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GLOBAL COMPETITION AND COMMUNITY: THE STRUGGLE FOR SOCIAL JUSTICE

Donna L. Chollett

"Neoliberalism is like the Bible; the Bible says, 'He who does not work does not eat'."

(sugar mill manager)

"If we are going to die slowly of hunger, we prefer to die with dignity, from a bullet, but struggling." (unemployed mill worker)

INTRODUCTION

The above two quotations embody disparate worldviews with regard to the neoliberal project that has enveloped much of Latin America in the past decade. Globalization intensifies the region's integration into the world economy through neoliberal reforms such as market opening, privatizations, and rationalization of production. These reforms are transforming rural societies, raising important questions concerning policies that selectively favor new strategies for capital investment and production oriented toward market expansion, as they marginalize surplus workers and

"inefficient" forms of production. This paper contributes to a more nuanced understanding of the contradictions brought about by globalization and local people's struggles to resist its consequences.

An ample amount of social science research has materialized that focuses on the impact of globalization, neoliberalism, and other hegemonizing forces upon local peoples. Solid consensus has emerged that these transformations in production and marketing place local societies at increasing risk and deny them the most basic rights to social justice (Carton de Grammont 1995, Gates 1993, Gledhill 1995, Otero 1996, Phillips 1998). Clearly, while neoliberalism seeks to resolve problems of international capital accumulation, as an *economic* model it fails to address the increasing poverty, social disparities, and political repression that inevitably accompany such transformations (Carton de Grammont 1995). Economic triage (Gates 1993), premised on an ideology of efficiency and rationalization of production, constitutes a key strategy utilized to deny credit to less efficient producers and to dismiss large numbers of "excess" workers. This hegemony, exercised through exclusion and marginalization of small-scale producers, poses an important challenge for social science analysis. As Phillips (1998:194) rightly points out, by "providing concrete proof that neoliberalism has a negative impact on people's lives, the power of neoliberalism may be dismantled. But does this strategy, in itself, challenge the neoliberal worldview?" She (1998:196) continues, "Critical social science requires an engagement that recognizes the connections between research and politics and that actively listens to representations of the world that vary from those being offered by this political project called neoliberalism."

In this paper, I use a case study from the community of Puruarán, Michoacán, Mexico, to address significant cultural, social, economic, and political consequences for sugarcane growers as they confront the globalization of local space. In this case, neoliberal directives for productive efficiency and market liberalization undermined social justice, which I take broadly to include rights to employment, basic survival necessities, family and community reproduction, and freedom from violence and repression. Yet, as Barkin et al. (1997) point out, there are two significant forces in dynamic interaction--neoliberalism and resistance to it. Hernández and Nigh (1995) assert that ideologies associated with globalization tend to underrate the power of local cultures. Therefore, analysis proceeds by situating the community of Puruarán--whose sugar mill was closed following privatization--within a global-local nexus (Torres 1997) that privileges both hegemonic forces on the community and the multiple ways that hegemony is contested, both discursively and in practice. Globalization increasingly impinges on local communities, yet it also fosters the reassertion of cultural identity and political movements in defense of social justice.

GLOBALIZATION IN THE AGE OF NAFTA

Mexico's debt crisis of the past decade served as a catalyst for a series of neoliberal reforms for restructuring its economy. The new model called for privatization of industries to promote economic efficiency and profitability and the dismantling of barriers to international commerce. Two major outcomes of these transformations of concern to this paper are the privatization of 50 state-owned sugar mills from 1988 to 1992 and the enactment of NAFTA (North American Free Trade Agreement) in 1994. Both have brought profound consequences for Mexican sugarcane growers and mill

workers.

Privatization

During the 1970s, the government gradually assumed ownership of the majority of Mexican mills, owing to the fact that private owners had decapitalized their mills and had chosen to invest in more lucrative sectors of the economy. State control over the price of sugar had discouraged investment in modernizing the mills, leaving most factories with antiquated machinery. The state takeover of the industry, then, represented a rescue operation (del Villar 1976). Although some mills remained private, 50 of the 66 mills in the country came to be operated as parastatal enterprises. Under government control, the sector was criticized for its overemployment of workers, inefficiency, and corruption. A change in government policy, along with the shift to neoliberalism, resulted in the privatization of Mexican sugar mills between 1988-1992. The mills were offered for sale in packages, often of three or four mills, and at bargain-basement prices (Paré 1990). It was believed that government involvement in the sugar sector created a drain on public resources, and that private investment would modernize and rejuvenate the industry (Chollett 1994).

The government controlled distribution of sugar through the parastatal, Azúcar, S.A., and financed the industry through FINASA (Financiera Nacional Azucarera). Azúcar, S.A. was dismantled following privatization, leaving sale and distribution of sugar to market forces. This event occurred at a time when market opening left the country flooded with cheap, imported sugar. Privatization of the industry has also had an impact on sugarcane growers through a weakening of traditional guarantees that were extended to growers under contract to sugar mills. Through years of class

struggle between their union organizations and the government, growers had obtained rights to social security, which includes medical insurance, and retirement pensions. Union strikes had help them achieve price increases for the government-controlled price of cane. These benefits were carefully spelled out in the Decreto Cañero, a government decree that specifies rights and obligations on the part of sugar mills and cane growers. In 1991, the guaranteed minimum price of cane was removed from the Decreto. Since privatization, the private initiative has attempted to eliminate or reduce social security benefits. Nonetheless, it is through contracts with sugar mills that growers have access to pensions and health insurance; these, in fact, are among the key reasons that many growers produce cane (Chollett 1994).

Traditionally, the high costs of cane production required reliance on credit from sugar mills. Once growers delivered their cane to the mills, the credit extended for production and harvest were deducted from the value of the grower's cane. This process sometimes resulted in a form of neo-debt peonage, leaving cane growers in perpetual debt to sugar mills (Chollett 1994). The new industrialists, however, are now restricting the amount of credit given to growers, and requiring them to invest a portion of their own funds. This practice has forced some poorer growers out of production, and encouraged those with more financial resources to continue. Changes in the relationship between growers and mills is thus contributing to greater economic differentiation among cane growers.

Privatization, an integral part of the neoliberal project, promised to make Mexico more competitive in the global marketplace. The process of privatization resulted in the consolidation of 50 sugar mills into 11 consortiums; in addition, ten mills remained

unaffiliated. These consortiums extended their productive strategies through horizontal linkages to a variety of enterprises and created vertical linkages for production and marketing of sugar-based products. The incorporation of 25 mills into consortiums holding soft drink franchises, such as Coca-Cola, Pepsi-Cola, and Mexican brands, illustrates this vertical integration. For several years following privatization of Mexico's sugar mills, a severe crisis besieged the sugar sector. New owners, seeking speculative profits, failed to invest in modernizing their mills; cane growers rejected the new management; market opening flooded the country with a surplus of cheap, imported sugar; and mechanical failures caused unprocessed cane to be left rotting in the fields and left cane growers with enormous debts to sugar mills. Buyouts of one consortium by another and the splitting of certain consortiums registered the volatility of the sugar sector.

By 1994, however, the sugar sector showed signs of recovery. As new investments rejuvenated the industry, Mexico regained its sugar export capacity and cane growers were again receiving small profits. By 1997, the industry boasted of impressive achievements, including greater surface harvested, more cane processed, higher field yield, more sugar produced, more sugar per hectare, more sucrose in the cane, and higher factory yield (see Table 1).

In light of record production levels and harvests in the late 1990s, my field research addressed an essential question: Was this economic recovery under the neoliberal model uniform? Analysis from the margins and within the interstices of these broader accomplishments in productive efficiency suggested otherwise. Within sugar zones, more efficient producers were favored over the less efficient, who were

marginalized or excluded. Commonly, this result was accomplished through reduction in the amount of credit that sugar mills extended to cane growers. A frequent complaint among cane growers in four different research regions¹ in 1997 and 1998 was expressed by Blanca, a Michoacán *cañera* (cane grower) with three hectares of cane:

The mill only gives us half the credit we need. They give 50 percent and we pay 50 percent. For this, I am against the mill. Because of this, many people don't do the work that they should. The cane is like a flower; you give it water, fertilizer, you take care of it, and it grows very pretty. But without credit, many *cañeros* are left with debts.

Inefficient production, as a consequence, was a pretext used by sugar mills to deny entry of cane from those with fewer resources and to exclude them from cane production. Although criteria varied among sugar mills, in general, cane growers with unpaid debts and those with low-yielding cane were subject to exclusion. Mill owners intended this strategy of weeding out inefficient producers to increase both cane yields and profitability of their mills. Credit--essential for cane production--was then rechanneled to more productive growers. In some cases, sugar mills have taken over growers' cane fields until their debts were paid off, creating substantial hardships for family survival.

As mill owners adapted to the new structure of neoliberalism in a globalized world economy, some mill owners chose to exclude less efficient mills by closing them down, and to consolidate their interests into fewer refineries. The privatization of sugar mills involved sale packages comprised of both "good" and "bad" sugar mills,

which ensured the transfer of all mills, efficient and inefficient alike, to the private sector. Because of the low purchase price paid for their "package," selective closure of one mill by a corporate group posed little financial loss. Sugar mills that were closed after privatization include: Ingenio Oacalco, Morelos (1988); Ingenio Estipac, Jalisco (1988); Ingenio José López Mateos Juchitán, Oaxaca (1992); Ingenio Purísima, Jalisco (1992); Ingenio Puruarán, Michoacán (1992); and Ingenio Rosales, Sinaloa (1997) (see Figure 1). While this strategy serves the interest of productive efficiency and rationalization of production, it disregards the social and economic impact on sugar-producing communities.

Grupo Azucarero Mexico, now affiliated with Pepsico, suffices as an example of this process. Its owners bought out the now defunct Grupo Sucrum, formerly owned by Alberto Santos de Hoyos, a corporate entrepreneur who in 1990 sold 72 percent of his shares in Empresas Gamesa (a major cookie and food processing conglomerate) to Pepsico. Santos purchased four mills in 1991, forming Grupo Santos. The fate one of them, the Puruarán mill, was sealed in 1992, when Santos closed the factory, claiming that it was unprofitable, and consolidated his interests in the remaining three (Alianza Popular, San Luis Potosí; Bellavista, Jalisco; and Pedernales, Michoacán).² The Puruarán refinery had served as the economic hub for an entire region, directly supporting 2,260 cane growers, 800 cane cutters, 244 truck and tractor drivers, and 530 mill workers. The economic activity and spillover effects directly and indirectly benefitted 36,050 inhabitants of the region. The closing of the Puruarán sugar mill illustrates the daunting consequences of globalization, corporate consolidation, and the marginalization of cane growers and workers unable to compete in the new

international agricultural order. The closure of the Puruarán mill provides insights into the struggle that emerged in this community as cane growers and mill workers, faced with the new logic of globalization, forged a new social movement to demand social justice.

NAFTA (North American Free Trade Agreement)

Hansen-Kuhn (1997) makes clear the relationship between NAFTA and neoliberal economic policies.³ NAFTA was presaged by a series of IMF-imposed structural adjustment programs⁴ following Mexico's 1982 debt crisis; these programs included, among other demands, free markets and privatizations. Structural adjustment was not a means for improving the lot of the majority, nor has free trade created more jobs. Imported goods that flooded the Mexican market in the 1990s undermined local producers and businesses, and the displacement forced 600 Mexican enterprises to close down in 1991 alone. Because of the economic crisis and the competition with foreign firms and goods, 2,000,000 Mexican jobs have been lost (Hansen-Kuhn 1997). As small businesses shut down, 200,000 to 300,000 people are annually at risk of losing their employment (Becerril 1997).

NAFTA, a key agent in promoting globalization of the sugar industry, integrates sugar production into the global market in consequential ways. Below, I contrast production and trade in sugar and alternative sweeteners in the U.S. and in Mexico to demonstrate that Mexico's integration into the global market, together with privatization of the industry, constitutes a determinant factor that threatens the livelihoods of unprecedented numbers of growers and workers, whom the planners of the new economic order have chosen to marginalize.

Sugar production in the U.S. relies on 557,000 ha of sugar beets and 294,000 ha of cane, or a total of 851,000 ha; in Mexico, 582,746 ha of cane were under cultivation in 1996-97. However, in contrast to Mexico's more labor-intensive production in 60 sugar-producing zones, the U.S. concentrates its capital-intensive sugar industry in 12 sugar mills. U.S. sugarcane and sugarbeet growers control large expanses of land (an average of 100-150 ha in Louisiana and Texas, and 11,000 ha in Hawaii and Florida), while Mexican cane growers average 3.5 ha on *ejido* (agrarian reform land),⁵ and 12 ha on private landholdings (Buzzanell & Lord 1993). Labor constitutes a key difference between sugar production in the U.S. and Mexico. In Mexico, 145,145 cane growers and 264,411 workers directly depend on the sugar industry, and the sector indirectly supports 2,424,969 individuals (interview, CNIAA [Cámara Nacional de las Industrias Azucarera y Alcohólera] 1998). Labor in rural Mexico in 1997 averaged \$30 pesos (U.S. \$4) per day, yet thousands depend on labor in the cane fields for their economic survival. Indeed, sugar production is a social imperative in the employment of vast numbers of Mexicans. These data must be borne in mind when considering the differential effects of globalization on the economy: few of the extremely wealthy sugar industrialists in the U.S. are affected, while thousands of Mexicans, representing a range of social classes, who depend on the sugar industry for their survival, experience the impact.

The entry of new entrepreneurial groups into sugar production coincides with the linkages of these groups to increasingly vulnerable export markets (Carton de Grammont 1995). Under NAFTA, Mexico can export up to 25,000 tons of sugar to the U.S. (0.0055% of its national production) in the first six years (1994-2000); after year

seven (2001), it may export up to 250,000 tons. NAFTA provided that, if Mexico acquired surplus producer status for two consecutive years after year six, it could then export all of its surplus, duty-free, to the U.S. A closer look at sugar and sweetener production in the two countries reveals, however, the unbalanced playing field established by NAFTA.

U.S. cane and sugarbeet growers formed a formidable and powerful lobby that exerted extensive pressure on U.S. policy before the passage of NAFTA in 1994. These growers enjoyed substantial price supports (via the Food Security Act of 1985), which afforded them lucrative profits. The fear that Mexico would switch to high fructose corn syrup (HFCS) in its soft drink industry and export its surplus sugar, thus depressing U.S. sugar prices, led sugar producers in the U.S. to oppose NAFTA. Under pressure from sugarbeet growers, last minute modifications were made to the NAFTA agreement that provided U.S. sugar growers a decided advantage over Mexican cane growers. These modifications required that Mexico's exportable surplus of sugar must exceed its consumption of cane sugar *and* high fructose corn syrup (Butler & Otero 1995).

High fructose corn syrup (HFCS) has come to symbolize a war of sweeteners being waged within the parameters of NAFTA. The competition of HFCS with cane sugar signals significant transformations in global production and marketing, wherein synthetics replace traditional products (Rubio 1995), heighten inequalities between the U.S. and Mexico, and contribute to the exclusion of low-income cane growers. The exclusion of the latter is assured as competition with HFCS forces the least productive mills to close their doors. The United States led the way in the substitution of HFCS

for domestic sugar and in recent years promoted HFCS as a sugar substitute in Mexico. As subsidized, low-priced corn and technological advancements allowed the fructose industry to expand, faced with contraction of demand for sugar, "The United States entirely shielded domestic sugar producers from this decline in market share to HFCS by imposing a quota on sugar imports" (Buzzanell & Lord 1993:1). As a result, U.S. sugar imports fell from five million tons in the 1970s to between one and two million in the late 1980s, just as Mexico was regaining its sugar export capacity.

The Mexican sugar industry was affected not only by contractions in U.S. sugar imports, but by declining sugar demand within Mexico. Industrial sugar consumption, a mere 762,386 tons in 1970, had reached 2,534,929 tons by 1995; in 1991, soft drinks alone accounted for 1,300,000 tons of sugar per year, or 55 percent of industrial sugar consumption in Mexico (Buzzanell & Lord 1993, García Chávez 1997). Mexico consumed 3,950,000 tons of sugar in 1998 and exported 1,265,000 tons, according to the CNIAA. Just as production reached a historical benchmark of 5,174,028 tons in 1998, though, domestic sugar consumption contracted in response to its displacement by HFCS.

The potential benefits to Mexico from global market integration stand to be undermined by the very competitive U.S.-dominated fructose industry. While Mexico removed price supports and subsidies from Mexican corn growers, the balance was tipped in favor of U.S. corn growers, who receive substantial subsidies for corn, from which fructose is derived. In 1992, the U.S. exported 20,000 tons of HFCS to Mexico (Kessel et al. 1993); this amount increased to 350,000 tons in 1997 (Muñoz 1997). Data on the import of HFCS, provided by CNIAA, indicate the rapidity with which sugar is

being replaced by HFCS in Mexico.

Imported HFCS has displaced 932,000 tons of Mexican sugar since 1992 and 350,000 tons in 1997 alone (see Table 2). In addition, an industry official predicted imports of 400,000 tons in 1998. The relatively low price of HFCS (23-30% percent below the price of sugar) and a decline in the Mexican tariff under NAFTA will further escalate U.S. exports of HFCS to Mexico. The USDA (United States Department of Agriculture) projects U.S. exports of 500,000 metric tons of HFCS by the year 2000 and, by 2008, these exports are expected to capture 90 percent of the soft drink market and 37 percent of the total sweetener market in Mexico (Cruz 1997, Kessel et al. 1993, Rudiño 1998b).

In February 1997, a bitter conflict between the U.S. and Mexico emerged when Mexico initiated an antidumping investigation and raised tariffs on HFCS imported from the U.S. Moreover, Mexican sugar industrialists and soft drink companies in Mexico reached an accord to limit the use of HFCS to 380,000 tons over the next three years. This agreement committed the Mexican bottling industry, which consumes 900,000 tons of sweeteners annually--20 to 50 percent of which is fructose--to meet any increase in demand with sugar, rather than HFCS (Flores 1997; Rudiño 1997). The U.S. Senate Agricultural Committee accused the Mexican government of coercive and illegal actions against Mexican soft drink corporations, many of which have franchises with U.S. soft drink brands, for limiting the purchase of foreign HFCS. The matter was subsequently brought before the World Trade Organization for violation of the principles of NAFTA. A letter to Mexican ambassador Jesús Silva Herzog from the president of the Byproducts Subcommittee on General Form Commodities of the U.S.

House Committee on Agriculture further sharpened the conflict (González 1997:27):

The establishment of limits sanctioned by the government would promote protectionism that NAFTA has sought to eliminate....I, therefore, respectfully request that the Government of Mexico supply a witness for this hearing who can explain the decisions between Mexican officials and the soft drink industry.

Perceptions of this unequal relationship radically differ south of the border. An interview with a representative of the Mexican national cane growers' union (UNPCA) in 1997 captured this critique of the unequal trade relationship:

The U.S. imports 4,200,000 tons of sugar but purchases only 25,000 tons from Mexico. With the agreement we made with the industrialists, no more than 380,000 tons of HFCS can be sold in Mexico. Whereas sugar is the survival of the cane grower, high fructose corn syrup is death for us. We intend to confront NAFTA. We are not going to allow one sugar mill to close. We cannot let the people die; it is necessary to defend them. This is the only industry that employs so many people in the rural sector. We are trying to protect the work of 2,000,000 cane growers. If we leave so many people without employment, where are they going to work? When a sugar mill closes, everything ends. When a sugar mill goes under, the community goes under. This is the oldest industry, with a history of 400 years. Never in the history of this country has it been as threatened as now.

In September 1998, Mexico's Secretary of Commerce (SECOFI) demanded that the United States allow Mexico to export an amount of sugar equivalent to the amount of

HFCS that the United States exports to Mexico and imposed new tariffs on fructose imports. Two transnationals, Archer Daniels Midland and A.E. Staley Manufacturing, had begun to export Grade-90 for the purpose of mixing it with the cheaper Mexican Grade-44 to avoid paying recently-imposed tariffs for Grade-55 fructose. SECOFI assigned tariffs to each corporation of U.S. \$55.37 and \$90.26 per ton, respectively, drawing sharp criticism from the U.S. Corn Refiners' Association (Latin American Institute 1998).

NAFTA epitomizes the neoliberal project for market opening and fortifies the process of globalization. The social costs of economic advantage in a globalized market that articulates countries in inequitable relations portend further marginalization. The gravity of this problem lies in the fact that excessive imports of HFCS from the U.S. threaten to close 22 of Mexico's 60 sugar mills, leaving 150,000 persons unemployed (Rudiño 1998a). The USDA predicted that rationalization of production would eliminate 40 of Mexico's sugar mills by the year 2000 (Kessel et al. 1993). The severity of the issue waxes clear in the closure of the Rosales, Sinaloa, mill in 1997. The corporate owner, Juan Gallardo Thurlow (a key Mexican actor in the NAFTA negotiations and owner of seven sugar mills), chose to close Ingenio Rosales in a strategy of consolidation. While U.S. producers stand to gain, the cost in mill closures and loss of jobs in Mexico is estimated at U.S. \$6,000,000,000 (Cruz 1997). This is the context of international conflict within which the community of Puruarán is embedded.

THE PURUARAN SUGAR MILL

Alberto Santos de Hoyos purchased the Puruarán sugar mill in 1991; of the four

refineries in the sale package, Puruarán and Pedernales were the least productive. Accordingly, at the end of the first harvest season, Santos closed the Puruarán mill, claiming that it was unprofitable. This rationalization of production, as the case of Puruarán makes clear, remains blind to the socioeconomic, cultural, and political costs to local residents. The closure of this mill stifled economic activity throughout the region; unemployment, malnutrition, school dropouts, business failures, and out-migration played havoc in a community formerly knit by cultural traditions extending back to the colonial period.

My intent in this paper is to take into account an alternative analysis to the macro-level interpretation, one grounded in cultural, economic, and political dimensions of neoliberal transformation at the local level. As Sánchez Gómez's (1995) research in Oaxaca demonstrates, rural communities depend on agriculture not only as a survival strategy, but as an important component of cultural identity. This historical dependency on agriculture determines their way of life, yet is becoming increasingly difficult to sustain. Likewise, in Puruarán, the abrupt termination of traditional forms of economic activity thrust upon the community a severe crisis of social reproduction. The saliency of a *cultura cañera* (cane culture) in this cane-producing zone formed the basis for a struggle to illegally reopen the Puruarán mill and to sustain traditional forms of community life. Individual strategies, however, took multiple forms, including resistance through participation in the social movement to reopen the mill, accommodation through alternative means of employment, out-migration, and violence. These strategies suggest diverse responses to the meanings attached to local space.

The Meaning of Local Space

The community of Puruarán had depended on cane and sugar production since the founding of its hacienda in 1772. By the 19th century, there were eight sugar-producing haciendas in the region (Landázuri & Vázquez 1988). The sugar mill passed through a series of owners in the 1930s, eventually coming into the hands of an American, Thomas D. Boyd. When the mill went bankrupt in 1966, the National Ejidal Credit Bank took it over, although the property remained in the name of Boyd.

During field research, residents of Puruarán frequently recounted events indelibly inscribed in historical memory by a 300-year tradition that gave shape to local culture. Many individuals referred to a plaque in the mill, dated January 31, 1966, that documents the historic event when President Gustavo Díaz Ordaz, along with officials of the Banco Nacional de Crédito Ejidal, rehabilitated the mill "in benefit of the ejidatarios and inhabitants of the region." Residents consider the mill, designated by the bank as "Ingenio Ejidal, Puruarán," property of the community, and they contest the legitimacy of its sale to Santos de Hoyos, who paid only 7.8 percent of the refinery's total value of 54,000,000 old pesos.⁶ According to local ideology, Santos received the mill as a virtual gift for his support to Carlos Salinas de Gortari in the 1988 presidential elections.

When neoliberal policies called for privatization of Mexico's sugar industry, the CNPP (Confederación Nacional de Pequeños Propietarios, now the CNPR) paid 15 percent down on four mills that they intended to purchase--Alianza Popular, Bella Vista, Pedernales, and Puruarán. The purchase agreement gave the growers' union 49 percent ownership and Empresas Gamesa, then owned by Santos, 51 percent.

However, neoliberal policy did not favor producer ownership of mills, and the national leadership of the CNPP was pressured to cede full ownership of the mills to Santos, who closed the Puruarán mill, on May 25, 1992. The rationale for closing "inefficient" sugar mills and subjecting thousands of residents of this region to unemployment can be measured against data that reveal the place of Ingenio Puruarán among other mills in the country. In 1991, Puruarán had 2,062 ha of cane in cultivation, industrialized 158,498 tons of cane, and produced 15,400 tons of sugar. In terms of sugar volume, Puruarán was the fifth smallest refinery in the country. In 1992, the year the mill closed, the average yield in tons of cane per hectare at Puruarán was 91.63, in contrast to the national average of 74.34; only 14 of Mexico's 62 mills surpassed Puruarán's yields, and 48 had lower averages. While the factory yield (tons of sugar produced per ton of cane) at Puruarán was 9.70, the national average was 9.28; only 18 mills surpassed Puruarán, and 44 achieved lower factory yields. Also, extraction of sucrose during the processing of cane at Puruarán was 13.01 percent in 1992, while the national average was 12.36 percent; Puruarán was ranked twelfth in the nation (CNIAA 1995). Santos' other mills surpassed Puruarán in volume, yet Puruarán ranked relatively high in measures of efficiency.

Perhaps more revealing is the fact that sugar mills in Mexico were notorious for overemployment that taxed their profitability. Representatives from the national syndicate had warned workers at Puruarán that, if the mill did not lay off workers, it would be closed. One ex-worker recalled, "We did not want to leave--we said 'all' or 'none.' Well, one is ignorant, right? Because we did not know what agreements they had made. We said, 'If you are going to hang some, hang everyone'" (fieldnotes, 1997).

Workers at Santos' Pedernales mill, 11 km away, were willing to accept worker layoffs, which served as a justification for keeping it open. Puruarán, on the other hand, is a substantially larger community with an infrastructure that supports a larger number of people.

Community infrastructure and housing at Puruarán bespeak of past wealth derived from the sugar refinery. The cash flow owing to payment to workers, truck drivers, cane cutters, and others was \$3-4 million pesos per week. Unlike many other rural Mexican communities where one encounters tarpaper houses and dirt floors, most houses in Puruarán are spacious and well-built, with cement walls, tiled roofs, and ceramic tile floors. The economic vitality of the past is apparent in public infrastructure--the attractive building housing government offices, numerous businesses that made up an active and lively commercial center, and the opulence of the community's cathedral, with its tiled exterior walls and religious murals.

These remnants of past prosperity camouflage the present reality of economic devastation inflicted upon this community by free market neoliberalism. Many of the young people have left, while the elderly remain trapped, without economic alternatives. In contrast to many Mexican villages, there are no houses under construction--evidence of U.S. dollars sent to improve lifestyle. Here, remittances are used for mere survival. The current situation is clear in the extraordinary number of homes with *se vende* (for sale) painted on their exteriors. Puruarán is not a community that has always been poor; the poverty being experienced today subjects people to a pernicious form of relative deprivation.

A Social Movement in Search of Social Justice

The consequences of globalization for the community of Puruarán form a context in which local residents contested, in diverse ways, their inability to reproduce family and community forms of survival. Within this arena of global-local articulation, the community of Puruarán illustrates the strategies chosen by its residents to confront the globalization of local space. Below I explain how marginalization was experienced in this community and how it formed the basis for the emergence of a new social movement that asserted local power in demand of social justice.

On December 7, 1992, community residents mobilized across class and occupational lines and illegally seized the abandoned sugar refinery. Under the leadership of Gregorio Alvarez Vargas, cane growers, mill workers, and townspeople surrounded the mill, entered through an open window, and removed six guards placed there by the owner. The seizure revealed the power of an ideology based on the significance of local cultural space and community identity, as it materialized in a strategy to preserve traditional forms of family and community life. This action brought Puruarán residents into direct conflict with the mill owner and the government as they challenged the hegemony of national and regional political forces at the local level. The issue became politicized on two levels. First, the mill owner, with substantial power as a federal senator and as newly-elected president of the CNIAA, was able to use his influence within these two organizations to shape government response to the community's struggle for justice. Second, although he is not a resident of the state of Michoacán, as owner of the nearby Pedernales mill, Santos effectively implements mill policy through the current Pedernales mill manager, and also wields influence over the governor of Michoacán. Those involved in the social

movement to reopen the mill have thus seen their demands weakened when they took their petitions to the state government and to national government officials.

After the seizure of the Puruarán mill, 180 workers volunteered their labor to repair the factory and put it back in operation. An illegal harvest, known locally as the "miniharvest," was carried out from March through May 1993. Mill workers, without the aid of engineers, chemists, and other technicians, processed 36,000 tons cane (almost one-fourth of the cane in the zone) into 3,300 tons of sugar, valued at 700,000 pesos (U.S. \$93,333) and made partial payments to some 500-700 cane growers. Mill workers, referring to the ceiling-high stacks of sugar in the warehouse, exclaimed, "We ignorant ones produced all this." (The comment was in reference to the label "ignorant" used by Santos to describe workers involved in the seizure.) Nonetheless, the owner denied them the right to sell the sugar, since the mill had been illegally possessed.

Santos contacted the state governor, who ordered state and anti-riot police to arrest the leaders of the movement; three of these leaders had been fired on by hired gunmen before the mill seizure. Seven men were taken from their homes at gunpoint, in their *calzoncillos* (underwear), and incarcerated; the police showed no order for search and arrest. They were released after 20 days, on bail of 1000 pesos each, but were required to sign in on a weekly basis--like criminals on parole, for four years. A detainee who suffered diabetes and heart problems died before being released from his parole obligations. He had migrated with his family to Veracruz, but returned to Puruarán to engage in the struggle to reopen the mill. Another of the detainees later related: "We did not rob, we did not kill, we did not take anyone's property away from them. The crime was to work. That was the crime. The crime was to work, that is why

they jailed us" (fieldnotes, 1997).

On the day of the arrests, July 3, 1993, the town was besieged by 150-200 state and federal police. They arrived in Puruarán at 5:00 AM in 30 Suburban station wagons and pickups, three anti-riot trucks, and two fire trucks, and began to dismantle the sugar mill. As the church bells tolled, townspeople united in a demonstration and prohibited the police from removing additional mill equipment. Subsequently, 60 "Azules," or preventative police, arrived to guard the mill, from 1993 to 1996. While it was under their "protection," the Azules dismantled and destroyed machinery, cut cables, broke windows, and fired numerous rifle shots through the roof. According to residents, the police destroyed the mill because they knew the people would try to operate it again if it were left intact. This intimidation did not terminate the community's struggle, however.

The leader of the movement, Gregorio Alvarez, escaped after absconding with much of the profit from the illegal miniharvest. His actions initiated a series of divisions within the social movement and left residents disillusioned and mistrustful. A struggle for control of the movement ensued. As community tensions increased, the *comisariado ejidal* (president of the *ejido*) was killed--some claimed, by his opponent, Gregorio Alvarez. Subsequently, in September 1996, Alvarez was himself the victim of an assassin's bullet. In a context of escalating violence, 15 individuals were killed in a three-year period over conflicts related to the sugar mill. The former unity has not been regained as new groups have emerged to take control of the social movement.

Puruarán's priest assumed leadership of the movement in 1995, at the insistence of 500-600 ex-mill workers, cane growers, taxi drivers, teachers, merchants, housewives,

and other residents attending a community meeting. The priest agreed to do so, on condition that there be no violence and that the struggle be waged through legal means. He explained to me why he, a priest, would become involved in such a struggle:

First, you have to fill the stomachs of the people, before talking to them about God. If they are hungry, how am I going to speak of this? Then, I am sensitive to the needs of the people; if I can help them to procure employment, I will help them. This is not so I can gain glory, but for the satisfaction that I have in being able to open doors.

The Committee for the Struggle to Reopen Ingenio Puruarán formed under his leadership and began a three-year legal campaign to oblige the government to intervene on behalf of the community. The Committee presented petitions for expropriation of the mill to the governor, state officials, national officials, and President Zedillo. The Committee based its demand for expropriation on alleged violations of the sale contract. Clause 8 obligates purchasers of Mexican sugar mills to maintain their factories as sources of employment and to improve their productive capacities. Furthermore, this clause requires purchasers to "foment modernization, rehabilitation, diversification, integration, and agricultural development."

In 1995, the Committee met with Santos de Hoyos and government officials and proposed three alternatives to Santos: (1) that he sell or rent the mill to the community, (2) that he remain owner but let the community operate the mill, or (3) that he reopen the mill and operate it himself. Santos' response illustrates the exclusionary character of the current development trend and its inability to address the social injustices

suffered by those who are marginalized: "The social aspect, the development, to remove so many people of the region from poverty, this is not my responsibility. As a businessman, it has to be a business that gives me earnings."

Failing to achieve a favorable response, in 1996 townspeople again took over the Puruarán mill and forced the police guards to leave. An agreement was reached with the state government allowing community residents to guard the mill, and 30 individuals continued to work rotating shifts to guard it against further destruction. Ultimately, Santos demanded that the mill be returned to him and threatened to close the nearby Pedernales mill, as well, if it were not returned.

In 1996, the Committee began to work with the Michoacán government to establish small factories as alternate sources of employment, none of which materialized. This effort entailed a strategy of accommodation that turned much of the population against the Committee, with accusations that Committee members were no longer interested in reopening the sugar mill. The movement fractured once more with challenges that the priest's Committee had been sold to the government and that its leaders became involved in the movement only to secure support for political positions within the ruling party, PRI (Partido Revolucionario Institucional). The president of the Committee, one of three elected leaders, ran for Presidente Municipal on the PRI ticket in 1998.

A new faction emerged in 1998 under the leadership of Pedro Tapia (pseudonym), a former mill accountant. Tapia formed the Sociedad Cooperativa Lázaro Cárdenas del Río, comprised of loyal PRDistas, some of whom also aspired to local offices in the 1998 elections. At the national level, the PRD (Partido Revolucionario Democrática) is

the left-of-center opposition party that seriously challenged the government's ruling PRI party in the 1988 presidential elections. Although Carlos Salinas de Gortari was "officially" declared winner, it was widely recognized that election fraud prevented Cuauhtémoc Cárdenas, the PRD candidate, from winning. While the PRI has won every presidential election since 1917, the PRD, along with other oppositional parties, has taken a more active role in national and local politics recent years.

Political opening, characterized by participation of opposition parties within the past decade, further disunited the movement in Puruarán. The accountant's faction found fertile soil for taking action and gaining support, owing to the inability of the official Committee, now derogatorily referred to as PRIistas, to achieve results. Tapia's faction forced the Committee's guards out of the mill on April 20, 1998, and initiated a second illegal operation of the mill, with poor results. Owing to mechanical failures, they processed only 20 tons of sugar from 5,000 tons of cane delivered by loyal cane growers.

Strangely, the owner and state authorities did not intervene in the 1998 operation, but growers who delivered cane to Puruarán were denied further credit at Ingenio Pedernales, and workers who helped with repairs to the mill were dismissed from employment in the construction of irrigation canals--the most important, if temporary, alternative source of employment since the mill closure. The canal project extended the irrigation infrastructure for cane lands in the zone of Santos' Pedernales mill and was financially supported by the state government. Growers who delivered cane to Santos' Pedernales refinery in 1998 suffered different consequences. The Pedernales mill still had 60 percent of its sugar stockpiled in the warehouse in September 1998,

owing to the displacement of sugar by HFCS. As a consequence, Pedernales, along with other mills in the country, was left with insufficient cash flow to make payments to cane growers. Between August 9 and August 25, 1998, lists were posted on the door of the *casa ejidal* (*ejido* office) advising growers when they would be paid for their cane. People lined up daily to check the lists, and desperation mounted, since over two-and-one-half months had passed since the end of the harvest, well beyond the legally-specified 30 day limit for making payment to growers.

Tapia's faction quickly lost most of its support after he sold the sugar and syrup stored since the 1993 miniharvest, then claimed that he had no money to pay growers or mill workers, who had labored for months without pay. Accusations that Tapia was pocketing money from the sale of sugar, that opponents had sabotaged the mill, that cash donations contributed to the movement by local politicians and Puruarán migrants in the U.S. had been confiscated by the priest's group, and that the Committee had "sold out" to the government were rife in the community. Yet, the desire to reopen the mill rivals the force of increasing factionalism. Antonio revealed the greater common aim of most community residents--to get the mill reopened:

Well, there were certain things about the priest's Committee that we did not like, but we are in the same boat. Thus, if they get it opened, well fine. And if Pedro achieves it, good, or another group, good. Here, if the virgin opens it, if the Señor San José [the village patron saint] opens it, [what matters is] that it gets opened.

While political will to reopen the mill is strong among *all* residents of Puruarán, the sharp factions that divide the community and that foster paranoic mistrust among

neighbors and even within families pose a formidable barrier that must be transcended.

THE SOCIAL IMPACT OF MILL CLOSURE

Phillips (1998) suggests that the gap between neoliberal rhetoric and the realities associated with neoliberal reforms obscure the worsened conditions for livelihood, health and economic and social well-being borne by those who are marginalized. The closure of Ingenio Puruarán provides an empirical case study to examine the impact of neoliberal policy on local residents and to give voice to local actors who may share an alternative view of the neoliberal agenda. Taking account of the global-local nexus within which local actors confront the challenges posed by a globalized, market-driven world clarifies the need to prioritize social justice as a crucial element of economic policy.

Local Discourse and the Ideology of Social Justice

Field research based on formal and informal interviews with people from all walks of life in Puruarán--cane growers, ex-mill workers, teachers, small business owners, and service providers--bears witness to the startling assault on social justice caused by the mill closure. No individual escaped its impact. Owing to the lack of alternative sources of employment, the majority of citizens were left with extremely limited incomes. Economically, loss of income affects access to housing, food, clothing, and medical care. Nutritional deficiencies are common. Lack of clients and cash flow have challenged the ability of local businesses to stay afloat. In a community that sent many of its children on to higher education, school enrollments declined dramatically. Socially, Puruarán's residents experience profound distress, mixed with rage. Many

turned to robbing, alcoholism, narcotrafficking, and violence when no other solution materialized.

Since the mill closure, residents of Puruarán have constructed a shared ideology of social justice that communicates their outrage through forms of local discourse. Concern with preservation of their families, their community, and the right to work punctuate everyday conversations. Perceptively attuned to the needs of the community, the parish priest confided:

I arrived when it was very critical, after they closed the mill. You can still see the great poverty because many jobs were lost. The pay from the mill that was received in all the region, all this brought people for commerce--the commerce was lively. [Today] the stores are barely surviving. Many [of them] closed and many ex-workers had to leave Puruarán; they had to migrate. This was a consequence of the closing. The first six months after I arrived, pickups with high-powered weapons passed, firing at all hours. The people, at six in the afternoon, no longer left their houses. I believe that, for lack of employment and with the crisis here, it provoked peoples' nerves. Many young boys have been killed by police while robbing in the streets. How many have been killed? Well, we have lost count. Here we say that, when 15 days pass without an assassination, it is a long time. The region is violent, but the violence has increased because of the unemployment and the crisis. And the violence continues.

This reality contrasts sharply with local historical memory. A salient factor giving form to community life in Puruarán is its historical legacy of cane and sugar

production. Humberto (pseudonym) is an 82-year-old cane grower whose father had worked at the Puruarán mill and labored in the cane fields. When Humberto was a child, his family lived in a house with cornstalk walls, a woven thatched roof, and a dirt floor, yet the family of five survived on his father's income. Humberto began to labor in the fields at age 12, when his father taught him to cultivate cane. In 1938, President Lázaro Cárdenas distributed land to *campesinos* (peasants) and Humberto received his *ejido* parcel of two hectares. All of Humberto's seven children are cane growers. As in most families in Puruarán, the tradition of working in the cane or the mill spans many generations. Humberto assessed the mill closure: "We don't have any other industry except the cane. As long as I remember, this had been the only industry here. Now we have no money. From where?"

Many cane growers now deliver their cane to Santos' Pedernales mill, 11 km from Puruarán. Out of the 1140 cane growers who delivered cane to the Puruarán mill in 1991, 844 (74%), delivered to Pedernales in 1998. (These data do not include growers from surrounding communities.) Most growers shared a resentment that they must now deliver outside of their zone, owing to greater transportation costs and difficulty in getting their cane processed at Pedernales.

Humberto, whose highest profits at Puruarán were 8,000,000 pesos (U.S. \$2567), was obliged to contract with the Pedernales mill in 1993. He earned no profit for three years, until 1996, when he earned 1000 pesos (U.S. \$135). In his words, "The cane growers are sweating so that others can benefit. The mill owners are enjoying their life and the poor cane grower is suffering."

Rogelio (pseudonym), another cane grower, received a profit of 5,000,000 pesos

(U.S. \$1605) at Puruarán; after he contracted with Pedernales, his cane was burned in preparation for cutting, but never harvested because Pedernales was unable to mill all the cane in the two zones. Nonetheless, Rogelio still owed the mill 9,000,000 pesos for production costs, which are customarily extended in credit to the grower and charged against his or her account. Pedernales denied him credit the following year and he quit cane production. No longer a contracted cane grower, he lost his access to health insurance and retirement benefits that are available only through the sugar mill. Subsequently, the Pedernales mill attempted to rent his land; rather than rent to the mill, he rents out his land for pasture, providing him an income of 1,000 pesos (U.S. \$135) per year. He complained, "And now, all this land is vacant because many don't want to work with those who rob them. The cane is going to disappear because we don't want to be obligated to Pedernales. There are so many people that worked in vain."

Unlike cane growers, mill workers faced certain unemployment. Antonio (pseudonym), a boiler mechanic at Ingenio Puruarán for 47 years, illustrates how strong community ties and dedication to hard work shape local discourse and create an ideology of social justice. He explained his involvement in the mill seizure:

I did not think just of Antonio. I was thinking about my community, that the government was going to leave it a pure ghost town, without employment, without this source of work. Because if you had seen how in the mill all the people were active, the extensive activity, and it made a lot of money flow-- then it ended and look how we are. Never was it like this when we had the mill. Here, we are not educated people, we are working people. Our goal is

to open the Puruarán mill. We are struggling only so we can work, that is all.

What interests me is that the young people have work. It would take them out of the streets if they could dedicate themselves to work. We are working people and we demonstrated that with the miniharvest that we made, without even one engineer, with no one else but the workers. And we produced sugar and we are not afraid to present it before any sugar mill that has all its engineers, all its technicians.

Rural workers who were neither cane growers nor mill workers were also affected by the closing of Ingenio Puruarán. Lucio (pseudonym) explained why he was helping the ex-workers who were guarding the mill, even though he was neither a cane grower nor a mill worker:

Look, how good that you ask me that question. I am here giving support to this town because I live here and from the work in this town I maintained myself. For this, I say that each and every one of us resents it, since the moment that they closed our source of work, because it is the only thing we had to maintain ourselves and our children. For that I am here and I am giving the little bit of service that I can. I have been a *campesino* all my life. I cut cane and whatever work there was to do. My sons also depended on this source of work. Now, I have no work. I have looked, but there isn't any. The people here in Puruarán need this source of work so they can survive. If our government doesn't reopen our source of work, how are we going to live? We have to rob or we have to plant other things, like marijuana. That is what our government is pushing us to do. We are not to blame, if suddenly we have to

rob because we are hungry.

Lucio's words illustrate the outrage and will to struggle that symbolize an ideology of social justice, which Lucio shares with many others. He also demonstrates how the social construction of historical memory confers ownership of the mill upon the community:

Look, I want you to understand that this mill, as I understand it, has never been sold. Never. We are sure that this mill has not been sold--for this we are struggling. We need our source of employment reopened to give life again. They closed this mill only on the whim of a single person. How many thousands of people are suffering here? Imagine, because of the whim of a single person, how many people are suffering here!

One of the most striking results of the mill closure is the pervasive manner in which it affected *all* residents, even those with no direct relationship to the mill. Interviews with owners of small businesses--restaurants, clothing stores, groceries, pharmacies, butcher shops, market stalls--and with teachers, doctors, and others made clear that most were on the brink of bankruptcy, having lost an average of 30 percent of their incomes.

A restaurant owner reflected on how the mill closing had affected his business: "The sugar mill has always been the source of work here. Before, on Fridays--payday--the restaurant was filled, and now [sweeping his hand about the room, pointing to a single customer], it is empty. Well, it is very hard to keep going." When the mill was opened he earned, an average of 300 pesos (U.S. \$40) per day, and now his earnings have dropped to 100-130 pesos. "In that time, on Sundays, the people formed a line all

the way down the stairway, waiting for a table. Now there is no way to maintain oneself." Before 1992, the restaurateur employed five people, and now he runs the business with only one employee. "What more can I do for the workers? Well, there is no way." Clearly, apart from the direct impact on individual families, the mill closing further diminished the ability of local residents to maintain sources of employment outside of the mill and to generate employment for others in the community.

The owner of a clothing store complained, "Yes, you can see that [the mill closing] affected us because the sales are not the same. Before, I bought merchandise with cash and now it is on pure credit." She manages two large account books in which she keeps records of those who buy on credit; she says that, previously, most people bought merchandise with cash. "Before, in one day I would sell 12 dresses, and now, one dress. People always came to buy on Sundays. Now that school is starting, they buy on pure credit. Also, I am risking because many don't pay me back." Before the mill closed, she sold about 5000 pesos (U.S. \$670) of clothing per week (before discounting her costs) and now averages 3000 (U.S. \$400)--a drop of 40 percent. Both she and her husband operate this store, the only source of income for her family of seven. "There are many costs and we no longer eat the same," she added.

These are but two of many businesses studied, all of which reveal a common pattern--economic decline from the loss of wages among residents of the community. Another notable problem in the community is the inability of many children to attend school. The largest of four primary schools in Puruarán enrolled 480 students in 1997, whereas average enrollment before the mill closure was 700. The director of one of the two middle schools spoke of the consequences that the mill closing held for education.

In 1997, there were 14 groups of students with 30 students per group (420 students total); before the mill closed, there were 15 groups of 40 students. These figures represent a drop in school enrollment of 30 percent. Many families, he explained, do not have money for school uniforms, lunches, and supplies. School desertion is also high because many children have emigrated with their families. Before the mill closing, the majority went on to high school, but few do so now.

Professionals, who often acquired their credentials owing to income derived from the sugar mill, were also affected by the mill closing. They, too, retain a strong ideological commitment to locality. A prominent dentist in Puruarán explained that the earnings of his father, a sugarcane grower, allowed him to obtain the necessary education for his profession. The dentist served 15-20 patients per day before the mill closed; now, he has 5-7 per day, indicating that dental care for his patients suffered a decline of 66 percent. Identification with his community led the dentist to become involved in the movement; he became president of the Committee for the Struggle to Reopen Ingenio Puruarán. He explained: "As a native of Puruarán, I have seen the sadness [brought by] the closing of this source of employment. I was born here, I lived here, and I grew up here. I asked myself, 'What have I done for the community?' I was fighting with papers. [He shuffled through the stacks of papers on his desk related to the Committee's struggle and written communications with outside officials.] I am here to confront this crisis."

The crisis had a profound impact on health care in the community. A medical doctor at the IMSS clinic estimated that about 30 percent of children in the community suffer malnutrition. It is also important to note that only growers who deliver cane to

the Pedernales mill are covered by health insurance; those who quit production lost access to health benefits. Health insurance and pension funds for all mill workers terminated when the mill closed. Declining access to health care is compounded by the fact that many families no longer eat as well as before.

The mill closing had obvious economic repercussions on the community, but it also brought psychological stress that translated into alcoholism and violence. These destructive forces tore some families apart, as a former mill worker related:

Before, the people were more tranquil. We knew that on Saturday the mill was going to pay, and there were no fights. We knew that our children would be content. Now, there is more tension among the people; the atmosphere is very different. You can see the worry lines on the faces, in the faces of the adults. They are very tense and there are no smiles. Many times they drink alcohol, and do you know why? To forget. The people have become alcoholic, and they fight. Do you know why the people fight? Because they have no future. They leave their families and they go to the U.S., and that is what brings the alcoholism. The family disintegrates, they go, and they hardly return. The people are not bad. What is bad is that the mill closed. If this mill were to work, the people would not leave. There are people from Puruarán in Washington, they are in Oregon and California.

One of the most notable results of shutting down the sugar mill is that it forced many families to uproot themselves, often to enter the U.S. illegally. The population of Puruarán declined 16.6 percent, from 13,638 in 1987 to 11,373 in 1996, suggesting a high degree of out-migration. Much of the population now survives on pensions and on

remittances from the U.S. Paradoxically, just when U.S. immigration policy tightens the border, current international and Mexican policies precipitate factory closures that augment this out-migration. Migration is not undertaken lightly, for residents of Puruarán are acutely aware of the risks. People frequently reported that migrants were robbed by *coyotes* (individuals paid to assist with illegal border crossings) and left destitute. A 1997 report from a Michoacán newspaper was not uncommon: 17 bodies of dead immigrants were returned to Michoacán in 1996, and the body count rose to 49 the following year (Gurza 1997).

The Symbolism of Resistance

The entire community of Puruarán immersed itself in a remarkable struggle to reopen its primary source of employment and to confront the hegemonic powers that had challenged the social reproduction of community life. In the process, local identity was reaffirmed and expressed through a symbolism of resistance. This symbolism represented not only the social reconstruction of community identity but also, as suggested by Hernández and Nigh (1995), materialized in counter-production defined through political struggle.

The symbolism of resistance to globalizing forces experienced among community members unfurls itself in a spectacular display of public artwork. A block-long wall adjoining the sugar refinery uses the medium of a vividly-colored mural with poignant discourse of resistance to call attention to the community's struggle to reopen the mill and preserve the community (see Figure 2). The artwork on this wall portrays the people raising clenched fists, accompanied by the words, "We will conquer" (see Figure 3). It displays portraits of Subcomandante Marcos (the leader of the Zapatista rebellion

in Chiapas state), Emiliano Zapata (the land-reform hero of the 1910 Mexican Revolution; see Figure 4), and Che Guevara (hero of the Cuban revolution; see Figure 5), exemplifying the community's appropriation of and identification with these revolutionary heroes. Augmenting the artwork, along the length of the wall, are the protests of the people. This wall displays the disposition of the community to struggle against all odds, as it avows, "Death to bad government," and "We struggle for liberty! Justice! and Democracy!" Through the words of Zapata, the wall proclaims, "The land and its product belong to those that work," and expresses the demand, "Work for all" (see Figure 6). The affirmation, "For the people, what is of the people, and NOT for the good of the bosses," illustrates the profound conflict between what the community perceives as corrupt industrialists and the legitimate needs of the people (see Figure 7). The will to preserve the community's historical legacy is symbolized in the words, "No ambition will devour the sweetness of this town."

This wall, then, symbolizes the reality of globalization and the impact of the neoliberal project on the community of Puruarán. The *comisariado* (*ejido* president) used these words to explain that the discourse of struggle is not a phantom ideology: "Puruarán is not a television show. It is a reality that should be seen but, above all, to be able to understand that the government should attend to us, [and] if it does not do it in time, we will all lament the consequences" (Hernández 1996:10).

An Auspicious Postscript

Recently, an auspicious event shows promise for reenergizing the local economy

of Puruarán. Gregorio Alvarez, initial leader of the movement, was approached after the 1993 seizure of the mill by a company interested in working with rural cooperatives. Pascual, manufacturer of the non-cola, natural fruit drinks that sell under the "Boing" label, offered to purchase the Puruarán refinery. The community would form a cooperative to operate the mill and, in exchange for financing operations, Pascual would purchase all of the sugar produced by the cooperative. As divisions within the community increased, however, Pascual withdrew from the offer. In August 1998, Tapia's faction visited officials of Pascual in Mexico City and reopened dialogue. On January 28, 1999, a new agreement materialized and the Puruarán mill once again opened its doors under contract with Pascual. Some 200 growers were delivering their cane and mill workers were receiving their bi-weekly paychecks. Of special interest is the fact that, as one consultant stated, "Pascual does not use one drop of fructose." This solution provides people with work and income, and guarantees a market for their sugar, while it contributes to the production of a healthier, non-cola product.

CONCLUSIONS

Global competition is central to the new world economic order, a fact that is readily apparent. As Llambí (1996) points out, though, the simultaneous transformations taking place in rural localities may be less visible, although equally dramatic. In this paper, I have attempted to demonstrate the dynamic interrelationship between these global and local processes. The closing of the Puruarán, Michoacán sugar mill not only illustrates the daunting impact of corporate consolidation and free market neoliberalism on a rural community, but also reveals how the globalization of local

space may foment a counter-hegemonic response in opposition to the logic of globalized capitalism and generate new forms of social organization to counter the consequences of social exclusion. The closing of the Puruarán sugar mill foreshadows the social costs that would be engendered by the elimination of additional sugar mills faced by competition in the new global marketplace.

Globalization, privatizations, and market expansion stand to replicate the social injustices inflicted on Puruarán 20-fold, as other sugar-producing communities succumb to economic rationalization. Yet, macro-analytic approaches seldom examine the social costs and human suffering that accompany the ascendancy of global competition. Concern with social justice requires an alternative focus, one that not only takes into consideration how unequal competition, loss of work and income, and declining standards of living are experienced by local communities, but also accounts for emergent social movements that aim to preserve community forms of survival.

NOTES

1. The research included communities in the provision zones of four sugar mills: Ingenio Quesería, Colima; Ingenio San Sebastián, Ingenio Lázaro Cárdenas (Taretan), and Ingenio Puruarán, Michoacán. "Ingenio" is the Spanish term for sugar mill.
2. Ironically, after closing the Puruarán mill and threatening to close the Pedernales refinery, in 1997 Santos purchased three additional mills, Cuatotolápan and San Gabriel, both in Veracruz, and Plan de Ayala, San Luis Potosí. Plan de Ayala is the largest producer among Santos' six mills. Since mills that are at risk of closure are those that produce under 100,000 tons of sugar annually, only two of these--Alianza Popular and Plan de Ayala--would seem secure from this risk.
3. In Mexico, the term "neoliberalism" connotes economic policies and practices that in the United States would be considered conservative in nature. Based on principles of classical economics, neoliberalism emerged in Mexico and other Latin American countries largely in response to the "lost decade" of the 1980s, when Latin American nations fell into the grip of national debt. Neoliberal policies that were to serve as correctives to these faltering economies included state retraction from the economic sphere, private investment, and free-market principles oriented toward export production.
4. Structural adjustment involves a restructuring of the economies of debt-ridden countries and adoption of a series of policies imposed by the IMF (International Monetary Fund). The 1980s debt crisis that plagued many Latin American nations instilled the fear that default on their loans would destabilize the world economic

system. To ensure repayment of these loans to World Bank and private lending institutions, restructuring of the debt and acquisition of new loans were contingent on adopting economic policies and austerity measures specified by IMF. Because government control of the economy was viewed as inefficient, private (often foreign) investment was believed to offer greater potential for economic growth. In addition to privatizing the economy, structural adjustment policies called for withdrawal of state subsidies for basic goods and services, agricultural production, and social guarantees, along with wage controls, devaluation of currencies, elimination of tariffs and trade barriers, and the opening of markets to free trade. The loss of protections, however, created greater hardships among the poorer sectors, as imports from the world market competed with locally-produced goods.

5. Mexican *ejidos* are agrarian reform lands, comprising approximately 50% of arable lands in Mexico. After the revolution, large, landed estates were broken up and redistributed to petitioning rural communities. Article 27 of the 1917 Mexican Constitution made provision for the distribution of land to peasants, which was either worked communally, or parceled to individual members, who held usufruct rights. The land was inalienable and could not be legally sold, although rights could be passed to a family member through inheritance. In 1992, the Mexican Constitution was modified, legally terminating the government's obligation to redistribute lands and establishing the legal basis for privatization of *ejido* land.

6. The Mexican peso was devalued from 3116 pesos to the U.S. dollar in 1992 to 3.19 in 1993. The older value is referenced in "old pesos," while the new value is given in "new pesos."

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Table 1. Improvements in the Sugar Industry, 1990 to 1997^a

	<u>1990</u>	<u>1997</u>	<u>Percentage Increase</u>
Hectares Harvested	510,596	582,746	14.13
Cane Processed (tons)	34,893,129	42,170,674	20.86
Field Yield (tons/ha)	68.34	72.37	5.90
Sugar Produced (tons)	3,173,680	4,541,269	43.09
Sugar/Hectare (kg)	6,216	7,797	25.43
Percent Sucrose in Cane	11.65	13.46 (1996)	15.54
Percent Factory Yield	9.10	10.78	18.46

^aSource: Cámara Nacional de las Industrias Azucarera y Alcohólera.

Table 2. Mexican Imports of HFCS (High Fructose Corn Syrup), 1992-1997^a

<u>Year</u>	<u>Tons of HFCS Imported</u>
1992	20,000
1993	57,000
1994	113,000
1995	131,000
1996	261,000
<u>1997</u>	<u>350,000</u>
Total	932,000

^a Source: Cámara Nacional de las Industrias Azucarera y Alcohólica.

Figure 1. Map of Mexican Sugar Mills^a

^a Source: Adapted from James B. Pick, Edgar W. Butler, and Elizabeth L. Lanzer (1989)

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Figure 2. The wall mural at the Puruarán sugar mill

Figure 3. A section of the wall declaring "We will conquer" (Venceremos) and "For the people, what is of the people, and NOT for the good of the bosses" (Para el pueblo lo que es del pueblo y no para bien de patrones")

Figure 4. A depiction of Emiliano Zapata, accompanied by the words "Long live Zapata" (Viva Zapata)

Figure 5. The image of Che Guevara

Figure 6. A section of the wall demanding "Work for all" (Trabajo para todos)

Figure 7. A mural adjoining the sugar mill depicting the community's struggle against what they perceive to be corrupt businessmen