Neoliberal Modernization At The Mexican Periphery: Gender, Generation And The Construction Of A New, Flexible Workforce

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ABSTRACT: The present article examines the social and economic impact of neoliberal policies at the Mexican periphery. In the first part of the paper, we trace the history of trade policy, economic development, and government intervention from the early 20th century to the Salinas de Gotari administration (1988 to 1994), the period in which the foundation for the neoliberal state was finally consolidated. This, in our view, provides a valuable national framework for understanding the changes that have taken place in rural communities in Yucatán as well as other parts of Mexico over the last two decades. In part two, we discuss the political economy
of the region, particularly western Yucatán, which has a long and tragic experience with global economic institutions through the production and export of henequén, an experience, in short, which distinguishes it from other regions of Mexico. Finally, we explore the effects of neoliberal reform ethnographically through two case studies. The first study focuses on Maxcanú, an agricultural town located in western Yucatán which has recently been transformed into a low-cost, industrial export enclave. Here, references to “generation” (the third age) have recently entered the political discourse as workers over 40 struggle to find work. The second study focuses on Ek’Balam, an ejido in the eastern part of the state, which has recently tied its destiny to the tourist trade. Here, neoliberal reform has led to a growth of female-run microenterprises (a new penny capitalism) and important changes in gender and family relations. The fieldwork on which both studies are based was conducted in 2007.

Introduction: Neoliberalism and The Mexican Nation

To understand the broad economic, social, and ideological transformations that have swept Mexico and much of Latin America in the last century it is important to keep in mind two events, the Great Depression of 1929 and the debt crisis of the early 1980s. Until the first cataclysm, Mexico, as most Latin American countries, had a trade policy which in many ways paralleled the emphasis on free trade and foreign investment which characterize neoliberalism. As Robert Gwynne (1999: 70) and others (Bulmer-Thomas 1996: 7) note, throughout the late 19th and early 20th centuries Latin American governments were closely linked to the core capitalist nations of Western Europe through the export of raw materials and agricultural goods, and the import of manufactured goods. Under the Diaz dictatorship (1876-1911) Mexico sought foreign investment in precious metals, petroleum, agricultural goods and textiles and experienced moderate success, if one ignores the onerous conditions under which henequén (Turner 1969)
sugar and other commodities were produced. Export earnings from coffee, henequén, sugar, copper, zinc and graphite, to mention just some of the major export products, increased about 6% per year (Oster 1989).

While the enthusiasm for foreign trade and foreign investment was dampened by the Mexican Revolution (1910-1920) and the rise of protectionism among European nations following World War I, it was not until the Depression that exports, and the logic of export-driven development, collapsed. Not only did the volume and value of exports drop dramatically between 1928 and 1933 (from US $5 billion to $1.5 billion [Bulmer-Thomas 1996: 27]) but the purchasing power of exports dropped precipitously, especially in mineral-exporting countries like Mexico, highlighting the unequal nature of exchange between countries at the core (producers of value-added commodities) and countries at the periphery (producers of raw materials). Even adjusting for the decline in the volume of exports, the purchasing power of Mexican exports, according to Gwynne, dropped by 63% (1999: 71) ushering in the era of industrialization and import substitution policies often referred to as ISI.

As part of the “turn inward,” which began in the early 1930s and continued through the 1970s, Mexico sought to protect nascent industries by placing heavy tariffs on imports, especially consumer goods. Protectionism was accompanied by the nationalization of key industries such as petroleum in 1938, and new controls over ownership and the repatriation of profits. Foreign companies were encouraged to invest in developing industries, but could not own more than 49% of the company. While the theoretical rationale for delinking Latin America from the global economy would later be found in the work of dependency theorists such as Andre Gunder Frank (1971; 1976; 1984), Samir Amin (1977), Fernando Enrique Cardoso (1972) and González Casanova (1970), not to mention anthropologists such as Stephen Gudeman (1978), June Nash (1979), Carol Smith (1978) and others, at the time the best
model for government intervention in the economy and deficit spending was just across the border in Roosevelt’s New Deal and the economic theories of John Maynard Keynes. And by all accounts, the new inward-looking era in Mexican economic history appears to have been quite successful at least through the mid-1960s. “Although Brazil,” writes Gwynne “proved to be the most successful at the industrializing strategy, manufacturing GDP also expanded by a factor of seven in Mexico” (1999: 72). Similarly, between 1934 and 1965, agricultural production in Mexico increased by 325%, a higher rate of growth than any country in Latin American (Kay 2002: 33).

The downside of this boom, and more specifically protectionism, was the production of goods of mediocre or low quality at high prices. As Patrick Oster (1989: 134) notes in THE MEXICANS, finding a decent light bulb or buying a personal computer at a reasonable price was difficult if not impossible:

I remember checking prices in late 1987 on portable computer, one of the hottest business and consumer items in the United States at the time. I found that only IBM was offering such a computer in Mexico. It had just appeared. It was a made-in-Mexico version of its clunky “convertible” model, not an import. In the United States, IBM had encountered keen competition from Toshiba, Zenith, and other portable-computer manufacturers. It had to drop its U.S. price on the portable to about $1,500. Occasionally it offered it at $895 on sale. But in Mexico, its portable cost $2,750 and was offered in a less capable version than the one available in the United States. By the time I left Mexico in mid-1988, no other portables had appeared to drive this price down or to force introduction of an up-to-date model.

This, not surprisingly, created endless opportunities for fayuqueros, or black marketers like Manuel Sanchez, one of the famed CHILDREN OF SANCHEZ (1961), who Oster hap-
pened to catch up with 25 years after the publication of Oscar Lewis’s famous ethnobiography. Therefore, if the expansion of the informal sector (and a concomitant decline in formal sector employment) is one of the characteristics of neoliberalism, it certainly was not an insignificant factor during the period of inward-oriented economic development.

While Mexico had become self-sufficient in many areas by the 1970s and continued to experience a high rate of growth, the Echeverria administration, which took office in December of 1970, is often blamed for beginning a spending spree that eventually bankrupt the Mexican state. While basic commodities had been subsidized through CONASUPO, the National Company for Popular Sustenance, since 1961, Echeverria increased subsidies for subsistence items dramatically during his administration, and underwrote a number of expensive state projects, tourist resorts like Cancun and Ixtapa, and a major steel plant in Michoacán. Everything was paid for with foreign loans and when Hugo Margain, Echeverria’s finance minister, reported that government coffers were empty, Echeverria replaced him with Jose Lopez Portillo, a finance minister who was more amenable to borrowing money and would eventually replace Echeverria as president. Although Mexico was already deeply in debt to commercial lenders when Lopez Portillo took office, the discovery of huge oil and natural gas reserves assured foreign banks that Mexico was a good credit risk, and enabled the new president to continue borrowing and borrowing. Unfortunately for Mexico, by the time Lopez Portillo left office in 1982 Mexico was $85 billion in debt to foreign banks, the price of oil had declined sharply and foreign creditors were becoming extremely anxious; hence the debt crisis of 1982. As Gwynne writes (1999: 76): “When business confidence in Latin America collapsed in 1982, bank lending, the lubricator of Latin American economies for nearly a decade dried up virtually immediately.” Private lenders sought to limit their losses through “tight renegotiation” of existing debt, refusal to provide any
new loans, and attempts by national governments to socialize or nationalize private debts as well as public debts, something they were not legally required to do.

With the disappearance of commercial loans, the only alternative was to negotiate with multilateral organizations such as the International Monetary Fund and the World Bank. Loans through these entities, however, came with strings attached, otherwise known as structural adjustment policies. Although the nature of SAPs varies from country to country the general package usually includes four or five basic conditions: (1) liberalization of trade, specifically the elimination of import quotas and the reduction of tariffs, (2) privatization of key industries and the banking system, (3) financial reforms such as a devaluation of national currency, (4) less government intervention, including a reduction in public sector employment, the elimination of subsidies for basic commodities as well as noncompetitive businesses, and (5) tax reform.

Therefore, while neoliberalism in Mexico is often equated with Salinas de Gotari, the Harvard trained economist who assumed the presidency in 1988, the first steps toward a new, more “liberal” economy really occurred during the administration of his immediate predecessor, Miguel de la Madrid Hurtado (1982-1988). The first things to disappear were the ambitious development projects undertaken by de la Madrid’s predecessors. As Pierre Beaucage (1998: 20-21) notes; “With all of the oil money being kept in the United States as payment for a one hundred billion dollar foreign debt, modernization no longer included the development of public infrastructure throughout the country.” The de la Madrid administration also cut subsidies on basic food items. It cut the subsidy on gasoline and allowed the price of bus fares and mass transit to skyrocket. It sold off many unprofitable state-owned industries and undid, perhaps, the most memorable event of the Lopez Portillo administration (the nationalization of the banking industry) by re-privatizing the banks. It removed the 49% ceiling on foreign
ownership, allowing foreign interests 100% control in some cases. Last, but not least, the new administration signed GATT, the General Agreement on Trade and Tariffs, which obligated Mexico after a 10 to 15 year adjustment period to remove high tariffs and end import restrictions.

The effect of these reforms was quite predictable, unemployment increased, the informal economy increased dramatically as people sought to make a living through petty commerce, and by 1987, when Ron Loewe began his initial fieldwork in Maxcanú, the standard of living of the average Mexican had declined by 30 to 40%. While at the beginning of the decade locals were eating buul y kéken (Maya, literally beans with pig) , residents of Maxcanú were now eating ċeen buul (just beans).

After a bitterly contested election in 1988, in which many feel the rightful winner was the PRD candidate Cuauhtémoc Cárdenas, Salinas de Gotari assumed the presidency and continued the belt tightening measures initiated by de la Madrid. “While de la Madrid sold unprofitable state concerns,” writes Beaucage, “Salinas put the best ones up for sale, including the banks and the public telephone company” (1998: 22). This created a positive feeling in global financial markets and foreign capital started to flow in lowering inflation and stabilizing the peso. More importantly, perhaps, the Salinas de Gotari also took aim at the ejido (community owned lands), one of the hard-fought gains of the Mexican Revolution, although a study in February 1990 reported that there was no significant evidence that ejidos are less productive than farms in the private sector (Heath 1990: 2).

However the World Bank saw things differently, and undoubtedly had a major influence on the Salinas de Gortari administration. In 1990 and 1991, the World Bank released reports encouraging Mexico to allow campesinos to sell or rent their ejidal land and to engage in business with private entities (Almazan 1997: 47). According to one of these reports, the ejido agriculture system was “a complex of regulations and land
tenure institutions that hurts the rural poor” (Levy 1991: 34). Another report stated that, “the sector had become obsolete and characterized by productive inflexibility and increasing non-compliance with the sector’s legal framework” (World Bank 1999: 1). It was determined that if Mexico hoped to move into an “open economy” (i.e., secure an FTA with the U.S.) and allow the ejidal sector to keep up with liberalization trends, major agrarian reform would be necessary (Dornbusch and Helmers 1991: 132).

Reforms to Article 27 were proposed in November of 1991, and in 1992 the constitution was amended, thus ending more than 70 years of reform and beginning the process of privatization in the ejidal sector (Foley 1995: 60). This affected multiple issues with regard to land tenure in Mexico’s agrarian sector. The most important of these were: (1) that no additional lands would be expropriated to create new ejidos or augment existing ejidal holdings; (2) that permission would be granted to ejidatarios to rent, sell, buy, or lease land in an attempt to modernize the system of land tenure; (3) that ejidatarios could work with private enterprises and individual investors; and (4) that the Program for Certification of Ejidal Rights and Titling of Urban Plots (PROCEDE) would map, measure and register individual plots of land. Once all land in an ejido has been titled the assembly could vote to move into pleno domino, or private ownership, and could only maintain their ejidal status if at least 20% of ejidal members wanted to remain as such (Haenn 2006: 136).

These policies were regarded by the neoliberal establishment as measures that would improve land values and the legal security of these lands (Nuijten 2003: 478), and would “serve as a magnet for international investment in agriculture” (Pastor 1997: 142). However, as we demonstrate below, rather than stabilize land values and improve productivity, neoliberal reform has led to speculation and insecurity (especially in Ek Balam) and has led to the demise of the ejido (in Maxcanu) and even
some well capitalized private farmers in other parts of the country. (See, for example, James McDonald’s discussion of dairy farmers in western Mexico.)

By 1993, the small-scale and subsistence producers in the ejidal sector were without institutional support and production was falling (McDonald 1999: 277). Agriculture is often a problem when it comes to economic liberalization schemes, and in the case of the agrarian reforms of the early 1990s the result was a dramatic devaluation of rain-fed lands for growing maize. This is the land that makes up the ejidal sector and subsistence producers. Small agricultural producers were also badly hurt by cheap agricultural goods that began to flow into Mexico from the United States. Although Chiapas is home to only 3% of the nation’s population it produces 13% of its corn and was severely impacted by the introduction of cheap corn that resulted from the liberalization of trade relations.1

To ameliorate the hardships caused by the rapid restructuring of Mexican society, the Salinas administration also instituted PRONOSAL or the National Solidarity Program, an initiative which included a wide variety of projects aimed at alleviating poverty and restoring Mexico’s tattered infrastructure. Through a byzantine array of subprograms, PRONOSOL underwrote road and housing construction, new nutrition and health care facilities, community electrification programs and a variety of other efforts aimed at reducing poverty (Corne lius et al. 1994: 3). Indeed, it is worth noting that Salinas never accepted the label neoliberal, always referring to himself as a “social liberal” intent on steering a middle course between the extremes of free market capitalism and excessive state regulation of the economy.

In the end, however, the results of the economic restructuring undertaken by de la Madrid and Salinas de Gotari were not particularly impressive. Beaucage, describing Salinismo as a “descent into hell” (1998: 3), notes that by the time Salinas left office in 1995 the annual rate of inflation was over 50%,
two million more people were unemployed and the foreign
debt (which Salinas had promised to reduce) “had reached
summits higher than the Popocatépetl volcano.” A somewhat
more sanguine, but essentially similar picture emerges from
World Bank data, which indicates that between 1990 and 1997
the rate of growth in Mexico was an anemic 1.9%, lower than
any country in South America (Gwynee 1999: 84). Moreover, in
1995, the year Salinas de Gortari left office, the economy was in
such disarray that the U.S. government had to inject $50 billion
into Mexico in order to prevent a total collapse.

Even this, however, does not tell the full story since the little
growth that took place in Mexico as a result of NAFTA and
neoliberal reforms occurred mostly along the northern border,
not in the southern and more indigenous area of the country
which this paper addresses. As Gwynee (1999: 95) following
Otero (1996: 2-3) notes, the “south’s ‘backwardness’ is becoming
even more pronounced compared with the north, an example
of how regions are being reconfigured in the context of global
capitalism” (Gwynee 1999: 95). In view of this, it is perhaps not
surprising that the most visible legacy of the Salinas adminis-
tration was the emergence of the EZLN, the National Zapatista
Liberation Army, in Mexico’s southernmost state.²

A Perspective From The Periphery: Capital, Wage Labor And
Exchange

For Yucatán, perhaps unlike any other state, specialized
production for the global market has a lengthy and unpleas-
ant past. Indeed, at the beginning of the 20th century Yucatán
was something of an enigma; it was rapidly becoming part of
the global economy, yet was only tenuously attached to the
national capital. As late as 1900 there were no major roads
or rail lines connecting Yucatán to central Mexico, and trade
between the center and the periphery was exceedingly sparse.
Cultural and political ties were, if anything, even more tepid as Manuel Gamio (1916: 17-18), the father of Mexican anthropology, illustrates by means of an anecdote in the introduction to FORJANDO PATRIA (Forging the Nation):

A few months ago, after having traveled around the state, I spent some time in Mérida, and on one occasion, while dining in the center of town decided to order a bottle of beer with lunch. “Foreign or national?” asked the waiter. “Foreign,” I responded, thinking I would be served an American or German beer. A few minutes later the waiter returned with a gleaming bottle of XX beer from Orizaba [Vera Cruz, Mexico].

As hard as Gamio tried to educate the waiter about Mexican history and geography, the young man insisted that in Yucatán XX was considered a foreign brand. Gamio then goes on to list several characteristics that distinguish Yucatecans from other Mexicans, including the fact that it is the only state with its own “national anthem.”

On the other hand, Yucatán, by this time, was tightly linked to the global economy through the sale of henequén or sisal, a type of cactus whose processed fibers were used to produce the binder twine that U.S. farmers were consuming in ever-greater quantities. Production of henequén skyrocketed in the early decades of the 20th century resulting in the virtual “consumption” of free villages by the ever-expanding henequén plantation.

The second paradox, not unrelated to the first, was the coexistence of a modern capitalist export enclave and a plantation system based on virtual slave labor. Descriptions of Yucatán’s turn-of-the-century plantations invariably depict the latter as clean, efficient, and technologically sophisticated enterprises. Friedrich Katz (1974), for example, cites the report of a German engineer who claimed that “on each large plantation are found all the benefits of progress: electric light, the best steam engines, locomotives, etc.” (1974: 107). Similarly, Harry Kessler,
who visited the plantation of Don Eulogio D. in 1896, remarked (1974:126) that it “was 192 kilometers square [and] equipped with the most modern machinery.” Henequén production also wrought major improvements in state infrastructure. In fact, Yucatán, one of the poorest states in Mexico in 1850, had developed the most extensive rail system in the country by 1890. As Gilbert Joseph (1982: 34) writes in REVOLUTION FROM WITHOUT:

Over 800 kilometers of standard-gauge track constituted Yucatán’s main lines and these were augmented by another 600 kilometers of privately owned, intermediate-gauge track that connected the major railheads with the planters desfibradoras (mechanical raspers)... Complementing this remarkable rail hookup was a systematic network to telegraph and telephone lines, that like the railways, connected Yucatán’s henequén plantations with their principal market and port.

During the same period, however, the largely Maya work force that planted, cared for and cut the henequén stalks became the subject of a repressive system of debt peonage that residents now refer to as la época de esclavitud (the epoch of slavery).³ The earliest and perhaps most influential description of labor conditions in 20th century Yucatán are provided by the American journalist, John Kenneth Turner, who wrote several articles for AMERICAN MAGAZINE in 1909. In order to gain access to the henequén plantations, Turner posed as a prospective investor, and was able to witness the ceremonial punishment of plantation workers by the capataz or foreman:

One of the first sights we saw on a henequen plantation was the beating of a slave – a formal beating before the assembled toilers of the ranch early in the morning just after roll call. The slave was taken on the back of a huge Chinaman and given fifteen lashes across the bare back with a heavy, wet rope, lashes so lustily delivered that the blood ran down the victim’s body. The method of
beating is an ancient one in Yucatán and is the customary one on all the plantations for boys... Women are expected to kneel to be beaten, as are men of great weight (1911: 24).

While aspects of Turner’s account are considered sensation-al by some, several historians have confirmed the general tenor of his description (Katz 1962; Joseph 1982; Farriss 1984). Interestingly, it was not only Maya peons who became deeply indebted. As production increased so did the dependency of Yucatecan planters on North American banks, creating a chain of debt from the field hands to the financiers. As late as 1880 Yucatán still did not have a state banking system, and the interest rate on locally available credit was exorbitant, ranging from 18 to 24% (Cline 1948: 46). With no place to turn, henequén planters continued to borrow heavily from local export houses which often required that the planters repay their loans in fiber at current prices rather than in cash.

With the advent of the Mexican Revolution (1915-1924) debt peonage was abolished, a minimum wage was established for agricultural workers and many villages regained lands that had been expropriated during the 19th century. However, it was not until the Cádáenas administration took office (1934-1940) that Yucatán’s henequén plantations become the object of agrarian reform. In 1935, henequén was declared a public utility by the governor of Yucatán, and in the years that followed, henequén lands in excess of 150 hectares were subject to expropriation.

While the Cádáenas reform did not mark the death knell of henequén production it did signal the exodus of the regional bourgeoisie from agriculture, and their entrance into industry and commerce, including tourism. Henequén as the backbone of the regional economy eventually fell prey to foreign competition (as Brazil, the Philippines and other nations became major producers), and a major decline in the demand for natural fibers as synthetic substitutes became available. However, Yucatán’s addiction to henequén was a difficult one to break.
While Maxcanú (the subject of the first case study) produces only a fraction of the henequén it sent to market at the turn of the century, the local population was still largely dependent on the thorny cactus throughout the 1980s. According to the Banco de Crédito Rural Peninsular, 59% of all agricultural workers in Maxcanú still worked in the henequén industry in 1985 when the first author began his fieldwork. During this period, as noted below, there was a concerted effort to develop new agricultural resources, including cattle ranches, poultry and pig farms, and citrus orchards; however, the new enterprises were not able to absorb the workers purged from the ejido as a result of the decline in henequén production.

The decline of henequén in what was essentially a monocrop economy brought much hardship, especially in the western part of the state where subsistence production had atrophied. During the mid-1980s many residents of Maxcanú survived the collapse of the henequén market by selling artifacts they collected from Mayan ruins or facsimiles they produced on their own. The most popular story involved a clever Maxcanú artisan who purchased a number of plain ceramic vessels from a Mexico City vendor, and “Mayanized” them by painting a faint, yet identifiably Maya design on the outside. He then gave them an aged, weathered appearance by chipping the edges and boiling them in a concoction of honey, achiote (a red spice) and mud. According to the story, the facsimiles were so authentic the artisan was able to sell them to prominent Mérida residents for a hefty price. Not surprisingly, the federal police eventually took notice of his handiwork, and one day as the unsuspecting artisan opened up his shed, filled from top to bottom with forged artifacts, he was arrested. However it is illegal to sell real artifacts, not facsimiles, so the wily entrepreneur was able to secure his release by showing the police the tools of his trade.

All of this, of course, points to the dangers of relying too heavily on agricultural exports (the so-called comparative ad-
vantage of rural Mexico) and the need for new, more diverse sources of employment. The question, as discussed in the case studies below, is how well has neoliberal economic development of the last two decades met these needs.

**Down To The Local Level**

**Case 1: Light Industry, A Dab of Tourism and the Displacement of the Tercer Edad in Maxcanú (Loewe)**

This section examines the social, political and economic transformations that have occurred in Maxcanú, Yucatán over a 20-year period, paying particular attention to the impact of neoliberal reforms undertaken in the early to mid-1990s and the effects of NAFTA. In 1985, when I began my dissertation research, Maxcanú, a mestizo community of approximately 15,000 located at the western edge of the peninsula, was a predominantly agricultural town beginning the transition from henequén production to a more diversified agricultural economy. In cooperation with the state government, the National Indigenous Institute (INI), now the Center for Indigenous Development (CDI), was investing heavily in experimental plots in order to identify new cultigens and modernize agricultural production.

Indeed, my first summer in Yucatán, I lived in an ejidal community named Calcehtok about five kilometers from Maxcanú, and spent most of the time working in an orange grove moving dirt, planting seedlings, and building slatted wood frames in order to shade the young orange plants from the burning sun. It was far from an enjoyable activity. It lacked the romance I associated with fieldwork from reading the ethnographies of Redfield and Villa-Rojas, and helped me understand why many children and teenagers did not want to follow in the footsteps of their fathers. In addition to being sweaty, arduous labor, ag-
Agricultural work is highly stigmatizing. In an area where people of all social classes speak some Maya, and most are bilingual, the distinction between mestizos and the pejorative Indio correlates with the opposition between indoor and outdoor work. Nonetheless, the government appeared fully committed to supporting and encouraging villagers to work the land. In fact, one of the highlights of the summer was the arrival of the governor, Victor Cervero Pacheco, to inaugurate a pump and irrigation system (sistema de riego), a demonstration of his support for agricultural development and diversification. Money flowed freely. This, I would later learn, was the golden age of government involvement in agriculture, although there was also, reportedly, much corruption, an essential element in all narratives involving government, whether local or national.

During this period the most successful experiment was Vicente Guerrero (a government farm about seven miles outside Maxcanú) where agronomists worked alongside ejidatarios to develop cultigens that had not been successfully grown in the rocky soils of western Yucatán: chiles, pineapples, grapefruit and other crops. While many residents, even at this time, traveled to Cancún or Mérida in search of work, a large number returned to invest their earning in private plots, a phenomenon referred to as re-campesinización or re-peasantization by Othon Baños and others.

At the same time, the state government in collaboration with private developers was hoping to capture more of the tourist traffic between Cancún and Chichén Itzá to the east, and the famous walled city of Campeche to the west where tourists were regaled with stories of pirate attacks in sound and light shows. In tourism, as in every other discussion of development during this period, the key term, in this former monocrop economy, was “diversification.” How could western Yucatán distinguish itself from other parts of the state and the nation to create a tourist experience that would be interesting and profitable? The answer was to focus on the region’s colo-
nial/post-colonial period by creating an artful vision of the hacienda life stretching from the 18th century corn and cattle hacienda to the henequén plantations of the early to mid-20th century. Therefore, in addition to opening the pre-classic Maya site at Oxkintok for public consumption, private investors were discussing the idea of remodeling haciendas in San Bernardo and Sta. Rosa into museums and five-star hotels.

By the summer of 2007, some of the new luxury hotels were now in full operation. As an ad on the internet notes:

A Member of the Starwood Luxury Collection, Hacienda Santa Rosa is an 18th century hacienda offering rustic elegance. Located near the western coast of the Yucatán peninsula, the Hacienda Santa Rosa offers the perfect opportunity to encounter the area’s natural wonders and Mayan sites. An original 18th century building, surrounded by spectacular grounds, the Hacienda’s eleven unique rooms and suites offer the comfort expected of a nobleman’s private estate.

While one reviewer noted that “one of the really cool things about the hotel is their commitment to social responsibility,” and praised the hotel for building an “art school” in town where local women can learn and bring crafts to sell, the sense of social responsibility, apparently, did not extend to the small work force. Although the 11-room hotel was charging over $350 per room when I visited, the waiter I spoke with was earning about $4 a day, and serving mostly European visitors who do not customarily tip.

By this time, the archaeological site at Oxkintok had also been open to tourists for several years. But during a summer when hundreds of thousands of tourists were swarming to Chichén Itzá to see one of the seven wonders of the world, Oxkintok was a well-keep secret. Because of the absence of signage and the long, unpaved road leading from the highway to the reconstructed ruins, only a dozen visitors came by in the
four hours that I spent there. I, of course, had no intention of spending four hours at this site, where it was impossible to even purchase a Coke; however, because there were no tour buses or private taxis and very few visitors heading back to Maxcanú, my son and I spent two hours talking to two former ejidatarios, now employed as part-time guards, until we were able to hitch a ride with a local visitor. In short, like the luxurious henequén hacienda, tourist development has added few employment opportunities to the local economy in this part of the state.

However, the most significant change in Maxcanú is the rapid decline in agricultural production that has occurred as a result of the breakup of the ejido, the lack of governmental support, and increased competition in agriculture resulting from NAFTA. With the Reform of Article 27 of the Mexican Constitution under Salinas de Gotari (1992) and the establishment of PROCEDE (discussed above) the infrastructure is in place to partition and privatize ejidal lands. As a result, many individuals who were registered as ejidatarios, but absent for many years, came back to claim their parcels, but few stayed to work the land. There was no credit available and little in the way of incentives. In fact by this time, the area where Vicente Guerrero was located was so overgrown with weeds, that we had difficulty locating it. After driving about 10 kilometers down a rocky road we were about to turn around when we noticed an old rusted tank on which we could barely make out the name of Vicente Guerrero. About 75 yards back through the dense weeds we uncovered a burnt-out storage facility, nothing more. Everything of value had long since been removed.

So what do residents of Maxcanú do for a living today? Hundreds travel to Mérida to search for work. Many of the youth who two decades ago would have been working in the fields, now work in Mérida or Cancún as masons’ assistants or carpenters’ assistants. In 1988, one had to run across the plaza early in the morning and push his or her way onto a combi to get to Mérida since there were very few around and you were
never sure when the next one would come. Nowadays, things are more British, people cue up for *combis*, which are now more plentiful, but on Mondays and sometimes other days, the lines contain 150 or more individuals. What had been a trickle of outmigration has turned into a torrent.

Getting a job as a teacher is now all but impossible. It used to be that once you completed three years of secondary schools and the three-year *bachillerato* (roughly equivalent to high school) you had a job as a teacher. Now it’s like playing the lottery. Each year there are approximately 60 new jobs for public school teachers and approximately 3,000 applicants. If you place within the top 60 you get a job, otherwise you take the test again. According to Doña Abela, her nephew placed 89th one year, but is reluctant to take the exam again. Consequently, there are now many well-educated residents who make their living by driving tourists and townspeople around on motorized or pedal powered tricycles or *trices*. This exemplifies the shift from agricultural work and industry to service which the economic data for Mexico and Latin American increasingly demonstrate (Gwynne 1999: 89).

By far the largest employer in Maxcanú is now Monty, a large textile factory that relocated from Honduras about five years ago and employs close to 1,100 workers, most of whom come from Maxcanú and the surrounding *ejidos*. From the outside, the new factory offers a favorable presentation. There is a large well-groomed lawn with a soccer field for employees. The parking lot that faces the street is full of shiny new motorcycles that employees can purchase over time through payroll deduction. The inside (which is very difficult to access due to concerns about terrorism or industrial espionage, a fieldwork dilemma I had not previously encountered) is also clean, well kept and well ventilated. In this sense it is clearly favorable to working on the *ejido*; however, the ten-hour workday at Monty is clearly longer than the average workday of a farm worker or an *ejidatarios*, and the pay scale in this non-union shop is
markedly lower than the average daily wage of a farm worker. While the exact wage of a Monty employee, according to the director of human resources, is based on a complex algorithm which factors in seniority, the complexity of the task, and the employee’s speed, it is safe to conclude, based on numerous conversations I had with employees outside the plant, that workers earn slightly above the national minimum wage, which at the time was 71 pesos per day or approximately $7 a day. In contrast, Manuel, a friend and informant I have known for 20 years, works approximately six hours a day, planting and clearing weeds for a private landowner, earns 100 pesos or $10 a day and is in his hammock by noon. Workers at Monty also complain that they are docked if they take off for national or religious holidays; however, the big losers in the transition are members of the tercer edad (the third age), a new phrase referring to people over 40 that has entered the political discourse of Maxcanú in the last decade.

Although representatives of Monty do not publicly acknowledge it, it was clear from my observations inside the plant, and from discussions with workers and their families, that very few people over 35 are hired to work. Consequently, adults who did not work in the ejido long enough to receive a pension are caught in a no-man’s land where they are too old to work and too young, or financially unable, to retire. In summary, there is no golden age of Maxcanú to which I can refer. The recent past, which was rank with corruption and sweaty, hard outdoor labor, is not to be envied. Here, I heartily agree with Pierre Beaucage (1998: 23), who in describing the peasants of the upper Sierra in Puebla writes: “After 25 years of intense exposure to modernity, nobody wants to return to the old days, where you worked from dawn to dusk, and were happy to have enough corn to eat and a few pesos to spend at a fiesta.” The allure of new consumer goods and non-agricultural work is strong among the youth. Unfortunately, the present, which offers low-paid service jobs, low-paid factory work, and an
early retirement that nobody can really afford doesn’t appear to be any better.

**CASE 2: Back to the Future: Privatization, Penny Capitalism and the Growth of an Informal, Female-Centered Economy in Ek’ Balam (Taylor)**

In contrast to the case of Maxcanú, the village of Ek’Balam is a small *ejido*, all of whose 300 or so residents self-identify as Maya. It has historically been primarily involved in maize cultivation, but on a subsistence rather than commercial level. The connection between these two cases is found in the way residents confront new economic realities; namely *maquilas* and tourism. In 1935, the Maya of Xkumil were granted *ejido* land. Most of the people who came to live in Xkumil had grown up on nearby ranches and *haciendas*:

Well, my father and my mother lived in Xkumil, they lived there in Xkumil, and that is where we grew up. We were not many, about 10 thatch houses. In this time, the time of my parents, they solicited the land. There was a president named Lazaro Cardenas who helped the people, the *campesinos* who lived in the haciendas. He gave them our land and called it an *ejido*. For example, Xkumil received a piece of land that is 666 hectares for the 24 *campesinos* who wanted to live there and work the land. And so that is where we started. ~Don Wiliam

In 1969, three men began exploring other parts of their *ejido* in hopes of finding a better place to make a life. What they found was an abandoned hacienda called Ek’Balam. By September 14, 1972, the *pueblo* of Ek’Balam was established around the crumbling *hacienda*. The archaeological zone was also an important factor in the decision to settle where they did, just off one of the five ancient *sac’be*, or white roads, which led into the temples.
The ejido is still called Xkumil, and remains in the municipality of Temozón, the closest large town, with about 8,000 residents. Twenty kilometers south of Ek’Balam is the colonial city of Valladolid. With about 62,000 residents, it is the closest major city. What separates Ek’Balam from the hundreds of other small ejidos in the region is the nearby archaeological zone that opened to the public in 1994. Since then residents have had increasing contact with tourists, and by 2007, over half the households in the village said they had at least weekly interactions with tourists.

With the arrival of tourism, land in Ek’Balam has taken on a new value. What was once a necessary resource for agriculture and space to build homes is now a commodity that is increasingly gaining the attention of outsiders, both Mexicans from other parts of the country and foreigners. In 2004, just two lots were owned by individuals from outside the community, both for the purpose of profiting from the increasing amount of tourists in the region. However by 2007, there were no less than eight lots within the ejido owned by individuals from outside the community. This number is increased by an unknown amount when outsider-owned lots in the neighboring ejido of Santa Rita are taken into account.

The question, then, is how these changes in land use and ownership are affecting members of the community as they attempt to continue farming on milpa lands and retain adequate land within the village for their homes. In 2004, many of the community members I spoke with had strong opinions about others selling their new parceled ejido land, although they all realized that it is now legal to do so.

The ejido of Xkumil was parceled through the PROCEDE program in 1994. The ejidal assembly voted to remain an ejido, but the strain caused by the parceling process and the lack of additional lands is felt throughout the community. The following passage expresses this anxiety and touches on the result of the reform to Article 27 of the Mexican Constitution:
Now, in the time that we are in, it is a little complicated... In my role as ejidal commissioner, I cannot tell people that they cannot sell their land to tourists or foreigners. But with time they will see that the land is going. There will not be a place for their children to live in the pueblo. For example, this is my son and his newborn son. In 20 years, more or less, this child will not have land. Because many people are coming, the tourists are coming here. They want to have a life here in Ek’Balam. There are people selling their own property. The ejidal parcel is an inheritance. If I decided to sell my parcel, what would I give to my children and grandchildren? You see, we are multiplying. We are growing but the land is not. For this reason, I am careful with the parcel that I have, for the inheritance of my children and grandchildren. The people say that ten meters from the main road, they can ask 20,000 pesos for this. The person who comes here from far, well this is cheap for them! But God willing, the people will think first. They will hold on to their lands because more people are going to come here from other countries. If they keep coming and buying, well, good for the person selling, but it does not have a benefit for the pueblo, only personal benefit. They are selling their children’s futures. ~Don Rafael

Here, it should be noted that the ownership of ejidal land in Ek’Balam is not a simple economic issue; it is a key factor shaping social relationships within the community and between individuals and kin groups. Ejidal plots and use rights to this land provide a level of status that is readily apparent when differences between ejidatarios and non-ejidatarios are considered. Secondly, ejidal land not only provides food security, but access to participation in multiple government sponsored programs, such as the Programa de Apoyos Directos al Campo (PROCAMPO), or the Program for Direct Assistance in Agriculture, which was instituted in 1994 as part of a government-sponsored effort to liberalize rural Mexico. Finally, it gives ejidatarios additional political connections that very often lead to power in the political life of the community (Klepeis and Vance 2003: 234).
Diversifying Household Income and the Role of Women: A Silver Lining?

The economic crises during Latin America’s “Lost Decade” of the 1980s led to a shifting role for women as wage laborers. In the town of San Cosme, Mexico, Frances Abrahamer Rothstein recorded a doubling of women’s share of labor from 12% in 1980 to 25% in 1989 (2007: 96). She also reports that half of young women are in the labor force. While neoliberal reforms in Mexico and elsewhere increase the availability of work for women in the non-agrarian labor force, many are “confined to low-paying jobs, without protection, security, or hope of mobility” (Safa 2002: 141). Within the agrarian sector, the opportunities for formal sector employment are even worse (Stephen 1993: 27).

The manifestation of these trends in Ek’Balam can be seen in the diversification of household production and income (Schüren 2003: 53). Similar to Rothstein’s (1995) experience in San Cosme, the roles found within the new household earning strategies are dictated not by “internal family dynamics” (1995: 167), but instead by external forces, the most predominant of which is tourism. What is unique about this case is the fact that only three to five women in the village hold jobs in the formal economy at any given time, via the two foreign-owned hotels in Ek’Balam. The rest are participating in the local, informal economy.

The production and sale of hammocks is now a main source of income for many families in Ek’Balam. In fact, some women rely on hammocks for money to purchase all their staples, such as corn and sugar. Doña Filomena’s husband leaves the village for work and returns cada quincera, or every 15 days. Though he earns a good wage by working on a private ranch, he is not working the milpa, and so the family must purchase their corn locally from other families or in the neighboring city
of Temozón. Doña Filomena talked to me about the economic importance of her weaving in 2007:

If you make two hammocks, one will buy a bag of corn, which right now goes for about 170 pesos [17USD]. Then from the other I take all of my expenses – sugar, coffee, bread, everything. It is only when I sell a hammock for 350 pesos [35USD] that I can get the money to buy more tubes [of thread] to start another hammock. ~Doña Filomena

The opportunity to sell hammocks directly to tourists (rather than through intermediaries who previously pocketed most of the profits) has created a new entrepreneurial spirit in the village. As recently as 2004 hammocks and the traditional embroidered *huipil* (dress) were the only crafts produced, but now the artisans of Ek’Balam extend their talent to the creation of mini fruit hammocks, crocheted purses, soda tab belts, and embroidered tank tops for sale to visiting tourists. The new income generated through handicraft sales (women’s work) has also been the primary source of capital formation for individuals wishing to start small businesses. There are now six households that have goods for sale out of their homes, whereas in 2004 there were only two. They range from an operation that sells a few bottles of Coke and snacks to stores that contract with the grocery store in Temozón to sell all manner of groceries on consignment. This is of great importance to the family because of the additional income, and is extremely useful for residents of Ek’Balam because it saves them the expense of traveling to Temozón to buy groceries.

After a few years of receiving a small payment from Joan for the village tour (about $2 per tour) and regular tips in varying amounts from the visitors, Doña Gomercinda was ready to make the purchase she had been anxiously awaiting: a refrigerator. This expenditure of $300 bought on credit from an appliance store in Valladolid was a big decision for the family,
but Don Lucas agreed that it was up to Doña Gomercinda to determine how these earnings would be spent:

Well, she works hard to take care of the house and our family but is always happy to stop what she is doing and welcome the gringos who come to see how we live and how she makes tortillas. Whew, for years she has said, “when can we find the money to buy my refrigerator?” And now, thanks to the gringos, we have one. She is so happy now when she goes in to get Coke from the fridge to sell to someone. And with the money she makes from selling snacks to the kids, well that helps with the money we pay [for the refrigerator] every 15 days. It truly is Doña Gomercinda’s fridge. ~Don Lucas

Within weeks of the purchase of the refrigerator Doña Gomercinda was buying Coke and juices to sell to neighbors. She also began to make chicarrone, the fried snacks that she sells to the children during their breaks in the school day. Other households are also following this trend, and it is mainly the women who are involved in the purchase and re-sale of goods. Indeed, the majority of the capital used to start these micro-enterprises came from women tied into the tourist trade.

These changes can be seen in Figure 1, which shows the main three sources of income found in the community and the change over the three-year period from 2004 to 2007. “Milpa,” which has declined slightly, refers to individuals whose main household earning strategy is the production of maize. The category of “commerce” is used to represent individuals who have income from some form of commerce in which they are directly involved. This mainly includes individuals who sell goods from their homes. “Crafts” refers to anyone who produces and sells crafts to tourists (e.g., hammocks, embroidered blouses, etc.). In each case, the response of the head of household was recorded for individuals who are unmarried and live in the house of their parents.
The new economy that has emerged in the wake of agrarian reform and the concurrent development of tourism is similar to what Sol Tax identified as system of “penny capitalism,” that is “a society which is ‘capitalist’ on a microscopic scale” (Tax 1963: ix). Other scholars working in predominantly Maya communities throughout Yucatán have noted similar economic shifts. Ellen Kintz (1998), writing about her work in Cobá, Yucatán, also calls upon Tax’s term when discussing the increase in economic enterprises initiated by women (1998: 598). She states that while historically women were excluded from the cash economy, they “have now become the managers of cash which flows into their household from a variety of sources” (Kintz 1998: 597). Various factors contribute to the new role of women as “managers” of the household economy, not the least of which is migration. Though the frequency of migration in Ek’Balam is lower than in other nearby ejidos, there are a number of households that are headed by women the majority of the time (similar to Maxcanú).
Finally, the ever-increasing stream of tourists arriving in Ek’Balam, and other previously remote villages, to purchase handicrafts is not only increasing the availability of cash, but is leading to familial changes, such as the redistribution of wealth, and a shift in traditional gender roles. In this sense, Ek’Balam is becoming more like high volume tourist destinations such as Guatemala where Walter Little (2000: 174)) reports that household gender relations have shifted to such an extent that it is “possible for women to support children without the aid of men, making them more economically independent and powerful within the community.”

Conclusion: Is The Washington Concensus Finally Over?

Many readers will not find the conclusions of this article surprising. To be sure, there are some generally positive assessments of the impact of neoliberal reforms on indigenous groups in Latin America. For example, in “Beyond Indigenous Land Titling: Democratizing Civil Society in the Peruvian Amazon,” Søren Hvalkof (2002) not only criticizes efforts by the Peruvian government (ca. 1950) to assimilate indigenous groups into a paternalistic nation-state, (e.g., to modernize them out of existence) but argues that the recent process of demarcating and titling Askéninka territories has been essential in constructing a democratic, transcultural sphere of communication that allows the Askéninka to participate in policy decisions as well as take advantage of new economic opportunities (2002: 111):

If democracy consists of active participation in policy and decision making by a culturally mixed population creating common instruments for dealing with differences and conflicting interests, this has been achieved ... New economic forms are emerging where the values of indigenous subsistence production, market economy and
extractivist industry will be balanced very differently than before ....

Some authors have also pointed to new possibilities for women as micro-entrepreneurs within the new global economy especially if reliable sources of credit are made available through governmental or non-governmental institutions (Seligman 2002; Buechler 1998; Babb 1998). However, the results of these experiments seem to be ambiguous at best. In the case of Nicaragua, Florence Babb points to the high rate of failure among small enterprises, and in Bolivia, were NGO loans may be as high or higher than commercial bank loans, the Buechlers remain non-committal. “It remains to be seen whether increasing dependence [on loans] will be compensated for by an increased family income or whether … the additional economic productivity resulting from loans will be offset by increasing competition and the high cost of servicing the loans (1998: 104).” Clearly more research needs to be done in this area.

Similarly, Deere and León (2002), highlighting the competing interests of women as individuals and as members of an indigenous group, argue that a woman’s control over land is most precarious in countries like Ecuador and Bolivia where indigenous groups have successfully defended collective property rights against neoliberal initiatives. At the same time, however, the authors note that countries like Mexico and Peru, which have carried out counter-reforms, have also failed to protect the rights of women. While in the past Mexican women inherited right to *ejido* lands upon the death of their spouse, decisions governing the *ejido* (e.g., whether to divide or dissolve) are made by recognized *ejido* members, and since there can only be one representative per family, members are overwhelmingly men.

Overall, though, Yucatán and southern Mexico more generally appear to fit comfortably within the established and predominantly negative ethnographic literature on neoliberalism
that emphasizes the growth of low-paid industrial and service jobs at the expense of farming or agricultural work, increased internal as well as external migration in search of work, the growing displacement of older workers, and a stagnant or declining standard of living for working and poor people. Even in cases where there has been substantial economic growth, the distribution of new wealth has tended to favor the more developed or urbanized regions and the upper class. The institution of NAFTA and the neoliberal reforms that preceded it did nothing to decrease the regional inequalities historically present in Mexico, and, in fact, according to Conroy and West (2000) and others, these inequalities increased. The seven states that form Mexico’s south (Campeche, Chiapas, Oaxaca, Quintana Roo, Tabasco, Veracruz, and Yucatán) have experienced less prosperity than their neighbors in the central and northern regions of the country (Tardanico and Rosenberg 2000). Federal expenditures to the southern states dropped 74% between 1980 and 1992, compared with a 44% drop in the country as a whole during the same period (Conroy and West 2000: 47). As Sheahan (1997: 9), notes, liberalization programs “do not in principle rule out redistributing assets for the sake of equalization, but their spirit certainly goes against it (Gwynne 1999: 90).”

The larger question, however, is: are we finally seeing the end of the so-called Washington consensus (e.g., neoliberalism)? Even before the current financial crisis, and the decline of the U.S. dollar, nations throughout Latin America (Venezuela, Chile, Brazil, Argentina, Ecuador, Nicaragua and Bolivia) had begun replacing center-right governments and far-right governments with center-left governments, and some, particularly Venezuela and Bolivia, have begun to nationalize private industries, introduce new protectionist measures, and revive the tattered welfare state. The recent election of Fernando Lugo in Paraguay, a priest known for his advocacy of liberation theology, and the political unrest in Mexico, suggests that this tendency is going to continue for the time being. As Immanuel
Wallerstein (2008) notes in THE DEMISE OF NEOLIBERAL GLOBALIZATION, the only problem with the political success of the Reagan-Thatcher block was that it was not matched by economic success... The surge in the stock markets everywhere was based not on productive profits but largely on speculative financial manipulations” which resulted in massive upward redistribution of wealth. It appears that this speculative bubble is bursting as we go to press, and that the events of 2008 and 2009 may have the same impact on international trade, public spending and tax policy as the events of 1929.

NOTES

1 While some would see this as failure, the World Bank released a Trade Restrictiveness Index Report for Mexico in 1992 that concluded “the liberalization of the 1985-1989 period carried Mexican agriculture more than halfway to free trade” (Anderson 1992: 2).

2 Paul Farmer, for example, writes (2005: 15): “Many argue that it is no coincidence that Mexico’s first uprising in decades began on the day the NAFTA (the North American Free Trade Agreement) was signed. It was also no surprise that poor health figured strongly among the complaints of the peasants in the rebellion. In a declaration at the outset of the revolt, the Zapatistas noted that, ‘in Chiapas 14,500 people die a year, the highest death rate in the country. What causes most of these deaths? Curable diseases ...’. The declaration further noted that all of this misery was expanding right under the noses of tourists and others who visited the region: ‘While there are seven hotel rooms for every 1,000 tourists, there are 0.3 hospital beds for every 1,000 Chiapans.’”

3 The key feature of Yucatán’s de facto slave regimen was a system of debt peonage that effectively tied the hacienda peon to the land. In most cases this obligation was formalized at the time of his marriage, an event that was arranged, sponsored and paid for by the owner of the hacienda or one of his majordomos. The newlyweds were provided living quarters and certain basic necessities, all of which were, supposedly, calculated in a contract, the notorious nohoch cuenta (big bill). In theory, the hacienda peon had the right to see the contract (although he probably couldn’t read), and pay
off the debt at any time; however, in practice official records were not kept and plantation workers were neither bought nor sold.

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