destabilizing effects of capital movements: international financiers imposed narrow strictures on the ability of national governments to promote broad-based sustainable development and exacted particularly heavy costs from workers and peasants.

For Mexico, which opted for a full-fledged free trade agreement with the United States and Canada, the NAFTA meant wide ranging institutional changes as well as profound transformations in its productive structure. Only now, years after the agreement went into effect, are we fully appreciating the impact of these modifications. Perhaps the most widely commented on at the time, was the constitutional amendment that, in essence, ended agrarian reform in Mexico: in the hopes of creating a rural land market and modernizing agriculture, Article 27 was changed to permit the beneficiaries to sell their parcels. Privatization programs were also implemented and prior to the opening of the agreement, the public sector was well on its way to divesting itself of many of its most valuable productive assets, including the banking system (that had been nationalized in 1982), railways, sugar industry, and telephones; public infrastructure was let out for bid to private concessions, including the ports, the airports and a new superhighway system. Restrictions on foreign investment were abrogated, opening the way for the entrance of new investors into the financial sectors, and into virtually all other productive activities.⁶ Without going into details, virtually every aspect of this process has been fraught with problems: many of the concessions went bankrupt and had to be taken over by the state, while others required additional subsidies. Revelations of cronyism and outright corruption are widespread, and several legal challenges by international competitors against the regulatory authorities in Mexico for favoritism towards domestic owners in violation of international agreements are pending.

For the Mexican people, however, the most far-reaching of the changes was in the wholesale dismantling of the traditional productive structure and its reorientation towards export markets. After decades of inward looking import substitution, the authorities embarked on an accelerated opening of the economy to international trade and investment. Literally, tens of thousands of small enterprises were forced to close because they were unable to face the competitive pressures, and were not eligible for the readjustment financing that the government offered to stronger players. During the decade following the 1982 crisis, about 1.9 million people lost their jobs in these shops, while about 1 million new jobs were created in the new dynamic manufacturing sectors: the maquila (export assembly operations) and the automobile industry. (Attempts to stimulate national electronics and pharmaceutical industries were unsuccessful.) By the turn of the century these two industries employed about 1.7 million people. This shift involved not just a restructuring of the productive sector, but a profound change in Mexico's relations with the global economy; unlike the enterprises that closed, these plants were closely linked to the international market, depending for their functioning on the import of parts and technology and tightly organized administrative and infrastructural networks for their proper functioning. Thus, the reduction in inter-industry demand within the country reduced the local impacts (multiplier effect) of productive growth. An additional effect of this process was to relocate the dynamic locus of economic growth away from the central part of the country, around Mexico City, to the semi-arid northern tiers near the U.S. border, which were historically less densely populated. This geographic transfer has had enormous repercussions on many aspects of life, ranging from the penetration of the lawlessness associated with the drug trade to many other segments of the society, to the over-exploitation of aquifers and the proliferation of environmental problems. Perhaps the most significant is the impact that this change has had on the country's social structure in other parts of the country, as substantial portions of the new labor force have to be recruited from communities in central and southern Mexico; this internal migration, in response to the new employment opportunities left many communities depopulated.

The changing social and economic structure had been accompanied by a significant deterioration in living standards for most Mexicans. Even before the onset of international economic integration, with the announcement of the discovery of vast new petroleum reserves, real wages are being forced down by a series of draconian incomes policies that effectively reversed the gains from almost one-half century of economic growth at rates of about 6% per annum that had earned the country the title of the Mexican miracle. Today, one-quarter century after the onset of the first of a seemingly endless series of periods of instability, the minimum wage is fixed at less than 40% of its value at its zenith in 1976. Although the official unemployment rate is among the lowest in the world (due, in large measure, to the way in which it is calculated and the lack of any public sector support programs), poverty is widespread -there being a debate about whether it encompasses 50 or 75% of the population.

THE ALTERNATIVE ROAD

In view of this evolution of Mexican society, it is no wonder that large numbers of people are searching for alternative strategies for family survival. The Zapatista uprising in January 1994, concurrent with the launching of the NAFTA, was a dramatic statement of the fears that many people were harboring about their plight. The demands of the small band of indigenous people from Chiapas that so effectively sprung onto the world stage were not particularly radical in the context of Mexican history: in fact, they were merely calling for many of the same benefits and privileges that most other segments of society had achieved in some measure during more than 70 years of post-revolutionary history, the right to titles to their lands, to some measure of self-governance and cultural autonomy, within the norms of national conviviality, and the ability to implement a local program of economic survival and reconstruction (Collier 1994; Harvey 1998).

Following on the emergence of the Zapatistas, a new organization -the Congreso Nacional Indígena

(CNI)- was created to give voice to the demands of Mexico's indigenous populations.² Their fundamental demand was for autonomy, a word that has acquired great complexity as the parties in dispute (indigenous groups and the government) each endow it with its own significance. Briefly, and in the voice of the CNI, autonomy is a demand for the right to self-governance and cultural integrity, to reaffirm the separateness of a people, but always within the framework of the nation of which it is a part. The government, reflecting the fears of the ruling elites in Chiapas, the military and business interests, insists that it cannot permit separatist movements from tearing apart the very fabric of the national culture that has been so carefully constructed during more than 80 years.

On the margins of this dispute, but very much a part of it, important segments of Mexican society have been cautiously searching for ways to forge their own strategies. These strategies are not simply the complex machinations of families seeking to eek out an existence in the face of declining real wages and deteriorating employment situation. Rather, they are the concrete manifestations of the realization that the mainstream path of the search for proletarian employment is no longer viable and that a return to traditional forms of cooperation, organized around mechanisms for ecosystem management might offer greater security and a better quality of life. Evidence for this interpretation abounds, once we change the frame of reference to inquire about the reasons for which millions of Mexicans are migrating temporarily to find work elsewhere in Mexico or in the United States, sending thousands of millions of dollars back - monies that are clearly needed for the very subsistence of their families, but also essential for consolidating community organizations and local control over productive resources and ecosystems.³ People are finding ways to strengthen their communities, to ensure that their families can remain in the rural areas, not just as nuclear units, but as part of dynamic communities searching for a new relationship to their regions, and to the nation of which they wish to continue to be a part; instead of abandoning their communities for the burgeoning cities, as previous generations did, today, Mexico's rural population is assuming responsibility for constructing viable alternatives at home.

In the face of adversity generated by the macroeconomic policies of international integration, new approaches are emerging throughout Mexico. In spite of a range of policies to discourage the return to the countryside and make the continued planting of the milpa unprofitable, basic food production under peasant conditions is still important and the search for new productive activities is contributing to an ever-increasing diversity of products and opportunities. In an environment in which local organizations and even cultural traditions are under political attack or are threatened by the expansion of the global market, it is surprising to find a new vitality in these regions - a new commitment to defending and strengthening their institutions and productive systems.

The result of this process is that in spite of their lack of productive rationality, peasant and indigenous societies continue to exist, producing many of their traditional products, principally for local consumption, and reproducing their social structures. Although the census reports a rural population of about 22 million people, based on an outmoded definition of communities of less than 2,500 people, I consider that there are at least 30 million people living or working in the countryside. Thus, it is evident that Mexico's rural landscape is peopled by groups committed to defending and strengthening their traditions, in a world that requires increasing creativity to assure mere survival. A critical examination of these varied experiences has led us to identify three fundamental principles that the various strategies adopted by these communities have in common:

- Autonomy
- Self-sufficiency
- Productive diversification

They include not only productive and cultural activities, but also new forms of social organization consistent with the need for local self-government as well as an ability to negotiate with regional and

national authorities. This is the essence of the new rurality.

PRODUCTIVE DIVERSIFICATION

Nowadays, a new direction for rural activism is evident. Traditional strategies for local organization and production are no longer sufficient to assure the welfare of rural communities. Revolutionary demands for more land fall on deaf ears. Although historical cropping patterns are unprofitable, people continue to plant local varieties because they taste better and are an essential part of their cultural practices (Barkin 2002). But new activities must be found that provide the income to allow the people adequate living standards. In the following pages I trace some of the ways in which indigenous communities are meeting the challenges of maintaining tradition while diversifying production. Although migration for short-term employment (often lasting several years) is an integral part of these strategies, and often guided by communal institutions of cooperation and responsibility, I concentrate on those activities that are directly informed by local decision-making processes.

The examples described below illustrate a variety of approaches adopted by peoples directly affected by regional integration, either because global forces are operating in their regions or because they have reacted by searching for ways to reinforce their cultural traditions. On the Isthmus of Tehuantepec, for example, numerous alternative projects are underway as local communities seek to protect themselves from official attempts to transform the region into an interoceanic shipping corridor and a new locus for maquila.⁹ Although they are not part of an integrated regional development program, these efforts reflect an unarticulated commitment to shape an alternative future for the region, creating opportunities for each community to determine how its experience, traditions and knowledge of its resource base might contribute to diversifying production.¹⁰ Similarly, in central Mexico communities have been profoundly affected by the integration process: historically, migrants' remittances have been an important bulwark against their full integration into the proletarian labor force. Now they are searching for new avenues along which to diversify production and consolidate regional organizations.

THE PEASANT BIOSPHERE RESERVE IN LAS CHIMALAPAS

The tropical rainforest of Las Chimalapas consists of about 600,000 hectares in the southern part of the state of Oaxaca, bordering on Chiapas. During recent decades the region has been the object of numerous attempts to implant development programs to take advantage of its abundant water resources and forest reserves. In the late 1980s, the Mexican scientific community proposed creating a professionally managed UNESCO Biosphere Reserve to protect the area from continued degradation. In response, the indigenous Zoque community that has inhabited the area since long before the Spanish conquest, proposed the alternative of allowing them to manage such a reserve, channeling the resources for the sustenance of the community and assuming responsibility for their professional training to be able to collaborate with outsiders who might want to conduct research and assist in developing conservation programs. Opposition arose from numerous groups, each promoting its own program for livestock development, export agriculture, or logging, as well as from others concerned that such a proposal might confer too much political independence from regional caciques (autonomy) to the 25,000 members of the local community; many began to implement their proposals, illegally clearing communal lands for their private benefit. Official programs were implemented to attempt to defuse this indigenous strategy and divide to community against itself.

In view of the impasse, important parts of the Zoque community, with political support from national environmental groups and financial assistance from the British government,¹¹ began to implement their project for a peasant administered conservation program. Members of the communities were selected to be trained as biologists at the national university and in forest and hydraulic resources management at regional technical schools. The communities have initiated research programs in collaboration with professionals and students from numerous scientific organizations, while they continue to improve their

ability to protect the forests from fire and invasion by ranchers. Selective planting of nurseries for endangered species of trees has been started. A small ecotourism program has been implemented to provide an additional source of income and to generate a broader base of understanding of the concept of locally administered conservation by interested outsiders.

Although opposition to these independent initiatives continues, and intensifies at times when political conditions are propitious, there is a grudging recognition by environment authorities that the communities offer a viable and economically attractive model for participatory conservation, within the model generated by the Man and the Biosphere Program. Now that the zone has taken on greater importance with the announcement of the Plan Puebla Panamá (PPP), the communities are responding by intensifying their efforts to build alliances with other communities in the region that are also developing their own proposals for productive conservation as it is being titled. Las Chimalapas offers a promising example of an innovative project to promote the sustainable management of regional resources.

THE MEGA-TOURIST DEVELOPMENT PROJECT IN HUATULCO

In the mid-1980s, a large-scale tourist development program on the pacific coast of the state of Oaxaca (Bahías de Huatulco) was announced as a complement to the huge success of Cancún. The indigenous fishing communities were violently dislodged, creating a virgin territory on which some 25 five-star hotels were planned. Only five hotels were built before it was discovered that the aquifer would not support the projected growth; deforestation, inappropriate infrastructure and wasteful consumption patterns were at the root of the problem. An NGO, the Centro de Soporte Ecológico (CSE), had been created earlier to work with the 70,000 people living in indigenous communities throughout the five watersheds in the area to implement a forest conservation and rehabilitation program. They are dispersed in more than 100 communities in the coastal mountain range that climbs more than 2,000 meters.

The CSE proposed an ambitious reforestation program to rescue species in danger of extinction and to repair the damage from decades of creaming of the most valuable trees and from agricultural practices that had destroyed large tracts of the forest as population pressures increased. Its operational model involves an innovative process of developing productive uses for the by-products from the forestry efforts, using fallen branches and wood gathered from the pruning process and from the clearing of secondary growth to make artisan goods and commercial products (e.g., director's chairs and baseball bats) that can be sold in protected (fair trade) markets. In the process, the project was contributing to increasing the rate of recharge of the aquifer, reducing surface runoff and increasing the permeability of the soil (Barkin, 1998; Barkin and Pailles 2001). By incorporating these various complementary activities into the model, and making provision for a future program in ecotourism, the project has been able to obtain sufficient funds to assure improving standards of living for those people engaged in the forestry efforts.

After more than 10 years of activity, the success of the program is quite apparent. This is the first stage of a 25 year program that has demonstrated its ability to assure the survival of new planted trees in the dry tropical forest, a much more difficult area in which to work than the rain forest. Some measure of cooperation from the local hotels has also enhanced political support and financing. The Global Environment Facility, administered by the World Bank, has also offered support for the project, and its program has been favorably evaluated by the U.N. Habitat program (Barkin and Pailles 2002).

The trust funds that are the institutional form for multi-level collaboration by the communities with other levels of government, international donors and the private sector have proved their ability to assure for an easy and transparent management of funds. Following on the principle of dividing income from productive undertakings into three parts, the project is demonstrating its ability to

maintain a balance among its three principal objectives: 1) full cost recovery, including adequate compensation for workers and allowance for rents and the natural resources used in production; 2) recognition of the value of community services and collective efforts of collective organization; and 3) an allocation for environmental services required to assure a fund for reinvestment in conservation and expansion of the reach of the project.

LOCAL ALTERNATIVES FOR THE ISTHMUS

As an industrial pole, the Isthmus of Tehuantepec is important for the petrochemical installations that have been built on both coasts (Salina Cruz and Coatzacoalcos-Minatitlán) and a cooperatively owned cement plant in the center. There is an old highway and a railway line that is in dire need of upgrading; it is the only line that connects central Mexico with Chiapas and Central America. Although the series of development programs mentioned above has created expectations of a flood of investment to modernize the area, no credible offer of investment by transnational interests has yet responded to the opening. It would appear that another interoceanic transport route is still not a priority for the business community, nor is it certain that the economic potential of Central America is of great import to Mexican investors. Although not explicitly mentioned, the energy resources locked in Chiapas are of great significance, since there are unexploited petroleum and natural gas reserves as well as the hydraulic power from Mexico's largest river, the Usumacinta. In this conjuncture, then monied interests appear to attempting to appropriate political and economic spaces that local indigenous and peasant groups might be able to claim within the framework of the rights accorded by the Mexican Revolution and the 1917 Constitution.

In response to the polarization of social and political forces in the region, a series of alliances among communities are emerging to harness the region's enormous potential. Backed by the commitment of the cement plant, which has realized that it will prosper only if local forces are successful in retaining control of production in the region, a program is emerging for the sustainable development of local resources, based on an organization around the river basins. The proposals involve an ambitious program for the rehabilitation of riverbeds and water and land management projects to reduce flooding, generating new opportunities through the rehabilitation of forests, some agro-export production and an improvement and expansion of the artisan sector. Local political and business interests are also supporting the project, in spite of their reservations about community participation, out of fear that national competitors will wreak havoc in the region. Using the model created in Huatulco, trust funds are being created to manage each of the projects and assure an effective mechanism for cooperation among partners of unequal size and power. Among the projects that are being planned is a passenger rail service (using refurbished rolling stock) that would provide a new experience for tourists who would be able to visit communities and participate in cultural events administered by the indigenous groups in the region. A more ambitious program to install passive sewage treatment plants, employing biological systems, is underway to reduce contamination and create community forests in an area that has been devastated by thoughtless forms of urban expansion.

As in Chimalapas and Huatulco, some are fearful that this approach to regional organization with direct community participation is a threat to the existing political order. Their centralist vision emphasizes the participation of the region as a purveyor of people and resources to the process of international integration; it is at odds with a concern for sustainable resource management. The debate about the PPP clearly reflects the conflict between these two visions of productive advance and the models by which individuals can participate in economic growth.

INNOVATION TO MAINTAIN TRADITION

One of the real dilemmas when working with communities is how to introduce new products, or new production processes for traditional products, without disrupting valuable social organizations or

upsetting cultural patterns. This is particularly important among Mexican indigenous societies, which have long resisted efforts to integrate them into a more homogenous national society. Many of them have suffered from a progressive erosion of their productive base, as one endeavor after another has become unprofitable. Traditional backyard animal husbandry, long a source of sustenance and income for rural households, is threatened by factory-style fattening operations. In an effort to find ways of reversing this process, a project has been designed to introduce local source of food that reduce costs and increase the quality of the product.

In one instance, in a region that supplies 45% of the world market's avocados, waste avocados are being fed to pigs to produce high-quality low-fat pork for a small segment of the domestic market. Avocados reduce blood serum cholesterol in humans and pigs; by including the fruit in the diet, there is a significant reduction in fatty tissue in the meat, permitting its sale at a premium price. This change in diet has had beneficial effects on the environment, increasing the volume of water filtering into the aquifer as the avocados that formerly decomposed in local ravines, preventing water infiltration, are now consumed by the animals. Since women are charged with care of backyard activities, this new source of income has also strengthened their position in the communities and injected new energy into local governance (Baron and Barkin 2001).

In another project, a change in diet for free range poultry is facilitating the production of eggs with less cholesterol in the yolks; the eggs can be sold at a premium of 30 to 50% above market. In this case, hens are fed plants with a high concentration of omega-3, a fatty acid conducive to reducing cholesterol, grown in biologically treated sewage waters. The option encourages people in peri-urban settings to participate in environmental cleansing operations by creating a new productive activity in a privileged market that generates employment.

ECOTOURISM IS NOT A MAGIC SOLUTION

Not all projects are successful. The Monarch Butterfly, a beautiful creature has attracted a great deal of interest because of its seasonal pilgrimage from Canada to Mexico and back, has become a wildly successful tourist spectacle. More than 400,000 people visit the special reserve that was created to protect the visitor and its nesting environment in Mexico, during its 4-month sojourn. In spite of this success, however, environmentalists complain that the forests continue to deteriorate because of illegal logging and contamination of the aquifer, threatening the ecosystem on which the butterflies depend. The underlying cause for this process is the exclusion of most of the peasants from participation in the opportunities created by the hordes of tourists; these are appropriated by commercial interests from Mexico City and other nearby cities. The peasant communities, joined in a local confederation, have been unsuccessful in obtaining resources to offer their own packages of services to the visitors (Barkin 1999). This example only serves as a warning that implanting new activities in peasant and indigenous areas is not sufficient to assure that these groups will be able to enjoy the benefits and thereby contribute to improving ecosystem management.

FORGING ALTERNATIVES TO GLOBALIZATION

International economic integration promotes a process of productive polarization and homogenization that spills over into every aspect of social existence. Throughout the Third World, we have witnessed an impoverishment of excluded peoples and an intensification of environmental problems, resulting from the lack of mechanisms for adequate ecosystem management. The proposal for an alternative economic strategy for sustainable regional resource management offers a means to confront these weaknesses with activities that generate opportunities and promote social cohesion, while also producing goods that are both useful and marketable.

The theory behind this approach has emerged from a search for alternatives to globalization. Many groups are working on this problem around the world.¹² In spite of this broad effort, it is still very

much on the margins of academic and political enquiry. Some of these groups associate themselves with the promotion of small businesses (SME) without delving into the social and environmental impacts of prevailing development approaches. The case studies used to inform this paper suggest the need to broaden our reflection to include the impacts of policy on social and political structures as well as on ecosystem management.

The dominant pattern of concentrated development does not contribute to a durable model. Large segments of people in many countries are searching for their own mechanisms to construct ramparts against the advance of globalization. Local initiatives to promote sustainable regional resource management offer a promising approach that requires greater attention.

NOTES

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² Hans Singer published a similar analysis at about the same time, a result of the collaborative relationship between the two (cf. Sapsford and Chen 1998). [BACK](#)

³ This so-called dematerialization of production, celebrated by environmental economists as a way in which the economy has incorporated self-correcting mechanisms for reducing the ecological footprint of economic growth, only serves to reduce the rate of growth extractive industries in the Third World, not to lower output or reverse their harmful impacts on the environment or the communities in which they are located. [BACK](#)

⁴ For a more complete discussion of the internationalization of capital and its impact on society see, for example, Froebel, Heinrichs and Krey 1979; Karliner 1997; and Barkin 1985. [BACK](#)

⁵ The difficult adjustment process in markets for rural products led to the formalization of the famous cobweb theorem in standard economic analysis. Because there is a lag in the supply process, important differences in demand and supply at prevailing prices often lead to unstable fluctuations in supply and significant changes in market prices which invariably affect the majority of smaller, less well capitalized producers more harshly than their more affluent competitors. [BACK](#)

⁶ A note about electrical generation is in order: recently (2002), the Supreme Court invalidated government efforts to transfer responsibility for this service to private suppliers. The original nationalization involved a constitutional change that the jurists interpreted to mean that this sector was the exclusive responsibility of public sector. In contrast to the political atmosphere ten years ago, when the land reform was terminated, a continuing series of incidents of mismanagement, corruption and bankruptcies has undermined support for the continued transfer of public assets and services to private investors. Pressures for further privatization during the administration of President Fox (2000-2006) are intensifying. [BACK](#)

⁷ There are more than 60 distinct ethnic groups who still speak their own native languages, down from more than 100 that existed a century ago. [BACK](#)

⁸ Officially these international remittances from Mexicans now approach \$14,000 million; however, many consider this to be a serious underestimate. My estimates, which include income from employment in the urban economy and commercial agro-export activities in Mexico, suggests that transfers to rural Mexico now amount to more than 40% of the value of rural GDP in Mexico. These resources contribute to explain how rural communities can survive and implement the kinds of strategies described in the rest of this paper. However, if it were not for the commitment to reinvigorate rural society, these resources would most likely finance further migration to the urban areas. Along with a number of other Latin Americans, I have explored these ideas in some depth in several writing on the new rurality. See the collections edited by N. Giarracca (2000) and E. Pérez and M.A. Farah

(2001) for two of my contributions along with those of other leading exponents of this approach. [BACK](#)

⁹Proposals to create this corridor, based on a high-speed rail and highway system for the trans-shipment of merchandise between Asia and Europe -an alternative to the Panama Canal- have existed for most of the XX century, but the Mexican government started actively promoting such schemes once it decided to implement its radical opening to the international economy in the late 1980s. Originally labeled the Alfa-Omega Project, the present administration has proposed a more grandiose "Plan Puebla-Panama" to promote economic growth in the southern part of the country as well as in Central America with concessions for private operation of infrastructure that will attract productive investments. The Mexican agency charged with promoting the program has placed its public documents on a web site: <http://www.presidencia.gob.mx>. International support is described on the regional UN site: <http://www.cepal.org.mx>. [BACK](#)

¹⁰Although there is no grand master plan, as opposition to the Plan has developed, local communities are realizing the importance of coordinating efforts to explore their options. (Bartra 2001) A web site for more current information is: <http://www.rmalc.org.mx/ppp.htm>. [BACK](#)

¹¹In 2000, this assistance was withdrawn at the insistence of the Mexican government, which decreed that the local NGO was not fulfilling its functions and was preventing the creation of the biosphere reserve. Following the Zapatista uprising, political conflicts intensified in this region (Barkin and Garcia 1998 and Salas et al. 2001). [BACK](#)

¹²See, for example, the writings of Alburquerque (1990) and those of Bianchi (1999) who are influential in México among groups promoting SMEs, strongly influenced by the Italian experience. In Europe, social funds are promoting initiatives in poorer regions that might also be considered part of this approach (Saraceno 1994). For a critical analysis of the spatial impacts of internationalization, see Walker, 1999. [BACK](#)

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