

Food for People: Limits of Reform

The Politics of Food in Mexico: State Power and Social Mobilisation by Jonathan Fox

Review by: Madhura Swaminathan

*Economic and Political Weekly*, Vol. 29, No. 39 (Sep. 24, 1994), pp. 2543-2544

Published by: [Economic and Political Weekly](#)

Stable URL: <http://www.jstor.org/stable/4401820>

Accessed: 26/11/2011 21:42

---

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at

<http://www.jstor.org/page/info/about/policies/terms.jsp>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.



*Economic and Political Weekly* is collaborating with JSTOR to digitize, preserve and extend access to *Economic and Political Weekly*.

## Food for People: Limits of Reform

Madhura Swaminathan

**The Politics of Food in Mexico: State Power and Social Mobilisation** by Jonathan Fox; Cornell University Press, 1993; x+280.

THIS book contains a useful discussion of an important policy intervention by the Mexican government in the early 80s in the system of food production and consumption. The programme known as the Sistema Alimentario Mexicano (SAM), or the Mexican Food System, attempted to increase production of basic food products (cereals, beans) and to provide a basket of essential food products at reasonable prices to the poor in rural and urban areas. In theory, the SAM programme involved a reversal of agricultural policies pursued since the 1940s, which had favoured export-oriented large producers on irrigated land and private ranchers and not small, maize- and bean-growing peasants. The essence of the SAM programme was the provision of producer and consumer subsidies that were financed by revenues from the oil sector.

An analysis of this food policy intervention is of general significance on two counts. First, it shows the limits of success of a programme of reform that is initiated from above and that does not deal with the fundamental question of agrarian reform. Secondly, Fox uses this case study to build a general model of the effects of state-society interaction on the implementation of a programme of reform.

The central issue addressed in chapter 2 is why and how the Mexican state implemented a policy that gave "a small but significant" degree of power to poor persons. Fox argues for an approach that focuses on "the interaction between state and society" in understanding public policy interventions of a distributive or redistributive kind (p 39).<sup>\*</sup> In the particular case of SAM, Fox shows that the programme was initiated by "reformers" within the state whose capacity to overcome powerful opposition depended on their willingness and ability to find allies in civil society. In chapter 3, Fox provides the historical background to the Mexican state's concern for "rural political legitimacy" (p 41), and the policy of buying social peace in the countryside with occasional concessions and promises.

SAM was designed to affect different components of the food system, including inputs, production levels, marketing, processing and distribution. SAM consisted of three major policy measures. These were, first, the provision of subsidies for producer inputs (such as fertiliser and seed) to increase

grain yields on rainfed land; secondly, an increase in producer prices as an incentive to increase the area sown to basic grains and the amount of grain marketed; and, thirdly, the expansion of a system of subsidised retail stores for the distribution of basic food articles. Chapter 4 provides an interesting account of the implementation of SAM. Here is an example of how SAM worked in practice.

The main official agency that supplied agricultural credit was the National Credit Bank or BANRURAL. BANRURAL had a strong influence on production because it was the major source of credit in rural areas, particularly for those cultivating on 'ejido' (or community-owned) land. Prior to SAM, lending by BANRURAL was biased against small foodgrain producers. SAM led to a lowering of interest rates and an increase in bank lending to agriculture. Between 1979 and 1980, lending by BANRURAL increased 16 per cent in real terms; the area financed by credit from BANRURAL increased 49 per cent; the number of producers given credit increased 17 per cent. The increase was even larger the following year. However, there was no major change in the direction of credit flows from BANRURAL between 1980 and 1982. During the same period, credit for livestock increased more rapidly than credit for agriculture. Also, small producers of maize and beans were not given investment loans but only short-term loans, usually in kind. To sum up, while the new food policy led to an overall increase in agricultural credit, it did not "involve any redistribution away from the previously privileged sectors, which continued to receive substantial real increases" (p 97).

The second strategy aimed to raise producer prices that had been falling in real terms since the mid-60s. A policy of guaranteed prices was announced and there were significant increases in the prices received by cultivators for the major food crops. In 1980, the official support price offered by CONASUPO, the National Basic Foods Company, increased in nominal terms by 28 per cent for maize, 55 per cent for beans, and 18 per cent for wheat. Inflation was 28 per cent in 1980 and support prices were raised further in 1981. Despite these increases, grain prices did not reach the previous peak.

A new element of the crop procurement strategy was a Rural Marketing Support Programme called PACE which aimed to provide marketing services to small producers in rainfed areas. Begun in 1975 as a pilot programme, PACE was strengthened and extended as part of SAM. The goal of PACE was "to broaden effective access to the official price as well as to increase the *de facto* price paid to rainfed producers" (p 112).

As in rural India, in many parts of rural Mexico, markets are fragmented and oligopolistic. In remote regions, peasants are forced to sell their produce to the local moneylender-cum-trader or large landowner. Rural markets are also affected by 'caciquismo' or bossism which results in exploitative interlinkage of transactions in different markets. PACE "explicitly attempted to weaken local marketing oligopolies, one key source of 'cacique' power" (p 131). To compete with private traders, PACE provided marketing-related services such as processing facilities, rebates to meet loading costs, free loan of large bags and a discount to cover the costs of transporting the grain to the government reception centres.

PACE expanded in a big way during SAM; between 1980 and 1981, for example, there was a 400 per cent increase in maize sales to CONASUPO through the PACE programme. Fox's overall assessment of PACE is that "though much of its budget reached small producers, it did not effectively intervene in the rural balance of power because it did not actively encourage collective action in defence of peasant interests relative to either the state bureaucracy or private grain traders" (p 150).

The third component of SAM aimed to improve nutrition security among the poor by providing access to a basket of essential foods at a subsidised price. This was done through a system of generalised food subsidies and a system of government-run retail stores. Subsidies were given to processors and distributors of intermediate products such as wheat flour or maize flour who were required to sell final products such as tortillas and bread at fixed prices. These subsidies were attacked by conservatives in the government. At no time, however, were these subsidies large in national or international comparative terms. During the SAM period, 1980-82, the total subsidy given to CONASUPO averaged 2.5 per cent of the federal budget (as compared, say, with Sri Lanka's food subsidy which accounted for 15 per cent of total government expenditure).

The distribution of food through the rural network of stores grew sharply during the SAM period. Planners identified four

conditions to ensure that subsidised food was delivered to the poor: first, a guaranteed supply of food; secondly, a storage network; thirdly, a transportation network; and fourthly, genuine community participation. A key organisational innovation of SAM was the involvement of the community in the supervision of the system of retail food distribution. The management of rural stores was put under the "direction of *elected* village committees" (p 116, emphasis added). Each village committee was to choose two representatives to be on the Community Food Council, a regional body, to ensure that subsidised food reached the village stores on time.

In conclusion, SAM was a belated attempt by the Lopez Portillo government to regain political legitimacy in rural areas. The oil boom of the late 70s allowed agricultural agencies to channel more resources to previously excluded peasants and small producers in marginal areas while continuing to increase allocations to their traditional clientele of large producers in irrigated zones and private ranchers. Only one component of SAM, the system of retail food distribution, was effective, to a small though significant degree, in altering food security in the countryside and in involving communities in the implementation of government programmes. Despite the good intentions of those who designed the programme, SAM became a policy for increased grain production and the distributive effects of SAM were weak. The Mexican experience with SAM shows that unless the balance of power in rural areas is changed, as say by land reform and genuine democratic control over decision-making, there can be no effective redistribution of resources.

SAM ended with the debt crisis of 1982. The 80s were a period of deep recession in Mexico, a period when orthodox structural adjustment and stabilisation programmes were implemented. It is well established that these policies reversed the redistributive trend of the previous years as income inequality worsened and there was a fall in the living standards of large numbers of Mexicans [Lustig 1992]. There was a sharp fall in real wages, a rise in open unemployment in urban areas, and in general, a redistribution of income from owners of labour to owners of capital. Expenditure reduction as part of structural adjustment led to the slashing of generalised food subsidies and the government shifted to a system of targeted food stamps. These changes in food policy were associated with a quantitative and qualitative worsening of consumption among the poor [Appendini 1992].

The roots of the Zapatista uprising in Chiapas on January 1, 1994 can be traced to these growing social and economic inequalities. As Jonathan Fox pointed out

in this journal a few months ago (May 7, 1994) Chiapas is a region with "notoriously unequal distribution of land...largely untouched by agrarian reform" (p 1119). The long-term problems of the rural economy of Chiapas were exacerbated by the fall in prices of coffee, cattle and corn and the decline in government expenditure on rural development programmes including programmes of agricultural credit. The discontent in rural Chiapas and among other marginalised groups in Mexico reflects the fact that economic policy after 1982 weakened the poor and strengthened the rich. The Zapatistas have forcefully

brought back distributional issues to the centre of the development agenda.

#### Note

- \* The distinction between distributive and redistributive programmes is as between positive sum and zero sum options.

#### References

- Appendini, Kirsten (1992): *De La Milpa a Los Tortibonos*, El Colegio de Mexico, Mexico.  
Lustig, Nora (1992): *Mexico: The Remaking of an Economy*, The Brookings Institution, Washington, DC.

## Nuanced View of Swidden Cultivation

Mahesh Rangarajan

**Shifting Agriculture and Sustainable Development: An Interdisciplinary Study from North-Eastern India** by P S Ramakrishnan; Unesco Man and Biosphere series, Volume 10, Oxford University Press, Delhi, 1993; pp 424, Rs 475.

IN colonial Java, the Dutch had a simple word to describe shifting agriculture. They called it 'raubban' or a form of 'robber economy'. Unfortunately for the cultivators, the label has stuck. Foresters in colonial India and Indonesia excoriated swidden farmers for depleting timber trees. Agronomists pitched in by pointing to the low level of 'surplus' produced by traditional forms of agriculture. More recently, swidden cultivation has become the target of the ire of conservationists who feel it is reducing diverse tropical forests to degraded habitats for fewer plant and animal species. In the main, it is anthropologists who have tried to portray swidden cultivation in less unflattering terms, mainly by arguing that it is a cultural adaptation to local ecological situations. In this version of the story, it is modernisation that is the main culprit, destroying age-old cultural practices that had ensured ecological renewal. None of these constitutes a satisfactory explanation. The major change in recent years has been the elaboration of a more nuanced and complex view of swidden agricultural systems. The earlier debate, especially, among the critics of shifting cultivation was often centred on "widely accepted myths, and that explains the widespread failure of developmental schemes involving swidden agriculturists". Conversely, the anthropologically informed defence has also assumed a level of isolation and cultural harmony that does not square with the rich and diverse kinds of relations between swiddeners and the wider society [Dove 1985: 85]. It is essential in rolling back the

old stereotypes, that a new and equally potent one is not put in their place.

This is the central achievement of this meticulously researched and well-written book. India's north-eastern hill states are a geographically diverse and culturally heterogeneous region, with the largest complex of shifting cultivators in south Asia. The hill areas of Assam and the six hill states have, however, largely been neglected by scholars. Unlike in peninsular India where these forms of land use had been decisively rolled back (except in pockets such as Abhujmarh in Bastar) by the coming of independence, the north-east retains large communities of swiddeners. In turn, the newly independent government recognised the rights of village communities in the hill states to a degree unprecedented in the rest of India. Yet, the scales have been tilted against the swiddeners. By 1975, the Indian Council for Agricultural Research had opted for phasing out 'jhum' as it is known in favour of terraced farming and other permanent systems of cultivation. Through rigorous studies over the last two decades, the author has consistently made the case for a more nuanced approach, integrating elements of jhum with innovations in agroforestry. With this book, P S Ramakrishnan has provided a veritable steel-trap to seal his case. Terraced cultivation has not been adopted by farmers in the hills because it is simply not suitable to the terrain. In fact, in terms of maintaining soil fertility in the humid tropics, there is, as yet, no system that matches jhum. The longer view of soils and regeneration that was built into jhum