SURVIVING UNDER FREE TRADE: A STANDPOINT ANALYSIS OF SMALL COLLECTIVE FARMERS IN MEXICO

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ABSTRACT

Mexican history teaches us that there are certain characteristics that initiate uprisings. One of those characteristics is the oppression of peasants, which eventually produced the 1910 Mexican Revolution. Since then, the Mexican government has attempted to avoid such uprisings by responding or appearing to respond to the needs of the rural working people. During the Great Depression and reverse migration to Mexico, President Lázaro Cárdenas intensified agrarian reform to prevent another revolution as the escape valve to the United States closed and poverty rose in Mexico.

More recently, the North American Free Trade Agreement displaced the small-scale farmers; to compensate them for their loss under NAFTA the Mexican government established PROCAMPO. This study, through an unobtrusive (nonreactive) method, analyzes existing statistics/documents and secondary data to evaluate if PROCAMPO significantly helps small-scale farmers or if it was used by the Mexican state to buffer the discontent among farmers. The evaluation of PROCAMPO will determine if small-scale farmers need additional assistance in order to survive in a neo-liberal context.

This study attempts to discover if PROCAMPO, or Programa de Apoyos Directos Para el Campo [Program of Direct Support for the Countryside], a program that provides direct income transfers to Mexican farmers producing basic crops, was used to protect and compensate small-scale Mexican farmers for their loss under NAFTA, or if it was used as a symbolic program to diminish resistance against NAFTA and therefore avoid popular uprisings such as the one expressed by the Zapatista Movement on January 1, 1994. If such is the case, future economic development and negotiations can be made more effective and democratic by actively including the feedback and interests of those most needing assistance, such as small-scale farmers.

“Almost one in every two Mexicans lives in households at or below the poverty line (less than a minimum wage of some four dollars a day; [Mexico Country Brief, World Bank, 2007]. Indeed, 60% of all those who live in extreme poverty are in rural areas [CONAPO, cited in OECD, op. Cit.]” (Burstein 2007). A predominately indigenous peasant country fought against similar socio-economic conditions—disproportionate distribution of wealth, unprecedented levels of poverty and high levels of Mexican migration—
during the Regime of Porfirio Diaz, also known as “The Porfiriato” (1876-1910). Emiliano Zapata and Francisco Villa led the peasant revolution, and demanded Tierra y Libertad [land and liberty].

The agrarian land reform was partially achieved through the inclusion of Article 27 in the Mexican constitution. The article returned the original ownership of land and water to Mexican citizens and ended landed estates (latifundios) and haciendas (Krauze 1993, 359). Article 27 prohibited collective land or ejido land from being sold or rented without a collective agreement from its members. In the 1980s, President Salinas’ laissez faire political-economic policies dismantled Article 27, eliminating protections of communal land and thus Mexican farmers. President Salinas was preparing Mexico for liberalization, which was implemented as the North America Free Trade Agreement (NAFTA) in 1994.

Under the neo-liberal policies of Salinas, the Mexican farmers became the ultimate losers of trade liberalization. More significantly, the Mexican government policies of liberalization replicated Porfiriato’s socio-economic conditions and instigated a revolutionary sentiment among the Mexican rural class—most clearly expressed by the Zapatistas’ Rebellion in January 1994. Such internal political conflicts affect foreign investment in the country, in the past the Mexican government has taken to repression of its citizens in order to silence them (e.g., the 1968 Student Massacre) and to ensure Mexico is viewed as a stable country that is open for foreign investment. However, those forms of oppression are negatively viewed by the world and so the Mexican government has produced creative ways of pursuing “social order.”

**LITERATURE REVIEW**

This study reviews the significance of the Mexican Revolution in land reform, and highlights the socio-economic conditions that caused it. Drawing parallels to contemporary time, the study will examine the Mexican government’s policies of liberalization such as NAFTA and its effects on the agricultural sector, particularly those most affected by free trade. In addition, this study reviews existing literature on the effects of PROCAMPO to evaluate its success as measured by its effectiveness in helping small-scale farmers.

**Mexican Revolution**

The 1910 Mexican Revolution initiated the beginning of a democratic era for the Mexican peasantry. The Campesino Revolution was directed against discrimination and repression the people faced from the dictatorship of Porfirio Diaz who represented aristocratic hacienda interests and foreign
capitalism. The revolution resulted from the accumulation of injustices towards the peasants. One hundred years before the revolution, during Mexico’s Independence in 1810, the peasants were increasingly exploited by the Spanish Crown and criollo administrators. The participation of Padre Miguel Hidalgo in the movement for independence represented a coalition of unlikely groups—the criollos, mestizas/os and indigenous people. With Mexican Independence finally achieved in 1821, some peasants and workers acquired better working and living conditions (Guedea Virginia 2000, 288). The Mexican Independence Movement attempted to end slavery for the peasants. However, the dictatorship of Porfirió Diaz undermined the ideals of the Mexican Independence of 1810. For the elite, hacendados, and government officials, campesinos were always viewed as a commodity. John Mason Hart, a renowned scholar on Mexican history states that “commercially oriented elite desired to gain access to workers and land for commercial productivity” (Hart 1997, 158). Diaz began to construct Mexico along these elitist and racist interests that further dislocated indigenous people from their land and converted them to devalued labor migrants to ever-expanding haciendas/plantations. Not surprisingly, the peasantry sought to end their enslavement and reclaim their indigenous land from the descendents of foreign colonizers.

During the regime of Diaz, all social classes in Mexico were affected by foreign monopolies controlling their national resources. The Mexican elite found themselves excluded from an archaic government structure, in which they were losing political power against a strong and powerful foreign force (Hart 1997, 101). For the industrial and urban workers, the Diaz regime diminished and almost made obsolete their collective bargaining power to attract foreign investment (Hart 1997, 59). The rural sector was the most affected by the Porfiriato; “about 130 million acres came into the possession of American owners” (Hart 1997, 158). The consolidation of the three social classes—peasantry, urban workers, and domestic business—gave birth to the Mexican Revolution (Hart 1997, 348). Francisco I. Madero was a member of the Mexican elite, a landowner, and “the wealthy heir of one of the five riches families in Mexico” (Krauze 1997, 245). He offered incentives to both the industrial workers and the peasants to join the insurgency cause. Emiliano Zapata, who most clearly represented the peasant revolution, joined Madero, as did Pascual Orozco and Francisco Villa. The consummation of the revolution required a new government, and Madero became the new Mexican president.
The Plan De Ayala
Zapata recognized that Madero was not going to keep the promise of land reform made to the campesinos. The policies of Madero reflected those of the elites, unwilling to change the political-economic structures that subjugated the peasantry who were a great majority of the Mexican population. Zapata and his officers, feeling betrayed by Madero, signed the revolutionary Plan of Ayala, in which they “declared revolution against Madero for ineptitude and blood treason” (Hart 1997, 253). In addition they demanded the redistribution of the land properties that rightfully belonged to the indigenous rural communities. It was not until the Mexican presidency of Lazaro Cardenas (1934–1940) that the campesinos had some of their land demands addressed. The agrarian reform implemented by Cardenas had similar effects as the United States’ New Deal during the Great Depression; it calmed class conflict. Cardenas’s distribution of land possibly prevented another revolution (Barajas 2009, 246).

The revolutionary land reform came to an end when Carlos Salinas became the Mexican President in 1988. By 1992 President Salinas dismantled the agrarian reform. Through the modified amendment of Article 27, ejido land could now be sold, rented, or mortgaged. In addition, the ejido sector was open to foreign privatization in the form of joint ventures (Lewis 2002, 406). For the rural working people of Mexico, the Salinas amendment undermined the revolution and its victories. In the subsequent years, laissez faire capitalism gained ground, and its impacts were evident in the poverty, unemployment, and migration levels of the Mexican people.

NAFTA and the Mexican Agricultural Sector
The North American Free Trading Agreement was signed by the United States, Mexico, and Canada in 1994. The agreements sought to diminish and eliminate tariff and trading barriers between the three countries. Mexico’s motivations to enter the agreement were to stabilize the Mexican economy by attracting foreign direct investment. It was believed that through this investment Mexico would increase wage levels, create jobs, and reduce poverty (Villarreal 2008). Scholars who studied NAFTA differ on the impacts the agreement had on the agricultural sector. Daniel Lederman, William F. Maloney, and Luis Servén, economists of the World Bank’s Latin America and the Carribean Region, argue that NAFTA did not have the predicted devastating effects on Mexico’s agriculture and that domestic production increased during NAFTA (Lederman, Maloney, and Servén 2005, 13). However, these World Bank economists did state that non-irrigated productivity stagnated, while irrigated land had an increase in productivity (Lederman, Maloney, and Servén 2005, 144). A common characteristic of
ejido land is that it is rain-fed (e.g., watering depends on rain). Large-scale farms tend to have irrigated land (i.e., these have access to water sources and irrigation systems) and can harvest more crops than rain-fed land. Therefore, the increase in productivity for irrigated land is of little consequence to the small-scale farmers, whose land depends on rain for irrigation. The small-scale ejidatarios’ lack of access to irrigated land and to the credit they need to purchase irrigation systems puts them at a disadvantage.

More uniformly, studies by groups such as Oxfam, a non-governmental confederation of 13 organizations from three continents that are working together to fight poverty and injustice, report that small-scale farmers are suffering drastic deterioration in living conditions because their productivity decreased; “the main crop price, corn, has fallen more than 70 percent from 732 pesos in 1994 to 204 in 2001” (Oxfam 2003, 13). The Global Trade Watch, an organization that promotes government and corporate accountability in the globalization and trade arena, reports that after NAFTA, rural population growth decreased to 6 percent, whereas urban population growth increased to 44 percent showing a trend of displaced farmers migrating to Mexico’s cities where unemployment rates are high, or to the north (Woodall et al. 2001). In a Congressional Research Report to Congress (2008), Villareal and Cid documented that NAFTA more severely hurt small-scale farmers for whom prices of basic crops like maize dropped and the imports of such basic crops increased. In addition, Mexico’s agricultural production has increasingly centered on large-scale farms, factory-type livestock lots, and capital-intensive food processing, putting pressure on the small-scale ejidos (Villareal and Cid 2008, 10, 16, 17). In regards to employment, NAFTA has also had negative impacts on the agricultural sector. According to Audley et al., in a Carnegie Endowment for International Peace report, the agricultural sector has lost 1.3 million jobs since 1994. For the small-scale farmer who does not have the aid of unemployment insurance, this means finding other alternatives for survival (Audley et al. 2004, 3). The effects of NAFTA continue to be disputed between scholars, but most scholars concur that small ejidos were the most affected under free trade, making it very difficult for them to survive.

PROCAMPO

PROCAMPO was initiated a few months before the implementation of NAFTA in 1994. PROCAMPO’s purpose is to compensate Mexico’s domestic producers of basic staples that compete with U.S. and Canadian farmers. It was also intended to assist domestic producers in switching to crops that are more competitive, and was established to provide income support to farmers over a 15-year transitional period through yearly, hectare-
based direct payments to producers. The program was to end in 2008 once complete liberalization was reached. However, president Zedillo (1994-2000) decided to extend PROCAMPO for an additional 15-year period and its operation was transferred to the Alianza para el Campo [Alliance for the Countryside] (Library of Congress, Mexico Rural Society 1996). For spring-summer 2005 and fall-winter 2005-06, PROCAMPO payment rates were 1,160 pesos per hectare for producers with less than five hectares and 963 pesos per hectare for all others (Secretaria de Agricultura [Department of Agriculture] 2009). These amounts correspond to about $82 and $68 in U.S. dollars, using an exchange rate of $14.11 pesos per dollar as of March 18, 2009.

Little research has been done on PROCAMPO. Elisabeth Sadoulet, and Alain de Janvry, professors of agricultural and resource economics at University of California Berkeley and Benjamin Davis, an economist with the Agricultural Development Economics Division of the Food and Agricultural Organization, found that “PROCAMPO had a multiplier effect on income and the multiplier for all households is in the range of 1.5 to 2.6” (2001, 25). A multiplier increases income by a certain percentage, therefore, the bigger the multiplier the greater the percentage increase in income. These researchers also found that small-scale farmers do not benefit from the multiplier (Sadoulet, de Janvry, and Davis 2001, 25).

Arturo García Santillán in his 2004 dissertation found that small-scale farmers are agricultural farmers only while medium-scale and large-scale farmers are also involved in animal raising. In addition, the researcher found that small- and medium-scale farmers own rain-fed land while large-scale farmers own irrigated land with high probabilities of accessing technology. García Santillán (2004) also found that the income supports of small-scale farmers are divided between agriculture productivity and medical costs. For small-scale farmers their land is their only source of survival as many of them do not have animals to raise. The fact that they use PROCAMPO money to pay for medical costs indicates that their income alone cannot provide them access to medical care and allow them to invest in their crops as the money was intended to help them do. However, the studies discussed here indicated that PROCAMPO does have a positive impact on farmers but they fail to address whether the impacts of PROCAMPO are sufficient to allow small-scale farmers to survive in a liberalized context. If such is the case, then researchers must ask: Did PROCAMPO’s implementation have the implicit purpose of buffering criticism against NAFTA and avoiding an uprising in Mexico?
PROBLEM

This study examines PROCAMPO in the post-NAFTA period, particularly analyzing the existing assessments of the program, the actual success of the program, and possible political motivations of the program. The central question of investigation is whether PROCAMPO was used to protect the impacted small-scale Mexican farmers or if it was used as a symbolic program to buffer critical resistance to a top-down NAFTA that privileges big businesses.

In short, PROCAMPO was established to compensate farmers in general for any loss under NAFTA. Considering that small-scale farmers were most affected, PROCAMPO’s mission would suggest proportional attention to these ejidos, compensating and ensuring their survival under free trade.

DESIGN

In the analysis of PROCAMPO’s effects on small-scale farms, this study focuses on two Mexican states, Jalisco and Michoacán. The two states were chosen because of the researcher’s interest in conducting research about sustainable development in these two states, which have historically contributed to a great majority of the migration to United States for over a hundred years. This study begins by reviewing government and research reports on the success of PROCAMPO. Then the researcher seeks to determine the actual success of the program by exploring several objective measures. The first measure looks at the number of small-scale farms before and after NAFTA to determine if PROCAMPO supported small-scale farmers. If the number of ejidos remained constant or increased, PROCAMPO will be assessed to have been successful in this aspect. Thus, comparing the number of small-scale farms pre- and post-NAFTA should offer a measurement of success of PROCAMPO.

A second measurement of PROCAMPO’s success will be determined by the median income levels of the small-scale farmers before and after NAFTA. Improvement or deterioration of the median income should indicate the effectiveness of PROCAMPO. A third measure of success is through the observation of migration levels of both Michoacán and Jalisco residents in the PROCAMPO years. Both states’ level of PROCAMPO funding will be compared to their migration levels. If one state received more assistance and had less migration, this trend will suggest PROCAMPO’s success. On the contrary, if one state received more assistance and there was more migration, this trend will indicate failure. To further understand the success of PROCAMPO in helping small-scale farms, this study will examine whether the direct PROCAMPO money transfers went into the hands of small-scale
farmers or into the hands of renters who are producing for export. This analysis is important as it attempts to discover if large U.S. and Mexican companies are benefiting from PROCAMPO, which would suggest a failure of the program’s mission: supporting ejidos.

In short, this study will analyze the success of PROCAMPO in aiding small-scale Mexican farms in Michoacán and Jalisco, employing five general measures of success: 1) changes in number of small-scale farms, 2) changes in median income of small-scale farms, 3) changes in migration levels and their correlation to PROCAMPO funding, 4) changes in funding, and 5) changes in unemployment rates.

Data
The data will be derived from primary and secondary sources, including various government reports and statistics from the Mexican Department of Agriculture (Secretaría de Agricultura), Population Census, and Department of Rural Development. The researcher will also analyze interviews with small-scale ejido farmers, documentaries, books and newspapers to assess PROCAMPO’s success. Direct interviews with small-scale farmers are not possible because of time and funding constraints, but they would be an interesting and critical element in a future research project. The present study attempts to objectively assess the success of PROCAMPO and whether the dominant discourse of its intent and success is consistent with the empirical trends. This analysis should solve the researcher hypothesis, which holds that PROCAMPO was designed to appease dislocated small-scale farmers as their land and livelihoods became appropriated by global capitalist elites.

Findings
In Jalisco, 27 percent of farmers indicated that one of the main reasons why they did not produce in the spring-summer cycle was because they lacked money or assistance (INEGI, Censo Agropecuario 2007) making this a bigger reason for not producing than bad weather (5 percent) or letting the land rest (16 percent) combined. For Michoacán, 37 percent of farmers reported that a lack of money and assistance was also bigger than letting the land rest (26 percent) and bad weather (6 percent) (INEGI, Censo Agropecuario 2007). PROCAMPO’s aide to farmers is important and necessary for small-scale farmers. Their land use is for subsistence (survival). In the analysis of changes in farms, land size was classified in the following categories: a small farm = <3 ha, a medium farm = 3-7 ha, and a large farm = >7 ha (Sadoulet, de Janvry and Davis, 2001). Comparing periods in 1995 and 2007 in both Jalisco and Michoacán, the number of small-scale farmers
decreased in both states. The 1995 period reflects the first response farmers had to PROCAMPO and who benefited mostly. The 2007 period is the last year for which full information was collected. Therefore, the present study compares the 1995 and 2007 periods in an effort to understand who first benefited and who currently benefits from PROCAMPO. Figure 1 shows the researcher’s calculation that the number of small-scale farmers from both states who continue to benefit from PROCAMPO has decreased since 1995. The reduction implies that as a compensation program PROCAMPO is not sufficient to support small-scale farmers as producers. Medium-scale farmers in both states also suffered a reduction. In effect, in both states, the total number of farmers who participated in PROCAMPO decreased. The researcher calculated the data in Figure 1 using information from the PROCAMPO program website at www.aserca.org.mx.

Figure 1. Michoacán and Jalisco PROCAMPO farmers in 1995 compared to 2007
Income Of Small-Scale Farms
Sadoulet, de Janvry, and Davis (2001) found that “PROCAMPO direct transfer represents an increase of 8.7 percent over 1994 income. With a multiplier of 2.06, the indirect effect is a contribution to income of 9.3 percent over 1994 income” (Sadoulet, de Janvry, and Davis 2001, 15). Hence, the “total PROCAMPO contribution increased income by 18 percent” (Sadoulet, de Janvry, and Davis 2001, 24). Without PROCAMPO average household income would have declined by 3.9 percent but not for small-scale farmers. (Sadoulet, de Janvry, and Davis 2001, 25). They also found five instances where transfers were not used to generate more income: small holders, household with a large number of adults, indigenous households, and households in the North and North-Pacific were found to have income multipliers of less than one. However, all households were made better off by the cash transfers as it is better to have received some transfers than none at all (Sadoulet, de Janvry, and Davis 2001, 25). PROCAMPO was found to increase the income levels of most participants through its direct and indirect effects. However, this increase in income was not significant for small-scale farmers. The fact that the multiplier is low for small-scale farmers means that PROCAMPO is not meant to serve small-scale farms or indigenous communities. It is these groups who are the most hurt by liberalization, and this discrepancy in income changes confirms that PROCAMPO, as an assistance program, is not enough.

Changes in Migration Levels & Their Association with PROCAMPO Funding
In 2005, PROCAMPO funding for Jalisco was $1,361,893,462 and for Michoacán, it was $881,261,361 (Subsidios al Campo 2009). In Mexico, migration from 2001-2004 was primarily from rural areas with 51 percent, and for urban areas 49 percent. For Jalisco migration from 2001-2004 was 58 percent urban and 42 percent rural (COEPO, Jalisco 2009, under Migrantes que se dirigen a E.U. [Migrants heading to the U.S.]). About 70 percent of Jalisco’s migrants indicated that jobs are the number one reason for migrating to the U.S. (COEPO, Jalisco 2009). The trends resemble those of the Porfiriato period when land became concentrated in fewer and fewer hands, which corresponded significantly with outmigration of dislocated small-scale farmers. These trends might explain why Jalisco has the highest levels of migration to the United States, and why Michoacán follows it (see Table 1). For both Michoacán and Jalisco residents, migration to the U.S. is an escape valve from the low standard of living the people have.
Table 1. Migration from Jalisco and Michoacán in 2000 and 2005.
Note: In this table, “migration” is defined as the number of people who lived in the state as of January 1995 and who no longer reside there.

<table>
<thead>
<tr>
<th>State</th>
<th>Year</th>
<th>Migration</th>
<th>Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jalisco</td>
<td>2000</td>
<td>142,660</td>
<td>$821,165,628</td>
</tr>
<tr>
<td>Michoacán</td>
<td>2000</td>
<td>107,161</td>
<td>$575,781,722</td>
</tr>
<tr>
<td>Jalisco</td>
<td>2005</td>
<td>106,517</td>
<td>$1,361,893,462</td>
</tr>
<tr>
<td>Michoacán</td>
<td>2005</td>
<td>69,139</td>
<td>$881,261,361</td>
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</table>

Changes in Funding
PROCAMPO provides funding based on hectares. Therefore, a comparison of the amount of hectares assisted by PROCAMPO will provide a better measurement of the beneficiaries. Table 2 shows the number of hectares assisted (HA) by PROCAMPO in 2005 and 2007. The researcher calculated the data in this table based on information from the PROCAMPO website (www.aserca.org.mx).

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<tbody>
<tr>
<td>Jalisco</td>
<td>97,027.72</td>
<td>229,263.79</td>
<td>553,882.80</td>
<td>880,174.31</td>
<td></td>
</tr>
<tr>
<td>Michoacán</td>
<td>229,056.10</td>
<td>256,919.38</td>
<td>235,115.78</td>
<td>721,091.26</td>
<td></td>
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</thead>
<tbody>
<tr>
<td>Jalisco</td>
<td>75,348.42</td>
<td>214,027.89</td>
<td>658,431.54</td>
<td>947,807.85</td>
<td></td>
</tr>
<tr>
<td>Michoacán</td>
<td>142,921.69</td>
<td>250,910.11</td>
<td>321,572.57</td>
<td>715,404.37</td>
<td></td>
</tr>
</tbody>
</table>

Table 2. Hectares assisted by PROCAMPO in 1995 and 2007.

Small-scale farmers in the state of Jalisco in 1995 accounted for 11 percent of total hectares supported, medium-scale farmers 26 percent, and large-scale farmers 63 percent (see Table 2). In 1995 Michoacán small-scale farmers accounted for 32 percent, medium-scale farmers 36 percent, and large-scale 32 percent. By 2007 Jalisco’s small-scale farmers only accounted for 8 percent of total supported hectares, medium-scale farmers 23 percent, and large-scale farmers 69 percent. In 2007 in Michoacán about 20 percent of hectares supported were small-scale farmers, 35 percent were medium-scale farmers, and 45 percent were large-scale farmers. The percentages indicate that small-scale farmers in these two states are the double losers. They are double losers because they were negatively affected by NAFTA, and under PROCAMPO, they are receiving very little monetary assistance. Furthermore, the Mexican
government’s supposed assistance programs for ejidatarios, the majority of whom are small-scale farmers, mostly benefits large-scale farms and not those who most need it: small-scale farmers. The disparity among PROCAMPO beneficiaries is evident.

Further analysis on who the top PROCAMPO beneficiaries are for both states showed that the number one beneficiary from PROCAMPO in the state of Michoacán from 1994-2008 was the mayor of La Huacana. The ex-mayor was also president of La Huacana from 1999-2001 (Riviera 2008). It is estimated that the payments made under PROCAMPO were approximately $2,525,626 (ordinary pesos) [Subsidios al campo Mexico, from 6/9/08-6/14/08].

For the state of Jalisco, the number one beneficiary was the Comunidad Indigena San Sebastian Teponahuaxtlan, which received $17,532,193 ordinary pesos. However, this is an indigenous community composed of a number of indigenous members. The fact that this is a collective beneficiary does not allow for a fair comparison with the amount received by individual member.

Unemployment
The unemployment rate is a fair indicator of the stability of a state, an unemployment rate of 4 percent is considered very low and 9 percent is considered extremely high (Dornbusch, Fischer, and Startz 2008, 42). High unemployment rates reflect a poor economy unable to employ its work force. The unemployment rates shown in Table 3 give the idea that Mexico’s unemployment is under control. However, those who have experience with Mexico know that the numbers are far from reality.

<table>
<thead>
<tr>
<th>State</th>
<th>Year</th>
<th>PROCAMPO Funding</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jalisco</td>
<td>2006</td>
<td>$1,003,522,510</td>
<td>3.91</td>
</tr>
<tr>
<td>Michoacán</td>
<td>2006</td>
<td>$761,964,735</td>
<td>2.95</td>
</tr>
<tr>
<td>Jalisco</td>
<td>2007</td>
<td>$986,154,216</td>
<td>3.49</td>
</tr>
<tr>
<td>Michoacán</td>
<td>2007</td>
<td>$742,434,268</td>
<td>2.83</td>
</tr>
</tbody>
</table>

Table 3. PROCAMPO funding and unemployment rates.

The current rate does not take into consideration that there is no unemployment insurance in Mexico, consequently people engaged in marginal activities (street vending, repair jobs) for survival. These people are not counted as unemployed and become part of the informal sector for which data is not recorded. Mexico also suffers from high underemployment (workers who would work more hours or move to a better paying job, if jobs were available), which combined with the unemployment rates provides a
better understanding of the availability of jobs in Mexico. Further examining PROCAMPO funding per state along with unemployment rates, the researcher finds that Jalisco in 2006 and 2007 had much more funding than Michoacán, but it also had a greater unemployment rate than Michoacán. However, both states had a decrease in their unemployment rate in 2007.

LIMITATIONS
The number of ejidos before and after NAFTA was not evaluated as the information provided in the 2007 Censo Agropecuario (Farm Census) was not broken down by the size of the plots; therefore, the researcher was not able to obtain an accurate representation of small-scale ejidos. The 1991 Censo Agropecuario (Farm Census) presented more detailed data than the 2007 census. In addition, the researcher was constrained by time, distance, and funding, and was therefore unable to conduct surveys or interviews of small-scale ejidatarios. Finally, the present study is based on two states therefore is not completely representative of the country of Mexico. However, the comparison of these two states showed very strong similarities, which indicate that PROCAMPO benefits are going to a few of the large-scale farms.

FUTURE RESEARCH
A more thorough study about PROCAMPO should include interviews or surveys with the small-scale ejidatarios in Mexico as a way to reflect the voices of the most exploited members of the Mexican society. In future research, the researcher hopes to include interviews as a way to expand on the current research. Furthermore, the researcher envisions the ability to analyze other programs implemented by the Mexican government in an attempt to create sustainable economic development in Mexico.

CONCLUSION
The tri-national agreement, NAFTA, has affected the local agriculture of Mexico. This study showed that the effects of NAFTA were damaging to the small-scale farmers in the states of Jalisco and Michoacán. The effects created or accentuated by NAFTA on the agricultural sector (i.e., decrease in corn prices, displacement of small-sale farmers, unemployment, and migration) are indicators that the global market is controlled by an elite force. As the Mexican state recognized that the agreement could create unrest among campesinos, it established PROCAMPO. However, PROCAMPO has been proven to mostly benefit large-scale farms. The money transferred to small-scale farmers by PROCAMPO is not enough to allow them to enter
and subsist in a global economy. The Cuban revolutionary, Che Guevara, identified this sort of market distortion as a factor for the Cuban Revolution, saying “...a single market that imposes and fixes conditions—that is the great formula for imperialist economic domination” (Lavan George 1980, 31). He further testifies that this situation creates a state of “underdevelopment which results in low wages, underemployment, unemployment: the people’s hunger” (Lavan George 1980, 32). This hunger also exists in Mexico, but the Mexican government provides breads crumbs (PROCAMPO) to control it.

PROCAMPO has a positive effect on the income of some farmers, specifically those who have medium-scale and large-scale farms. This positive effect reduces the farmers’ dissatisfaction with NAFTA. According to James C. Davies, it is the dissatisfied state of mind that produces the revolution (Davies 1962, 6). Moreover, the Mexican state weakened the organizational strength of ejidos through the amendments of Article 27 of the constitution, which protected communal land. The amendments have allowed private owners to become ejidatarios and as a result interfere in the decisions of the ejido community. Before this constitutional change, ejidos had reflected a communal indigenous culture in which the well being of all the community was always a factor in decision-making, but this is now undermined by the inclusion of private farms into ejido governing structure. Consequentially, if peasants do not have a strong, organized community, then their intensity of their revolt is not going to be strong. This is another factor of a revolution indicated by Goldstone (1980, 441). As the researcher has shown, PROCAMPO seems to be much more effective as a pacifier for the agricultural population than as an assistance program. Because the internal policies established in Mexico, such as PROCAMPO, were not sufficient to stop the peoples’ hunger, migration served as an escape valve for the displaced small-scale farmers. However, under the current recession and unemployment in both countries, ex-ejidatarios may find themselves without jobs and land, and PROCAMPO’s pacification may only be temporary as folks seek tierra y libertad [land and liberty].
REFERENCES


